

## **Summary of Accounts 2017-18**

### **Introduction**

The Council's accounts are an important element in demonstrating the stewardship of public money. The Head of Corporate Resources 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 2018 is approved by the Head of Corporate Resources on 31 May and submitted, after the external audit, to Audit Committee on 24 July 2018. Interested members of the public have a statutory right to inspect the accounts from 1 June 2018 to 12 July 2018. 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 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 2017/18**

The Corporate Plan and Budget Report for 2017/18 was approved by Council on 1 March 2017. 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's corporate priorities and main purpose have been refreshed in 2017 to 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 2017/18 was reported to Cabinet on 8 May 2018.

### **Revenue Expenditure**

During 2017/18 Cabinet received five 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 carefully managed in order to ensure that financial targets are met without compromising service performance. It should be noted that the Budget Outturn Report links with the Service Performance Outturn Report which is separately reported to Cabinet in July 2018.

During the year, increased income levels experienced in 2017/18 and Mid Sussex's embedded culture of seeking efficiencies, have both contributed to this year's underspend of £0.418m, the majority of which has been transferred to Earmarked Reserves, leaving a small balance to return to General Reserve.

The level of Reserves increased during 2017/18, mainly from the receipt of New Homes Bonus (NHB) grant (£4.413m) and investment interest (£0.345m).

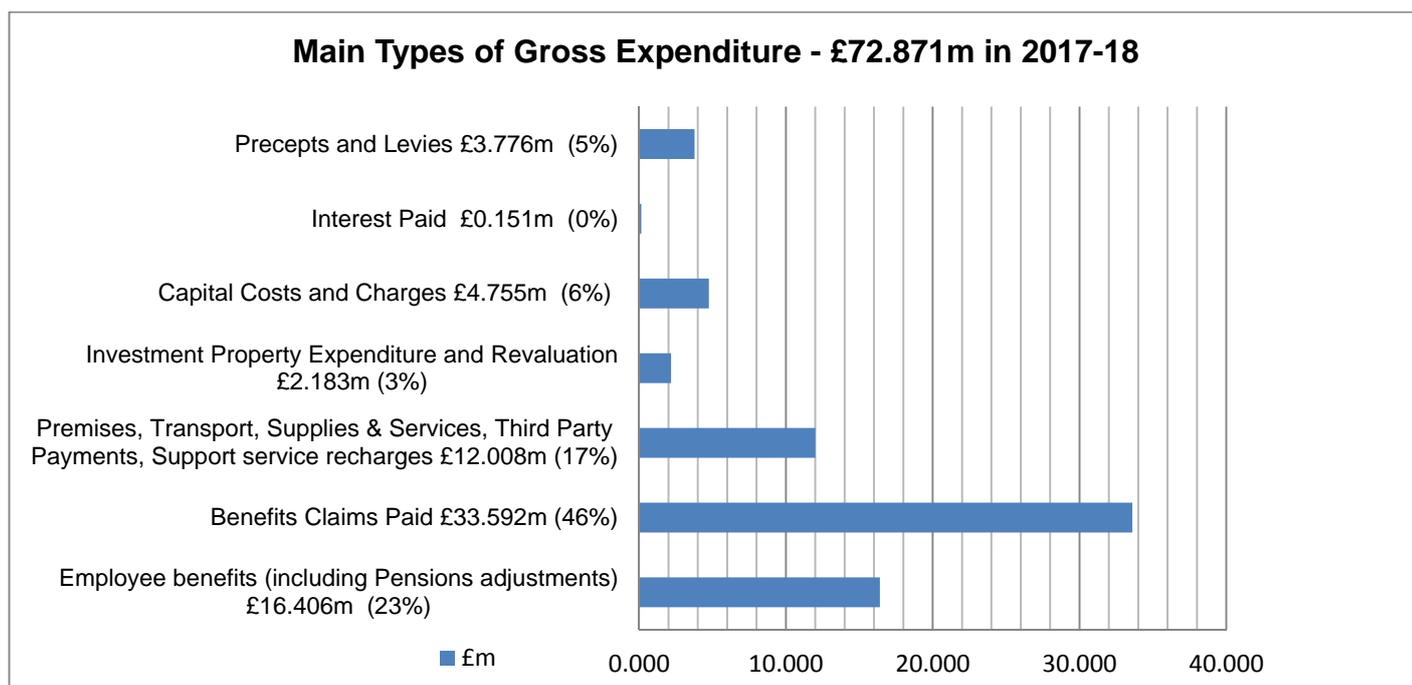
The Council's level of General Reserves held as at 31 March 2018 stands at £6.854m and Earmarked Specific Reserves at £20.714m and is considered adequate for withstanding future financial pressures arising from the continuing squeeze on local government finance.

