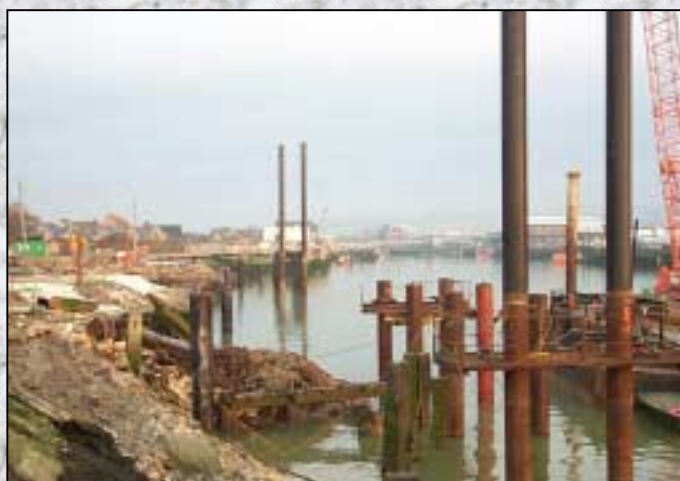


Statement of Accounts 2001/2002



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The purpose of this foreword is to provide a guide to the most significant matters reported in the 2001/2002 accounts. The pages which follow comprise:

Statement of Accounting Policies

This sets out the framework and treatment of figures in the accounts.

The accounts reflect national accounting requirements. The Accounting Policies section explains this in greater detail but in essence the cost of using assets is reflected in the revenue accounts by an asset rental charge regardless of the manner in which the assets were originally financed. The balance sheet records the assets at current values.

Consolidated Revenue Account

This reports the expenditure for the year on major functions for which the Council is responsible including Housing Services and Cultural, Environmental and Planning Services and shows how they were financed.

Housing Revenue Account (HRA)

This reflects a statutory obligation to account separately for the management of the Council's housing stock. It shows the major elements of housing running costs, maintenance, administration, rent rebates and capital financing costs, and how these are met by rents, subsidy and other income.

Direct Service Organisations Revenue and Appropriation Accounts

These reflect separate trading accounts for Direct Service Organisations operations for the provision of cleansing services, building maintenance, leisure centre management and golf course maintenance. Compulsory Competitive Tendering ceased on 2 January 2000 but authorities were advised to continue with their DSO accounts. They show turnover, total expenditure and surplus for each operation where the Council's own workforce won tenders in open competition.

Collection Fund

This shows the transactions of the Council in relation to its responsibilities for the collection of non-domestic rates, council tax and residual community charge and how they were distributed to the County, Police Authority, District and Local Councils.

Consolidated Balance Sheet

As well as showing the balances and reserves at the Council's disposal a summary of long term borrowings and the day-to-day monies used to support operations is provided, together with details of assets owned by the Council.

Statement of Total Movement on Reserves

This statement brings together all the recognised gains and losses of the authority during the period and identifies those which have, and have not been recognised in the consolidated revenue account.

Cash Flow Statement

This statement shows the receipts and payments of cash arising from transactions during the year.

Euro

During the last financial year the Council has continued to review the impact of the Euro on its ongoing operations and financial systems. Until a decision is made as to whether the UK should adopt the Euro, any expenditure on Euro activities, which is primarily on research and strategic planning will be met from within existing budgetary provision. The replacement financial systems introduced on 1 April 2002, are fully Euro Compliant.

REVIEW OF THE 2001/2002 FINANCIAL YEAR

The Council's expenditure is categorised as either revenue or capital. Revenue expenditure relates to items which are consumed within a year on running the organisation and are financed from the Council Tax, Government Grants and other income. Capital expenditure is normally financed over a period of years in the same manner that a private individual pays for the purchase of their home.

