

## **Summary of Accounts 2011-12**

### **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 2012 is to be approved by the Head of Finance on 30<sup>th</sup> June and will be submitted, after the external audit, to Audit Committee on 25<sup>th</sup> September 2012. Interested members of the public have a statutory right to inspect the accounts from 13<sup>th</sup> July 2012 to 9<sup>th</sup> August 2012. 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. The Audit Commission 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 2011/12**

The Corporate Plan and Budget Report for 2011/12 was approved by Council on 23<sup>th</sup> February 2011. 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 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. Income levels remain strong and demand for opt-in services that attract a fee show little by way of abatement. 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 2011/12 was reported to Cabinet on 11<sup>th</sup> June 2012.

### **Revenue Expenditure**

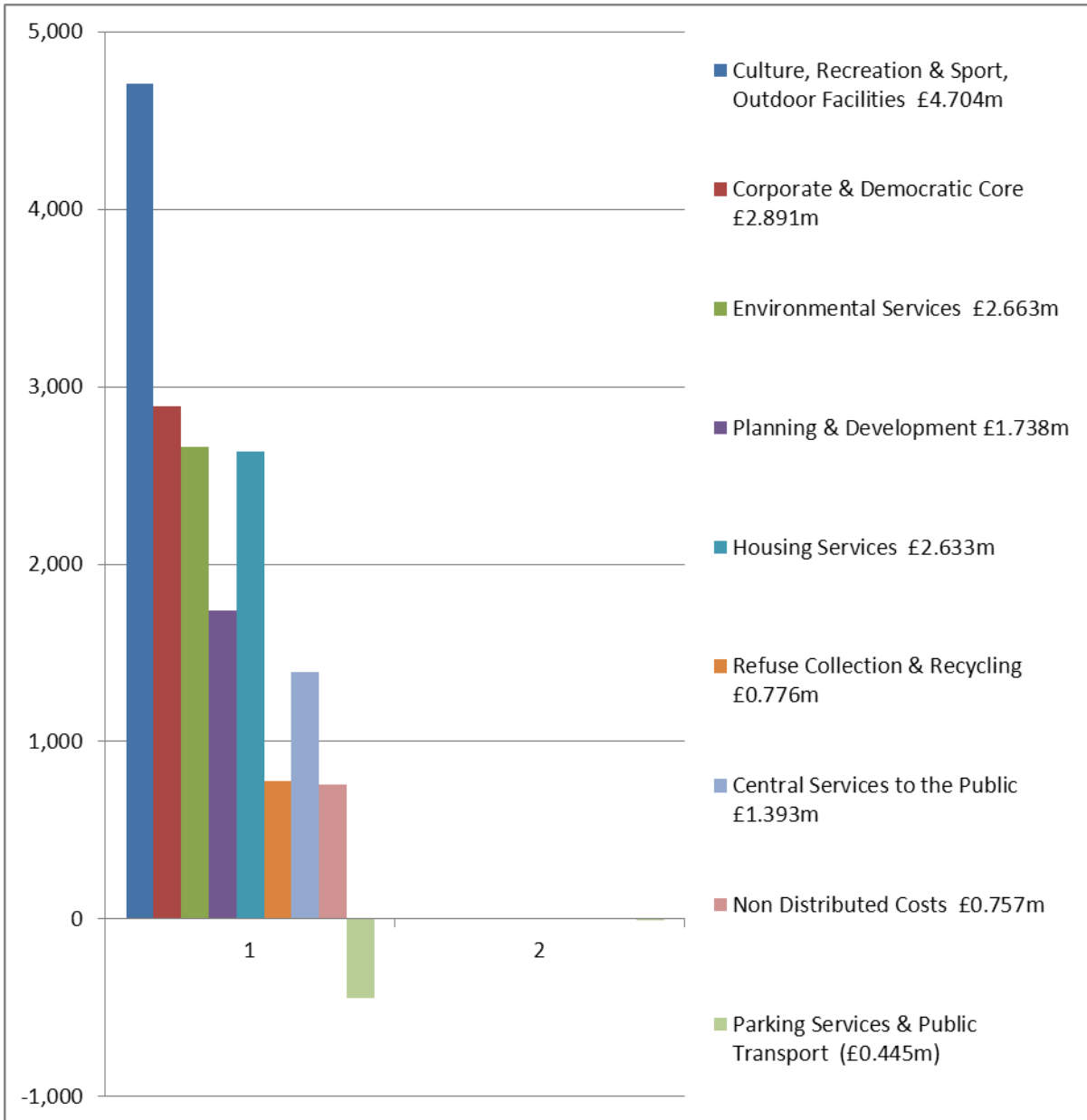
During 2011/12 Members have received four full Budget Management reports and additionally, received one interim update reports in January. Over the year, the budget has continued to be managed in order to ensure that financial targets are met without compromising service performance. Were the outturn 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 £343,000, after allowing for transfers to Specific Reserves totalling £254,919.

