

CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL
SUMMARY ACCOUNTS 2005-6

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 2006 and are usually referred to as "the 2005-6 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 2006.

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.

Sue Mawson
Interim Finance Director
City of Bradford Metropolitan District Council
1st Floor, Britannia House
Bradford BD1 1HX

Telephone 01274 434257

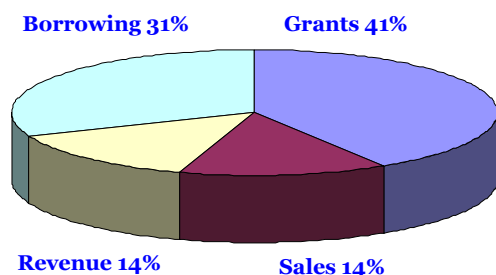
e-mail sue.mawson@bradford.gov.uk

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5. Capital Spending

Total Spending	£m	Main Schemes	£m
Arts, Heritage and Leisure	2.9	<ul style="list-style-type: none"> ◆ Eccleshill Pool 0.4 ◆ Markets Improvements 0.5 ◆ Crematoria 0.5 ◆ Fitness Centre Refurbishments 0.5 	
Education and Life Skills	30.0	<ul style="list-style-type: none"> ◆ Children's Centres 2.8 ◆ New Opportunities for Sport 4.6 ◆ School Modernisation Grant 4.2 ◆ Parkside School and Challenge College 6.4 ◆ Additional School Places 1.2 ◆ Devolved Formula Capital 6.3 	
Environmental Services	4.0	<ul style="list-style-type: none"> ◆ Recycling Schemes 0.7 ◆ Replacement Vehicles 2.9 	
Policy and Corporate Support	22.7	<ul style="list-style-type: none"> ◆ Capitalisation of Single Status Costs Bradford-i 13.0 ◆ 8.7 	
Regeneration and Housing	15.6	<ul style="list-style-type: none"> ◆ Private Sector Housing Schemes 10.8 ◆ Manningham South Mill 1.3 ◆ Integrated Development Plan 2.1 	
Social Services	4.0	<ul style="list-style-type: none"> ◆ Children's Homes 0.7 ◆ Extra Care Housing 2.2 	
Transportation, Design and Planning	13.5	<ul style="list-style-type: none"> ◆ Bridge Strengthening 2.5 ◆ Transport Package Schemes 3.3 ◆ Highway Improvements 2.7 ◆ Neighbourhood Road Safety 0.8 ◆ Bradford Centre Improvements 2.2 	
Other	2.7	<ul style="list-style-type: none"> ◆ Access for Disabled People 1.4 ◆ Keighley One-Stop Shop 0.5 	
Total	95.4		

6. Paying for Capital Spending



- ◆ The authority used £39.7m **grants** and contributions from the Government and other bodies to fund its capital spending. It also used £13.2m of funding from **revenue** and revenue reserves and a further £13.0m came from income received from **sales** of land and buildings.
- ◆ The balance of capital spending of £29.5m 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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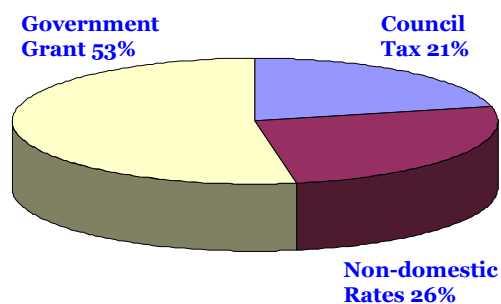
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7. Revenue Spending

The council spent £613.7m in the year. It received income of £616.9m. This meant that income exceeded spending by £3.2m. The surplus was carried forward as an unspent balance into the new financial year.

	£m
Spending On Services:	
Education	318.3
Social Services	137.6
Environmental Services	45.1
Cultural and Related Services	31.3
Planning and Development Services	17.4
Highways, Roads and Transport	26.8
Housing Services	8.3
Court and Probation Services	0.4
Central Services to the Public	5.7
Corporate Management	4.5
Democratic Representation	4.4
Exceptional item – provision for single status costs	13.0
Undistributed Costs	-13.2
Trading Services	-0.3
	599.3
Less internal charges for the use of capital assets	64.9
	534.4
Other Costs:	
West Yorkshire Passenger Transport levy and Parish Council precepts	15.1
Interest and investment income	-4.9
Cost of external borrowing (interest and repayments)	49.7
Transfers from reserves	19.4
Total spending to be met from government grants and local taxation	613.7

	£m
Income From Grants and Local Taxation	
Council tax	131.5
Non-domestic (business) rates	159.2
Government revenue support grant	326.2
Total	616.9



- ◆ 79% of the council's income came from the government through revenue support grant (53%) and non-domestic rates (26%)
- ◆ 21% of income came from council tax.
- ◆ The authority set a Band D council tax for its services of £950.39 for 2005-6.
- ◆ 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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8. 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 reduced by £16m in the year, this was the net result of the authority receiving cash income of £1,275m and making cash payments of £1,291m.

Cash at start of year	£45m	
Cash in	£1,275m	£1,152m from revenue activities £69m from capital activities £54m from financing and borrowing
Cash out	£1,291m	£1,082m on revenue activities £92m on capital activities £117m on financing and borrowing
Cash at end of year	£29m	

9. The Balance Sheet

The balance sheet shows the authority's financial standing at 31 March 2006 – 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	941.8
Amounts invested by the authority	111.3
Stocks	1.1
Cash balances	28.9
Money owed to the authority	83.1
Money owed by the authority	-113.3
	1,052.9
Financed by:	
Long-term borrowing by the authority	438.9
Revenue reserves	66.2
Other accounting reserves and balances	547.8
	1,052.9

10. The Authority's Revenue Reserves

General reserves £14.9m

- ◆ The authority has budgeted to spend £2.4m of general reserves in 2005-6 leaving a balance of £12.5m.
- ◆ 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 (£7.4m to £9.2m in 2006-7).

Earmarked reserves£51.3m

- ◆ Earmarked reserves include school balances of £14.1m.
- ◆ All other earmarked reserves are to support planned spending.
- ◆ They include £13.0m of resources supporting planned capital investment by the authority.