Net Revenue Spending in 2001/2002

2000/01 Actual £m	Services	2001/2002		
		Budget £m	Actual £m	Variance £m
	NET SERVICE EXPENDITURE:			
5.6	Community Services	7.1	7.2	0.1
1.3	Environment and Public Health	1.3	1.3	
1.7	Housing (General Fund)	2.8	2.0	(0.8)
0.1	Housing Revenue Account	0.1	0.2	0.1
1.7	Planning	1.8	1.5	(0.3)
(1.6)	Staff and Corporate Policies including transfer to/from Earmarked Reserves	(3.8)	(2.8)	1.0
8.8	TOTAL NET SERVICE EXPENDITURE	9.3	9.4	0.1
	FUNDED BY:			
1.5	Parish Precepts	1.5	1.5	
(5.3)	Collection Fund Income	(5.6)	(5.6)	
(1.4)	Revenue Support Grant	(1.8)	(1.8)	
(0.1)	Central Support Protection Grant	0.0	0.0	
(3.3)	Contribution from Non-Domestic Rate Pool	(3.3)	(3.3)	
(0.1)	Collection Fund Surplus	(0.1)	(0.1)	
(8.7)	TOTAL FUNDING	(9.3)	(9.3)	
0.1	Deficit funded from working balances	0.0	0.1	0.1

The Council's net expenditure was £9.4 million being £0.1 million more than the level budgeted. This meant that the Council's working balances reduced slightly at the end of the year.

Excluding variances arising from internal asset rental transactions between services the only other major changes were the increased spending on the maintenance of the Council's housing stock and lower interest receipts from the Council's investments. These were partially offset by increased income from the car parking and land charges services.

REVIEW OF THE 2001/2002 FINANCIAL YEAR

The tables below show in broad terms where the Council's money came from, what it was spent on and the services provided.

WHERE THE MONEY COMES FROM

	£'000	%
Government Grants and Contributions	19,171	40.6
Rents	10,572	22.4
Local Taxpayers and share of National Business Rate	8,974	19.0
Charges for Goods and Services	4,382	9.3
Use of Reserves	2,399	5.1
Interest	1,691	3.6
	47,189	100.0

WHAT THE MONEY IS SPENT ON

By type of expenditure

	£'000	%
Running Costs	19,371	41.0
Housing and Council Tax Benefits	16,832	35.7
Employees	8,192	17.4
External Debt Financing	2,794	5.9
	47,189	100.0

By type of service

	£'000	%
Housing Services	24,808	52.6
Cultural Environment and Planning Services	15,114	32.0
Central Services to the Public	4,573	9.7
Other Services	2,024	4.3
Highway, Roads and Transport Services	670	1.4
	47,189	100.0

The bulk of the Council spending is on running costs and Housing and Council Tax Benefits, followed by employee costs, with Housing being the largest service provided.

REVIEW OF THE 2001/2002 FINANCIAL YEAR

Housing

The Council continues to be a major provider of rented accommodation in the District. Council tenants' rents increased in 2001/2002 by an average of 1.25% to finance movements in expenditure and income and to maintain a prudent working balance.

The Housing Revenue Account (HRA) for 2001/2002 is set out on page 15 and shows that the working balance was £0.376m at the end of the year, £0.096m less than the budgeted position.

The movement in the working balance arose principally from increased expenditure on property repairs, and Special Management Services, lower rental income and a reduction in the bad debt provision. General Management expenses, Rent Rebates and Government Subsidy were also lower than budgeted. The increases were partially offset by increased income from charges, interest, and lower capital charges.

As planned, the Housing Capital Programme was funded by a £0.469m revenue contribution to capital.

Direct Service Organisations (DSO's)

The Council operates five DSO's and their financial performance is set out on page 19. Although there is no longer a statutory need to maintain separate trading accounts for each DSO, the Council chose to do so to enable their performance to be measured.

The performance of the DSO's during 2001/2002 was generally very successful with all the activities achieving their financial objectives.

