

Summary of Accounts 2018-19

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 2019 is approved by the Head of Corporate Resources on 31 May and submitted, after the external audit, to Audit Committee on 22 July 2019. Interested members of the public have a statutory right to inspect the accounts from 3 June 2019 to 12 July 2019. 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 July 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 2018/19

The Corporate Plan and Budget Report for 2018/19 was approved by Council on 28 February 2018. 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 were 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 2018/19 was reported to Cabinet on 3 June 2019.

Revenue Expenditure

During 2018/19 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 2019.

During the year, increased income levels experienced in 2018/19 and Mid Sussex's embedded culture of seeking efficiencies, have both contributed to this year's underspend of £0.799m, the majority of which has been transferred to Earmarked Reserves, leaving a small balance to return to General Reserve.

The level of Reserves decreased during 2018/19, mainly due to the utilisation of General Reserve for financing the Capital Programme (£7.837m) partly offset by the receipt of the New Homes Bonus grant (£3.657m) and interest receipts (£0.367). In addition the main decrease in Specific reserve relates to the use of the Land and Property Reserve (£4.356m) for purchase of Investment Property and use of Temporary Accommodation Reserve (£2.183m) to help secure better accommodation for vulnerable families, which is partly offset by transfers to Specific Reserves (£2.670m).

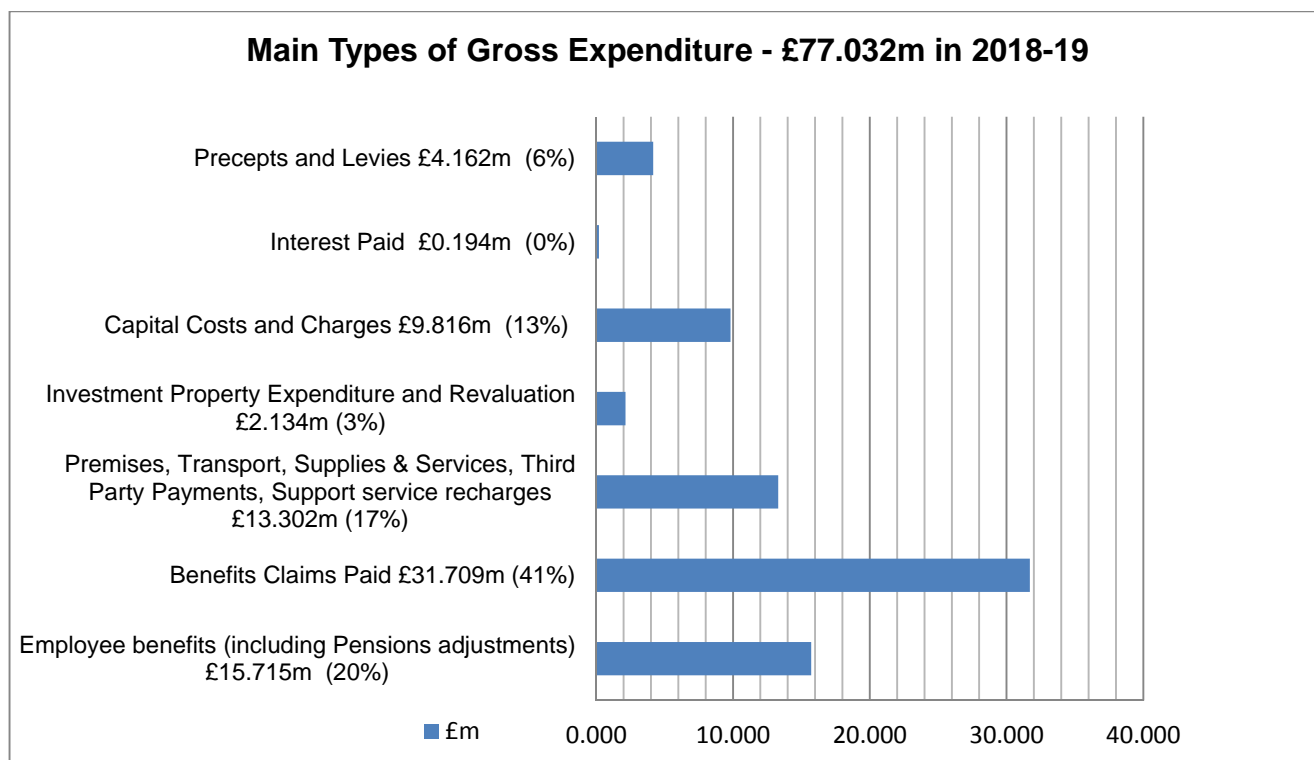
The Council's level of General Reserves held as at 31 March 2019 stands at £3.098m and Earmarked Specific Reserves at £16.840m and is considered adequate for withstanding future financial pressures arising from the continuing squeeze on local government finance.

