

BIRMINGHAM CITY COUNCIL

SUMMARY ACCOUNTS 2004-05

Introduction

These summary accounts present a summary of the main areas of the full, independently audited accounts. The City Council takes its responsibilities for the stewardship of public money very seriously and sees the production of summary accounts as a means of enhancing its accountability to the people of Birmingham. Your views on this document are welcomed and should be sent to Peter Bateman, Corporate Accountant at Room 315, Council House, Victoria Square, Birmingham B1 1AB. Alternatively you may telephone Peter on 0121 464 8441 or e-mail him. Peter_Bateman@birmingham.gov.uk Please contact Peter if you require a copy of the full accounts.

Financial Review

Financial Performance

The Council made a small surplus in 2004-05 meaning that £3.5 million could be added to balances which now stand at £25.6 million. In addition to this the Council holds £78.4 million earmarked for specific purposes.

Council Housing

The Council operates a separate account for Council Housing known as the Housing Revenue Account (HRA). The main sources of income to this account are council house rents, housing benefit and a subsidy paid by central government. The council is not allowed to use the Council Tax to subsidise council house rents, nor may a surplus on the HRA be used to reduce the Council Tax. The HRA made a surplus of £5.8 million and this is available to spend on improving council housing.

Capital Expenditure

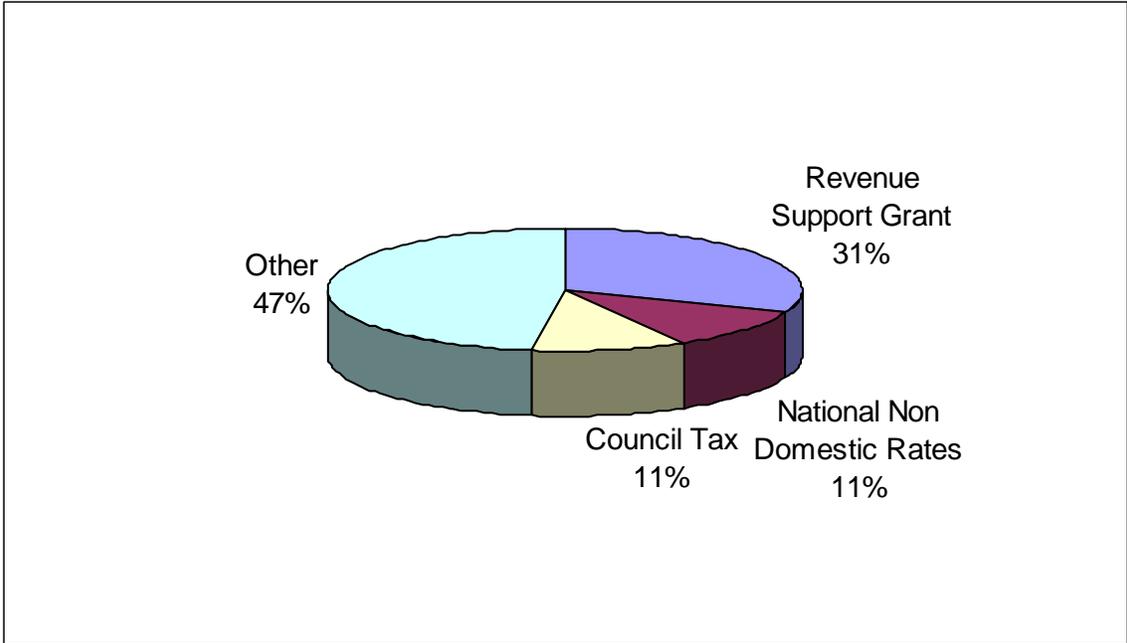
Expenditure on fixed assets, such as the building of new schools, major refurbishments of existing buildings and road improvements, from which the City Council and its residents will derive a benefit over several years is called capital expenditure and accounted for separately from the day to day expenditure known as revenue expenditure. Capital expenditure in 2004-05 totalled £268.7 million.

Cost of Services – the Revenue Account

This statement shows what the Council spent on service provision and where the money came from.

	Gross Expenditure	Income	Net Expenditure
	£000's	£000's	£000's
Central Services to the Public	99,340	-86,772	12,568
Court & Probation Services	33,275	-28,288	4,987
Cultural, Environmental & Planning Services	362,758	-164,874	197,884
Education Services	971,898	-251,200	720,698
Highways, Roads & Transport	126,447	-19,447	107,000
Housing Services	647,643	-578,074	69,569
Social Services	443,171	-116,876	326,295
Corporate & Democratic Core	18,393	-284	18,109
Non Distributed Costs	18,706	0	18,706
Cost of Services	2,721,631	-1,245,815	1,475,816
Precepts & Levies			70,391
Surpluses on Traded Undertaken			-9,069
Internal Charges for the Use of Fixed Assets			-155,540
Interest & Investment Income/payment of Interest			105,498
Appropriations & other internal accounting			-124,871
Amount to be met from Government Grants & Local Taxation			1,362,225
Financed by:			
Revenue Support Grant			-814,779
Non-Domestic Rates			-276,538
Council Tax			-274,955
Deficit on Collection Fund			517
Net General Fund Surplus for the year			-3,530

Sources of Funding (£million)	
The Council received funding in 2004/05 as follows:	
	£000's
Revenue Support Grant	814,779
National Non Domestic Rates	276,538
Council Tax	274,955
Other	1,245,298
Total Income	2,611,570



Cash Flow

The totals of receipts and payments during the year.

		£Million
Cash 1st April 2004		(31.1)
Cash In	➔	3,185.3
Cash Out	➜	(3,162.6)
Cash at 31st March 2005		(8.4)

Housing Revenue Account

	£'000
Income	
Rental Income	(194,061)
Other Income	(18,389)
Total Income	(212,450)
Expenditure	
Management & Maintenance	120,326
Rents, Rates, Taxes & Other Charges	10,861
Capital & Financing Costs	100,050
Total Expenditure	231,237
Net Cost of Service	18,787
Adjustments & Appropriations	(24,564)
Deficit/(Surplus)	(5,777)

The Council owned 70,435 dwellings at the end of the financial year, 34,733 flats and 35,702 houses and bungalows. The number of dwellings at the start of the year was 73,036. The reduction was due to sales and demolitions.

Council Tax

	2002/03	2003/04	2004/05
Population of Birmingham	989,900	992,100	992,400
Band D Equivalent properties	284,398	286,726	284,508
Band D Council Tax	1,025.57	1,079.11	1,105.43

In 2004-05 the Council collected 94.9% of Council Tax owed.

Balance Sheet

What the Council owns and is owed.

BIRMINGHAM CITY COUNCIL						
SUMMARY BALANCE SHEET						
	31st March 2005					
	£000's					
Fixed & Other Long Term Assets	4,976,695	Includes land and buildings, council houses and roads.				
Stock & Work in Progress	3,060					
Cash in Bank	21,139					
Money owed to the Council	256,972					
Money owed by the Council	(2,847,996)					
Council Net Worth	2,409,870					
Financed by:						
Distributable Reserves	104,056	Money available to fund future expenditure.				
Non Distributable Reserves	2,305,814	These reserves are not backed by cash and cannot be spent.				
Net Equity	2,409,870					

Capital Expenditure

	2004/05		2004/05
	£m		£m
Leaders	1.3	Borrowing	76.2
Deputy Leaders	11.8	Prudential Borrowing	21.0
Education & Lifelong Learning	50.7	Capital Receipts	19.2
Equalities & Human Resources	0.4	Capital Grants	118.0
Housing	123.4	Other Grant Contributions	33.2
Leisure, Sport & Culture	18.8	Revenue	0.1
Local Services & Community Safety	4.8	Operational Leasing	1.0
Regeneration	10.6		
Social Services & Health	3.5		
Transportation, Street Services & Sustainability	43.3		
Public Protection	0.1		
Total	268.7	Total	268.7