

Summary of Accounts 2020-21

Introduction

The Council's accounts are an important element in demonstrating the stewardship of public money. The Assistant Director for Corporate Resources is responsible for the preparation of the Council's Statement of Accounts in accordance with the accounting requirements. The Accounts and Audit (Coronavirus) Amendments Regulations 2020 have extended the statutory audit deadline so that the publication date for audited accounts will move from 31 July to 30 September 2021.

The Statement Of Accounts for year ended 31 March 2021 was approved by the Assistant Director for Corporate Resources and submitted, after the external audit, to Audit Committee on 19 April 2023. Interested members of the public had a statutory right to inspect the accounts from 2 August 2021 to 13 September 2021. The availability of the accounts for inspection is advertised on the Council's website. 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 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 2020/21

The Corporate Plan and Budget Report for 2020/21 was approved by Council on 4 March 2020. 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 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's corporate priorities and main purpose reflect the current challenges and opportunities facing the Council and the themes to be addressed in the Sustainable Communities Strategy. The new statement of main purpose is

to be an effective Council delivering value for money services and helping to create a strong economy, environment and community.

The new council priorities are

- Effective and responsive services
- Sustainable economic growth
- Strong and resilient communities
- Financial independence.

In addition the Council has identified 'flagship' activities under each new priority. These are detailed in the Corporate Plan.

Financial Review of the Year

The revenue and capital outturn for 2020/21 was reported to Cabinet on 7 June 2021.

Revenue Expenditure

During 2020/21 Cabinet received five Budget Management reports (including the Outturn Report). Over the year the budget has been adversely affected as a direct result of the Covid pandemic which severely reduced all sources of income and in some areas, such as Leisure, also increased costs. Whilst the MHCLG Emergency Covid19 grants and the Income Compensation scheme grant for lost sales, fees and charges has helped fund some of these losses, many financial targets were not able to be achieved as planned and service performance was unavoidably affected. However, although the first three quarters of the year showed a forecast overspend of £1,925,000, this position improved in the last quarter and the reported Outturn for 2020/21 was an overspend of £1,400,000. This overspend has been funded from General Reserve.

It should note that this Budget Outturn Report links with the Service Performance Outturn Report which was separately reported to Cabinet on 7 June 2021. However, it should also be noted that this table includes a slight adjustment to the reported Outturn overspend total of £1,400,000 as an additional £4k expenditure has since been recoded to revenue relating to a Termination Benefits cost. This has been funded from General Reserve resulting in a reconciling item between the Outturn Report and the Statement of Accounts 2020/21. Over the year, income has exceeded targets in a number of areas. However, the budget has continued to be carefully managed in order to ensure that financial targets are met without compromising service performance.

The level of Reserves increased by £21.000m during 2020/21 (an increase of £5.818m in General Reserve and an increase of £15.365m in Specific Reserve). The increase in General Reserves in 2020/21 is mainly due to the receipt of New Homes bonus grant totalling £3.267m, £1.851m transfer from Specific Reserves for monies

no longer needed and available to support the Revenue overspend in 2020/21, £0.302m being the annual contribution budgeted to be paid to General Reserve, to fund the Authority's Major Capital Renewals programme, interest receipts from Treasury management activity of £0.171m, partly offset by the utilisation of General Reserve for financing the Capital Programme in the sum of £1.435m.

The main use of Specific reserve relates to the transfers out of the Housing Specific Reserve included £0.346m utilised from the Temporary Accommodation Reserve to help secure better accommodation for vulnerable families and £0.387m spent from the Flexible Homelessness Specific Reserve to further support Temporary Accommodation associated costs. • The transfers out of the Planning Policy and Economic Development Specific Reserve included £1.477m for the transfer to Wealden District Council of SAMM contributions as part of the Joint SAMM strategy and the pooled funding of the shared service this year. • The transfers to Corporate Funds Specific Reserve included £11.349m to the Rate Retention Scheme Equalisation of which £11.293m relates to MHCLG grants for Business Rates Reliefs that were paid by Central Government as compensation for the loss of Business Rates Income that would have been received as part of the Collection Fund accounting due to the COVID-19 pandemic. The year end balance of this reserve will be used to fund the Authority's Collection Fund deficit in future years. £1.669m has been utilised including £0.214 for current year NNDR3 levy adjustment and £1.455m for Revenue Budget financing of the in year overspend.

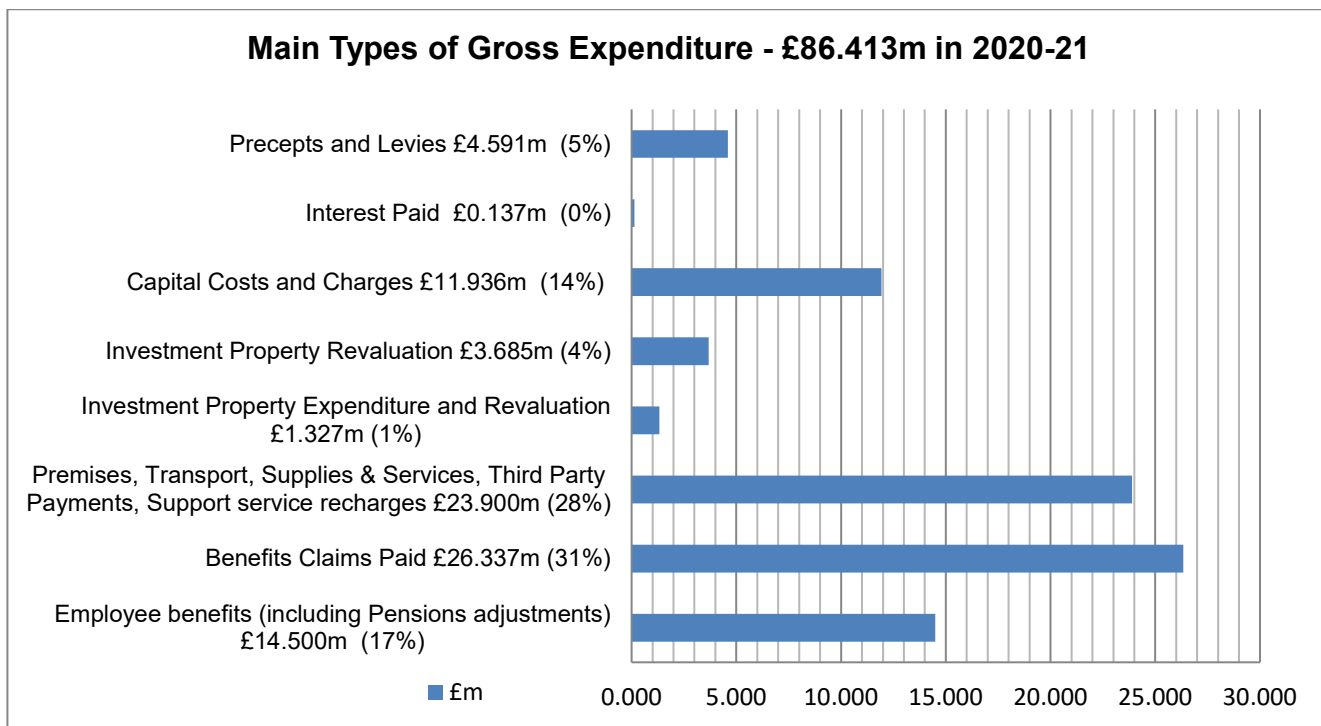
The Council's level of General Reserves held as at 31 March 2021 stands at £7.811m and Earmarked Specific Reserves at £23.816m and is considered adequate for withstanding future financial pressures arising from the continuing squeeze on local government finance.

Net Cost of Services – How the money was spent

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

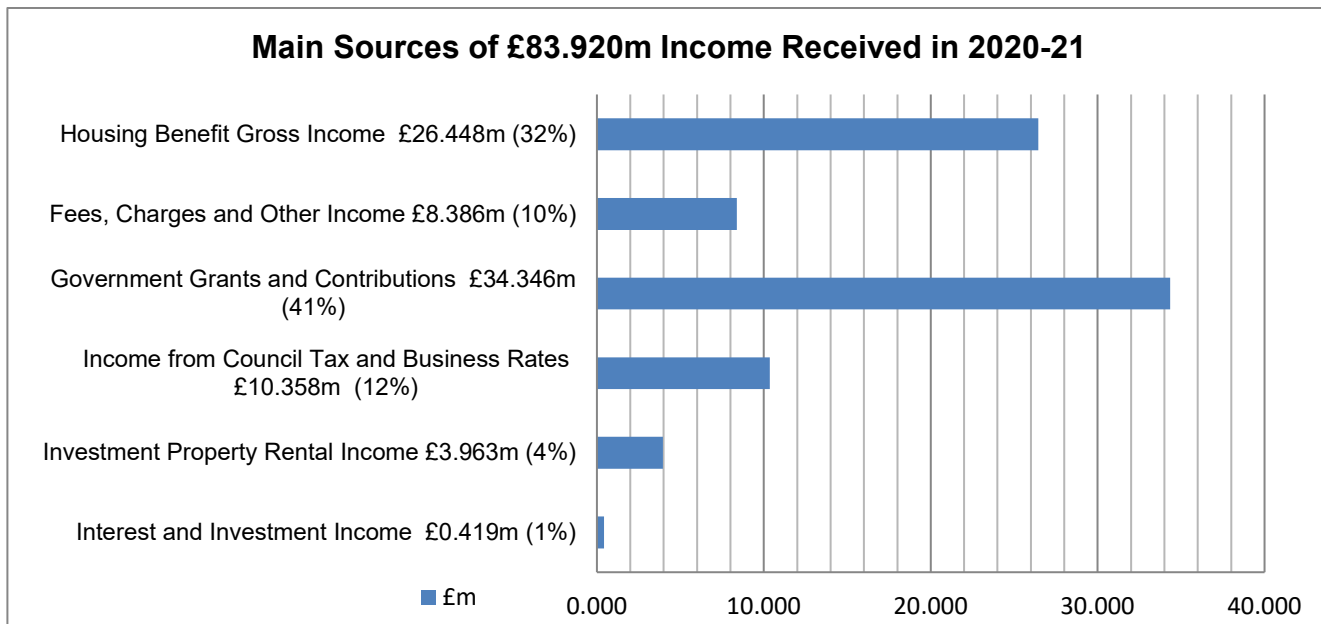
<u>2020-21 Net Cost of Services £28,281,000 - How the money was spent</u>	£000	
Housing	3,023	11%
Planning Policy & Economic Development	2,136	8%
Development Management	1,167	4%
Cleansing Services	4,033	14%
Parking Services	347	1
Landscapes & Leisure	7,344	26%
Community Services, Policy & Performance	1,608	6%
Corporate Estates & Facilities	1,203	4%
Finance Accountancy	47	0%
Finance Corporate	234	1%
Revenues & Benefits	2,815	10%
Customer Services & Communications	3	0%
Digital & Technology Services	334	1%
Human Resources & Payroll	(65)	0%
Legal Services	23	0%
Democratic Services	921	3%
Land Charges	103	0%
Environmental Health	1,151	4%
Building Control	427	2%
Strategic Core	1,538	5%
Benefits	(111)	(0%)
Net Cost of Services	28,281	100%

Main Types of Gross Expenditure in 2020-21



Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2020/21 are as follows:



Earmarked Specific Reserves and General Fund Balances held at 31 March 2021

	Balance at 1 April 20 £ 000s	Balance at 31 March 21 £ 000s
Earmarked Specific Reserve		
Housing	(1,010)	(608)
Planning Policy & Economic Development	(3,069)	(1,659)
Development Management	(21)	0
Parking	(94)	(20)
Cleansing Services	(141)	(48)
Landscapes & Leisure	(407)	(793)
Community Services, Policy & Performance	(375)	(781)
Corporate Estates & Facilities	(5,568)	(5,369)
Finance Accountancy	(14)	(34)
Finance Corporate	(133)	(441)
Revenues & Benefits	(284)	(379)
Digital & Technology Services	(74)	(51)
Human Resources & Payroll	(1)	0
Democratic Services	(148)	(86)
Land Charges	(2)	0
Planning Service Support	0	0
Environmental Health	(5)	(146)
Corporate Funds	(4,363)	(13,401)
Earmarked Specific Reserves	<u>(15,709)</u>	<u>(23,816)</u>
General Fund Balances	<u>(6,132)</u>	<u>(7,811)</u>
Total Reserves	<u><u>(21,841)</u></u>	<u><u>(31,627)</u></u>

Details of all expenditure financed from the Earmarked Specific Reserves and General Fund Balances is contained within the outturn report to Cabinet on 7 June 2021.

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 2020/21 totalling £11.419m is shown below:

Capital Expenditure 2020/21	2020/21
	£000s
Property, Plant and Equipment	
Land and Buildings	
Oaklands Office	751
Leisure Centres	3
Other Buildings	240
Temporary Accommodation Properties	1,596
Asset Under Construction	2,122
Plant / Vehicles / Equipment	
Playground and Skatepark Equipment	190
Green Waste Wheeled Bins	30
Digital & Technology Hardware	102
Intangible Assets	
Software and software licences	16
Revenue Expenditure funded from Capital Under Statute	
Housing – Disabled Facilities Grants (DFG)	1,030
Housing – Affordable Housing	100
Other expenditure	5,239
Total	11,419

The capital expenditure in the year was financed by:	<u>£000s</u>
General Fund Balances & Earmarked Specific Reserves	1,403
Government Grants & Section 106s Receipts in Advance	5,600
Capital Grants Unapplied Account	2,726
Usable Capital Receipts	1,690

Usable capital receipts for 2020/21 totalled £26,121,000 (Note 6). Other receipts received in 2020/21 totalled £9,645,000 (refer Note 11 Grant Income – Capital Grants and Contributions- receipts in advance). The split mainly relates to:

	<u>£000s</u>
Time Limited S106 agreements & Local Authority contributions	8,419
Disabled Facilities Grant (contribution from WSCC)	1,226

The available year end balances of Usable Capital Receipts is £5,641,000 (refer Movement In Reserves Statement) Capital Grants Unapplied Account is £5,635,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £10,293,000 (Note 11).

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	31 March 2021	31 March 2021
	£ 000s	£ 000s
Property, Plant and Equipment		98,674
Heritage Assets		825
Investment Property		47,094
Software & Software Licences - Intangible Assets		299
Long Term Investments		5,714
Amounts due to the Council		16,898
Short Term Investments		38,070
Asset Held For Sale		0
Cash and Cash Equivalents		20,831
Long Term Assets and Current Assets		228,405
Amounts due to others	(31,834)	
Capital Grants & S106 Contributions Received	(10,293)	
Provisions	(3,401)	
Finance Lease Liability	(2,258)	
Borrowing	(5,337)	
Pension Fund deficit	(21,247)	
Long Term Liabilities and Current Liabilities		(74,370)
Total Net Assets		154,035
Financed by:		
General Fund Balances, Earmarked Specific Reserves and Capital Reserves		(42,903)
Pension Reserve		21,247
Capital Finance and Revaluation of Assets		(132,379)
Total Net Worth		(154,035)

Summary of Cash Flow during 2020/21

	£000s	£000s
Cash in Bank and Cash Equivalents at 1 April 2020		9,790
Net Cash Inflow / (Outflow) - Operating Activities	1,427	
Net Cash flows from Investing Activities	13,208	
Net Cash flows from Financing Activities	(3,594)	
Increase / (Decrease) in Cash and Cash Equivalents		11,041
Cash in Bank and Cash Equivalents at 31 March 2021		20,831