

Universal Credit

Universal Credit is one of the key benefit changes introduced by the Welfare Reform Act 2012. This will see the introduction of a single benefit to replace six benefits currently paid by Department of Works and Pensions, HM Revenue and Customs and local authorities. This includes Housing Benefit currently paid by local authorities. Universal Credit will have an impact on the Council as it will no longer be responsible for the payment of Housing Benefit.

FURTHER INFORMATION

Summary financial information is published annually on the Council's website (www.eastbourne.gov.uk). Further information on any of the financial statements may be obtained from the Chief Finance Officer, 1 Grove Road, Eastbourne, BN21 4TW.

Alan Osborne
Chief Finance Officer
Statutory Section 151 Officer

ADOPTION OF THE ACCOUNTS

In accordance with Accounts and Audit Regulations the Chair of the meeting adopting the Statement of Accounts must sign and date the statement in order to confirm that the adoption process has been completed.

I confirm that the Statement of Accounts for 2012/13 was approved at the meeting of the Audit Committee held on 25th September 2013.

Signed

Councillor John Ungar
Chair, Audit Committee
Date 25th September 2013

Operating leases – Council acting as a lessor

Income from operating leases is recognised on a straight-line basis over the lease term, even if this does not match the pattern of payments. (E.g. if there is a premium paid at the commencement of the lease.)

2.16 Overheads

The costs of overheads and support services are charged to those services that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2012/13 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional, democratic organisation,
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early, and any depreciation and impairment losses chargeable on non-operational properties.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of the Cost of Services.

2.17 Provisions

The Council recognises provisions to represent liabilities of uncertain timings or amounts. Provisions in the balance sheet represent cases where:

- The Council has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
- A reliable estimate can be made of the amount of the obligation.

2.18 Reserves

The Council maintains two groups of reserves, usable and unusable.

Usable reserves comprise the following:

- Capital Receipts Reserve: proceeds from the sales of Property, Plant and Equipment are initially credited to the Comprehensive Income and Expenditure Statement, but are transferred to this reserve. The Council is obliged to pay over a proportion of proceeds received from the sale of Housing Revenue Account assets: this is paid from the Comprehensive Income and Expenditure Statement, but a corresponding transfer is made from the Capital Receipts Reserve to ensure that this liability does not fall upon the General Fund. The remaining amounts in this reserve can then only be used to support capital expenditure.
- Capital Grants and Contributions Unapplied Reserve: similarly the Council receives grants and contributions towards capital expenditure, and, if there are no conditions preventing their use, these are also credited to the Comprehensive Income and Expenditure Statement and immediately transferred into the Capital Grants and Contributions Unapplied Reserve until required to finance capital investment.
- Earmarked Reserves: the Council may set aside earmarked reserves to cover specific projects or contingencies. These are transferred from the General Fund or the Housing Revenue Account, and amounts are withdrawn as required to finance such expenditure. There are no legal restrictions on the use of earmarked reserves, and unspent balances can be taken back to the General Fund in the same way.
- Housing Revenue Account: this is required to be maintained separately by legislation, to ensure that the provision of council housing is financed primarily from rental income or from subsidy, and not from Council Tax.
- Major Repairs Reserve: this was established by the Local Authorities (Capital Finance and Accounts) Regulations 2000. An amount equal to the total depreciation for the year for HRA properties is transferred to the reserve from the Capital Adjustment Account, and an amount equal to the Major Repairs Allowance can be used to finance capital investment.

- General Fund: this represents all other usable reserves, without legal restrictions on spending, which arise from annual surpluses or deficits.

