

Summary of Accounts 2014-15

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 March 2015 is approved by the Head of Finance on 30 June and submitted, after the external audit, to Audit Committee on 29 September 2015. Interested members of the public have a statutory right to inspect the accounts from 27 July 2015 to 21 August 2015. 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 2014/15

The Corporate Plan and Budget Report for 2014/15 was approved by Council on 26 February 2014. 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 in Mid Sussex rewards careful watching 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 offers an indication that the local economy is showing signs of recovery.

The level of Reserves increased during 2014/15, mainly from the receipt of New Homes Bonus (NHB) grant (£2,502k) and investment interest (£324k).

The Council's level of General Reserves held as at 31 March 2015 stands at £10.925m and is considered adequate for withstanding future financial pressures arising from the continuing squeeze on local government finance. We await the first budget of the new government with interest to see where savings in local government funding will be made, although we are quite confident that our projections are prudent enough to enable the authority to operate successfully within a diminishing financial envelope.

Financial Review of the Year

The revenue and capital outturn for 2014/15 was reported to Cabinet on 8 June 2015.

Revenue Expenditure

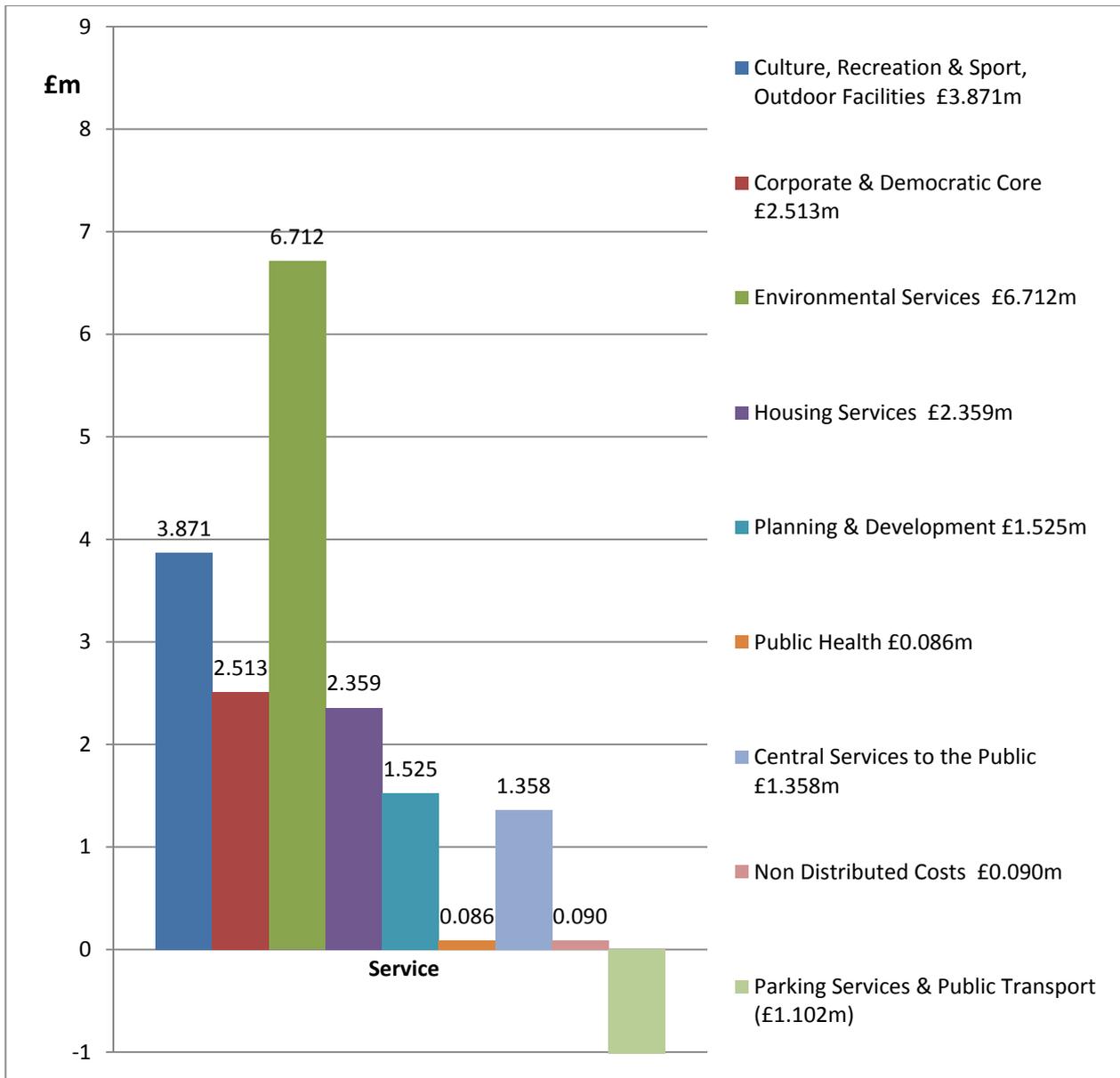
During 2014/15 Cabinet received six full Budget Management reports (including the Outturn Report). Over the year, income has exceeded targets in a number of areas. However, the budget has continued to be tightly managed in order to ensure that financial targets are met without compromising service performance. Members should note that this Budget Outturn Report links with the Service Performance Outturn Report which is separately reported to Cabinet in July 2015.

In summary, increased income levels experienced in 2014/15 and Mid Sussex's embedded culture of seeking efficiencies, have both contributed to this year's underspend of £874,000, which has been fully utilised, following transfers to Earmarked Reserves.

Net Cost of Services – How the money was spent

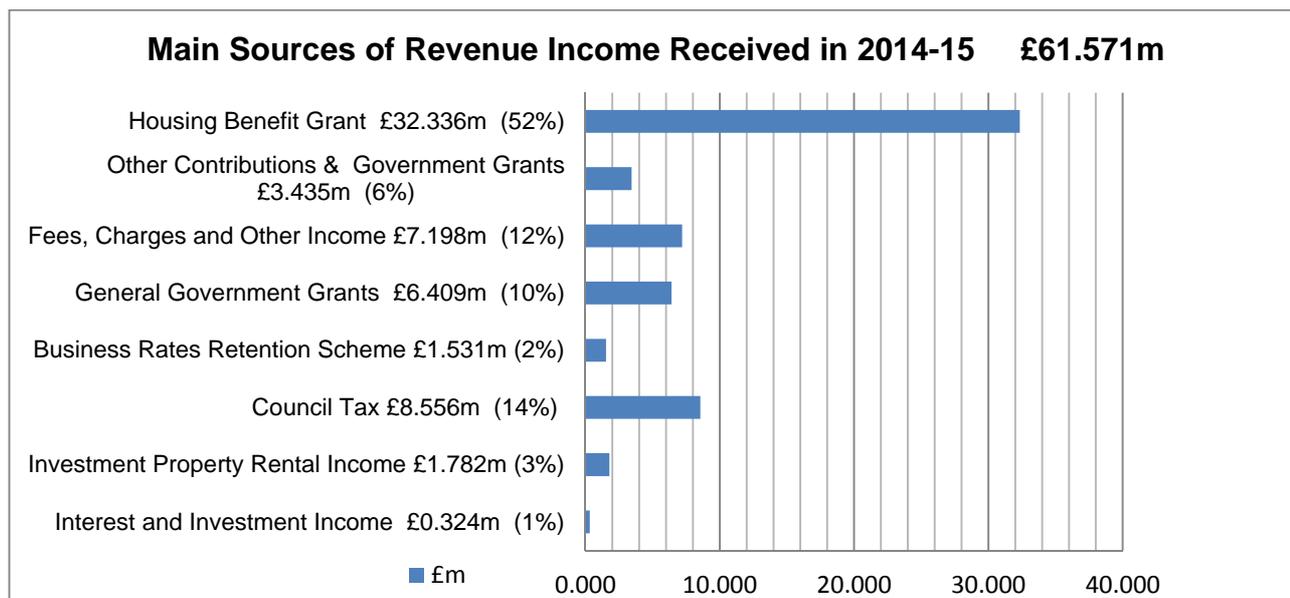
The chart below shows the net cost of all Council services on the Comprehensive Income and Expenditure Statement:

2014-15 Net Cost of Services £17.412m



Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2014/15 are as follows:



Specific Reserves and General Fund Balances held at 31 March 2015

Specific Reserve	Balance at 1 April £ 000s	Balance at 31 March £ 000s
Performance & Partnerships	(28)	(70)
Development Management	(7)	(95)
Planning Policy & Economic Development	(478)	(567)
Planning Service Support	0	(25)
Accountancy	(6)	(2)
Finance Corporate	(201)	(177)
Human Resources & Payroll	(18)	(11)
CenSus ICT	(100)	(28)
CenSus Revenues & Benefits	(229)	(300)
Housing	(125)	(189)
Leisure, Community Services & Culture	(468)	(317)
Facilities Management & Streetscene	(232)	(140)
Cleansing Services	0	(10)
Property & Asset Maintenance	(207)	(284)
Member Support & Partnerships	(117)	(199)
Land Charges	(15)	(17)
Corporate Funds	(1,422)	(2,236)
Earmarked Specific Reserve	(3,653)	(4,667)
General Fund Balances	(8,979)	(10,925)
Total Reserves	(12,632)	(15,592)

Details of all expenditure financed from the Specific Reserve and General Reserve is contained within the outturn report to Cabinet on 8 June 2015.

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 2014/15 totalling £5.442m is shown below:

Capital Expenditure 2014/15	2014/15
	£000s
Property, Plant and Equipment	
Land and Buildings	
Leisure Centres	191
Oaklands Office	75
Pavilions	26
Finches Field Land	36
Asset Under Construction	
Woodside Pavilion, Bolnore Village	1,241
Recycling & Refuse Depot	1,131
Finches Field Community Pavilion	18
Plant / Vehicles / Equipment	
Playground Equipment	142
ICT Hardware	237
Intangible Assets	
Software and software licences	149
Investment Property	
Bridge Road Starter Units	605
Revenue Expenditure funded from Capital Under Statute	
Housing - Disabled Facilities Grants (DFG)	363
Housing – Affordable Housing	138
Other expenditure	1,090
Total	5,442

The capital expenditure in the year was financed by:	<u>£000s</u>
Capital Receipts	326
General Fund Balances & Specific Reserve	2,323
Government Grants & Section 106s Receipts in Advance	1,917
Capital Grants Unapplied Account (Reserve)	876

Usable capital receipts for 2014/15 totalled £1,281,000 (refer Note 24). Other receipts received in 2014/15 totalled £2,031,000 (refer Note 35 Grant Income – receipts in advance). The split mainly relates to:

	<u>£000s</u>
Time Limited Section 106 agreements	1,668
Renovation Grant	363

The available year end balances of Usable Capital Receipts is £1,209,000 (refer Note 24) Capital Grants Unapplied Account is £2,813,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £4,883,000 (refer Note 35).

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 2015	31 March 2015
	£ 000s	£ 000s
Property, Plant and Equipment		73,722
Heritage Assets		837
Investment Property		20,981
Software & Software Licences - Intangible Assets		301
Long Term Investments		3,000
Inventories (stocks)		4
Money owed to the Council		4,125
Investments		22,097
Cash at Bank		1,398
Long Term Assets and Current Assets		126,465
Money the Council owed	(5,746)	
Capital Grants & S106 Contributions Received	(4,883)	
Provisions	(912)	
Finance Lease Liability	(458)	
Borrowing	(1,050)	
Pension Fund deficit	(37,244)	
Long Term Liabilities and Current Liabilities		(50,293)
Total Net Assets		76,172
Financed by:		
General Fund Balances, Specific Reserves and Capital Reserves		(19,615)
Pension Reserve		37,244
Capital Finance and Revaluation of Assets		(93,801)
Total Net Worth		(76,172)

Summary of Cash Flow during 2014/15

	£000s	£000s
Cash in Bank 1 April 2014 (overdraft)		(70)
Net Cash Inflow / (Outflow) - Operating Activities	1,396	
Net Cash flows from Investing Activities	423	
Net Cash flows from Financing Activities	(351)	
Increase / (Decrease) in Cash and Cash Equivalents		1,468
Cash in Bank 31 March 2015		1,398