

## **Summary of Accounts 2013-14**

### **Introduction**

The Council's accounts are an important element in demonstrating the stewardship of public money. The Head of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with the accounting requirements. The Statement Of Accounts for year ended 31<sup>st</sup> March 2014 is approved by the Head of Finance on 30<sup>th</sup> June and submitted, after the external audit, to Audit Committee on 23<sup>rd</sup> September 2014. Interested members of the public have a statutory right to inspect the accounts from 14<sup>th</sup> July 2014 to 8th August 2014. The availability of the accounts for inspection is advertised in the local newspapers, Mid Sussex Times, The Leader and East Grinstead Observer. It is our intention to be open with the information that we hold and we encourage local stakeholder enquiries. A copy of the statement is available on the Council's website page, Finance Publications / Year End Accounts Publications. The independent auditors provide their opinion before the end of September on the completion of their audit of the accounts. We have prepared summary accounts to provide a brief overview of the year end position, as shown below.

### **Council Priorities for 2013/14**

The Corporate Plan and Budget Report for 2013/14 was approved by Council on 27<sup>th</sup> February 2013. It sets out the way in which the delivery of services would contribute to the achievement of the Corporate Plan. Effective service delivery relies on effective prioritisation in accordance with the Corporate Plan, and adequate resources. The primary resources are staff and money. The service plans show how each service would be delivered and measured, and through the budget, the financial resources necessary to deliver the services and corporate objectives.

The Council works with its partners to promote healthy lifestyles, attract inward investment (e.g. through town centre revitalisation), keep levels of crime low and secure other community benefits. The Council continues to ensure that our streets are clean and our parks and open spaces are well presented.

The three themes for the Council remain as:

**Better Lives** Healthy Lifestyles ~~ Opportunities and quality of life for all ~~Strong, safe communities

**Better Environment** Quality and Sustainable Environment ~~Distinctive and sustainable towns and villages

**Better Services** Efficient and effective service ~~ Strong community leadership

### **Impact of the current economic climate**

The financial climate remained challenging in 2013/14 although income levels were above target in a number of key areas and careful management of expenditure by budget holders resulted in a satisfactory end of year position. This may indicate that the local economy is showing signs of recovery.

In addition, the level of Reserves increased during 2013/14, mainly from the receipt of New Homes Bonus (NHB) grant (£1,618k) and investment interest (£381k). As the importance of Revenue Support Grant diminishes, the NHB funding has become more important. The Council's level of General Reserves held as at 31<sup>st</sup> March 2014 stands at £8.979m and is considered adequate for withstanding future financial pressures arising from the continuing squeeze on local government finance, in particular, the changes the Coalition Government has made in how local authorities are funded from 2013/14. This squeeze on central government funding is not expected to let up after the next election.

Overall, the financial statements show that the downturn in the world economy and that of the UK, is having only a marginal effect on the Council's finances. We continue to be very prudent in our budgeting process and take great care in setting budgets for income, and carefully scrutinise our spending plans to ensure that they are realistic, affordable and offer best value for money.

We are confident that such an approach will set us in good stead when considering, and setting, budgets for future years and will enable the Council to cope with any but the most drastic reductions in government grant support.

### **Financial Review of the Year**

The revenue and capital outturn for 2013/14 was reported to Cabinet on 2nd June 2014.

