

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

2012/13

Foreword from the Leader of the Council

These remain challenging economic times. We face further cuts in government funding and have to save another £50 million from our budget over the next four years. We have a reputation for sound financial management and we continue to scrutinise every aspect of Council activity to ensure we deliver the best value for money and are able to work with you and our partners across the borough to continue Building a Better Bromley.

I am therefore pleased to present our Annual Statement of Accounts where we highlight a number of our achievements over the past year and outline some of our plans for the future to keep our borough a place where people choose to live, work, study and visit. Among others, our achievements include:

- opening Anne Sutherland and Regency Court extra care housing schemes
- opening a new respite and short break supported living home for those with learning disabilities
- supporting households to prevent homelessness
- investing in a project to help our unemployed young people into sustainable employment opportunities
- establishing a children's champion and Commitment to Education
- becoming a special educational needs pathfinder and champion
- ensuring Chislehurst Road Bridge re-opened on time and on budget
- introducing new green waste collection arrangements
- introducing fixed penalty notices for littering
- investing in the fabric of our borough with a mixed use development at The Walnuts, a successful Orpington Business Improvement District bid, initial funding secured to invest in the Priory, Orpington, an improvement programme agreed for Beckenham
- managing our resources well, for instance through maximising income through garden waste collection schemes, saving money through successful benefit fraud prosecutions, reducing management and staff costs, introducing local pay and conditions, successfully lobbying government about academy schools programme funding and managing the successful transition of public health responsibilities to the Council under the Health and Social Care Act.

Next year we will continue to invest in the economic well-being of our borough and protect our green spaces. Plans include a mixed-use development in Orpington, a multi-screened cinema, shops and restaurants at Bromley South with plans to develop a further retail scheme underway. We will continue to protect front-line services for the most vulnerable in the borough and further develop our Active Citizen's programme to enhance and extend volunteering opportunities in the borough.

We also continue to lobby government for a fairer deal in terms of funding and despite the challenges we remain steadfast in our commitment to work with you and our partners to continue Building a Better Bromley for the good of all our community.

Cllr Stephen Carr
Leader of Bromley Council

Summary of Financial Performance

The statements shown on page 3 summarise the Council's expenditure and income on all services. Total net revenue expenditure, including contributions to earmarked reserves, to be met from general grants and local taxpayers was £205m.

Capital expenditure totalled £30.2m in 2012/13, (including new Plant & Vehicles recognised as finance leases), compared to the final approved budget of £34.3m. Most of the £4.1m underspending is attributed to slippage of capital expenditure from 2012/13 to 2013/14.

Details of performance information can be found in our Annual Report which is included in our full Statement of Accounts 2012/13, which can be found online at:

www.bromley.gov.uk/annual_accounts

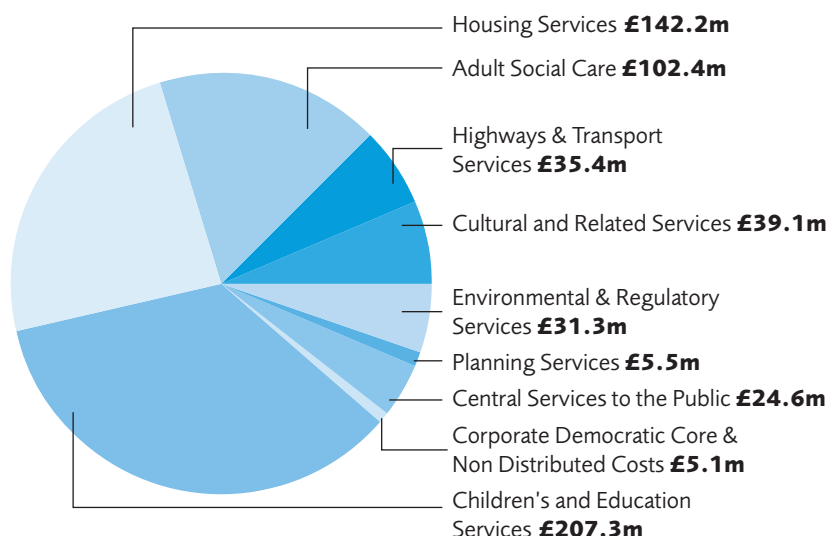
If you require a printed version of any of the documents listed above, please contact Tracey Pearson on 020 8313 4323 or by email at tracey.pearson@bromley.gov.uk