Outlook for 2002/2003 and beyond

The Council's net General Fund Budget for 2002/2003 has been set at £9.98m, an increase of 6.9% from 2001/2002. In deciding on this total, the Council considered the competing needs to spend on local and national priorities and the resources which the Government makes available by means of grant. Councillors were also mindful that, should the Government consider the increase in either the net budget or the Council Tax to be excessive, it could impose a 'cap' on the Council's future spending plans. The Band D Tax for the Council rose by 14.0% for 2002/2003, whilst the total tax for this Council, East Sussex County Council, Sussex Police Authority and Town and Parish Councils increased by 6.7%. Our Council Tax and Business Rate collection performance remain amongst the best achieved in the country.

The Council will continue operating in an environment in which there is pressure on local government as a whole to restrain spending and improve productivity through increases in efficiency identified in 'Best Value' reviews. A system of independent inspection is to be introduced under which the performance of every local authority will be assessed. In its spending plans for the period 2003/2004 to 2005/2006, the Government has set aside an average annual increase in resources for local authorities of 7.7%. This sets the broad parameters within which future budgets will be drawn up, although past experience shows that this Council should plan to receive less than the national average.

The Government's programme of reforming local authority housing continues. The latest step is the 'rent restructuring' initiative, whereby all local authorities must calculate rent levels by means of a formula which takes into account relative earnings and property values. Under rent restructuring, by 2011/2012 local authority rents should have converged with those of housing associations. Rent restructuring will be introduced for each Lewes District Council property from 1 April 2003, but the rent setting process for 2002/2003, following Government guidance, took its overall effect into account. With the position of the Council's HRA remaining largely determined by the resources made available by the Government, a rent rise of 3.38% was approved increasing the average weekly rent for 2002/2003 to £54.38.

The Annual Capital Programme continues to be drawn up with reference to the Council's Capital Strategy, Asset Management Plan and HRA Business Plan. The 2002/2003 General Fund Capital Programme totals £0.4m, including £0.2m in respect of electronic service delivery which will be funded by the Government. The HRA Housing Investment Capital Programme totals £2.4m, funded by Credit Approvals and the Major Repairs Allowance received from the Government. The £0.85m General Fund Housing Investment Programme will be largely funded from capital receipts and credit approvals.

GENERAL PRINCIPLES

The Council's accounts have been prepared in accordance with recommended accounting principles as specified in the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and also with guidance notes issued by CIPFA on the application of accounting standards (SSAPs).

FIXED ASSETS

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accrual basis. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets, which is charged direct to service revenue accounts.

The valuations were in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors (RICS). Fixed assets are classified into the groupings required by the 1995 Code of Practice on Local Authority Accounting.

The General Fund fixed assets were valued on 1 April 1999 by the Valuation Agency of the Inland Revenue.

- Operational assets of a non-specialised nature were valued on the basis of Existing Use Value (EUV).
- Non-operational assets were valued on the basis of Open Market Value (OMV).
- All plant and machinery contained in the buildings is included in the valuations.
- Office fixtures and fittings were not included in the valuations, but were given a notional 10% value of the office's valuation.
- Vehicles, plant and equipment were not included in the valuation, but were valued on the basis of depreciated historic cost.

The Housing Revenue Account fixed assets were valued on 1 April 2000 by King Sturge, a firm of international property consultants. The valuations were in accordance with The Guidance on Stock Valuation issued by Department of Environment, Transport and the Regions.

- Council dwelling units were valued on the beacon basis using Existing Use Value for Social Housing (EUV-SH).
- Council owned garages were valued on the basis of Existing Use Value (EUV).
- Council owned shops and other sundry housing assets were valued on the basis of Open Market Value (OMV) or Existing Use Value (EUV) as appropriate.
- Housing estate roads, car parks and parking spaces that have not been adopted by the County Council are included in the valuation at historic cost.

The surpluses arising on the re-valuation of fixed assets are credited to the fixed asset restatement reserve. Further re-valuations of fixed assets are required at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period. The next valuation dates are 1 April 2004 for General Fund assets and 1 April 2005 for Housing Revenue Account assets.

