

London Borough of Bromley

How we spend your money

A summary of our Statement of Accounts, including
spending on services and the Council's overall
financial position at the year end

2006/07



Foreword from the Leader of the Council

Providing good quality, value-for-money services that meet our residents' needs is our top priority. Listening is crucial to service and budget planning, and what local people told us mattered most to them for 2006/07 included:

- a safe and attractive environment
- more for young people to do
- good care and support for vulnerable people
- value for money and low council tax.

We've listened and responded to these priorities by:

- helping to establish Safer Neighbourhood Panels in every ward to tackle local safety issues
- improving the effectiveness of street sweeping in residential areas and making our main shopping areas more attractive and accessible to all
- launching the Youth Opportunity Panel to give young people more choice and influence over activities and facilities in their area
- developing a range of schemes for people with learning disabilities as an alternative to residential care
- keeping our council tax the lowest in outer London.

In addition, and despite continued low levels of government funding, we have maintained satisfaction levels with the way we provide services.

There are services we need to improve, so there is no room for complacency. In the coming year we aim to improve efficiency and better value-for-money. We'll continue to campaign for a fairer system of funding for Bromley. And we will continue to listen and respond to what matters most to our residents, as we look for ways to improve how we run our services and Build a Better Bromley.

Councillor Stephen Carr
Leader of the Council

Summary of Financial Performance

The statements shown on page 4 summarise the Council's expenditure and income on all services. Total net revenue expenditure, including contributions to earmarked reserves, to be met from grants and local taxpayers was £176.2m, representing a reduction in General Fund balances of £1.1m.

Within the £1.1m, the level of general fund reserves held by schools increased by £2.5m and the Council used £3.6m of General Fund balances compared to the £3.5m planned when the budget for the year was set. This reflects an overspending of £0.1m (less than 0.1% compared to the Council budget).

Capital expenditure totalled £28.6m in 2006/07, largely financed by capital receipts and grants, compared to planned expenditure of £31.7m when the programme was originally agreed. Most of the £3.1m underspending is attributed to the completion of capital schemes being extended from 2006/07 to 2007/08.

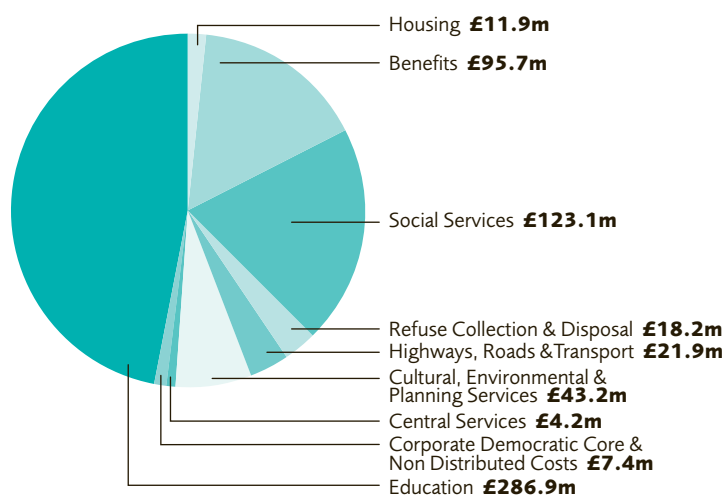
Detailed performance information can be found in our Building a Better Bromley performance plan which can be viewed on the Council's website at: http://www.bromley.gov.uk/council/strategies/short/performance_plan_summary.htm

The full Statement of Accounts for 2006/07 can also be found online at: www.bromley.gov.uk/council/finance/statement+of+accounts+2006-07.htm If you require a printed version of any of the documents listed above, please contact Tracey Pearson on 020 8313 4323 or by email at tracey.pearson@bromley.gov.uk. Alternatively, write to:

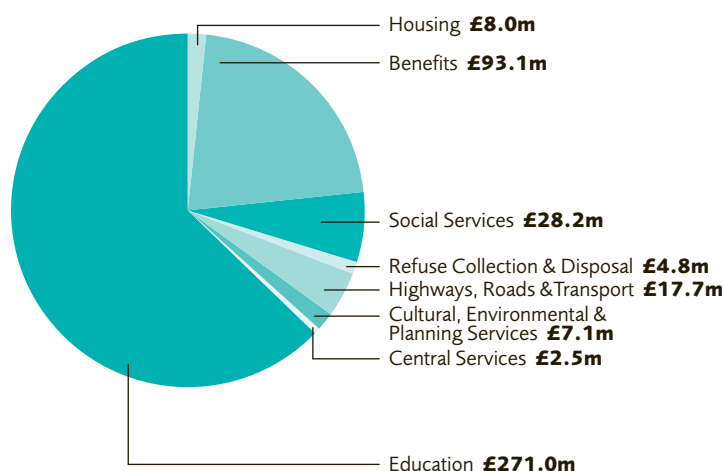
Resources Department
The London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Paul Dale CPFA, Director of Resources

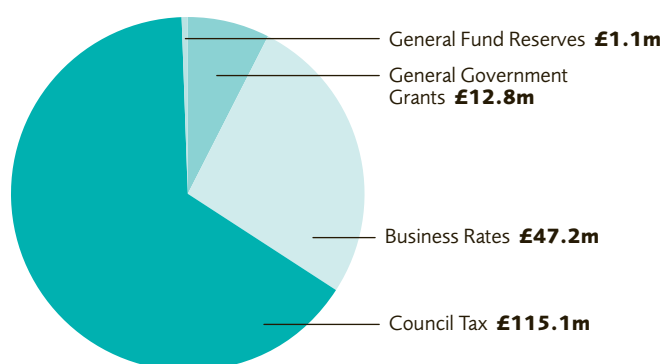
Spending on Services: £612.5m



Income from Services: £432.4m



Where the money comes from: £176.2m



The cost of Council services in 2006/07

The Income and Expenditure Account below shows the cost of running Council services between April 2006 and March 2007, where the money came from to fund those costs and the surplus at the year end.