Alternatively, write to:

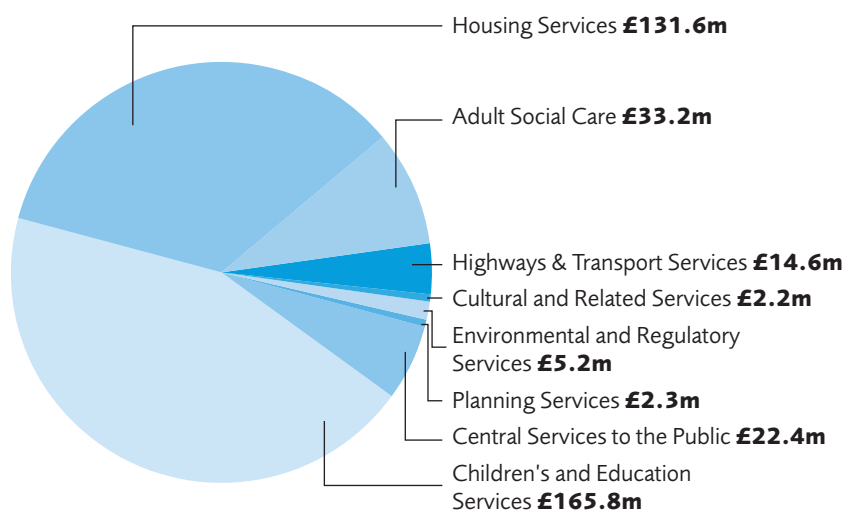
Chief Accountant
Financial Services Division
The London Borough of Bromley
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Stockwell Close
Bromley
BR1 3UH