The impairment of the Council's assets resulting from the Lewes Floods of Autumn 2000 was considered by the Council's valuation consultants when undertaking the 2001/02 review of Housing Revenue account asset valuations. The result of the valuation is reflected in the summary of Fixed Assets.

Assets acquired under finance leases are capitalised in the authority's accounts, together with the liability to pay future rentals. Although the Council no longer uses this method of financing there are some old leases which are not yet time expired.

Income from the disposal of fixed assets is accounted for on an accrual basis. Income that is not reserved for the repayment of external loans forms part of the reserve available for capital financing. This is described in the balance sheet as usable capital receipts.

Capital expenditure on works below a value of £10,000 is treated as minor and charged to the relevant revenue account.

STATEMENT OF ACCOUNTING POLICIES

DEPRECIATION

Depreciation is provided for on all fixed assets with a useful life (which can be determined at the time of acquisition or revaluation) according to the following policy.

- Council land holdings are not depreciated.
- Major operational buildings are depreciated over the expected remaining life of the asset.
- Depreciation of the housing stock is calculated using the methodology of the Major Repairs Allowance.
- Miscellaneous buildings of minor value are not depreciated on the grounds that the charge for depreciation would not be material.
- Newly acquired assets are generally depreciated from the date of acquisition or the mid-point of the year as appropriate. Assets in the course of construction are not depreciated until they are brought into use.

Depreciation is calculated using both the straight-line method or reducing balance method as appropriate.

CHARGES TO REVENUE

General Fund service revenue accounts, central support services, trading accounts and DSOs pay a capital charge for all fixed assets used in the provision of services. The capital charge covers the annual provision for depreciation plus a financing charge determined by applying a specified notional rate of interest to net asset values. The aggregate charge to individual services is determined on the basis of the capital employed in each service. The charge made to the Housing Revenue Account is an amount equivalent to the statutory capital financing charges.

External interest payable and the provision for depreciation are charged to the asset management revenue account. This account is then credited with capital charges made to services.

Capital charges therefore have a neutral impact on the amounts required to be raised from local taxation.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to other earmarked reserves are disclosed separately as appropriations, on the face of the consolidated revenue account, below net operating expenditure.

DEFERRED CHARGES

Deferred charges represent expenditure such as improvement grants which may properly be capitalised, but does not result in the creation of fixed assets for the Council. They are charged to revenue over an appropriate period. The Leisure Centres at Lewes and Peacehaven are owned by East Sussex County Council and the agreements refer to the provision, use and management of the buildings without conferring any property interest on the Council

GRANTS AND CONTRIBUTIONS

Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, the amount of the grant or contribution is credited initially to the government grants-deferred account. Amounts are released to the asset management revenue account over the useful life of the asset to match the depreciation charged on the asset to which it relates.

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

RESERVES

These include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management.

* **The fixed asset restatement reserve** represents principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets. This reserve cannot be called upon to support spending.

* **The capital financing reserve** represents amounts used from revenue resources or capital receipts to finance expenditure on fixed assets or amounts set aside for the repayment of external loans and certain other capital financing transactions. This reserve cannot be called upon to support spending.

The Council also has the following reserves:

* **Revenue Equalisation and Asset Maintenance Reserve/ Leisure Buildings Repairs Reserve/ Lewes Leisure Centre Buildings Plant & Equipment Reserve/ Community Leisure Buildings Plant and Equipment Reserve/ Community Grants Reserve/ Corporate Buildings Repairs Reserve/ Maintenance Reserve/ Revenues Systems Reserve/ Housing Development Reserve/Financial System Reserve.**

available to be used to finance future expenditure of either a capital or revenue nature.

* **DSO Reserves**

used to provide finance for the Council to fund the purchase of replacement equipment and plant.

