

## **Summary of Accounts 2005-06**

### ***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 2006 was approved by Council on 21<sup>st</sup> June 2006.

Interested members of the public had a statutory right to inspect the accounts from 15<sup>th</sup> May 2006 to 12<sup>th</sup> June 2006. The availability of the accounts for inspection was 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 will be published on the Council's website when the Audit Commission have provided their opinion. We have prepared summary accounts to provide a brief overview of the year end position, as shown below.

### ***Performance Management***

The Budget Report for 2005/06 was approved by Council on 9<sup>th</sup> March 2005. 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 approved a refreshed Corporate Plan in March 2005 which contained the priorities for service delivery for:

#### **Better Environment**

#### **Better Lives**

#### **Better Services**

The guiding principles to achieve these aims:

- Services must be delivered efficiently and effectively
- There must be more investment in front line services
- To assist in providing the additional resources for front line services, "back office" costs must be reduced
- Delivery must focus on serving the community

### ***Public Community Engagement***

A community engagement exercise was conducted during September and October 2004 to gain the views and opinions of local people. The results of this consultation were translated into the Budget for 2005/06 in order to deliver the services the community considered were of the highest priority.

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

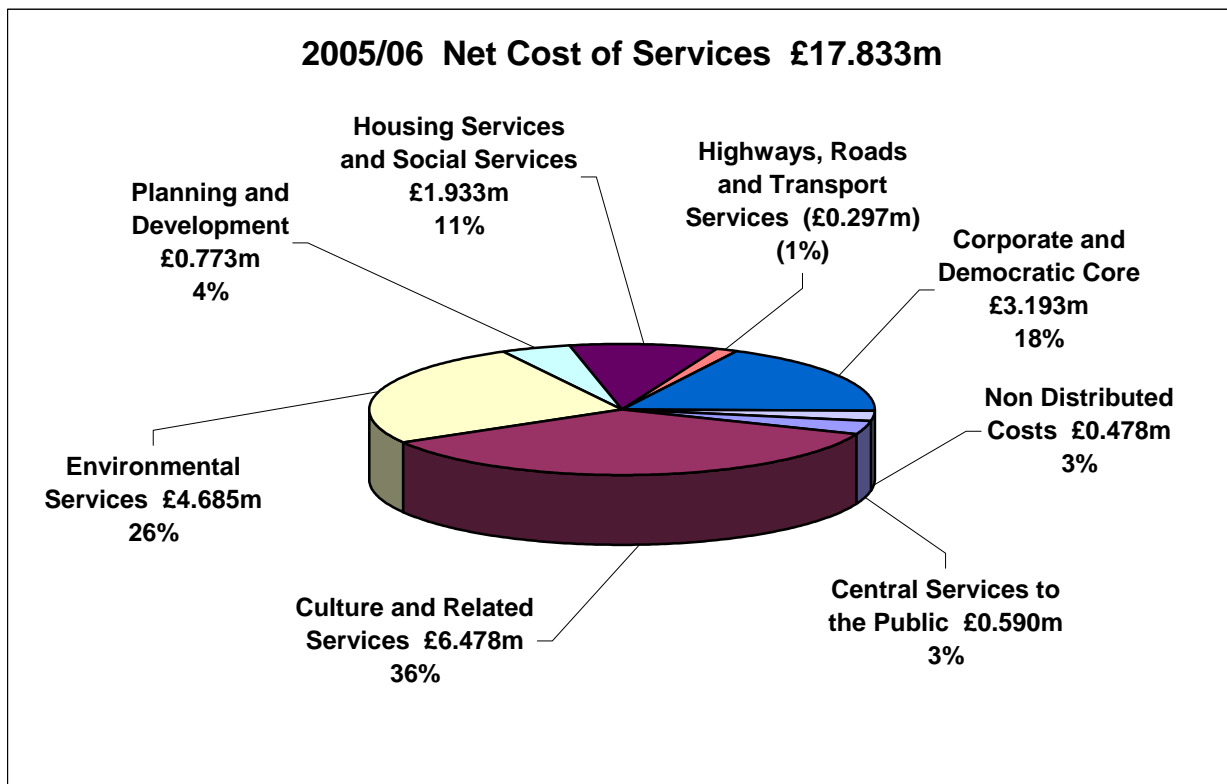
The revenue and capital outturn for 2005/06 was reported to Cabinet on 5<sup>th</sup> June 2006 and shows actual financial performance against the original budget which was approved by Council on 9<sup>th</sup> March 2005. The report explained that during 2005/06 Members had received four Budget Management reports to assist in the management of the budget and to minimise the risk of a significant variation.

### ***Revenue Expenditure***

The final underspend of £67,000 was within the tolerance level that had been set internally, and reflects well on the efforts of the Management Team to control expenditure and achieve neither an under or an overspend. Budget management continues to improve and it is anticipated that the movement of money between budgets, otherwise known as virement, will significantly reduce in future years.

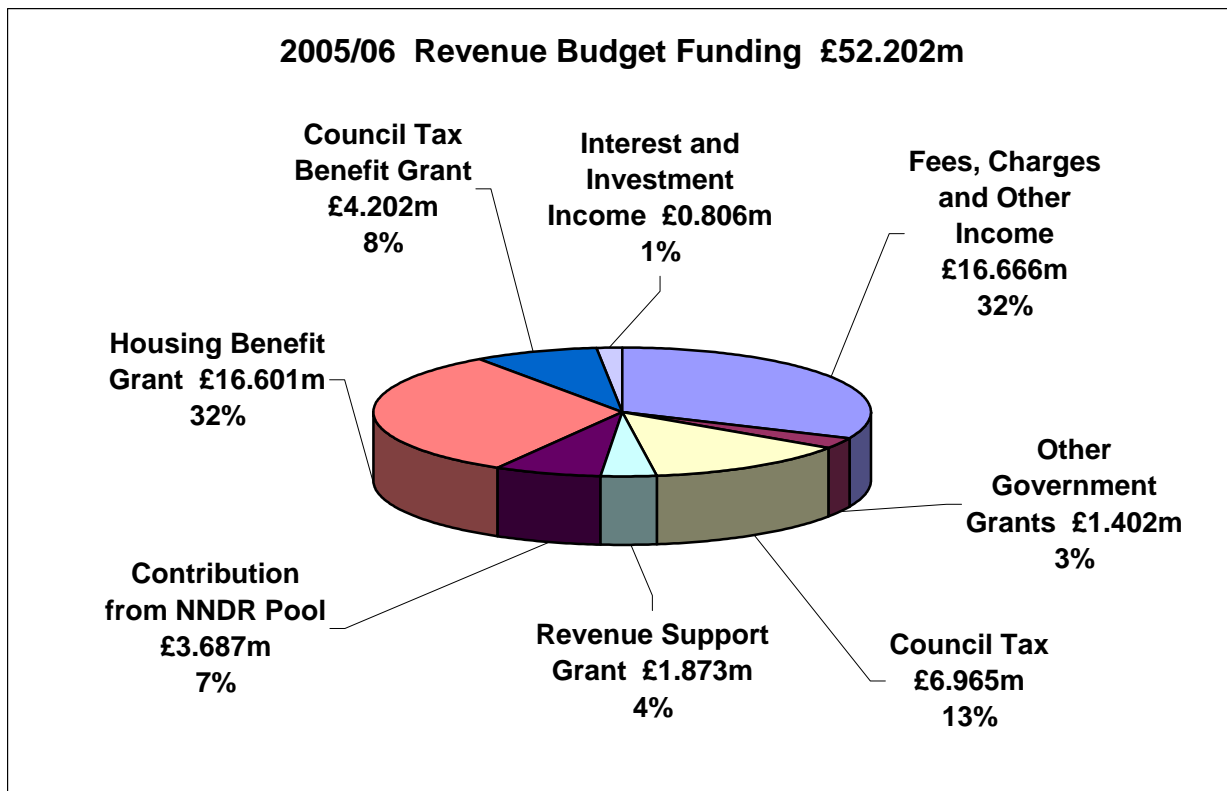
### Net Cost of Services – How the money was spent

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

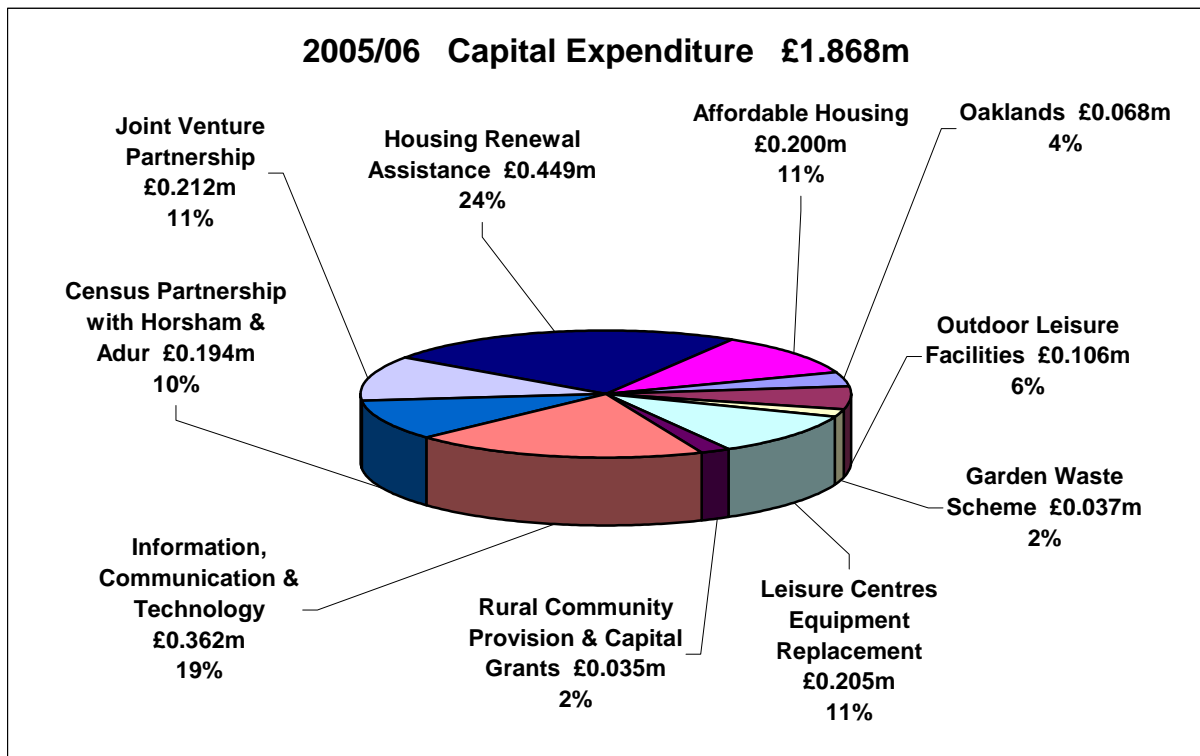
The following chart show how the Council met the cost of its services in 2005/06:



## 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 2005/06 totalling £1.868m 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 2006

	£ 000s
Software Licences - Intangible Assets	222
Buildings, Land & Assets owned by the Council	73,348
Stock	41
Money owed to the Council	6,205
Investments	8,000
Cash at Bank	955
Money the Council owed	(8,125)
Pension Fund deficit	<u>(23,940)</u>
<b>Total</b>	<b><u>56,706</u></b>
Financed by:	
Reserves and General Fund Balances	(17,633)
Capital Finance and Revaluation of Assets	<u>74,339</u>
<b>Total</b>	<b><u>56,706</u></b>

The General Fund Balances held at 31<sup>st</sup> March 2006 were:

	<i>Balance at 31st March 2006 £000s</i>	<i>Balance at 1st April 2005 £000s</i>
Unallocated General Reserve	4,226	3,121
Historic Buildings Loans Fund	24	24
Commuted Sums	1,400	1,368
Other Reserves	16	3
	<u>5,666</u>	<u>4,516</u>

Specific Reserves held at 31<sup>st</sup> March 2006 were:

	<i>Balance at 31st March 2006 £000s</i>	<i>Balance at 1st April 2005 £000s</i>
Specific Reserves	498	556
Repairs and Renewals	152	55
Dolphin LC Equipment Renewal Reserve	72	48
NDR Credits	70	0
	<u>792</u>	<u>659</u>

The total expenditure on the Specific Items financed from the Specific Reserve and General Reserve for 2005/06 was £2.289m. Details of all this expenditure is contained within the outturn report to Cabinet on 5<sup>th</sup> June 2006.