Peter Turner CPFA, Director of Finance

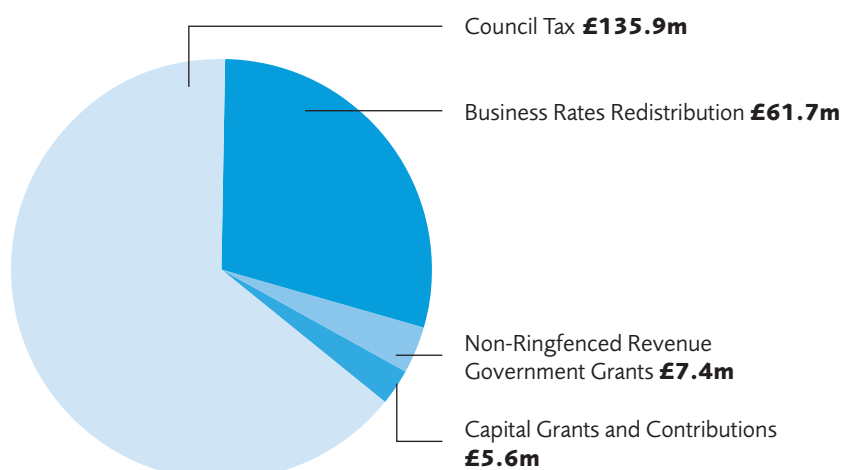
Spending on Services £592.9m



Income from Services £377.3m



Where the Money comes from: £210.6m



The Cost of Council Services in 2012/13

The Comprehensive Income and Expenditure Statement below shows the cost of running Council services between April 2012 and March 2013, 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	24,620	(22,407)	2,213
Cultural and Related Services	39,118	(2,221)	36,897
Environmental & Regulatory Services	31,352	(5,172)	26,180
Planning Services	5,516	(2,267)	3,249
Children's and Education Services	207,327	(165,800)	41,527
Highways and Transport Services	35,406	(14,604)	20,802
Housing Services	142,178	(131,587)	10,591
Adult Social Care	102,355	(33,197)	69,158
Corporate and Democratic Core	5,882	-	5,882
Non Distributed Costs	(823)	-	(823)
Net Cost of Services	592,931	(377,255)	215,676
Other Operating Income and Expenditure	24,152	(499)	23,653
Financing and Investment Income and Expenditure	36,237	(29,651)	6,586
Net Operating Expenditure	653,320	(407,405)	245,915
Financed by:			
Non-Ringfenced Revenue Government Grants			(7,367)
Council Tax			(135,860)
Business Rates			(61,743)
Capital Grants and Contributions			(5,599)
Taxation and Non Specific Grant Income			(210,569)
Deficit for the year on the Provision of Services			35,346
Adjustments Between Accounting Basis and Funding Basis under Regulations			(56,541)
Increase in General Fund Balance			(21,195)
Transfers to Earmarked Reserves			32,804
Net Decrease in General Fund Balance for the Year			11,609
		General Fund	
		£'000	
Balance at the start of the year			(31,609)
Increase in General Fund Balance			(21,195)
Transfers to Earmarked Reserves			<u>32,804</u>
Net Decrease in General Fund Balance			11,609
General Fund Balance at 31st March 2013			(20,000)

Balance Sheet

The balance sheet shows the value of the Council's assets and liabilities as at the end of the financial year

31 March 2013

	£'000
Land, Buildings, Vehicles and Roads owned by the Council	726,136
Heritage Assets	1,017
Investment Property	61,422
Long Term Investments	25,010
Short Term Investments	143,712
Inventories	656
Money owed to the Council	24,095
Money owed by the Council	(77,924)
Cash and Cash Equivalents	27,026
Long Term Liabilities and Provisions	(270,545)
Total Assets less Liabilities	660,605
Financed by:	
Unusable Reserves *	527,392
Usable Reserves	
- General Fund **	20,000
- Earmarked Reserves **	75,764
- Schools Fund	6,432
- Insurance Fund	3,022
- Usable Capital Receipts Reserve	11,796
- Capital Grants Unapplied	16,199
Total Reserves	660,605

Notes

* Unusable reserves consist of non-cash backed technical accounting balances.

** Bromley's reserves have historically been used to partly fund the Council's revenue budget, assist 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 £20m. £75.8m of the General Fund reserve has been committed to fund specific projects in future years, the remaining general reserve of £20m is in line with the minimum target level.

Capital Expenditure

Capital expenditure generally represents Council expenditure on the purchase, upgrade and enhancement of its assets, which mainly comprise land, 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 2012/13 is set out in the following table.

		£'000
<u>Capital Works</u>		
Education	Extensions/improvements to schools, etc.	8,581
	Planned maintenance/modernisation works	1,953
Highways	Road, highway and transport schemes	5,593
	Bridges and structures	1,903
	Car parking improvements	298
Leisure	Sports/recreational facilities	1,483
Facilities	Libraries and Museums - repairs/maintenance etc	65
Social Services	Learning Disability Reprovision (with PCT)	1,154
	Social Services homes, etc	116
Housing	Renovation grants, estate regeneration, etc.	1,223
Corporate	Works to municipal buildings	1,669
	Acquisition of Investment Properties	3,787
	Computer hardware/software replacement	529
Sub Total	Capital Works	28,354
Add	Plant & Vehicles recognised as finance leases	1,838
TOTAL		30,192

If you have any comments on this leaflet or require a printed version of any of the documents mentioned, please contact the Chief Accountant on 020 8313 4323 or by email at tracey.pearson@bromley.gov.uk

Alternatively, write to:

Financial Services Division
The London Borough of Bromley
Civic Centre
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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: Chief Accountant
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