

Summary of Accounts 2019-20

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 impact of Covid-19 only had a minimal effect on the year 2019/20, however, the Accounts and Audit (Coronavirus) Amendments Regulations 2020 have extended the statutory audit deadline so that the publication date for audited accounts will move from 31 July to 30 November 2020.

The Statement Of Accounts for year ended 31 March 2020 was approved by the Head of Corporate Resources on 17 July and submitted, after the external audit, to Audit Committee on 17 November 2020. Interested members of the public had a statutory right to inspect the accounts from 20 July 2020 to 28 August 2020. 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 November 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 2019/20

The Corporate Plan and Budget Report for 2019/20 was approved by Council on 27 February 2019. 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 2019/20 was reported to Cabinet on 1 June 2020.

Revenue Expenditure

During 2019/20 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 June 2020.

During the year, increased income levels experienced in 2019/20 and Mid Sussex's embedded culture of seeking efficiencies, have both contributed to this year's underspend of £0.247m, the majority of which has been transferred to Earmarked Reserves, leaving a small balance to be funded from General Reserve.

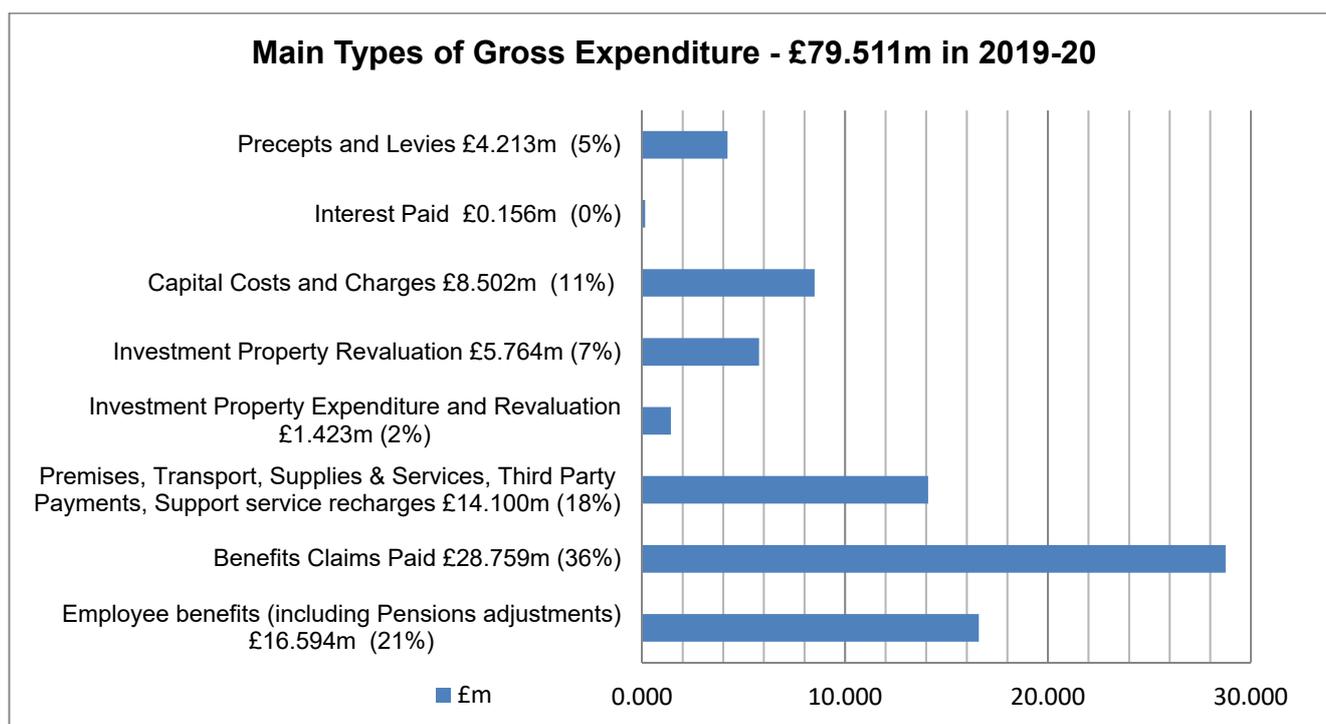
The level of Reserves increased by £1.903m during 2019/20 (an increase of £3.034m in General Reserve offset by a decrease of £1.131m in Specific Reserve). The increase in General Reserves in 2019/20 is mainly due to the receipt of New Homes bonus grant totalling £3.444m, interest receipts from Treasury management activity of £0.335m and commuted sums of £0.413m partly offset by the utilisation of General Reserve for financing the Capital Programme in the sum of £1.107m. In addition the main decrease in Specific reserve relates to the use of Temporary Accommodation Reserve (£1.471m) to help secure better accommodation for vulnerable families, which is partly offset by transfers to Specific Reserves. The Council's level of General Reserves held as at 31 March 2020 stands at £6.132m and Earmarked Specific Reserves at £15.709m 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:

