

CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL
SUMMARY ACCOUNTS 2006-7

1. Introduction

This is a summary of the main points from the authority's published accounts. It is intended to offer an understanding of the authority's finances in a simplified format.

The accounts cover the year ended on 31 March 2007 and are usually referred to as "the 2006-7 accounts".

2. Capital Spending and Revenue Spending

All councils must make a distinction between capital and revenue spending. They must account for each separately:

Capital spending is spending on fixed assets such as buying or improving land or buildings, which has benefits for more than one year. The main ways of paying for capital spending are by using capital grants received by the Council specifically for capital schemes, by reinvesting income from the sale of assets, or through borrowing.

Revenue spending is spending on day to day things such as staff and running costs. Councils cannot borrow to fund revenue spending. It is paid for from income from government grants, non-domestic (business) rates and council tax payers.

3. What's Included

These summary accounts include:

A statement of *capital spending* and how it has been funded

A statement of *revenue spending* and how it has been paid for

A note of the *cash flow* or volume of cash transactions going through the council's books in the year

A *balance sheet*, showing the assets, liabilities and reserves of the council at 31 March 2007.

4. Contact Us

If you want more information, this summary and the full accounts are published on the authority's Website. Or you can contact me (details below).

This is a genuine effort to try to get information to Bradford's citizens and I would like it to succeed. So please let me have your thoughts on this summary and how it could be improved, anything you need explaining or any information you would like to see included in future.

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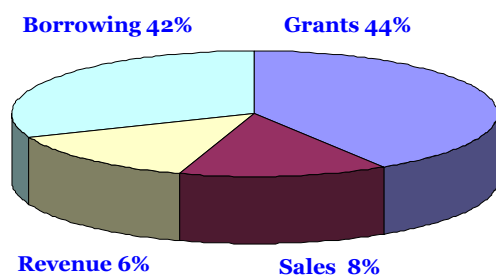
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Capital Spending

Total Spending	£m	Main Schemes	£m
Childrens Services	42.8	Children's Centres	6.3
		Additional School Places	6.7
		Devolved Formula Capital	6.1
		School Modernisation Grant	4.7
		Pupils Emotional/Behavioural Needs	2.3
Culture, Tourism and Sport	2.2	Bowling Pool	0.4
		Markets Improvements	0.4
		Springfield Centre	0.3
Customer Services	7.1	Bradford-I	6.4
Environmental Services	6.4	Recycling Schemes	1.2
		Replacement Vehicles	3.3
Policy and Corporate Support	1.7	Cleaner Safer Greener Initiatives	0.9
Regeneration and Housing	19.2	Private Sector Housing Schemes	10.2
		Integrated Development Plan	3.2
		LEGI	2.8
Social Services (Adults)	1.0	Repairs & minor works	0.8
Transportation, Design and Planning	14.3	Highways Maintenance	3.2
		Transport Package Schemes	3.1
		Bridge Strengthening	2.8
		Connecting the City	2.3
		Street Lighting	0.9
Other	1.8	Access for Disabled People	0.9
Total	96.5		

5. Paying for Capital Spending



- ◆ The authority used £42.4m **grants** and contributions from the Government and other bodies to fund its capital spending. It also used £5.6m of funding from **revenue** and revenue reserves and a further £7.9m came from income received from **sales** of land and buildings.
- ◆ The balance of capital spending of £40.6m was paid for by **borrowing**. (Borrowing to fund capital investment creates annual interest and repayment costs; those are revenue costs and are included in the revenue spending statement. The authority receives Government grant to pay for most of the revenue costs of borrowing).

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6. Revenue Spending

The council spent £380.4m in the year. It received income of £377.2m. This meant that spending exceeded income by £3.2m. The shortfall was met from the Council's General Fund balance, leaving £11.7m to be carried forward as an unspent balance into the new financial year.

