

Brighton & Hove City Council

Summary of Accounts 2014/15

(Not subject to audit)



**Brighton & Hove
City Council**

Summary of Accounts

Brighton & Hove City Council (BHCC) provides a wide range of public services including Social Care, Education, Highways, Transport, Libraries and Public Health. This summary of accounts shows where the authority spent its money in the twelve months to 31 March 2015 and gives an overview of its financial position at the end of March 2015.

The figures are taken from the full statement of accounts which has been 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/accounts.

Where the money was spent

During the financial year 2014/15, the authority spent £781.540m providing services to the public.

Services	Gross Expenditure £'000	%
Children and Education	266,072	34.1
Housing	196,696	25.1
Adult Social Care	114,955	14.7
Environmental, Regulatory and Planning	48,887	6.3
Highways and Transport	47,083	6.0
Cultural	36,794	4.7
Central, Corporate and Democratic	20,753	2.7
Public Health	18,903	2.4
Other operating costs	31,397	4.0
Total spend	781,540	100.0

Children and Education - This is the largest area of expenditure and includes schools, private and voluntary nurseries, and adult and youth education.

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

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

Environmental, Regulatory and Planning - The service areas include refuse collection, disposal and recycling, and economic development.

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

Highways and Transport - The service area includes transport planning, traffic and highways management, parking, road safety and support to public transport.

Central, Corporate and Democratic - These service areas include electoral services, council tax running costs, housing benefits, and corporate and democratic core costs.

Public Health - This service area focus has been on the following: health inequalities and the wider determinants of health; drugs and alcohol; obesity and nutrition; smoking; sexual health; mental wellbeing; child health including parenting; healthy communities; and work places.

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

Where the money comes from

The provision of services was funded by £552.552m of gross income arising from the service areas. A further £264.446m was received through local taxation and non-ring fenced government grants, and £10.262m from other income. This resulted in a net surplus of £45.720m on the provision of services for the year.

Income	£'000	%
Service specific income	(552,552)	66.8
Government Grants	(105,323)	12.7
Council Tax	(107,648)	13.0
Locally retained Business Rates and share of (surplus)/deficit	(51,475)	6.2
Investment and other income	(10,262)	1.3
Total income	(827,260)	100.0

Net cost	£'000
Total gross expenditure	781,540
Total gross income	(827,260)
Surplus after expenditure is deducted from income	(45,720)

For further details on Council Tax and Business Rates collection, please refer to page 33 of the main financial statements.

Government Grants

Grants received from central government are either ring fenced 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 and Hove. Ring fenced grants are distributed by central government for use within a specific service.

For more information see note 15 on page 68 of the main financial statements.

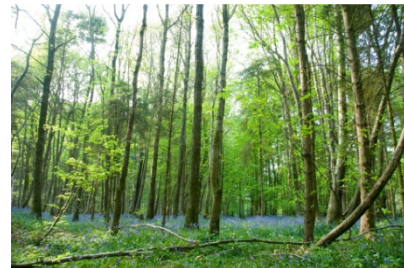
Council Tax

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 the 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 2014/15	1,537.98	100.0
Distribution between the authorities		
Brighton & Hove City Council	1,313.41	85.4
Sussex Police & Crime Commissioner	141.12	9.2
East Sussex Fire Authority	83.45	5.4

Business Rates

Business Rates (also known as Non-Domestic Rates) were charged at the nationally set rate of 48.2% of the rateable value of business premises. As part of the Business Rates Retention scheme the authority retains 49% of the non-domestic rates that it collects. The authority received an additional top-up grant from the government of £1.611m.



What the Council is worth

The balance sheet shows the value of 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 2015 the authority had total net assets (assets less liabilities) of £1.687bn. The figure includes £215.843m of heritage assets relating to the Royal Pavilion estate, gallery collections, the Volks Railway and West Blatchington and Rottingdean Windmills.



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

Net assets	£'000
Land, buildings and equipment	2,292,969
Stock	785
Investments	69,978
Bank overdraft	(1,732)
Money owed to the authority	54,733
Money owed by the authority	(729,509)
Total net assets	1,687,224

Financed by	£'000
Usable reserves	(75,759)
Unusable reserves	(1,611,465)
Total reserves	(1,687,224)

Reserves policy

At 31 March 2015, the authority held £75.759m 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 simply reflect accounting adjustments in relation to assets and liabilities e.g. adjustments to long term assets and pension funds. These gains (and losses) would only be realised if the assets were sold and therefore cannot be used by the authority to provide services. For more details see notes 6, 7 and 8 on pages 37 to 47 of the main financial statements.

Capital expenditure

During 2014/15 the authority spent £74.636m 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 includes roads, buildings and equipment used to deliver services to the public over a long-term period.



Expenditure on Council dwellings accounted for £27.977m of capital spend

Capital spend by operating segment	£'000
Environment, Development and Housing	47,892
Children's Services	10,486
Assistant Chief Executive*	9,589
Finance, Resources and Law	5,896
Adult Services	454
Public Health	294
Corporate Services	25
Total capital spend	74,636

*The services managed within the Assistant Chief Executive operating segment include culture, sport and tourism, and leisure services including development and management of the Royal Pavilion estate, the Brighton Centre and other museums and venues.

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 11,670 dwellings that it owned at 31 March 2015. During the year, 52 properties were sold and conversions of existing housing stock created a decrease of 11 properties.

Accommodation type	Number of Properties
Bedsits	680
Bungalows	249
Flats	6,448
Houses	4,126
Maisonettes	167
Total number of dwellings	11,670

At 31 March 2015 the HRA balance was £5.229m, which represented a decrease of £0.257m during 2014/15. The table below summarises the accounting entries that are required to be charged to the HRA account.

HRA income, expenditure and adjustments	£'000
Income	
Rent income	(51,840)
Charges for services and facilities	(6,031)
Other Income	(867)
Total income	(58,738)
Expenditure	
Repairs and maintenance	11,461
Supervision and management	13,363
Revaluations less depreciation and impairments of non current assets	(40,994)
Other costs	2,041
Total expenditure	(14,129)
Adjustments	
HRA share of corporate and democratic core	234
Share of Operating Income and Expenditure (I&E) in the Comprehensive I&E Statement	3,336
Net additional amount to be charged to the HRA account under statute*	69,554
Total adjustments	73,124
Total (increase)/decrease in the HRA balance	257

*The additional charge includes transfers to/from HRA earmarked reserves, contributions to capital expenditure and accounting adjustments under regulations.

Glossary of terms and abbreviations

Asset	An asset is a resource controlled by the authority which is expected to generate income or provide services.
BHCC	Brighton & Hove City Council.
HRA	Housing Revenue Account.
IFRS	International Financial Reporting Standards.
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 delighted to receive feedback. Please send comments to:

Central Accounting

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