Unusable Reserves consist of those which cannot be used to finance capital or revenue expenditure:

- Collection Fund Adjustment Account: the net amount of the Council's share of Council Tax collectable for the year is credited to the Comprehensive Income and Expenditure Statement, but only the amount previously estimated and formally notified can be added to the General Fund. The difference between the two amounts is credited or debited to the Collection Fund adjustment account, and cannot be used until the following financial year.
- Revaluation Reserve: this consists of accumulated gains on individual items of Property, Plant and Equipment. Any subsequent losses on valuation can be set against previous gains on the same asset.
- Capital Adjustment Account: this receives credits when capital is financed from revenue resources or other usable reserves, and receives debits to offset depreciation and other charges relating to capital which are not chargeable against the General Fund.
- Pensions Reserve: this is a statutory reserve to offset the Pension Liability assessed on an accounting and actuarial basis, and to ensure that variations in this liability do not affect the General Fund.
- Financial Instruments Adjustment Account: this represents the difference between the accounting and legislative charges for finance costs.
- Deferred Capital Receipts Reserve: this holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.
- Accumulated Absence Account: this represents the estimated value of annual leave accrued but not taken by staff as at 31 March.

2.19 Revenue Expenditure Financed From Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non current assets, is charged as expenditure to the relevant service revenue account in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, a transfer to the Capital Adjustment Account then reverses out the amounts charged, so there is no impact on the level of Council Tax.

2.20 Value Added Tax

Value Added Tax (VAT) has not been included in the income and expenditure of the accounts unless it is irrecoverable.

2.21 Inventories and Long Term Contracts

Where the value is significant to an operation, inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

2.22 Interests in Companies and Other Entities

The Council has a material interest in one company, Eastbourne Homes Ltd, a wholly owned subsidiary of the Council, and is therefore required to prepare Group Accounts. This company is limited by guarantee and therefore no value is recognised for the investment in the Authority's own single entity accounts.

2.23 Foreign Currency Transactions

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot

exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

3. ACCOUNTING POLICIES ISSUED BUT NOT YET ADOPTED

The Code of Practice for 2013/14 adopts the following changes to accounting standards:

- IAS 19 Employee Benefits;
- IAS 1 Presentation of Financial Statements;
- IFRS 7 Financial Instruments: Disclosures;
- IAS12 Deferred tax; recovery of underlying assets;
- IFRS13 Fair Value Measurement.

In addition the 2013/14 Code augments its provisions on service concession arrangements.

Only the change to IAS 19, which takes effect from 1 April 2013, has any impact on this Council. At present the "Financing and Investment Income and Expenditure" section of the Comprehensive Income and Expenditure Statement includes both the interest cost on the liability and the expected return on assets. This is to be replaced with a net interest cost, calculated through the discount rate. In addition the current service cost is combined with the cost of curtailments to form a single "net service cost", and administration expenses are accounted for within the Cost of Services, rather than being contained within the actual and expected return on assets. The result of the changes will be to increase the charge to Financing and Investment Income and Expenditure, but this is offset by an actuarial gain in the value of the scheme assets, so there is no impact on the liability for pensions as shown in the balance sheet.

The figures shown in Note 34 are based on the current version of IAS19. Changes to IAS19 come into affect for the financial year to 31 March 2014. The changes will be adopted retrospectively for the prior year, in accordance with IAS8. The effect of the change to IAS19 on the income statement to 31 March 2013 will be an increase of £852,000. This will be disclosed in the report covering the year to 31 March 2014.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 2, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is:

- There is a high degree of uncertainty about future levels of funding for local Government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- Eastbourne Borough Council and Wealden District Council both appoint Councillors as Directors of Wealden and Eastbourne Lifeline, a company limited by guarantee. It has been determined by both councils that there is no control either separately or jointly to govern the financial and operating policies of the company and therefore no amounts have been included in the Group accounts.
- Investment properties have been estimated using the identifiable criteria under IFRS of being held for rental income or for capital appreciation. These properties have been assessed using these criteria, which is subject to interpretation.
- The Chief Finance Officer and Financial Services Manager conduct an annual review using the criteria set out in IAS 37, to decide what, if any, provision should be included in the accounts for: liabilities of uncertain timing or amount (provisions); or liabilities whose occurrence will only be confirmed by one or more uncertain future events (contingent liabilities). The Council has estimated its MMI provision based on professional advice and represents the amount expected to be paid within the next 12 months. Contingent liabilities have been estimated based on past experience and legal advice provided.

5. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2013 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment - Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £87,000 for every year that useful lives had to be reduced.