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:

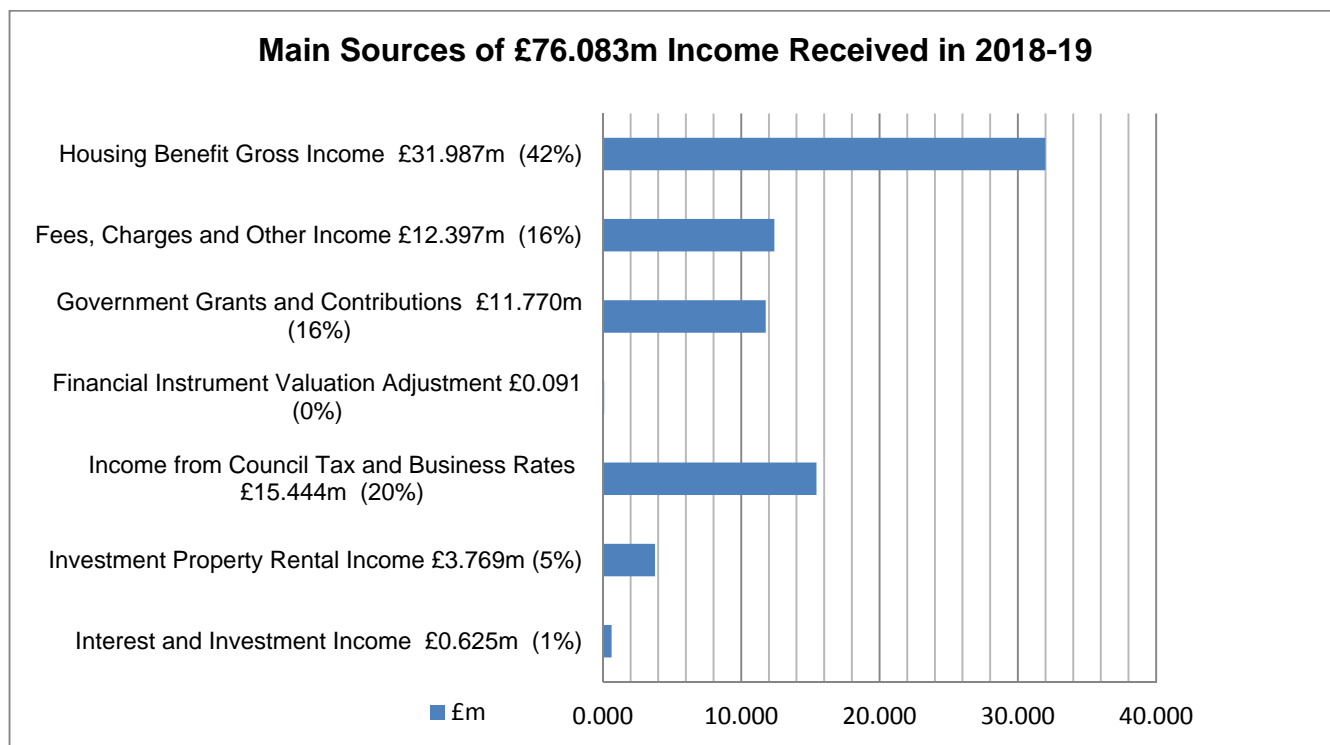
2018-19 Net Cost of Services £22,510,000 - How the money was spent	£000	
Housing	2,417	11%
Planning Policy & Economic Development	410	2%
Development Management	690	3%
Cleansing Services	2,816	13%
Parking Services	(935)	(4%)
Landscapes & Leisure	5,782	26%
Community Services, Policy & Performance	1,421	6%
Corporate Estates & Facilities	808	4%
Finance Accountancy	107	1%
Finance Corporate	1,306	6%
Revenues & Benefits	3,010	13%
Customer Services & Communications	80	0%
ICT	553	2%
Human Resources & Payroll	89	0%
Legal Services	37	0%
Democratic Services	1,001	4%
Land Charges	160	1%
Environmental Health	1,187	5%
Building Control	415	2%
Strategic Core	1,434	6%
Benefits	(278)	(1%)
Net Cost of Services	22,510	100%