Service	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Central services to the public	4,217	2,478	1,739
Cultural, Environmental and Planning Services	43,195	7,131	36,064
Refuse Collection and Disposal	18,186	4,736	13,450
Education Services	286,925	271,084	15,841
Highways, Roads and Transport Services	21,939	17,747	4,192
Housing Services	11,842	7,965	3,877
Benefits	95,640	93,058	2,582
Social Services	123,139	28,249	94,890
Corporate and Democratic Core	6,890	0	6,890
Non Distributed Costs	527	0	527
Net Cost of Services	612,500	432,448	180,052
Other operating income and expenditure			(6,356)
Technical accounting adjustments			(1,691)
Net Operating Expenditure			172,005
Financed by:			
General government grants			(12,758)
Council Tax			(115,102)
Business Rates			(47,159)
Total Income			(175,019)
Surplus for the year on the Income and Expenditure Account			(3,014)
Net additional amount required to be charged to the General Fund			4,159
Reduction in General Fund Balance for the Year			1,145
General Fund balance	General Fund	Schools Fund	Total
	£'000	£'000	£'000
Opening Balance	(45,840)	(10,812)	(56,652)
Surplus on Income and Expenditure Account	(551)	(2,463)	(3,014)
Net additional amount required to be charged to the General Fund	4,159	0	4,159
(Increase) / Reduction in General Fund Balance	3,608	(2,463)	1,145
General Fund Balance at 31st March 2007	(42,232)	(13,275)	(55,507)

Balance Sheet

What the Council owns and is owed

31 March 2007

	£000
Land, Buildings, Vehicles, Roads and Parks owned by the Council	759,206
Investment Properties	72,050
Long Term Investments	70,009
Short Term Investments	58,800
Stocks and work in progress	337
Money owed to the Council	48,305
Money owed by the Council	(68,257)
Cash Overdrawn	(7,490)
Long Term Liabilities and Provisions	(237,113)
Total assets less liabilities	695,847
Financed by:	
Non distributable reserves *	605,244
Deferred Credits **	5,719
Distributable reserves:	
- General Fund ***	50,706
- Schools Fund	13,275
- Insurance Fund	3,692
- Usable Capital Receipts Reserve	17,211
Total equity	695,847

Notes

- * Non distributable reserves consist of non-cash backed technical accounting balances.
- ** Deferred credits represent income still to be received when long-term assets have been sold and where deferred payments have been agreed.
- *** Bromley has relatively high reserves compared with other local authorities and these have historically been used to partly fund the Council's revenue budget, assisting in keeping the Council Tax lower, to provide interest earnings that increase the Council's revenue income and to partly fund the Council's capital programme. The Council considers it important to plan the use of reserves in future years and has set a minimum target level for General Fund reserves of £15m. £8,474 of the General Fund reserve has been committed to fund specific projects in future years, the remaining general reserve of £42,232 is above the minimum target level.

Capital Expenditure

Capital expenditure generally represents Council expenditure on the purchase, upgrade and enhancement of its assets, which mainly comprise buildings and roads. The Council receives the benefit from capital expenditure over a long period of time and finances the expenditure through a combination of external grants, receipts from asset disposals and the revenue budget. A summary of capital expenditure in 2006/07 is set out in the following table.

		£000
Education	Extensions/improvements to schools, etc.	8,654
	Planned maintenance/modernisation works	4,167
	Computers in schools	671
	Children's Centres	714
Highways	Road, highway and transport schemes	6,570
	Street lighting repair/maintenance	800
	Other, including car parking improvements	221
Leisure facilities	Sports/recreational facilities – improvements	346
	Parks – improvements	666
	Libraries – repair/maintenance	85
Social Services	Improvements to Social Services facilities	1,466
Housing services	Renovation grants, estate regeneration, etc.	1,821
Corporate	Works to municipal buildings	1,465
	Computer hardware/software replacement	952
TOTAL		28,598

If you have any comments on this leaflet or require a printed version of any of the documents mentioned, please contact Tracey Pearson on 020 8313 4323 or by email at tracey.pearson@bromley.gov.uk. Alternatively, write to: Resources Directorate, The London Borough of Bromley, Civic Centre, Stockwell Close, Bromley BR1 3UH

Feedback

Please spare a few minutes to give us some useful feedback on how we should present information about the council's finances in future.

1 Did you find the summary of accounts useful? **YES/NO**

2 Was the report easy to read and understand? **YES/NO**

3 Format – would you prefer to see **(tick only one)**:

a traditional style statement of accounts including some explanatory notes

a leaflet containing colourful charts and pictures

a combination of the above

4 Is there further information you would like to see included? **YES/NO**

[If yes, please provide details below]

5 Other comments/feedback:

You can return the form to:

Post: Resources Directorate
The London Borough of Bromley
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Email: tracey.pearson@bromley.gov.uk



www.bromley.gov.uk

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