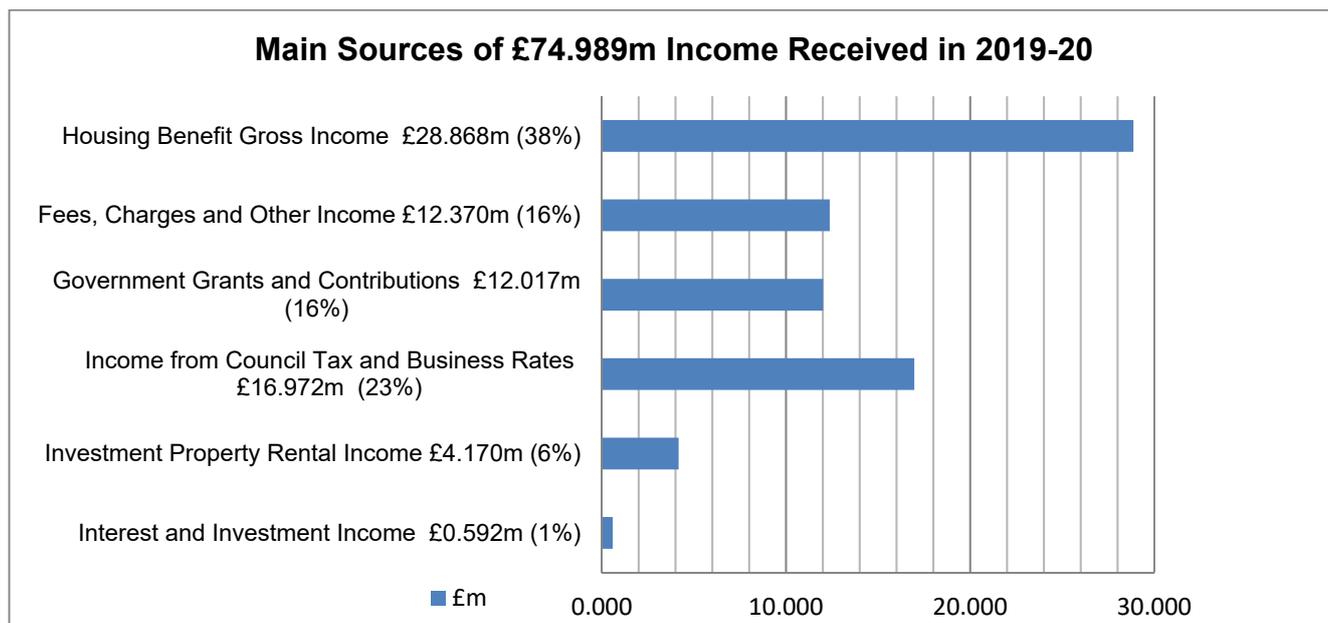
2019-20 Net Cost of Services £19,839,000 - How the money was spent	£000	
Housing	1,868	9%
Planning Policy & Economic Development	1,006	5%
Development Management	963	5%
Cleansing Services	2,972	15%
Parking Services	(993)	(5%)
Landscapes & Leisure	2,766	14%
Community Services, Policy & Performance	1,619	8%
Corporate Estates & Facilities	588	3%
Finance Accountancy	91	1%
Finance Corporate	333	2%
Revenues & Benefits	2,848	14%
Customer Services & Communications	129	1%
ICT	725	4%
Human Resources & Payroll	179	1%
Legal Services	56	0%
Democratic Services	1,110	5%
Land Charges	161	1%
Environmental Health	1,334	7%
Building Control	517	3%
Strategic Core	1,676	8%
Benefits	(109)	(1%)
Net Cost of Services	19,839	100%