* **Section 106 Agreements**

represents contributions made by developers for specific purposes arising from planning decisions. Each agreement is covered by a legal document regarding the way in which funds can be used.

* **Insurance Reserve**

available to be used to fund any future expenditure, such as excesses not covered by the Council's insurance policies, risk management initiatives and security against an insolvent run off from the Council's former insurer MMI.

* **Partnership Funding Reserve**

represents the amount available for the Council's contributions to various partnership schemes. These include leisure, arts and economic development projects which are being progressed over the next few years.

* **Rent Deposit Guarantee Scheme**

represents funds set aside for private sector initiatives in accordance with the Housing Act 1996.

* **West Quay Development Reserve/Newhaven Fort Refurbishment/Denton Island Reclamation**

represents funds received in anticipation of the future development and refurbishment of West Quay, Newhaven Fort and Denton Island in partnership with other bodies.

* **Building Control Charging Scheme**

available to be used to finance future expenditure on the Building Control Function.

* **Major Repairs Allowance Reserve**

This account was established by the Local Authorities (Capital Finance and Accounts Regulations 2000) in order to channel funds made available through the Major Repairs Allowance into capital expenditure on HRA property.

STATEMENT OF ACCOUNTING POLICIES

CAPITAL RECEIPTS RESERVE

Capital receipts from the disposal of assets are held in the usable capital receipts reserve until such time as they are used to finance capital expenditure or to repay debt. Each capital receipt is required to have a sum reserved as a provision for debt repayment with the balance available to finance capital expenditure. Reserved capital receipts are held in the capital financing reserve. The sum to be reserved is 75% of the receipt in respect of Council house sales. From 1 September 1998, the requirement for authorities to reserve 50% of other assets for debt repayment when they sell most kinds of assets held outside the Housing Revenue Account was removed.

Interest on all capital receipts is credited to the General Fund Revenue Account. The Housing Revenue Account gains the benefit from interest on reserved housing capital receipts by transfer between the General Fund Revenue Account and the Housing Revenue Account as required by law.

PROVISIONS

The Council sets aside provisions for specific future expenses which are likely or certain to be incurred, but the amount of which cannot yet be determined accurately.

- * Compensation and Damages
- * Bad Debts Provision
- * Profit share provision in respect of DSO employee bonus commitments
- * Asset Rental Equalisation provision in respect of DSO vehicle rentals

INVESTMENTS

Investments are shown in the Consolidated Balance Sheet at the lower of cost or market valuation.

INTERNAL INTEREST

Interest is credited to the General Fund Revenue Account and Housing Revenue Account based on the level of their balances during the year.

DEBTORS AND CREDITORS

The capital and revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Practice on Local Authority Accounting and SSAP2. This requires sums due to or from the Council during the year to be included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of the meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.

The Code of Practice on Local Authority Accounting requires that the accruals concept be applied to capital expenditure and capital receipts.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued in accordance with the requirements of the Code of Accounting Practice and SSAP9, which require stocks to be shown at the lower of actual cost or net realisable value. No losses or profits have been included on work in progress.

SUPPORT SERVICES

The Council identifies the cost of providing services to the public (which is in accordance with recommended practice) and part of this cost relates to overheads.

- * administrative offices of the Council are charged out to occupants on the basis of floor area
- * professionals such as property managers, accountants, lawyers and personnel are charged on the basis of time expended working for clients
- * service management represents the management cost of the service Director and administrative backup within the department concerned. The cost of this function is charged to services on the basis of time expended

CORPORATE AND DEMOCRATIC CORE

This group of nationally defined costs covering general and specific management functions arises from the need to co-ordinate an elected multi-purpose authority. These costs totalled £889,000 in 2001/2002 (2000/2001 £675,000) and in accordance with best practice are left as a direct charge on the General Fund Revenue Account and are not allocated to services.