### **Revenue Expenditure**

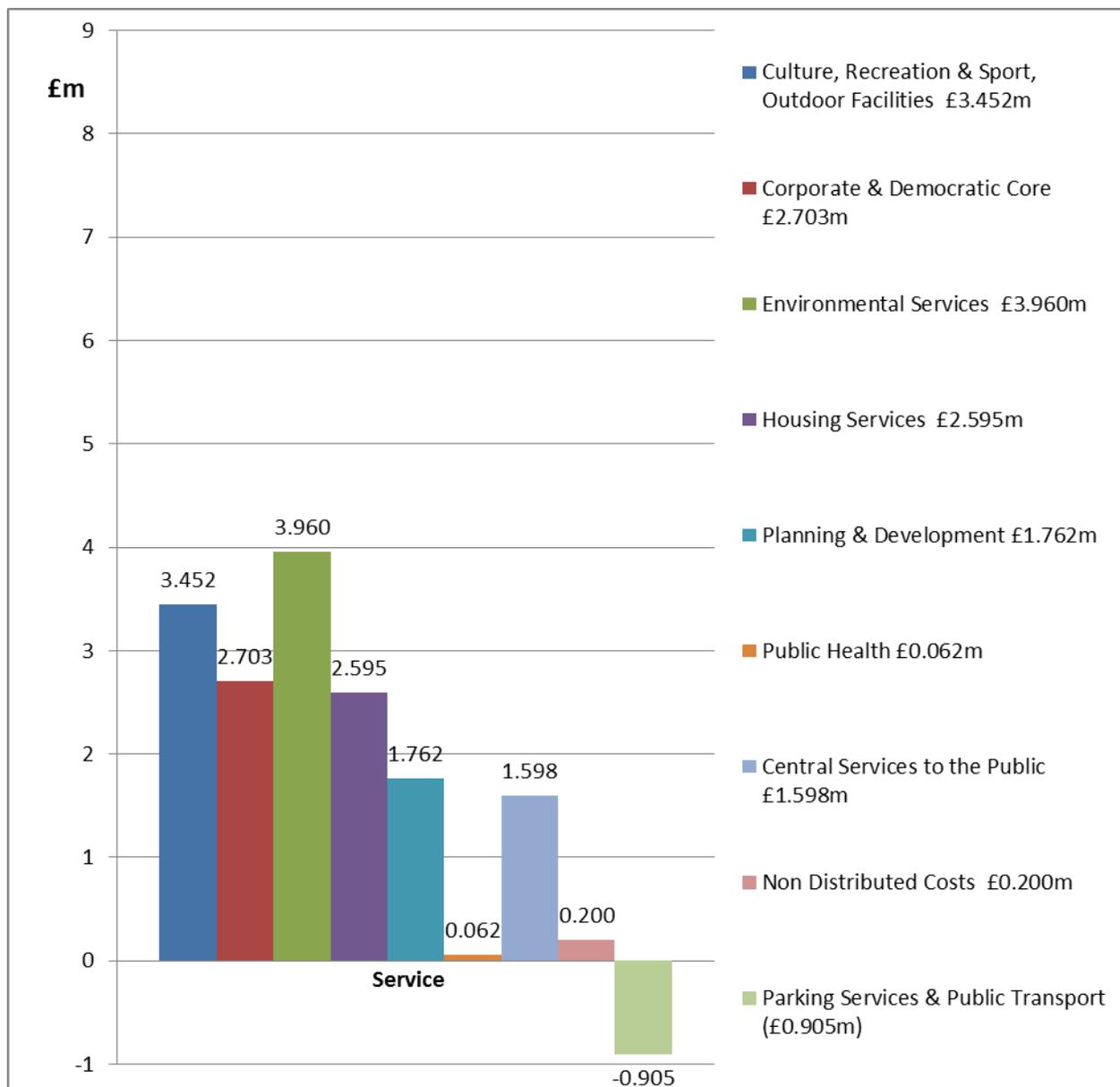
During 2013/14 Cabinet received five full Budget Management reports (including the Outturn Report). Over the year, the budget has continued to be managed in order to ensure that financial targets are met without compromising service performance. Were this report to be read alongside the Performance Report, one could see that this has been achieved, and that performance across the range of services is very strong. Added to that, Mid Sussex has an embedded culture of seeking efficiencies, which has helped achieve this year's

underspend of £662,000 which, after allowing for transfers to Specific Reserves totalling £615,000 results in a final position of £47,000 underspent.

