

# CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

## SUMMARY ACCOUNTS 2007-8

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### 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 2008 and are usually referred to as "the 2007-8 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 2008

### 4. Contact Us

If you want more information, this summary and the full accounts are published on the authority's website, [bradford.gov.uk](http://bradford.gov.uk), or you can contact me, using the 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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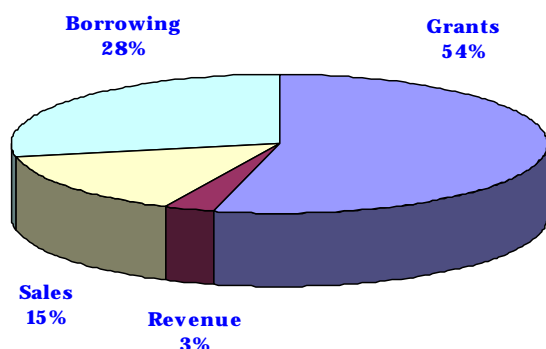
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**CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL**  
**SUMMARY ACCOUNTS 2007-8**

**5. Capital Spending**

<b>Total Spending</b>	<b>£m</b>	<b>Main Schemes</b>	<b>£m</b>
Adult Services	2.0	—◆ Extra Care Housing Improving Care Homes for Older People	0.6 0.7
Children's Services	26.7	—◆ Devolved Formula Capital Parkside School and Challenge College Additional School Places Children's Centres Modernisation Grant Special Schools Reorganisation	6.9 4.6 2.9 5.8 4.6 1.2
Corporate Services	2.0	—◆ Cleaner Safer Greener Environmental Improvements Forensic Science Centre	1.0 0.3
Culture, Tourism & Sport	3.0	—◆ Keighley Library Eccleshill Pool Refurbishment City Centre Art Gallery	0.8 0.4 0.9
Environment & Neighbourhoods	4.3	—◆ Replacement Winter Maintenance Vehicles Manywells Landfill Remediation	1.8 0.8
Customer Services	1.2	—◆ Bradford-I	1.2
Asset Management	1.2	—◆ Ilkley Town Hall Boiler Replacement City Hall Boiler Replacement	0.4 0.3
Housing	9.8	—◆ Disabled Housing Facilities Grant Slum Clearance Renewal Areas Housing Market Renewal	2.5 1.8 1.4 2.7
Regeneration	5.3	—◆ Regeneration 2000 Integrated Development Plan Trident Local Enterprise Growth Initiative (LEGI)	1.3 1.3 1.0 1.1
Transportation, Design and Planning	20.7	—◆ Bridge Strengthening Highways Maintenance Area Committees, Minor Works and Road Safety Connecting the City Integrated Transport	1.6 2.3 1.2 8.0 2.2
<b>Total</b>	<b>76.2</b>		

**6. Funding for Capital Spending**



- ◆ The authority used £41.2m **grants** and contributions from the Government and other bodies to fund its capital spending. It also used £1.9m of funding from **revenue** and revenue reserves and a further £11.8m came from income received from **sales** of land and buildings.
- ◆ The balance of capital spending of £21.3m 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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### 7. Revenue Spending

The council spent £393.1m in the year. It received income of £392.4m. This meant that spending exceeded income by £0.7m. The shortfall was met from the Council's General Fund balance, leaving £11.0m to be carried forward as an unspent balance into the new financial year.

	£m
<b>Total Spending On Services:</b>	
Children's and Education Services	590.1
Adult Social Care	134.1
Environmental Services	69.7
Cultural and Related Services	60.6
Planning and Development Services	63.8
Highways, Roads and Transport	52.1
Housing Services	147.4
Court and Probation Services	1.0
Central Services to the Public	61.3
Corporate Management and Management	4.5
Democratic Representation	5.1
Non distributed Costs	14.3
Trading Services	-0.4
Exceptional Items – Provision for Equal Pay Claims	14.0
<b>Gross Spending</b>	<b>1,217.6</b>
Less income from fees, charges & specific government grants	797.9
<b>Net Spending</b>	<b>419.7</b>
<b>Other Costs:</b>	
Parish Council precepts	0.7
Interest and investment income	-11.3
Cost of external borrowing (interest and repayments)	28.3
Pension interest costs & return on pension assets	-1.0
Transfers to reserves	-43.3
<b>Total spending to be met from government grants and local taxation</b>	<b>393.1</b>

	£m
<b>Income From Grants and Local Taxation</b>	
Council tax	154.6
Non-domestic (business) rates	199.1
General Government grants	38.7
<b>Total</b>	<b>392.4</b>

### 8. Paying for Revenue Spending

- ♦ 71% of the council's income came from the government through specific grants (£632.1m), general grants (£38.7m) and non-domestic rates (£199.1m).
- ♦ 13% of income came from council tax (£154.6m).
- ♦ The remainder of the Council's income 16% came from fees and charges made for services (£193.1m).
- ♦ The authority set a Band D council tax for its services of £1,035.34 for 2007-8.
- ♦ 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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### 9. Cash Flow

The cash flow gives an indication of the volume of cash going through the authority's books each year. It shows that cash balances increased by £22m in the year, which was the net result of the authority receiving cash income of £1,456m and making cash payments of £1,434m.

Cash at start of year	£28m	
Cash in	£1,456m	£1,275m from revenue activities £67m from capital activities £63m from financing and borrowing £51m from sale of Leeds-Bradford Airport
Cash out	£1,434m	£1,212m on revenue activities £77m on capital activities £145m on financing and borrowing
Cash at end of year	£50m	

### 10. The Balance Sheet

The balance sheet shows the authority's financial standing at 31 March 2008 – the value of assets owned; how much it is owed; how much it owes others; and how much it has in financial reserves.

	<b>£m</b>
Buildings, property and other assets of the authority	1,063.7
Amounts invested by the authority	167.9
Stocks	1.3
Cash balances	50.2
Money owed to the authority	94.4
Money owed by the authority	-164.8
	<b>1,212.7</b>
<b>Financed by:</b>	
Long-term borrowing by the authority	436.7
Revenue reserves	83.8
Other accounting reserves and balances	692.2
	<b>1,212.7</b>

### 11. The Authority's Revenue Reserves

General reserves ..... £11.0m

- ◆ 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 ..... £72.8m

- ◆ Earmarked reserves include school balances of £25.9m.
- ◆ All other earmarked reserves are to support planned spending.
- ◆ They include £12.8m of resources supporting planned capital investment by the authority.