Pensions Liability - Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £10.m, a 1 year increase in member life expectancy would increase the pension liability by £3.5m, a 0.5% increase in the Salary Increase Rate would increase the pension liability by £2.0m and a 0.5% increase in the Pension Increase Rate would increase the pension liability by £8.0m.

Arrears - At 31 March 2013, the Authority had a balance of all debtors for £12,328,000. A review of significant balances suggested that an impairment of doubtful debts of £4,613,000 was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

Estimation - future minimum lease income has been estimated assuming current terms and conditions continue for the life of the lease. E.g. no allowance has been made for any inflationary uplift.

6. EVENTS AFTER THE BALANCE SHEET DATE

When the new arrangement for the retention of Business Rates came into effect on 1 April 2013, local authorities assumed the liability for refunding ratepayers who have successfully appealed against the rateable value of their properties.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

	General Fund	HRA Balance	Major Repairs Reserve	Capital Receipts	Capital Grants & Contributions Unapplied	Total Usable Reserves (note32)	Unusable (Note 33)
2011/12 Transactions:							
ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT							
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</i>							
Charges for depreciation and impairment of non-current assets	(20,245)	(16,721)	-	-	-	(36,966)	36,966
Movements in the fair value of investment properties	1,753	-	-	-	-	1,753	(1,753)
Amortisation of intangible assets	(300)	-	-	-	-	(300)	300
Capital Grants and contributions applied	266	-	-	-	1,931	2,197	(2,197)
Revenue expenditures funded from capital under statute	(969)	-	-	-	-	(969)	969
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(237)	(380)	-	26	-	(591)	591
Government Grant received on HRA self financing settlement used to repay long term borrowing	-	-	-	30,482	-	30,482	(30,482)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</i>							
Statutory provision for the financing of capital investment	554	-	-	-	-	554	(554)
Capital expenditure charged to the General Fund Balance and HRA Balances	976	-	-	-	-	976	(976)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED							
Capital grants and contributions received credited to the Comprehensive Income and Expenditure Statement	2,678	379	-	-	(3,057)	-	-
Capital grants and contributions applied to finance capital expenditure	(139)	-	-	-	139	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	(1,039)	-	-	-	1,039	-	-
Transfer of revenue grant received incorrectly classified as a capital grant in prior years	(9)	-	-	-	9	-	-

	General Fund	HRA Balance	Major Repairs Reserve	Capital Receipts	Capital Grants & Contributions Unapplied	Total Usable Reserves (note32)	Unusable (Note 33)
ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE							
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Account	821	829	-	(1,650)	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(600)	-	-	600	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	(3)	-	(3)	3
Government Grant received on HRA self financing settlement for the repayment of long term borrowing credited to the Comprehensive Income and Expenditure Statement	-	30,482	-	(30,482)	-	-	-
Government Grant received on HRA self financing settlement for the payment of premia due on early debt repayment credited to the Comprehensive Income and Expenditure Statement	-	8,542	-	(8,542)	-	-	-
Capital Receipts applied to finance payment of premia due on early debt repayment	-	(8,542)	-	8,542	-	-	-
ADJUSTMENT PRIMARILY INVOLVING THE MAJOR REPAIRS RESERVE							
Reversal of the Major Repairs Allowance credited to the HRA	-	2,789	(2,789)	-	-	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	3,276	-	-	3,276	(3,276)
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT							
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	-	226	-	-	-	226	(226)
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,349)	61	-	-	-	(1,288)	1,288
Employer's pensions contributions and direct payments to pensioners payable in the year	2,054	(33)	-	-	-	2,021	(2,021)

	General Fund	HRA Balance	Major Repairs Reserve	Capital Receipts	Capital Grants & Contributions Unapplied	Total Usable Reserves (note32)	Unusable (Note 33)
ADJUSTMENT PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with statutory requirements	(3)	-	-	-	-	(3)	3
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT							
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(100)	(1)	-	-	-	(101)	101
Total Adjustments 2011/12	(15,888)	17,631	487	(1,027)	61	1,264	(1,264)

