

Summary of Accounts 2007-08

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 31st March 2008 was approved by Audit Committee on 24th June 2008.

Interested members of the public have a statutory right to inspect the accounts from 24th June 2008 to 21st July 2008. 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 as part of the Audit Committee meeting documents. The Audit Commission will 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 2007/08

Prior to refreshing the Corporate Plan and preparing the budget for 2007/08, the Council's priorities were reviewed to ensure that they remain fit for purpose in 2007/08. The three themes of Better Lives, Better Environment and Better Services were first introduced in 2004/05.

It was considered that the current priorities are satisfactory and retention of them would offer a degree of continuity in the Council's Business Planning. The three Better Advisory Groups supported this view when they considered this issue at their meetings in September and October.

The Corporate Plan and Budget Report for 2007/08 was approved by Council on 28th February 2007. 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.

Key areas of work for the Council in 2007/08 were in three themes:

Better Environment

- Revitalising the Town Centres, improved waste management, recycling and street cleansing, cleaner and safer neighbourhoods

Better Lives

- Improving community safety, exercising our community leadership role regarding health service provision

Better Services

- Providing better services for our customers, improving efficiencies and working with other partners particularly the District's Local Partnership and the West Sussex Local Area Agreement.

Financial Review of the Year

The revenue and capital outturn for 2007/08 was reported to Cabinet on 10th June 2008. The report explained that during 2007/08 Members had received four Budget Management reports to assist in the management of the budget and to minimise the risk of a significant variation.

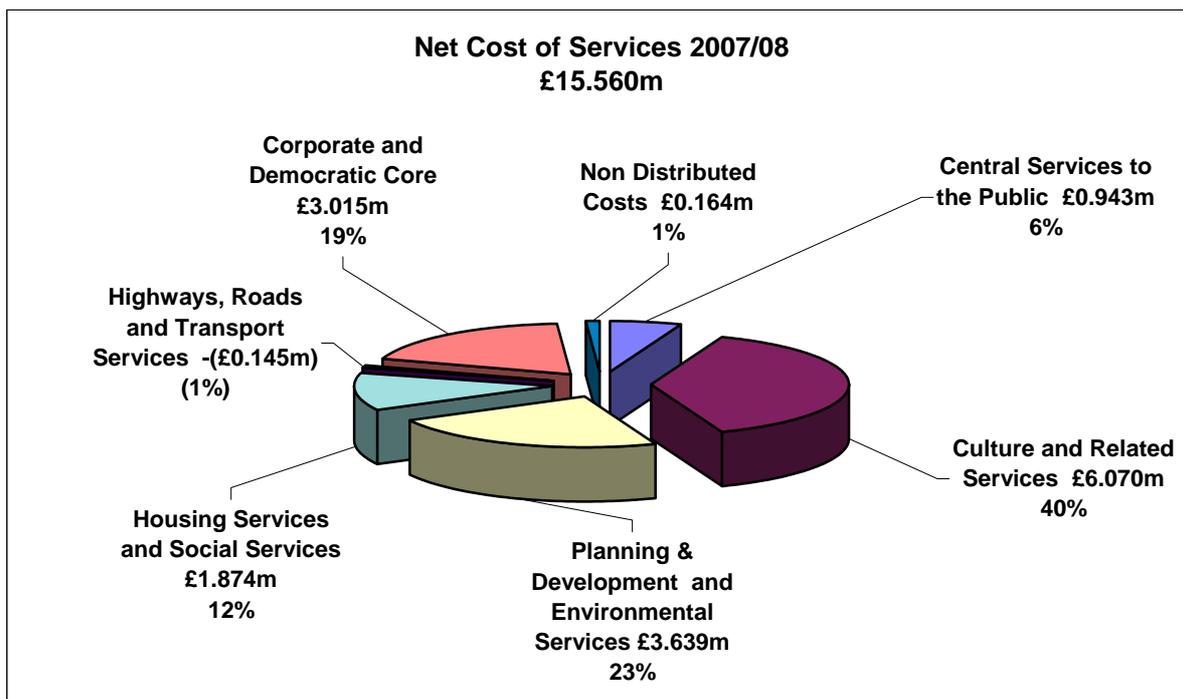
Revenue Expenditure

Despite being a difficult year with budget pressures having been reported throughout 2007/08 and the financial effects of the Big Culture Show to manage, the revenue outturn for 2007/08 has resulted in a total overspend of £5,000 after the removal of windfall income, compared with the latest estimate.

The budget for the year included £940,000 of efficiency savings, which was a challenging target, in spite of the detailed and rigorous planning which accompanied the proposals. Of the target figure, £734,000 was achieved in year with the remainder to be made up early in 2008/09. Procurement was one area that underachieved and will merit further examination. Savings targets in future years may need revision to reflect the difficulty in identifying savings that are not accounted for elsewhere.