Main Types of Gross Expenditure in 2019-20



Sources of Finance of the Council's Activities

The various sources of finance as shown on the Comprehensive Income and Expenditure Statement in 2019/20 are as follows:



Earmarked Specific Reserves and General Fund Balances held at 31 March 2020

Earmarked Specific Reserve	Balance at 1 April 19 £ 000s	Balance at 31 March 20 £ 000s
Housing	(2,364)	(1,010)
Planning Policy & Economic Development	(3,202)	(3,069)
Development Management	(21)	(21)
Parking	(114)	(94)
Cleansing Services	(176)	(141)
Landscapes & Leisure	(425)	(407)
Community Services, Policy & Performance	(447)	(375)
Corporate Estates & Facilities	(5,345)	(5,568)
Finance Accountancy	(11)	(14)
Finance Corporate	(404)	(133)
Revenues & Benefits	(192)	(284)
ICT & Digital	(199)	(74)
Human Resources & Payroll	(2)	(1)
Democratic Services	(207)	(148)
Land Charges	(2)	(2)
Planning Service Support	(25)	(5)
Corporate Funds	(3,704)	(4,363)
Earmarked Specific Reserves	(16,840)	(15,709)
General Fund Balances	(3,098)	(6,132)
Total Reserves	(19,938)	(21,841)

Details of all expenditure financed from the Earmarked Specific Reserves and General Fund Balances is contained within the outturn report to Cabinet on 1 June 2020.

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 2019/20 totalling £9.492m is shown below:

Capital Expenditure 2019/20	2019/20
	£000s
Property, Plant and Equipment	
Land and Buildings	
Oaklands Office	299
Leisure Centres	298
Pavilions	52
Temporary Accommodation Properties	1,471
Car Parks	80
Plant / Vehicles / Equipment and Asset Under Construction	
Playground and Skatepark Equipment	121
Green Waste Wheeled Bins	10
ICT Hardware	95
Intangible Assets	
Software and software licences	365
Investment Property	
The Orchards Shopping Centre	358
Other Investment Property and Industrial Estate Buildings	353
Revenue Expenditure funded from Capital Under Statute	
Housing – Disabled Facilities Grants (DFG)	1,182
Housing – Affordable Housing	0
Other expenditure	4,808
Total	9,492

The capital expenditure in the year was financed by:	<u>£000s</u>
General Fund Balances & Earmarked Specific Reserves	3,241
Government Grants & Section 106s Receipts in Advance	5,602
Capital Grants Unapplied Account	563
Usable Capital Receipts	86

Usable capital receipts for 2019/20 totalled £208,000 (refer Note 6). Other receipts received in 2019/20 totalled £7,230,000 (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	2,043
Disabled Facilities Grant (contribution from WSCC)	1,013
Other Contributions	3,961

The available year end balances of Usable Capital Receipts is £1,145,000 (refer Movement In Reserves Statement) Capital Grants Unapplied Account is £5,669,000 and Section 106 Contributions and Capital Grants Receipts in Advance is £9,061,000 (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 2020	31 March 2020
	£ 000s	£ 000s
Property, Plant and Equipment		91,940
Heritage Assets		825
Investment Property		50,779
Software & Software Licences - Intangible Assets		445
Long Term Investments		5,755
Amounts due to the Council		3,508
Short Term Investments		19,171
Asset Held For Sale		27,208
Cash and Cash Equivalents		9,790
Long Term Assets and Current Assets		209,421
Amounts due to others	(15,666)	
Capital Grants & S106 Contributions Received	(9,061)	
Provisions	(2,685)	
Finance Lease Liability	(2,541)	
Borrowing	(7,487)	
Pension Fund deficit	(15,081)	
Long Term Liabilities and Current Liabilities		(52,521)
Total Net Assets		156,900
Financed by:		
General Fund Balances, Earmarked Specific Reserves and Capital Reserves		(28,655)
Pension Reserve		15,081
Capital Finance and Revaluation of Assets		(143,326)
Total Net Worth		(156,900)

Summary of Cash Flow during 2019/20

	£000s	£000s
Cash in Bank and Cash Equivalents at 1 April 2019		5,198
Net Cash Inflow / (Outflow) - Operating Activities	2,897	
Net Cash flows from Investing Activities	4,662	
Net Cash flows from Financing Activities	(2,967)	
Increase / (Decrease) in Cash and Cash Equivalents		4,592
Cash in Bank and Cash Equivalents at 31 March 2020		9,790