	General Fund	HRA Balance	Major Repairs Reserve	Capital Receipts	Capital Grants & Contributions Unapplied	Total Usable Reserves (note32)	Unusable (Note 33)
2012/13 Transactions:							
ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT							
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</i>							
Charges for depreciation and impairment of non-current assets	(3,276)	(3,604)	-	-	-	(6,880)	6,880
Amortisation of intangible assets	(228)	(13)	-	-	-	(241)	241
Grants and contributions applied	340	-	-	-	3,555	3,895	(3,895)
Revenue expenditure funded from capital under statute	(737)	-	-	-	737	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(847)	(5,658)	-	-	-	(6,505)	6,505
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</i>							
Statutory provision for the financing of capital investment	713	-	-	-	-	713	(713)
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED							
Capital grants and contributions received credited to the Comprehensive Income and Expenditure Statement	1,334	2,967	-	-	(4,301)	-	-
Capital grants and contributions applied to finance expenditure charged to the Comprehensive Income and Expenditure Statement	(32)	-	-	-	32	-	-
ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE							
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Account	345	3,497	-	(3,842)	-	-	-
Use of Capital Receipts to finance new capital expenditure	-	-	-	2,450	-	2,450	(2,450)
Contribution from the Capital Receipts Reserve towards the administrative costs of non-current asset disposals	-	-	-	-	-	-	-
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(198)	-	-	198	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	(4)	-	(4)	4

	General Fund	HRA Balance	Major Repairs Reserve	Capital Receipts	Capital Grants & Contributions Unapplied	Total Usable Reserves (note32)	Unusable (Note 33)
ADJUSTMENT PRIMARILY INVOLVING THE MAJOR REPAIRS RESERVE							
Reversal of the Depreciation credited to the HRA	-	3,604	(3,604)	-	-	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	2,010	-	-	2,010	(2,010)
ADJUSTMENT PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT							
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	-	226	-	-	-	226	(226)
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,973)	8	-	-	-	(1,965)	1,965
Employer's pensions contributions and direct payments to pensioners payable in the year	2,051	(6)	-	-	-	2,045	(2,045)
ADJUSTMENT PRIMARILY INVOLVING THE COLLECTION FUND ADJUSTMENT ACCOUNT							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with statutory requirements	16	-	-	-	-	16	(16)
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT							
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(14)	-	-	-	-	(14)	14
Total Adjustments 2012/13	(2,506)	1,021	(1,594)	(1,198)	23	(4,254)	4,254

8. MATERIAL ITEMS OF INCOME AND EXPENDITURE

There were no material items of income and expenditure during 2012/13.

In 2011/12 the Interest Payable and Similar Charges within the Comprehensive Income and Expenditure Statement includes a premium of £8.54m payable on the early redemption of £30.4m debt as a result of HRA Reform Refinancing. This premium was paid by Central Government.

9. AGENCY ARRANGEMENTS

The Council acts as an agent for Central Government in the collection of National Non-Domestic Rates (NDR). In a similar way the Council collects Council Tax on behalf of all the major precepting authorities in the county: East Sussex County Council, Sussex Police Authority, East Sussex Fire Authority and Eastbourne Borough Council. The element of the collection function carried out for the other authorities is treated as an agency arrangement. The amounts collected and paid over for both of these functions is shown in the Collection Fund Statement.

10. AUDIT FEES

The Council incurred the following fees relating to statutory external audit and inspection, together with other payments to the auditors:

2011/12 £000		2012/13 £000
146	Fees payable with regard to external audit services carried out by the appointed auditor	82
55	Fees payable to the appointed auditor for the certification of grant claims and returns	35
1	Fee payable in respect of other services* provided by the appointed auditor	2
202		119

* Other services relate the National Fraud Initiative fee paid to the Audit Commission

11. MEMBERS' ALLOWANCES

Allowances and expenses paid to Eastbourne's 27 Councillors during the year amounted to:

2011/12 £000		2012/13 £000
119	Members' allowances	125
2	Conference and Travelling Expenses	3
121		128

12. OFFICERS' REMUNERATION

- **Senior Management Remuneration**

The table below sets out the remuneration paid to the Authority's senior officers.