CONSOLIDATED REVENUE ACCOUNT

2000/01 Net Expenditure £'000		2001/02 Gross Expenditure £'000	2001/02 Income £'000	2001/02 Net Expenditure £'000
	Expenditure on Services			
1,125	Central Services to the Public	4,572	3,611	961
7,828	Cultural, Env & Planning Servs - Note 1	15,130	4,820	10,310
24	Highways, Roads & Transport Services	670	446	224
1,862	Housing Services - Note 2	24,971	22,629	2,342
1,047	Corporate & Democratic Core	1,611	298	1,313
95	Unapportionable Central Overheads	99	0	99
11,981	NET COST OF SERVICES	47,053	31,804	15,249
1,428	Precepts paid to Parish Councils			1,463
(64)	(Surplus)/Deficit from Trading Operation - Note 4			(61)
(63)	Total net surplus from DSOs - Note 3			(162)
(1,228)	Transfer to/(from) Asset Management Revenue Account - Note 5			(2,256)
(2,269)	Interest and Investment Income			(1,522)
9,785	NET OPERATING EXPENDITURE			12,711
	APPROPRIATIONS			
(4)	Surplus/(Deficit) transferred to/(from) HRA balances			(180)
25	Transfer to/(from) insurance reserve			(13)
718	Transfer to/(from) earmarked reserves			(812)
63	Transfer to/(from) DSO reserves			162
347	Capital Expenditure financed from revenue			287
(1,537)	Provision for the repayment of external loans - Note 6			(3,261)
763	Deferred Government Grants			1,823
	AMOUNT TO BE MET FROM GOVERNMENT			
10,160	GRANT AND LOCAL TAXATION			10,717
	SOURCES OF FINANCE			
(1,425)	Revenue Support Grant			(1,825)
(23)	Central Support Protection Grant			0
(3,270)	Contribution from Non-Domestic Rate Pool			(3,276)
(5,351)	Precept demanded from Collection Fund			(5,631)
(91)	Collection Fund surplus			(67)
0	NET GENERAL FUND (SURPLUS)/DEFICIT			(82)

£'000	General Fund Balance	£'000
(750)	Balance on General Fund brought forward 1 April	(750)
0	(Surplus)/Deficit for the year	(82)
(750)	Balance on General Fund carried forward 31 March	(832)

NOTE 1. CHARITY ACCOUNTS

Included in the Council's revenue account is the grant payable to the Stanley Turner Recreation Ground Charity for which the Council's members are trustees. The amount of the grant is shown below:-

2000/01		Expenditure	2001/02	Income	Grant
Grant		£'000	£'000	£'000	£'000
40	Stanley Turner Recreation Ground Charity	48	3		45

NOTE 2. HOUSING

Housing expenditure for the Council includes the amounts which have been accounted for through both the General Fund and Housing Revenue Account, details of which are shown below: -

2000/01		Gross	2001/02	Net
Net		Expenditure	Income	Expenditure
Expenditure		£'000	£'000	£'000
110	Housing Revenue Account	13,495	13,215	280
1,752	Housing General Fund	11,371	9,309	2,062
1,862	Total Housing	24,866	22,524	2,342

NOTE 3. DSO SURPLUSES

The Council has three Direct Service Organisations, the Contract Works Group, the Contract Works Unit and Community Leisure. The following trading results were achieved during 2001/02. (The accounts of the Direct Service Organisations are shown on page 19 of this report).

2000/01		2001/02
£'000		£'000
(6)	Contract Works Group	(18)
(57)	Community Leisure	(144)
(63)	(Surplus) / Deficit	(162)

The Contract Works Unit Achieved a break-even position during 2001/02

NOTE 4. TRADING OPERATION

The Council manages and maintains six Industrial Estates comprising over 100 individual plots which are situated in Lewes, Newhaven and Seaford.

The turnover of these undertakings, derived mainly from rents, was £495,000 (2000/01 £490,000). The Council charges asset rentals for the use of its Industrial Estates, in line with the 1993 Code of Practice. This has resulted in a surplus of £61,000 being made in 2001/02, (2000/01 £64,000) which was credited in total to the General Fund.

NOTES TO CONSOLIDATED REVENUE ACCOUNT

NOTE 5. ASSET MANAGEMENT REVENUE ACCOUNT

The following statement shows the transactions on the asset management revenue account during the 2001/02 financial year.

2000/01		2001/02
£'000		£'000
	INCOME	
	Capital Charges	
(2,199)	General Fund	(2,192)
(1,583)	Housing Revenue Account	(10,764)
(763)	Release of Grants and Contributions	(1,823)
	EXPENDITURE	
580	Provision for Depreciation	2,707
2,736	External Interest Charges	2,657
1	Finance Lease Interest	1
(1,228)		(9,414)
	Net Surplus to	
1,228	- General Fund Consolidated Revenue Account	2,256
0	- Housing Revenue Account	7,158
0		0

NOTE 6. MINIMUM REVENUE PROVISION (MRP)

The Council is required to make a minimum provision for the redemption of external debt. Details of the 2001/02 minimum revenue provision are shown below:-

2000/01		2001/02
£'000		£'000
(26)	Non-Housing - 4% of credit ceiling	(21)
334	Housing - 2% of credit ceiling	314
308		293
580	Amount charged as General Fund depreciation	554
1,265	Deferred charges net charge	3,000
(1,537)	Net Surplus to Consolidated Revenue Account	(3,261)
308		293

NOTE 7. SECTION 137 EXPENDITURE

The Local Government Act 2000 granted new powers to authorities in England and Wales to promote well-being in their area. As a consequence, the majority of the provisions of Section 137 were repealed with effect from October 2000. No expenditure was incurred by this council in 2001/2002 under the remaining provisions.

NOTE 8. PUBLICITY

Section 5 of the Local Government Act 1986 requires a Local Authority to keep a separate account of its expenditure on publicity. Expenditure on publicity in 2001/02 amounted to £99,000 (2000/01 £70,000). The majority of this expenditure relates to the Council's recruitment advertising.

NOTE 9. OPERATING LEASES

The Council uses leased cars, refuse and recycling vehicles, leisure centre fitness equipment and other items of plant and equipment financed under the terms of an operating lease. The amount paid under these arrangements in 2001/2002 was £221,000 (2000/2001 £187,000).

The future cash payment required under these leases are

2002/03	£219,000
2003 onwards	£533,000

NOTE 10. BUILDING CONTROL TRADING ACCOUNTS

The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The statement below shows the total cost of operating the Building Control Unit divided between the chargeable and non-chargeable activities for the year 2001/02.

Building Regulations			
Charging Account 2001/2002			
	Chargeable	Non	Total
	2001/02	Chargeable	Building
	£	2001/02	Control
		£	2001/02
			£
Expenditure			
Employee Expenses	109,103	40,352	149,455
Transport	12,227	1,358	13,585
Supplies and Services	34,561	12,767	47,328
Central and Support Services	60,875	5,811	66,686
TOTAL EXPENDITURE	216,766	60,288	277,054
Income			
Building Regulation Charges	263,362	0	263,362
Miscellaneous Income	0	694	694
TOTAL INCOME	263,362	694	264,056
Surplus/(Deficit) for year	46,596	(59,594)	(12,998)

NOTE 11. AGENCY SERVICES

The principal area of work is a programme of providing job skills training throughout all departments of the Council, in association with the Training Consortium who act as a managing agent for Sussex TEC Limited. The Council incurred expenditure of £68,000 in 2001/02 (2000/01 £76,000)

NOTE 12. PENSION COSTS

The Council provides for the pensions of its past and present employees by way of annual contributions to the East Sussex County Council Pension Scheme. The cost of these contributions are shown in the Council's accounts as follows:-

2000/01		2001/02	
£,000	% of Pensionable Pay	£'000	% of Pensionable Pay
853	12.10	993	13.50
98	1.40	99	1.35
951	13.50	1,092	14.85

The contribution rate is determined by the Fund's Actuary, based on triennial valuations, the last review being 31 March 2001. The Fund's actuary has advised that for Lewes District Council the pension cost for SSAP 24 purposes is 13.3%, which is 0.2% below the total contribution rate paid in 2001/02.

NOTE 13. MEMBERS ALLOWANCES

The total paid to members under The Local Authorities (Members Allowances) Regulations 1991 in 2001/02 amounted to £131,000 (2000/01 £115,000). A more detailed analysis of member allowances is shown on pages 45 to 47 of this report.

NOTE 14. REMUNERATION OF EMPLOYEES

The Accounts and Audit Regulations require each Council to disclose the number of employees in the period to which the accounts relate whose remuneration fell into each bracket of a scale in multiples of £10,000, starting with £40,000. The relevant details are shown below.

2000/01		2001/02	
Number of Employees	Salary	Number of Employees	
6	£40,000 - £49,999	7	
2	£50,000 - £59,999	2	
1	£60,000 - £69,999	1	
1	£70,000 - £79,999	1	

NOTE 15. RELATED PARTY TRANSACTIONS

There were no material transactions with related parties, which are not disclosed elsewhere in the 2001/02 accounts.

NOTE 16. EXCEPTIONAL ITEM

During October 2000, Lewes and its surrounding areas experienced the worst flooding for over 40 years. There was widespread damage to land and buildings throughout the Lewes area. The total cost of dealing with the emergency amounted to £292,000 of which the government contributed £274,000 under the Bellwin Scheme, the Government's emergency aid facility. Expenditure amounting to £60,000 was incurred during the 2001/2002 financial year.

HOUSING REVENUE ACCOUNT

The Housing Revenue Account summarises the transactions relating to the provision, maintenance and sales of Council houses and flats.

2000/01 £'000	2001/02 £'000	£'000
INCOME		
9,495 Dwelling Rents (gross)	9,472	
277 Non-dwelling rents (gross)	281	
241 Charges for services and facilities	314	
1,401 Housing Revenue Account Subsidy receivable (Note 3)	3,059	
30 Contributions towards expenditure	32	
48 Community amenities contribution	58	
11,492 TOTAL INCOME	13,216	13,216
EXPENDITURE		
2,236 Repairs and Maintenance	2,260	
2,223 Supervision and Management	2,337	
20 Rents, Rates, Taxes and other charges	13	
4,930 Rent Rebates	4,863	
48 Increase in provision for doubtful debts	41	
1,570 Cost of capital charge (Note 8)	8,296	
0 Depreciation of fixed assets (Note 6)	2,153	
72 Debt Management Expenses	59	
11,099 TOTAL EXPENDITURE	20,022	20,022
(393) NET COST OF SERVICES		(6,806)
Net HRA income from Asset Management		
0 Revenue Account (Note 9)	(7,158)	
Investment Income		
(22) Mortgage Interest	(17)	
(85) Interest on cash balances (Note 15)	(82)	(7,257)
(500) NET OPERATING INCOME		(451)
504 Revenue Contribution to Capital Expenditure (Note 12)	469	
HRA Contribution to Minimum Repayment		
0 Provision (net)	314	
0 Transfer from Major Repairs Reserve	(152)	631
4 DEFICIT FOR THE YEAR	180	180
560 BALANCE AT START OF THE YEAR		556
556 BALANCE AT END OF THE YEAR		376

NOTES TO HOUSING REVENUE ACCOUNT

NOTE 1. NEW FINANCIAL FRAMEWORK

With effect from 1 April 2001, the Government has introduced a new financial framework for the Housing Revenue Account, (HRA). Based on a form of resource accounting, it is intended to bring the HRA more into line with the General Fund approach to capital charges. Instead of merely showing historic debt charges, the HRA now reflects both the cost of capital employed and the cost of wear or deterioration of those assets. