

Summary of Accounts 2012-13

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 2013 is approved by the Head of Finance on 28th June and submitted, after the external audit, to Audit Committee on 24th September 2013. Interested members of the public have a statutory right to inspect the accounts from 15th July 2013 to 9th August 2013. 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 2012/13

The Corporate Plan and Budget Report for 2012/13 was approved by Council on 29th February 2012. 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 2012/13. Despite this, 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.

In addition, the level of Reserves increased during 2012/13, mainly from the receipt of New Homes Bonus (NHB) grant (£796k) and investment interest (£523k). 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 31st March 2013 stands at £9.44m 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.

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 have, however, become increasingly 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 2012/13 was reported to Cabinet on 3rd June 2013.

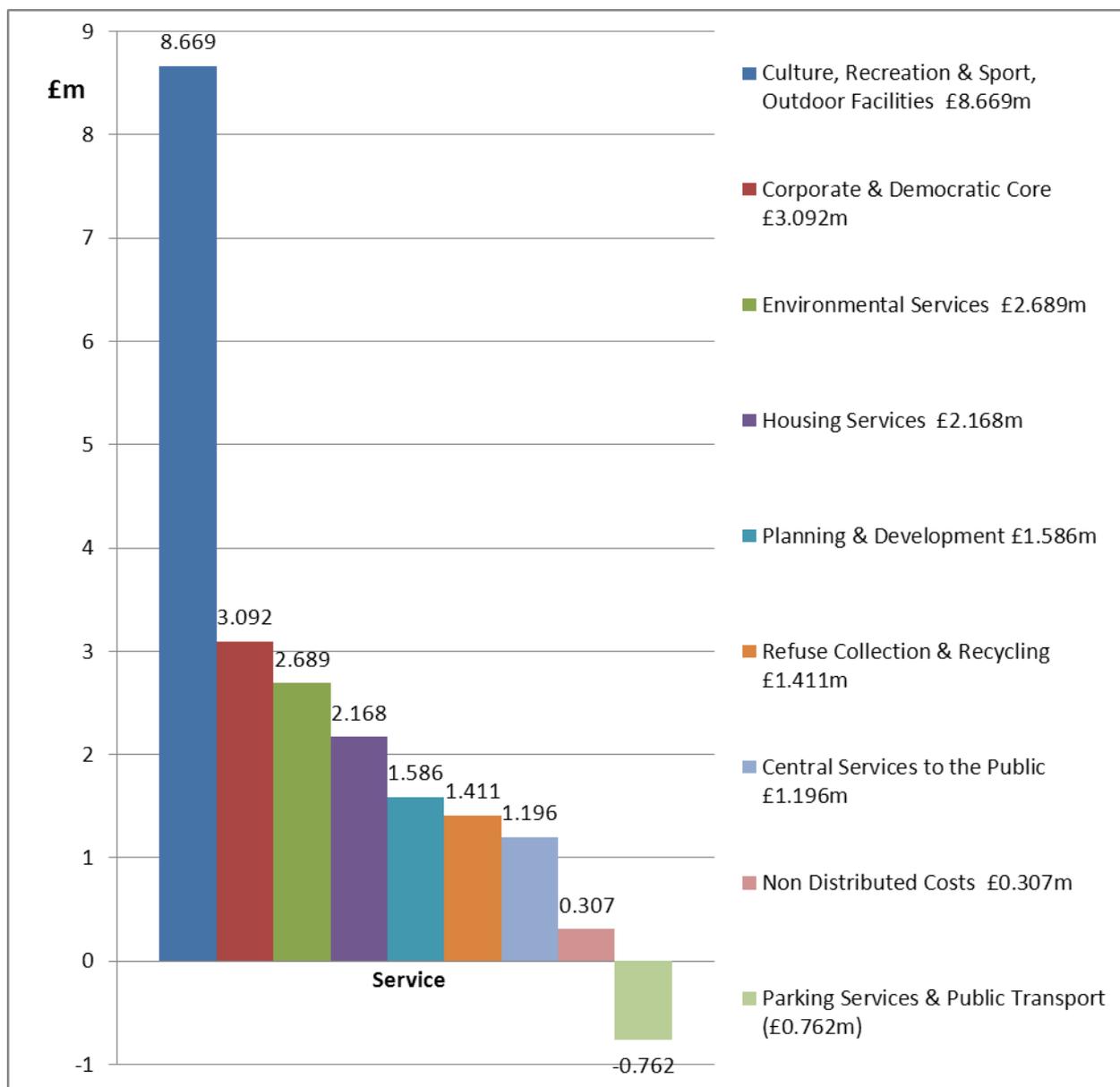
Revenue Expenditure

During 2012/13 Members have received five full Budget Management reports. Over the year, the budget has continued to be managed in order to ensure that financial targets are met without compromising service performance. Were the outturn 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 £8,000, after allowing for transfers to Specific Reserves totalling £575,000 and financing capital schemes totalling £35,000.

Net Cost of Services – How the money was spent

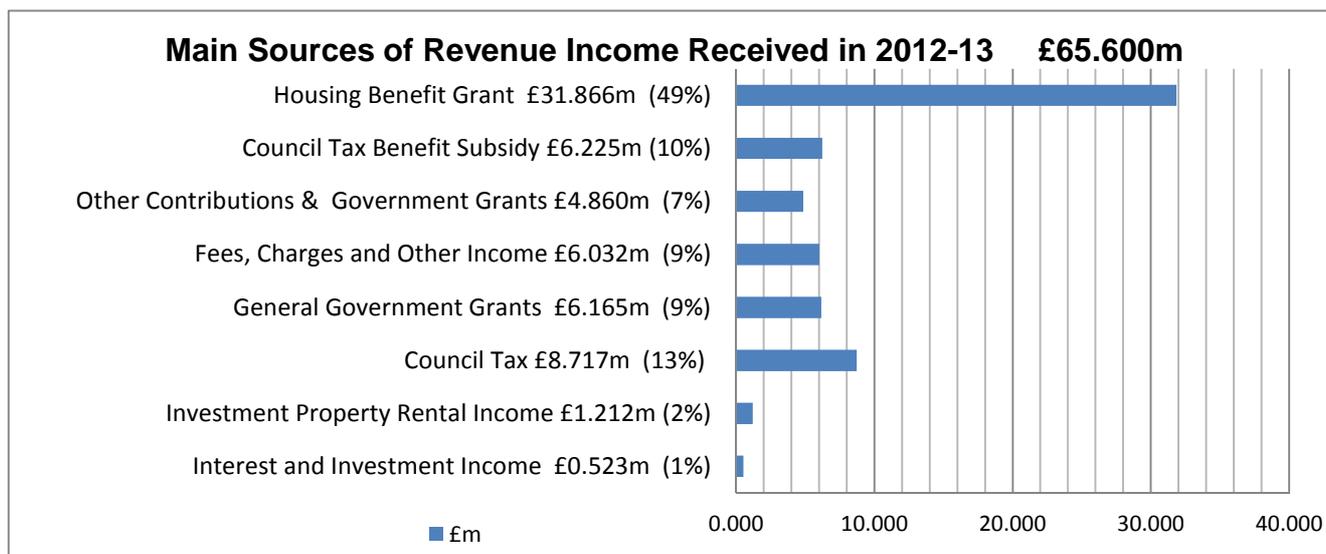
The chart below shows the net cost of all Council services on the Comprehensive Income and Expenditure Statement:

2012-13 Net Cost of Services £20.356m



Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2012-13 are as follows:



Specific Reserves and General Fund Balances held at 31st March 2013

Specific Reserve	Balance at 1st April £ 000s	Balance at 31st March £ 000s
Performance & Partnerships	7	1
Customer Services & Communications	0	2
Development Management	70	66
Planning Policy & Economic Development	651	554
Accountancy	5	3
Finance Corporate	371	240
Personnel & Payroll	24	22
CenSus ICT	20	43
CenSus Revenues & Benefits	551	926
Housing	105	105
Environmental Health	0	10
Leisure, Community Services & Culture	419	496
Facilities Management & Streetscene	26	41
Legal Services	0	5
Property & Asset Maintenance	156	70
Member Support & Partnerships	22	79
Land Charges	34	27
Strategic Core	0	80
Better Mid Sussex	6	0
Earmarked Specific Reserve	2,467	2,770
General Fund Balances	8,141	9,443

Details of all expenditure financed from the Specific Reserve and General Reserve is contained within the outturn report to Cabinet on 3rd June 2013.

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 2012/13 totalling £2.508m is shown below:

Capital Expenditure 2012/13	2012/13
	£000s
Property, Plant and Equipment	
Land and Buildings	
Leisure Centres	316
Community Centres and Halls	17
Oaklands Office	100
Pavilions	32
Car Parks	60
Asset Under Construction	
Public Convenience	144
Bolnore Village Recreational Hall	57
Recycling & Refuse Depot	65
Plant / Vehicles / Equipment	
Playground Equipment	195
ICT Hardware	123
Intangible Assets	
Software and software licences	135
Community Asset	
Land	20
Revenue Expenditure funded from Capital Under Statute	
Housing - Disabled Facilities Grants (DFG)	747
Other expenditure	497
Total	2,508

The capital expenditure in the year was financed by:	<u>£000s</u>
Capital Receipts	145
General Fund Balances & Specific Reserve	1,216
Government Grants & Section 106s Receipts in Advance	778
Capital Grants Unapplied Account (Reserve)	369

Usable capital receipts for 2012/13 totalled £91,000 (refer Note 25). Other receipts received in 2012/13 totalled £1,544,000 (refer Note 36 Grant Income – receipts in advance). The split mainly relates to:

	<u>£000s</u>
Time Limited Section 106 agreements	1,116
Renovation Grant	429

The available year end balances of Usable Capital Receipts is £1,949,000 (refer Note 25) Capital Grants Unapplied Account (Reserve) is £2,440,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £4,623,000 (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.

Balance Sheet	31.3.13	31.3.13
	£ 000s	£ 000s
Property, Plant and Equipment		69,155
Heritage Assets		837
Investment Property		16,513
Software & Software Licences - Intangible Assets		243
Long Term Investments		0
Inventories (stocks)		6
Money owed to the Council		3,547
Investments		23,816
Cash at Bank		
Long Term Assets and Current Assets		114,117
Cash at Bank	(280)	
Money the Council owed	(5,675)	
Capital Grants & S106 Contributions Received	(4,623)	
Provisions	(160)	
Finance Lease Liability	(739)	
Borrowing	(1,323)	
Pension Fund deficit	(30,057)	
Long Term Liabilities and Current Liabilities		(42,857)
Total Net Assets		71,260
Financed by:		
General Fund Balances, Specific Reserves and Capital Reserves		(16,602)
Pension Reserve		30,057
Capital Finance and Revaluation of Assets		(84,715)
Total Net Worth		(71,260)

Summary of Cash Flow during 2012/13

	£000s	£000s
Cash in Bank 1st April 2012		3,479
Net Cash Inflow / (Outflow) - Operating Activities	3,262	
Net Cash flows from Investing Activities	(6,083)	
Net Cash flows from Financing Activities	(938)	
Increase / (Decrease) in Cash and Cash Equivalents		(3,759)
Cash in Bank 31st March 2013		(280)