	£m
Total Spending On Services:	
Education	478.9
Social Services	204.0
Environmental Services	67.1
Cultural and Related Services	48.3
Planning and Development Services	48.3
Highways, Roads and Transport	47.4
Housing Services	137.4
Court and Probation Services	0.9
Central Services to the Public	40.9
Corporate Management	4.4
Democratic Representation	4.8
Undistributed Costs	3.4
Trading Services	0.1
	1085.9
Less income from fees, charges & specific government grants	740.9
	345.0
Other Costs:	
Parish Council precepts	0.6
Interest and investment income	-6.6
Cost of external borrowing (interest and repayments)	31.7
Pension interest costs & return on pension assets	2.3
Transfers from reserves	7.4
Total spending to be met from government grants and local taxation	380.4

	£m
Income From Grants and Local Taxation	
Council tax	143.6
Non-domestic (business) rates	189.1
General Government grants	44.5
Total	377.2

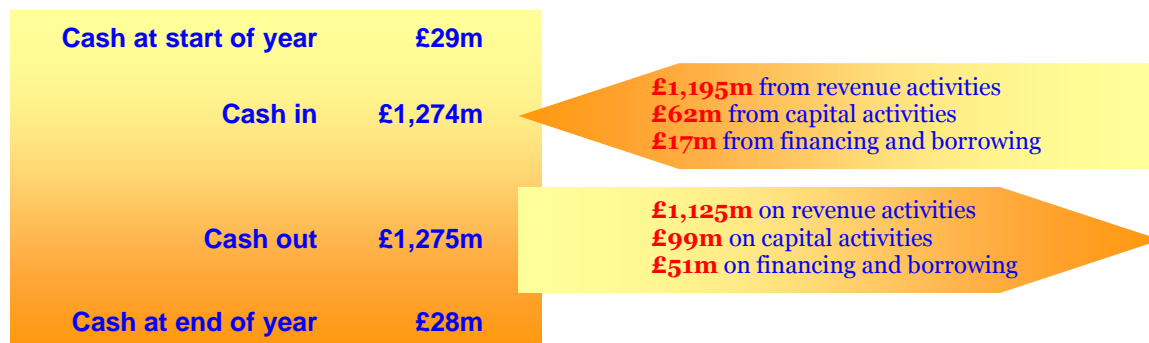
- ◆ 68% of the council's income came from the government through specific grants £502.3m, general grants £44.5 and £189.1m non-domestic rates.
- ◆ 13% of income came from council tax.
- ◆ The remainder of the Council's income 19% came from fees and charges made for services.
- ◆ The authority set a Band D council tax for its services of £988.33 for 2006-7.
- ◆ The government sets the level of business rates. The government collects all business rates nationally and redistributes them to individual authorities by formula. (Which means Bradford's business rates income is not the amount collected within Bradford.)

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7. Cash Flow

The cash flow gives an indication of the volume of cash going through the authority's books each year. It shows that although cash balances only reduced by £1m in the year, this was the net result of the authority receiving cash income of £1,274m and making cash payments of £1,275m.



8. The Balance Sheet

The balance sheet shows the authority's financial standing at 31 March 2007 – the value of assets owned, how much it is owed, how much it owes others and how much it has in financial reserves.

	£m
Buildings, property and other assets of the authority	1,032.7
Amounts invested by the authority	107.7
Stocks	1.5
Cash balances	28.0
Money owed to the authority	92.9
Money owed by the authority	-145.9
	1,116.9
Financed by:	
Long-term borrowing by the authority	424.3
Revenue reserves	76.5
Other accounting reserves and balances	616.1
	1,116.9

9. The Authority's Revenue Reserves

General reserves £11.7m

- ◆ Authorities must maintain a minimum level of general reserves to protect against unforeseen events. The authority has a policy of maintaining a minimum level equivalent to 2% to 2.5% of its budget.

Earmarked reserves £64.8m

- ◆ Earmarked reserves include school balances of £18.9m.
- ◆ All other earmarked reserves are to support planned spending.
- ◆ They include £12.8m of resources supporting planned capital investment by the authority.