Main Types of Gross Expenditure in 2018-19



Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2018/19 are as follows:



Earmarked Specific Reserves and General Fund Balances held at 31 March 2019

	Balance at 1 April 18 £ 000s	Balance at 31 March 19 £ 000s
Earmarked Specific Reserve		
Housing	(4,410)	(2,364)
Planning Policy & Economic Development	(2,315)	(3,202)
Development Management	(21)	(21)
Parking	(54)	(114)
Cleansing Services	(189)	(176)
Landscapes & Leisure	(556)	(425)
Community Services, Policy & Performance	(410)	(447)
Corporate Estates & Facilities	(5,311)	(5,345)
Finance Accountancy	(6)	(11)
Finance Corporate	(4,575)	(404)
Revenues & Benefits	(246)	(192)
ICT & Digital	(333)	(199)
Human Resources & Payroll	(3)	(2)
Democratic Services	(176)	(207)
Land Charges	(2)	(2)
Planning Service Support	(25)	(25)
Corporate Funds	(2,082)	(3,704)
Earmarked Specific Reserves	(20,714)	(16,840)
General Fund Balances	(6,854)	(3,098)
Total Reserves	(27,568)	(19,938)

Details of all expenditure financed from the Earmarked Specific Reserves and General Fund Balances is contained within the outturn report to Cabinet on 3 June 2019.

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 2018/19 totalling £21.537m is shown below:

Capital Expenditure 2018/19	2018/19
	£000s
Property, Plant and Equipment	
Land and Buildings	
Oaklands Office	246
Leisure Centres	450
Pavilions	954
Temporary Accommodation Properties	2,164
Plant / Vehicles / Equipment and Asset Under Construction	
Playground and Skatepark Equipment	171
Green Waste Wheeled Bins	23
Car Park Ticket Machines	169
ICT Hardware	143
Intangible Assets	
Software and software licences	213
Investment Property	
The Orchards Shopping Centre	725
Other Investment Property and Industrial Estate Buildings	11,892
Revenue Expenditure funded from Capital Under Statute	
Housing – Disabled Facilities Grants (DFG)	992
Housing – Affordable Housing	180
Other expenditure	3,215
Total	21,537

The capital expenditure in the year was financed by:	<u>£000s</u>
General Fund Balances & Earmarked Specific Reserves	15,441
Government Grants & Section 106s Receipts in Advance	3,505
Capital Grants Unapplied Account	1,322
Usable Capital Receipts	1,269

Usable capital receipts for 2018/19 totalled £1,007,000 (refer Note 6). Other receipts received in 2018/19 totalled £5,405,000 (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	4,378
Disabled Facilities Grant (contribution from WSCC)	1,027

The available year end balances of Usable Capital Receipts is £1,061,000 (refer Movement In Reserves Statement) Capital Grants Unapplied Account is £5,674,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £7,954,000 (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.

Balance Sheet	31 March 2019	31 March 2019
	£ 000s	£ 000s
Property, Plant and Equipment		92,843
Heritage Assets		825
Investment Property		55,446
Software & Software Licences - Intangible Assets		233
Long Term Investments		5,967
Amounts due to the Council		5,301
Short Term Investments		20,139
Asset Held For Sale		27,208
Cash and Cash Equivalents		5,210
Long Term Assets and Current Assets		213,172
Amounts due to others	(11,705)	
Capital Grants & S106 Contributions Received	(7,954)	
Provisions	(2,323)	
Finance Lease Liability	(2,818)	
Borrowing	(13,625)	
Pension Fund deficit	(35,546)	
Long Term Liabilities and Current Liabilities		(73,971)
Total Net Assets		139,201
Financed by:		
General Fund Balances, Earmarked Specific Reserves and Capital Reserves		(26,673)
Pension Reserve		35,546
Capital Finance and Revaluation of Assets		(148,074)
Total Net Worth		(139,201)

Summary of Cash Flow during 2018/19

	£000s	£000s
Cash in Bank and Cash Equivalents at 1 April 2018		1,510
Net Cash Inflow / (Outflow) - Operating Activities	1,782	
Net Cash flows from Investing Activities	1,479	
Net Cash flows from Financing Activities	427	
Increase / (Decrease) in Cash and Cash Equivalents		3,688
Cash in Bank and Cash Equivalents at 31 March 2019		5,198