		Salary, Fees and Allowances £	Expenses Allowances £	Pension Contribution £	Total £
Chief Executive	2012/13	105,077	3,850	23,263	132,190
	2011/12	109,898	3,850	23,869	137,617
Deputy Chief Executive	2012/13	86,840	3,400	19,465	109,705
	2011/12	89,635	3,400	19,125	112,160
Chief Finance Officer	2012/13	73,913	250	16,926	91,089
	2011/12	73,913	250	16,630	90,793

		Salary, Fees and Allowances	Expenses Allowances	Pension Contribution	Total
Senior Head of Community	2012/13	65,500	2,832	15,000	83,332
	2011/12	65,500	2,858	14,737	83,095
Senior Head of Tourism and Leisure	2012/13	65,500	2,832	15,000	83,332
	2011/12	64,000	2,832	14,400	81,232
Senior Head of Environment and Development	2012/13	67,400	-	15,435	82,835
	2011/12	65,900	-	14,828	80,728

It should be noted that the figures for the Chief Executive and Deputy Chief Executive include fees payable for the role of Returning Officer and Deputy Returning Officer for electoral purposes. The amounts fluctuate between years, depending on what elections fall due during the financial year. The amounts paid in 2012/13 were £4,211 and £1,840 respectively compared to £10,042 and £4,635 in 2011/12.

- **Remuneration Bands**

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2011/12	2012/13
	Number of Employees	Number of Employees
£50,000 - £54,999	2	3
£55,000 - £59,999	2	3 (1)
£60,000 - £64,999	2 (2)	-
£65,000 - £69,999	1	1 (1)
£70,000 - £74,999	-	1 (1)
£75,000 - £79,999	-	-
£80,000 - £84,999	1	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	1 (1)	-
Total	9 (3)	8 (3)

The figures in brackets relate to the number of employees who left during the year.

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
£0 -£20,000	10	22	1	4	11	26	65,640	170,831
£20,001 - £80,000	3	3			3	3	152,947	88,731
Total cost included in bandings	13	25	1	4	14	29	218,587	259,562
Add: Amounts provided for in CIES not included in bandings								153,107
Total	13	25	1	4	14	29	218,587	412,669

The Authority's Comprehensive Income and Expenditure Statement includes an amount of £153,000 which has been agreed and is payable to 10 officers. These costs are not included in the bands and therefore an additional line has been added to reconcile to the total cost of termination benefits reported in the Comprehensive Income and Expenditure Statement.

13. RELATED PARTIES

13.1 Definition

The term "related party" covers relationships between the Council and body or individual where one of the parties has the potential to control or influence the Council or be controlled or influenced by the Council.

13.2 Central Government

The Central Government provides much of the Council's funding and determines its statutory framework. Details of transactions with Central Government are shown in the Comprehensive Income and Expenditure Statement, the Cash Flow Statement, and notes 17 (grants and contributions), 29 (debtors) and 30 (creditors).

13.3 East Sussex Pension Scheme

The Council participates in the East Sussex Pension Scheme, making annual contributions to the East Sussex Pension Fund as set out in Note 34. One Member is on the Pension Fund Investment Panel.

13.4 Eastbourne Homes Limited

The responsibility for the management of Eastbourne's council housing stock was transferred to Eastbourne Homes Ltd, an arms length management company, on 1 April 2005. Eastbourne Homes Ltd is a company limited by guarantee without a share capital and is wholly owned by Eastbourne Borough Council. Its principal activities are to manage, maintain and improve the Council's housing stock.

The Council pays Eastbourne Homes Ltd a fee in accordance with the management agreement. In 2012/13 this fee was £6.945m, covering supervision and management and repairs. This compares with £6.864m paid in 2011/12. In addition, Eastbourne Homes Ltd obtains services from the Council under various Service Level Agreements. At the end of the year the Council owed Eastbourne Homes Ltd £1,726,000 (£1,728,000 at 31 March 2012), while Eastbourne Homes Ltd owed the Council £37,000 (£89,000 at 31 March 2012).

The company's accounts are consolidated into the Group Accounts.

Copies of Eastbourne Homes Ltd's annual report and accounts can be obtained from their registered office at Ivy House, Ivy Terrace, Eastbourne, BN21 4QU.

