

Summary of Accounts 2012/13



Brighton & Hove
City Council

Summary of Accounts

This summary of accounts shows where Brighton and Hove City Council spent its money in the twelve months to 31 March 2013, and gives an overview of its financial position at the end of March 2013. The authority provides a wide range of services including Social Care, Education, Highways, Transport and Libraries.

The figures have been taken from the full statement of accounts produced in accordance with the International Financial Reporting Standards (IFRS). The full accounts are available on the authority's website www.brighton-hove.gov.uk.

What the money was spent on

During the financial year 2012/13, the authority spent a total of £288 million providing services to the public.

Services	Net Spend £'000	%
Adult Social Care	81,140	28.1%
Children and Education	71,580	24.9%
Environmental, Regulatory and Planning	50,020	17.4%
Cultural	26,974	9.4%
Central, Corporate and Democratic	14,903	5.2%
Highways and Transport	11,598	4.0%
Housing	9,551	3.3%
Other operating costs	22,233	7.7%
Total spend	287,999	100%

Adult Social Care – supports adults who have care needs and their families, provides respite care, residential homes and day centres.

Children and Education – includes schools, private and voluntary nurseries and adult and youth education.

Environmental, Regulatory and Planning – includes refuse collection, disposal and recycling, and economic development.

Cultural – includes recreation and tourism, parks and seafront services, and museums and libraries.

Central, Corporate and Democratic – includes electoral services, council tax running costs, housing benefits, and corporate and democratic core costs.

Highways and Transport – includes transport planning, traffic and highways management, parking, road safety and support to public transport.

Housing – includes work on the authority's own housing stock, working with private sector housing businesses and preventing homelessness.

Other operating costs – comprises corporate overheads not allocated to individual services.



Where the money comes from

In addition to income generated by services, the authority received £279 million through Council Tax, Business Rates, government grants and donated assets.

Income	£'000	%
Council Tax	(119,755)	42.8%
Business Rates	(102,387)	36.7%
Government grants	(56,950)	20.4%
Donated assets	(156)	0.1%
Total income	(279,248)	100%

Net cost	£'000
Total income	(279,248)
Total expenditure	287,999
Cost of services after income is deducted from expenditure	8,751

For further details on Council Tax and Business Rates collection, please refer to page 122 of the main accounts.

Council Tax

Council Tax charges are raised according to the historical value of residential properties. The authority also collects Council Tax on behalf of the Sussex Police & Crime Commissioner and East Sussex Fire Authority. Using the example of a band D property, the table below shows how the income was distributed between the three authorities.

Council tax	£	%
Average band D yearly rate for 2012/13	1,483.15	100.0
Distribution between the authorities	£	%
Brighton & Hove City Council	1,262.87	85%
Sussex Police & Crime Commissioner	138.42	9%
East Sussex Fire Authority	81.86	6%

Business Rates

Business Rates (also known as Non-Domestic Rates) were charged at the nationally set rate of 45.8% of the rateable value of business premises.

Government grants

Grants received from central government are either ring-fenced (to be used for a specific purpose) or non ring-fenced. The authority has the flexibility to use non ring-fenced funding to support the delivery of local, regional, or national priorities within Brighton & Hove. Ring-fenced grants are distributed by central government and relate to specific services.

For more information see note 14 on page 47 of the main accounts.



What the Council is worth

The balance sheet shows the authority's assets and liabilities at year end. Assets are the resources that the authority owns and the funds owed to the authority. Liabilities are what the authority owes to others. On 31 March 2013 the authority had total net assets of £1.63 billion. The figure includes £211 million of heritage assets relating to the Royal Pavilion estate, collections, West Blatchington and Rottingdean Windmills, and the Volks Railway.



The authority's assets include the Brighton Centre, West Blatchington Windmill and the Volks Railway.

Net assets	£'000
Land, buildings and equipment	2,079,399
Stock	862
Investments	55,446
Bank overdraft	(3,123)
Money owed to the authority	46,839
Money owed by the authority	(548,756)
Total net assets	1,630,667

Financed by	£'000
Usable reserves	(89,507)
Unusable reserves	(1,541,160)
Total reserves	(1,630,667)

Reserves policy

At 31 March 2013, the authority held £89.5 million of usable reserves. These can be utilised to provide services subject to the need to maintain a prudent level of funds in reserve. Unusable reserves hold accounting adjustments in relation to assets and liabilities e.g. adjustments to long term assets and pension funds. These unrealised gains and losses cannot be used by the authority to provide services. For more details see notes 25 and 26 on page 72 of the main accounts.



Capital expenditure

During 2012/13 the authority spent £69.3 million on capital projects. Expenditure in this area generally represents money spent by the authority on the purchase, upgrade and improvement of its long-term assets. This might include roads, buildings and equipment which will be used to deliver services to the public over a long-term period.



Expenditure on Council dwellings accounted for £28.9m of capital spend

Capital spend	£'000
Council dwellings	28,900
Education	12,700
Transport	12,500
General fund housing	4,700
City infrastructure	4,000
ICT and accommodation strategies	2,700
Other projects	3,765
Total capital spend	69,265

Housing Revenue Account

The Housing Revenue Account (HRA) shows the day-to-day income and expenditure on the housing stock that the authority owns. By law, the HRA must be kept separate to the authority's main accounts and all expenses must be covered by the authority's tenants. The authority is responsible for managing the 11,858 dwellings that it owned at year end. During the year, 201 properties were transferred to Brighton and Hove Seaside Community Homes Ltd and 25 properties were sold.

Accommodation type	Number of Properties
Bedsits	710
Bungalows	254
Flats	6,545
Houses	4,182
Maisonettes	167
Total number of dwellings	11,858



There was a £6.45 million increase in the HRA balance for the year and the table below summarises the accounting entries that are required to be charged to the HRA budget.

Income	£'000
Rent income	(48,321)
Charges for services and facilities	(4,414)
Subsidy receivable	(62)
Total income	(52,797)
Repairs and maintenance	10,533
Supervision and management	13,352
Other costs	13,118
Total expenditure	37,003
Net additional amount to be charged to the HRA account	9,343
Total (increase)/decrease in the HRA balance	(6,451)

Glossary of terms and abbreviations

Asset	An asset is a resource controlled by the authority which is expected to generate income or provide services.
HRA	Housing Revenue Account.
IFRS	International Financial Reporting Standards advise the accounting treatment and disclosure requirements of transactions so that the authority's accounts present fairly the financial position of the authority.
Liability	A liability is a present obligation which may be settled, for example, by the payment of cash, transfer of assets or by providing services.



Feedback

We would be grateful for any feedback, especially any suggestions that would make this document easier to understand. Please send comments to:

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