## 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:

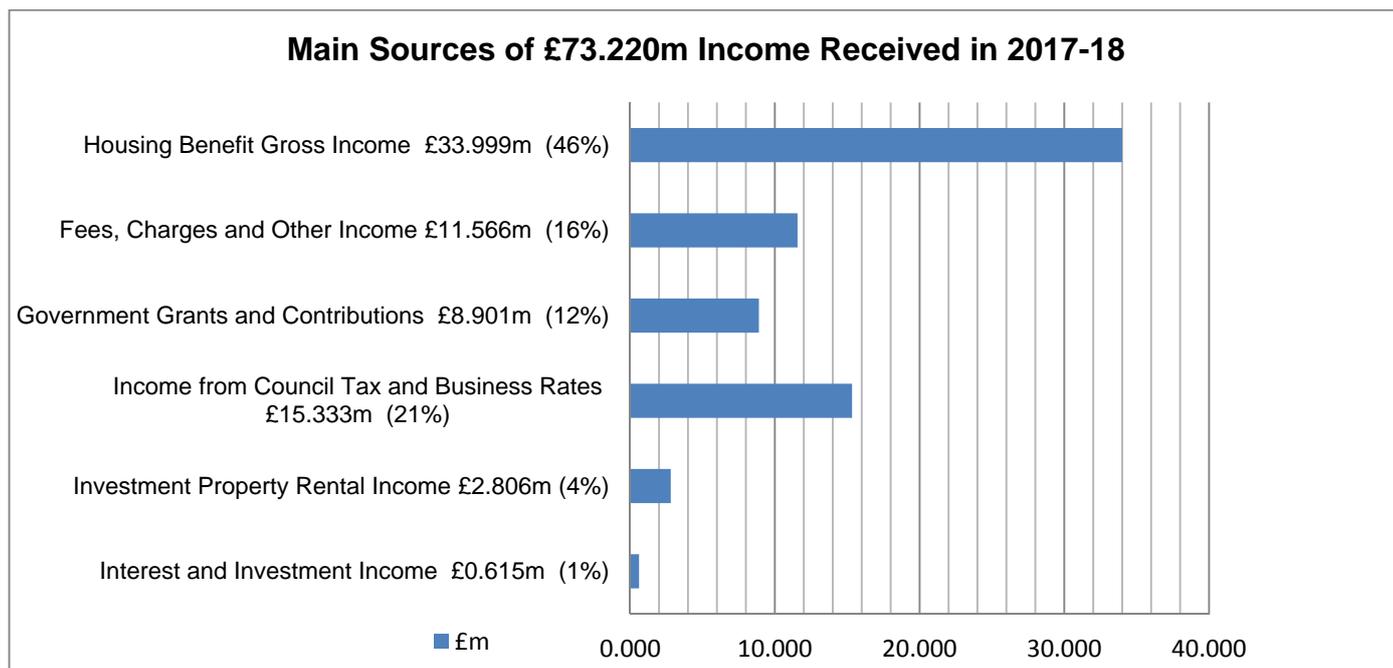
<b>2017-18 Net Cost of Services £19,438,000 - How the money was spent</b>	<b>£000</b>	
Housing	1,377	7%
Planning Policy	446	2%
Development Management	642	3%
Cleansing Services	2,712	14%
Parking Services	(960)	(5%)
Landscapes & Leisure	3,115	16%
Policy & Performance	695	4%
Community Services	563	3%
Corporate Estates & Facilities	813	4%
Finance Accountancy	173	1%
Finance Corporate	2,867	15%
Revenues & Benefits	2,380	12%
Customer Services & Communications	81	0%
ICT	485	3%
Human Resources & Payroll	164	1%
Legal Services	12	0%
Democratic Services	971	5%
Land Charges	161	1%
Environmental Health	1,220	6%
Building Control	409	2%
Strategic Core	1,519	8%
Benefits	(407)	(2%)
<b>Net Cost of Services</b>	<b>19,438</b>	<b>100%</b>

## Main Types of Gross Expenditure in 2017-18



## Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2017/18 are as follows:



## Earmarked Specific Reserves and General Fund Balances held at 31 March 2018

Earmarked Specific Reserve	Balance at 1 April 17 £ 000s	Balance at 31 March 18 £ 000s
Housing	(237)	<b>(4,410)</b>
Planning Policy & Economic Development	(1,060)	<b>(2,315)</b>
Development Management	(73)	<b>(21)</b>
Parking	(95)	<b>(54)</b>
Cleansing Services	(53)	<b>(190)</b>
Landscapes & Leisure	(655)	<b>(556)</b>
Policy & Performance	(142)	<b>(192)</b>
Community Services	(71)	<b>(218)</b>
Corporate Estates & Facilities	(355)	<b>(5,311)</b>
Finance Accountancy	(11)	<b>(5)</b>
Finance Corporate	(1,318)	<b>(4,575)</b>
Revenues & Benefits	(373)	<b>(246)</b>
ICT	(139)	<b>(333)</b>
Human Resources & Payroll	(4)	<b>(3)</b>
Democratic Services	(136)	<b>(176)</b>
Land Charges	(17)	<b>(2)</b>
Planning Service Support	(25)	<b>(25)</b>
Corporate Funds	(2,712)	<b>(2,082)</b>
<b>Earmarked Specific Reserves</b>	<b>(7,476)</b>	<b>(20,714)</b>
<b>General Fund Balances</b>	<b>(15,955)</b>	<b>(6,854)</b>
<b>Total Reserves</b>	<b>(23,431)</b>	<b>(27,568)</b>

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Details of all expenditure financed from the Earmarked Specific Reserves and General Fund Balances is contained within the outturn report to Cabinet on 8 May 2018.

## 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 2017/18 totalling £3.477m is shown below:

<b>Capital Expenditure 2017/18</b>	<b>2017/18</b>
<b>Property, Plant and Equipment</b>	<b>£000s</b>
<b>Land and Buildings</b>	
Oaklands Office	120
Leisure Centres	637
Pavilions	28
Car Parks	392
<b>Plant / Vehicles / Equipment</b>	
Playground and Skatepark Equipment	161
Green Waste Wheeled Bins	37
ICT Hardware	25
<b>Intangible Assets</b>	
Software and software licences	42
<b>Investment Property</b>	
The Orchards Shopping Centre	166
Other Investment Property and Industrial Estate Buildings	326
<b>Revenue Expenditure funded from Capital Under Statute</b>	
Housing - Disabled Facilities Grants (DFG)	714
Other expenditure	829
<b>Total</b>	<b>3,477</b>

The capital expenditure in the year was financed by:	<u>£000s</u>
General Fund Balances & Earmarked Specific Reserves	1,977
Government Grants & Section 106s Receipts in Advance	1,188
Capital Grants Unapplied Account	312

Usable capital receipts for 2017/18 totalled £10,000 (refer Note 6). Other receipts received in 2017/18 totalled £1,264,000 (refer Note 11 Grant Income – Capital Grants and Contributions- receipts in advance). The split mainly relates to:

	<u>£000s</u>
Time Limited Section 106 agreements	299
Disabled Facilities Grant (contribution from WSCC)	965

The available year end balances of Usable Capital Receipts is £1,323,000 (refer Movement In Reserves Statement) Capital Grants Unapplied Account is £5,324,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £7,241,000 (refer 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.

<b>Balance Sheet</b>	<b>31 March 2018</b>	<b>31 March 2018</b>
	<b>£ 000s</b>	<b>£ 000s</b>
Property, Plant and Equipment		91,354
Heritage Assets		837
Investment Property		43,935
Software & Software Licences - Intangible Assets		109
Long Term Investments		9,851
Amounts due to the Council		4,171
Short Term Investments		21,165
Cash and Cash Equivalents		6,550
<b>Long Term Assets and Current Assets</b>		<b>177,972</b>
Amounts due to others	(10,649)	
Capital Grants & S106 Contributions Received	(7,241)	
Provisions	(1,924)	
Borrowing	(12,750)	
Pension Fund deficit	(29,287)	
<b>Long Term Liabilities and Current Liabilities</b>		<b>(61,851)</b>
<b>Total Net Assets</b>		<b>116,121</b>
Financed by:		
General Fund Balances, Earmarked Specific Reserves and Capital Reserves		(34,215)
Pension Reserve		29,287
Capital Finance and Revaluation of Assets		(111,193)
<b>Total Net Worth</b>		<b>(116,121)</b>

## Summary of Cash Flow during 2017/18

	<b>£000s</b>	<b>£000s</b>
<b>Cash in Bank and Cash Equivalents at 1 April 2017</b>		<b>5,624</b>
Net Cash Inflow / (Outflow) - Operating Activities	6,570	
Net Cash flows from Investing Activities	2,864	
Net Cash flows from Financing Activities	(8,549)	
Increase / (Decrease) in Cash and Cash Equivalents		885
<b>Cash in Bank and Cash Equivalents at 31 March 2018</b>		<b>6,509</b>