### Net Cost of Services – How the money was spent

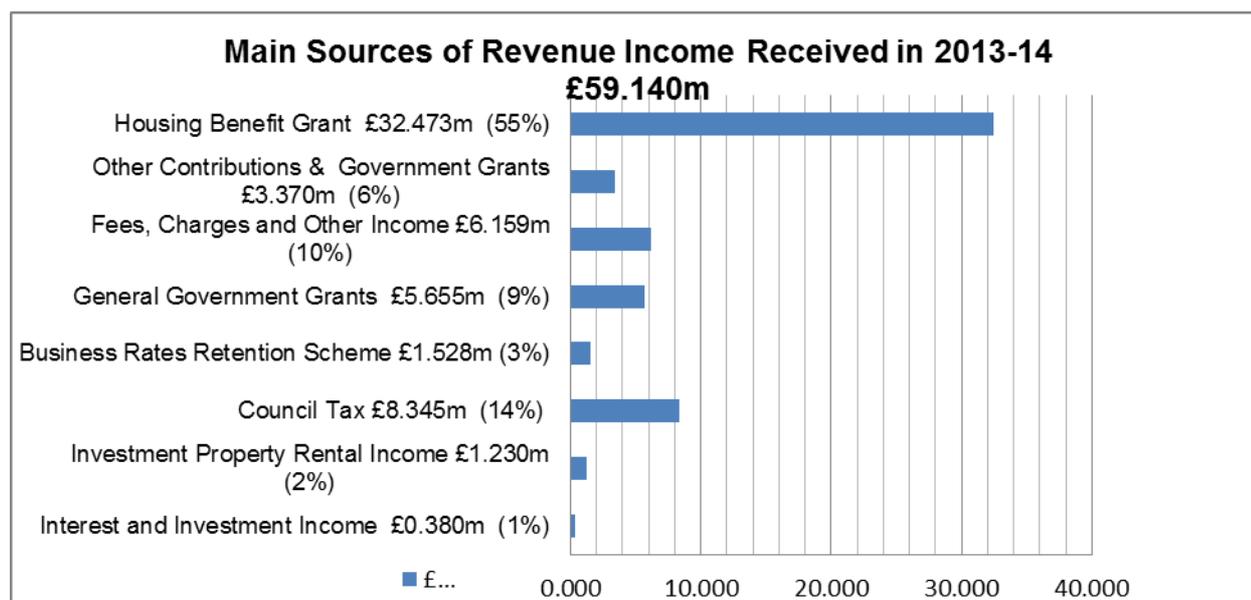
The chart below shows the net cost of all Council services on the Comprehensive Income and Expenditure Statement:

**2013-14 Net Cost of Services £15.427m**



## Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2013-14 are as follows:



## Specific Reserves and General Fund Balances held at 31<sup>st</sup> March 2014

Specific Reserve	Balance at 1st April £ 000s	Balance at 31st March £ 000s
Performance & Partnerships	(1)	(28)
Customer Services & Communications	(2)	0
Development Management	(66)	(7)
Planning Policy & Economic Development	(554)	(661)
Accountancy	(3)	(6)
Finance Corporate	(240)	(201)
Human Resources & Payroll	(22)	(18)
CenSus ICT	(43)	(100)
CenSus Revenues & Benefits	(192)	(229)
Housing	(105)	(125)
Environmental Health	(10)	0
Leisure, Community Services & Culture	(496)	(285)
Facilities Management & Streetscene	(41)	(231)
Legal Services	(5)	0
Property & Asset Maintenance	(70)	(207)
Member Support & Partnerships	(79)	(117)
Land Charges	(27)	(15)
Strategic Core	(80)	0
Corporate Funds	(733)	(1,422)
<b>Earmarked Specific Reserve</b>	<b>(2,769)</b>	<b>(3,652)</b>
<b>General Fund Balances</b>	<b>(9,443)</b>	<b>(8,979)</b>

Details of all expenditure financed from the Specific Reserve and General Reserve is contained within the outturn report to Cabinet on 2nd June 2014.

## Capital Expenditure

Local authorities are required to distinguish between revenue and capital expenditure. Revenue expenditure represents the day to day costs of running Council services. Capital expenditure represents money spent on the purchase, upgrading or improvement of assets which have a long-term value to the authority in the provision of its services.

A summary of the capital expenditure in the year 2013/14 totalling £6.181m is shown below:

<b>Capital Expenditure 2013/14</b>	<b>2013/14</b>
	<b>£000s</b>
<b>Property, Plant and Equipment</b>	
<b>Land and Buildings</b>	
Leisure Centres	761
Community Centres and Halls	21
Oaklands Office	586
Car Park land at Beacon Heights	300
<b>Asset Under Construction</b>	
Bridge Road Starter Units	449
Woodside Pavilion, Bolnore Village	108
Recycling & Refuse Depot	1,643
<b>Plant / Vehicles / Equipment</b>	
Playground Equipment	151
ICT Hardware	302
<b>Intangible Assets</b>	
Software and software licences	102
<b>Infrastructure Asset</b>	
Drainage Asset	58
<b>Investment Property</b>	
Beacon Heights	400
<b>Revenue Expenditure funded from Capital Under Statute</b>	
Housing - Disabled Facilities Grants (DFG)	766
Housing – Affordable Housing	70
Other expenditure	464
<b>Total</b>	<b>6,181</b>

The capital expenditure in the year was financed by:	<u>£000s</u>
Capital Receipts	1,643
General Fund Balances & Specific Reserve	2,892
Government Grants & Section 106s Receipts in Advance	1,306
Capital Grants Unapplied Account (Reserve)	340

Usable capital receipts for 2013/14 totalled £78,000 (refer Note 25). Other receipts received in 2013/14 totalled £2,389,000 (refer Note 36 Grant Income – receipts in advance). The split mainly relates to:

	<u>£000s</u>
Time Limited Section 106 agreements	2,037
Renovation Grant	353

The available year end balances of Usable Capital Receipts is £326,000 (refer Note 25) Capital Grants Unapplied Account (Reserve) is £3,121,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £5,103,000 (refer Note 36).

## Balance Sheet

The Council's overall financial position for the year is represented by its balance sheet. This identifies what is owned by the Council, how much is owed and how much the Council owes.

<b>Balance Sheet</b>	<b>31.3.14</b>	<b>31.3.14</b>
	<b>£ 000s</b>	<b>£ 000s</b>
Property, Plant and Equipment		74,516
Heritage Assets		837
Investment Property		18,711
Software & Software Licences - Intangible Assets		256
Long Term Investments		8,000
Inventories (stocks)		5
Money owed to the Council		3,042
Investments		18,158
Cash at Bank		
<b>Long Term Assets and Current Assets</b>		<b>123,525</b>
Cash at Bank	(69)	
Money the Council owed	(7,185)	
Capital Grants & S106 Contributions Received	(5,103)	
Provisions	(1,042)	
Finance Lease Liability	(601)	
Borrowing	(1,179)	
Pension Fund deficit	(30,051)	
<b>Long Term Liabilities and Current Liabilities</b>		<b>(45,230)</b>
<b>Total Net Assets</b>		<b>78,295</b>
Financed by:		
General Fund Balances, Specific Reserves and Capital Reserves		(16,079)
Pension Reserve		30,051
Capital Finance and Revaluation of Assets		(92,267)
<b>Total Net Worth</b>		<b>(78,295)</b>

## Summary of Cash Flow during 2013/14

	<b>£000s</b>	<b>£000s</b>
<b>Cash in Bank 1st April 2013</b>		<b>(280)</b>
Net Cash Inflow / (Outflow) - Operating Activities	3,815	
Net Cash flows from Investing Activities	(4,045)	
Net Cash flows from Financing Activities	440	
Increase / (Decrease) in Cash and Cash Equivalents		210
<b>Cash in Bank 31st March 2014</b>		<b>(70)</b>