13.5 Wealden and Eastbourne Lifeline (WEL)

This company works to support vulnerable people in their own homes. It is a company limited by guarantee, Eastbourne and Wealden Councils each holding 24% of the voting rights. The Council provides services to WEL for Finance (£39,000) and IT (£48,000) under service level agreements, which are included in the total due from WEL during the year of £110,000. The Council procured services from WEL amounting to £8,000 during the year.

13.6 Eastbourne Leisure Trust

The Eastbourne Leisure Trust was set up to oversee the management and operation of the Sovereign Centre and Motcombe Pool, on which it holds a 15-year lease starting in 2004. The Trust is set up as an Independent Provident Society, without any local authority members. Members of staff at these centres are jointly employed by the Trust and the contractor, Serco. During the year Eastbourne Leisure Trust paid the Council £101,000.

13.7 Members and senior officers

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2012/13 is shown in Note 11. Seven members are also members of East Sussex County Council. Grants totalling £104,000 (£20,000 in 2011/12) to voluntary organisations in which 4 Members (2 Members in 2011/12) had positions on the governing body.

	2011/12 £000	2012/13 £000
3VA Voluntary Action Eastbourne	13	31
Age Concern Eastbourne	7	11
Eastbourne & Wealden YMCA	0	52
Hampden Park Community Association	0	10
Total	20	104

In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of Members interests are recorded in the Register of Members' Interest, open to public inspection at the Town Hall during office hours.

During 2012/13 works and services to the value of £41,000 (£26,600 in 2011/12) were commissioned from Jordan's Productions, a company in which one officer had an interest.

Details of payments to Members and officers are shown in notes 11 and 12.

13.8 CloudConnX

The Authority is due to become a shareholder in CloudConnX, but as at 31 March 2013 the Authority had provided a commercial loan of £357,000 (£193,000 in 2011/12). A Member of the Council has been appointed a Director to represent the Council's interest. Interest will be charged on the loan at 1.5% above base rate and it is intended that the loan will be converted to shares in CloudConnX over a 5 year period provided there is sufficient net worth in the company.

14. LEASING

14.1 Finance leases – Council acting as lessee

The Council held no finance leases as at 31 March 2013. However as at 31 March 2012 the council held assets valued at £215,000 under finance leases, all shown under "Vehicles Plant and Equipment" in Note 21.1. This lease expired 31 March 2013.

2011/12 £000		2012/13 £000
215	Vehicle, Plant and Equipment	-

14.2 Operating leases – Council acting as lessee

The table below analyses future minimum lease payments during the periods shown below:

2011/12 Minimum Lease Payments £000		2012/13 Minimum Lease Payments £000
	Leases expiring:	
73	Within one year	75
101	Between two and five years	115
110	Later than five years	100
284	Total	290

The table below shows the total payments recognised as an expense during the financial year.

2011/12 £000		2012/13 £000
88	Minimum lease payments	89
88	Total	89

Rates from Non Domestic properties, collected locally, are pooled nationally and redistributed from this pool to local authorities on the basis of population.

Non Current Asset (previously known as Fixed Asset)

A tangible item that yields benefit to the Council for a period of more than one year.

Precept

The amount that the County Council, Sussex Police Authority and East Sussex Fire Authority require the Collection Fund to pay to meet the costs of their services after Government grant.

Provisions

Amounts set aside to meet costs which are likely or certain to be incurred, but are uncertain in value or timing.

Public Works Loans Board

A Government body that provides loans to local authorities.

Reserves

The accumulated surplus income in excess of expenditure, which can be used to finance future spending and is available to meet unforeseen financial problems. Earmarked Reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

Revaluation Reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation adjustments.

Revenue Expenditure

The day to day spending on employment costs, other operating costs (accommodation, supplies and services etc.) net of income for fees and charges etc.

Revenue Expenditure financed from Capital under Statute (REFFCUS)

Expenditure that can be classified as capital expenditure but which does not result in the acquisition of a tangible or physical asset.

Revenue Support Grant

Central Government financial support towards the general expenditure of local authorities.

Specific Government Grants

Central Government financial support towards particular services which is "ring fenced", i.e. can only be spent on a specific service area or items.