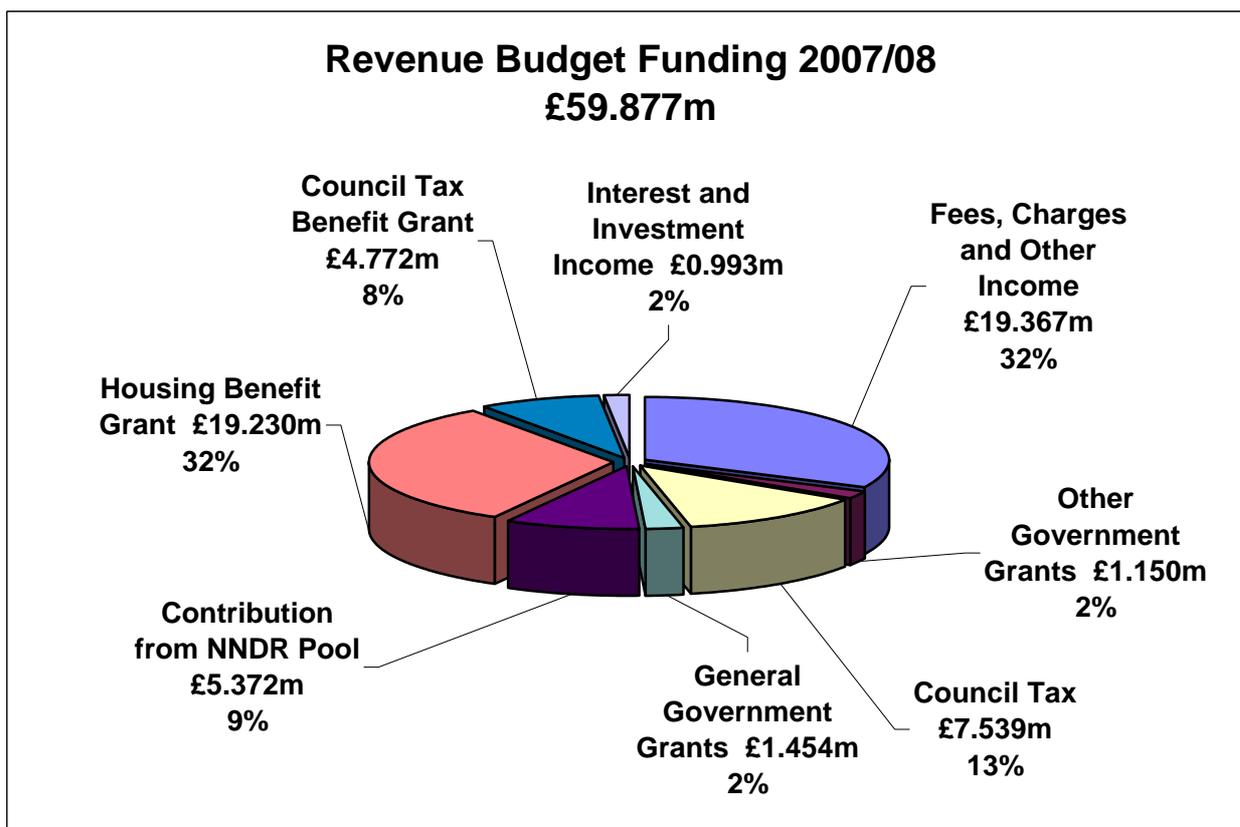
Net Cost of Services – How the money was spent

The chart below shows the net cost of Council services as a percentage of the total net cost of the services provided by the Council:



Sources of Finance of the Council's Revenue Activities

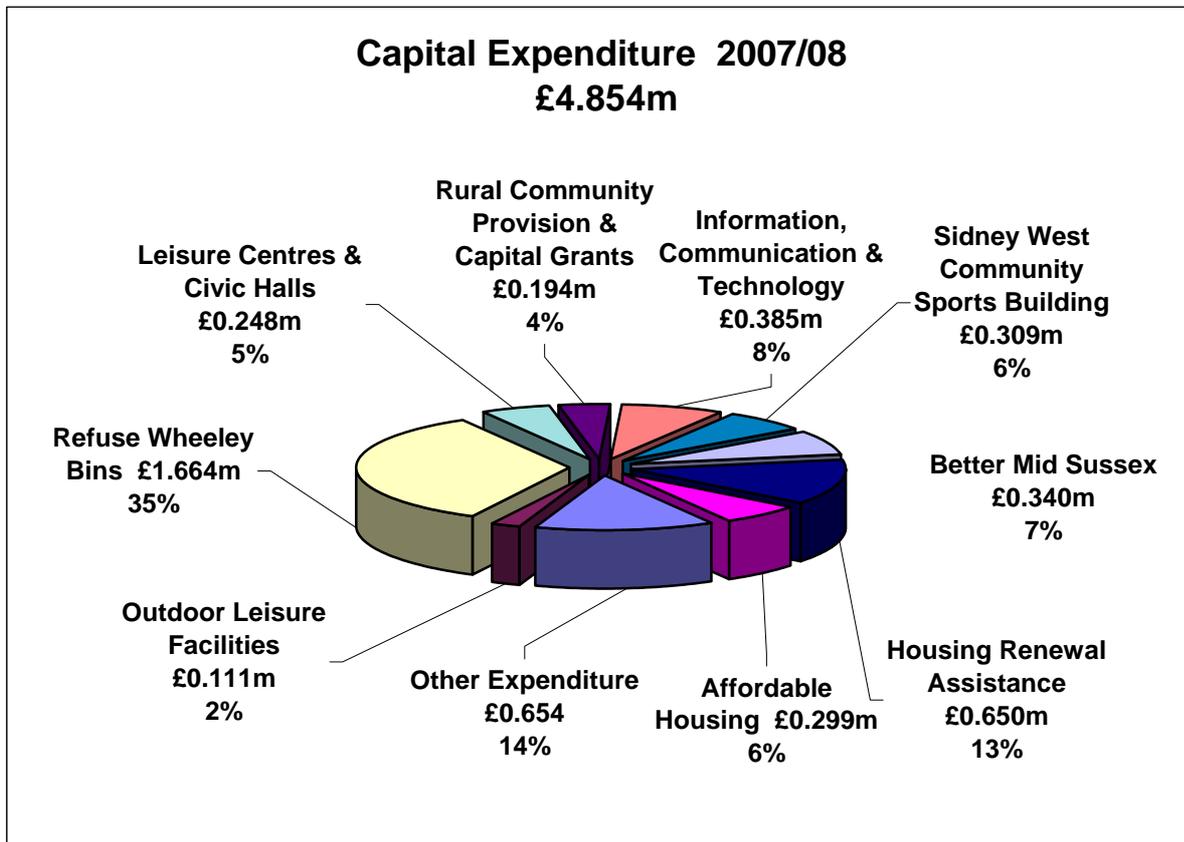
The following chart show how the Council met the cost of its services in 2007/08:



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 2007/08 totalling £4.854m is shown below:



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.

Balance Sheet as at 31st March 2008

| | <i>£ 000s</i> | <i>£ 000s</i> |
|---|-----------------|----------------------|
| Software Licences - Intangible Assets | | 212 |
| Buildings, Land & Assets owned by the Council | | 79,339 |
| Stock | | 57 |
| Money owed to the Council | | 7,000 |
| Investments | | 9,800 |
| Cash at Bank | | <u>896</u> |
| Gross Assets | | 97,304 |
| Money the Council owed | (5,569) | |
| Borrowing payable less 1 year | (87) | |
| Government Grants & Contributions Received | (5,751) | |
| Government Grants Deferrred | (470) | |
| Provision | (317) | |
| Borrowing payable longer 1 year | (1,619) | |
| Pension Fund deficit | <u>(14,150)</u> | |
| | | (27,963) |
| Total Net Assets | | <u>69,341</u> |
| Financed by: | | |
| Reserves and General Fund Balances | | 6,030 |
| Pension Reserve | | (14,150) |
| Capital Finance and Revaluation of Assets | | <u>77,461</u> |
| Total Net Worth | | <u>69,341</u> |

Specific Reserves and General Fund Balances held at 31st March 2008 were:

| | <i>Balance at 1st April 2007 £000 s</i> | <i>Balance at 31st March 2008- £000 s</i> |
|---|---|--|
| Specific Reserve | | |
| Repairs & Renewals | 175 | 0 |
| Equipment Olympus H Heath | 96 | 25 |
| Non Domestic Rates pre 95 Credits | 70 | 70 |
| Corporate Improvement Specific | 6 | 0 |
| Finance Specific | 16 | 0 |
| Housing Specific | 15 | 0 |
| Legal & Property Specific | 102 | 102 |
| Leisure & Well Being Specific | (671) | 0 |
| Org Development Specific | 15 | 3 |
| Outdoor Specific | 3 | 12 |
| Planning Policy Specific | 146 | 182 |
| Revenues/Benefits Specific | 208 | 168 |
| Environment Specific | 86 | 0 |
| Leisure Development Control | 0 | 162 |
| Housing, Environmental Health, Building Control | 0 | 15 |
| Strategic Core | <u>0</u> | <u>3</u> |
| Specific Reserve Total | <u>267</u> | <u>742</u> |
| General Fund Balances | | |
| Unallocated General Reserve | 1,759 | 2,073 |
| Other Reserves | 35 | 37 |
| Commuted Sums | <u>1,424</u> | <u>1,545</u> |
| General Fund Balances Total | <u>3,218</u> | <u>3,655</u> |

Details of all expenditure financed from the Specific Reserve and General Reserve is contained within the outturn report to Cabinet on 10th June 2008.

Summary of Cash Flow during 2007/08

| | <i>£000s</i> | <i>£000s</i> |
|---------------------------------------|----------------|--------------|
| Cash in Bank 1st April 2007 | | 610 |
| <i>Cash Inflows</i> | | |
| Revenue Activities | 155,150 | |
| Interest Received | 1,012 | |
| Capital Activities | <u>5,011</u> | |
| | | 161,173 |
| <i>Cash Outflows</i> | | |
| Revenue Activities | (158,224) | |
| Interest Paid | 0 | |
| Capital Activities | <u>(4,692)</u> | |
| | | (162,916) |
| <i>Financing</i> | | |
| New Loan Raised For Capital Financing | | 1700 |
| Reduction of Investments | | 330 |
| Cash in Bank 31st March 2008 | | 897 |