

Summary of Accounts 2011/12



Brighton & Hove
City Council

Summary of Accounts

This summary of Brighton and Hove City Council's accounts shows where the Council spent its money and gives an overview of its financial position on 31 March 2012. The Council 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 Council web site www.brighton-hove.gov.uk.

What the money was spent on

During the financial year 2011/12 the Council spent a net total of £308 million on providing services to the public.

Services	Net Spend £'000	%
Adult Social Care	82,404	26.7
Children and Education	78,305	25.4
Environmental, Regulatory and Planning	36,413	11.8
Cultural	31,483	10.2
Housing	26,233	8.5
Highways and Transport	12,119	3.9
Central, Corporate and Democratic	10,962	3.6
Other operating costs	30,387	9.9
Total spend	308,306	100.0

Adult Social Care – supports adults who have care needs and their families, providing 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, museums and libraries.

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

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

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

Other operating costs – comprises corporate overheads which cannot be allocated to individual services.

Where the money comes from

In addition to income generated by services, the Council received £295 million through Council Tax, Business Rates and Government Grants. For details on the Council Tax and Business Rates collection, please see page 123 of the main accounts.

Income	£'000	%
Council Tax	(119,304)	40.4
Business Rates	(85,871)	29.1
Government Grants	(90,033)	30.5
Total Income	(295,208)	100.0

Net cost	£'000
Total Income	(295,208)
Total Spend	308,306
Cost of Services after total income is deducted from total spend	13,098

Council Tax

Council tax charges are raised according to the value of residential properties. The Council also collects council tax on behalf of Sussex Police Authority and East Sussex Fire Authority. The table below provides an example of how the income was distributed between the three authorities for the financial year 2011/12.

Council tax	£	%
Average band D yearly rate for 2011/12	1,483.05	100.0
Distribution between the Authorities		
Brighton & Hove City Council	1,262.82	85.2
Sussex Police Authority	138.37	9.3
East Sussex Fire Authority	81.86	5.5

Business Rates

Business Rates (or National Non Domestic Rates) were charged at the nationally set rate of 43.3% of the rateable value of business premises.

Government Grants

Grants received from central government can be either ring fenced for a specific purpose or non ring-fenced. The Council is free to use non ring fenced funding to support the delivery of local, regional, and 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 43 of the main accounts.

What the Council is worth

The balance sheet shows the Council's assets and liabilities. These are the resources that the Council owns, the funds owed to the Council and what it owes to others. This year a change in accounting policy has seen a new classification of 'Heritage Assets' included on the balance sheet. In this summary, Heritage Assets are included under 'Land, buildings and equipment'. On 31 March 2012 the Council had total net assets of £1.69 billion. The figure includes £182 million of Heritage Assets relating to the Royal Pavilion estate, collections, West Blatchington and Rottingdean Windmills, and the Volks Railway.



Heritage Assets including the Royal Pavilion Estates, West Blatchington Windmill and the Volks Railway included on the balance sheet.

Net Assets	£'000
Land, buildings and equipment	2,102,012
Stock	855
Investments	52,911
Bank overdraft	(6,884)
Money owed to the Council	43,471
Money owed by the Council	(502,207)
Total Net Assets	1,690,158

Financed by	£'000
Usable reserves	(87,482)
Unusable reserves	(1,602,676)
Total Reserves	(1,690,158)

Reserves policy

At 31 March 2012, the Council had £87.5 million of usable reserves. These can be used to provide services subject to the need to maintain a prudent level of funds in reserve. Unusable reserves can not be used by the Council to provide services, but instead hold accounting adjustments in relation to assets and liabilities e.g. adjustments to long term assets and pension funds. For more details see notes 25 and 26 on page 72 of the main accounts.

Capital Expenditure

Capital expenditure generally represents money spent by the Council on the purchase, upgrade and improvement of its assets. This might include roads, buildings and equipment which can be used to deliver services to the public over the long term.

During 2011/12 the Council spent £119.6 million on capital projects including £48.5 million invested in the Energy Recovery Facility in Newhaven.



Energy Recovery Facility in Newhaven



Falmer Academy, included in Education

Capital spend	£'000
Energy Recovery Facility, Newhaven	48,475
Other infrastructure	8,425
Education	25,266
Council dwellings	24,058
Other projects	13,360
Total Capital Spend	119,584

Housing Revenue Account

The Housing Revenue Account (HRA) shows the day-to-day income and expenditure on the housing stock that the council owns. By law, the HRA must be kept separate to the Council's main accounts and all expenses must be covered by the Council's tenants. The Council is responsible for managing the 12,095 dwellings that it owned at year end. During the year, 150 properties were transferred to Brighton and Hove Seaside Community Homes Ltd, 33 properties were sold and 5 were converted.

Accommodation type	Number of Properties
Bedsits	773
Bungalows	255
Flats	6,681
Houses	4,216
Maisonettes	170
Total number of dwellings	12,095

The table below shows a £9.4 million decrease in the HRA balance for the year and summarises income and expenditure and accounting entries that are required to be charged to the HRA budget.

Income	£'000
Rent income	(45,467)
Charges for services and facilities	(3,463)
Total Income	(48,930)
Repairs and maintenance	11,912
Supervision and management	12,649
Other costs*	26,718
Total Expenditure	51,279
Net additional amount to be charged to the HRA account	7,061
Total (Increase)/Decrease in HRA balance	9,410

* This includes £18 million for an exceptional item in respect of the HRA self-financing statement.

More details can be found in note 4 on page 32 of the main accounts.

Glossary of Terms

Asset	An asset is a resource controlled by the Authority which is expected to generate income or provide services.
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 you would like to give about this document, especially any suggestions that would make this document easier to understand. Please send any feedback to:

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Alternatively, you can send an email to accountancy@brighton-hove.gov.uk.

Translation? Tick this box and take to any council office.

ترجمة؟ ضع علامة في المربع وخذها إلى مكتب البلدية. Arabic

অনুবাদ? বক্সে টিক চিহ্ন দিয়ে কাউন্সিল অফিসে নিয়ে যান। Bengali

需要翻譯? 請在這方格內加剔, 並送回任何市議會的辦事處。 Cantonese

ترجمه؟ لطفاً این مربع را علامتگذاری نموده و آن را به هر یک از دفاتر شهرداری ارائه نمایید. Farsi

Traduction? Veuillez cocher la case et apporter au council. French

需要翻译? 请在这方格内划勾, 并送回任何市议会的办事处。 Mandarin

Tłumaczenie? Zaznacz to okienko i zwróć do któregoś z biura samorządu lokalnego (council office). Polish

Tradução? Coloque um visto na quadrícula e leve a uma qualquer repartição de poder local (council office). Portuguese

Tercümesi için kareyi işaretleyiniz ve bir semt belediye burosuna veriniz Turkish

other (please state)

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