Given the positive outcome to the year, the outturn report proposed that the opportunity be taken to create three more Specific Reserves to be utilised in 2012/13. These would assist in dealing with known pressures that are to come and has the effect of reducing the transfer to General Reserve to £93,000. This will continue the Council's practice of spending carefully and making prudent provision for known pressures.

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

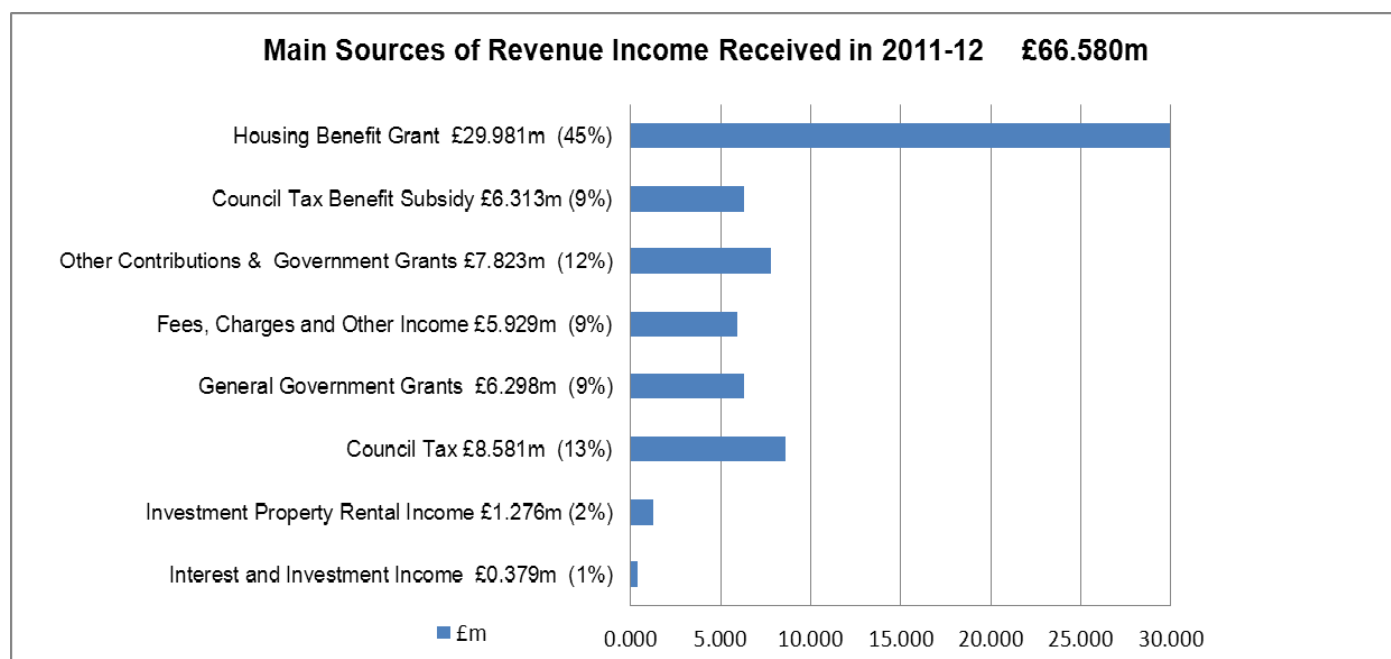
The chart below shows the net cost of all Council services on the Comprehensive Income and Expenditure Statement:

### 2011-12 Net Cost of Services £17.110m



## Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2011-12 are as follows:



## Specific Reserves and General Fund Balances held at 31<sup>st</sup> March 2012

Specific Reserve	<i>Balance at</i>	<i>Balance at</i>
	<i>1st April</i>	<i>31st March</i>
	<i>£ 000s</i>	<i>£ 000s</i>
Member Support & Partnerships	43	22
Performance & Partnerships	0	7
Development Management	125	70
Planning Policy & Economic Development	428	651
Accountancy	5	5
Finance Corporate	623	371
ICT	11	20
Revenues and Benefits	446	551
Housing	105	105
Environmental Health	1	0
Land Charges	34	34
Property	0	33
Building & Asset Maintenance	42	123
Community Services & Culture	197	138
Client Leisure Operations	91	281
Facilities Management & Streetscene	26	26
Personnel & Payroll	9	24
Better Mid Sussex	6	6
<b>Earmarked Specific Reserve</b>	<b>2,192</b>	<b>2,467</b>
<b>General Fund Balances</b>	<b>6,718</b>	<b>8,141</b>

Details of all expenditure financed from the Specific Reserve and General Reserve is contained within the outturn report to Cabinet on 11<sup>th</sup> June 2012.

## 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 2011/12 totalling £2.811m is shown below:

Capital Expenditure 2011/12	2011/12
<b>Property, Plant and Equipment</b>	<b>£000s</b>
<b>Land and Buildings</b>	
Leisure Centres	128
Community Centres and Halls	136
Oaklands Office	426
Pavilions	33
<b>Asset Under Construction</b>	
Public Convenience	54
<b>Plant / Vehicles / Equipment</b>	
Playground Equipment	147
Polling Booths	31
ICT Hardware	106
<b>Intangible Assets</b>	
Software and software licences	145
<b>Investment Property</b>	
The Brow (stamp duty tax)	12
<b>Revenue Expenditure funded from Capital Under Statute</b>	
Housing - Disabled Facilities Grants (DFG)	886
Housing - Affordable Housing	197
Other expenditure	510
<b>Total</b>	<b>2,811</b>

The capital expenditure in the year was financed by:	£000s
Capital Receipts	59
General Fund Balances	1,466
Other Reserves (Specific Reserve)	27
Government Grants & Section 106s Receipts in Advance	1,091
Government Grants & Section 106s Capital Reserve	168

Usable capital receipts for 2011/12 totalled £4,058,000. This relates to the sale of The Brow of which £2,000,000 has been used for loan repayment in November 2011. (refer Note 7 of the accounts). Other receipts received in 2011/12 totalled £1,620,000 (refer Note 34 Grant Income – receipts in advance). The split mainly relates to:

	£000s
Section 106 agreements	1,149
Renovation Grant	393
Other government grants and contributions	78

The available year end balances of Usable Capital Receipts is £2,011,000, Capital Grants and Contributions Reserve is £1,991,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £4,492,000.

## 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 2012

	£ 000s	£ 000s
Property, Plant and Equipment		61,625
Heritage Assets		837
Investment Property		16,993
Software & Software Licences - Intangible Assets		282
Long Term Investments		1,000
Inventories (stocks)		6
Money owed to the Council		4,496
Investments		19,750
<b>Long Term Assets and Current Assets</b>		<b>104,989</b>
Cash at Bank	(271)	
Money the Council owed	(5,691)	
Capital Grants & S106 Contributions Received	(4,492)	
Provisions	(234)	
Finance Lease Liability	(873)	
Borrowing	(1,463)	
Pension Fund deficit	(24,126)	
<b>Long Term Liabilities and Current Liabilities</b>		<b>(37,150)</b>
<b>Total Net Assets</b>		<b>67,839</b>
Financed by:		
General Fund Balances, Specific Reserves and Capital Reserves		14,611
Pension Reserve		(24,126)
Capital Finance and Revaluation of Assets		77,354
<b>Total Net Worth</b>		<b>67,839</b>

### Summary of Cash Flow during 2011/12

	£000s	£000s
<b>Cash in Bank 1st April 2011</b>		<b>1,763</b>
Net Cash Inflow / (Outflow) - Operating Activities	930	
Net Cash flows from Investing Activities	(2,349)	
Net Cash flows from Financing Activities	(615)	
Increase / (Decrease) in Cash and Cash Equivalents		(2,034)
<b>Cash in Bank 31st March 2012</b>		<b>(271)</b>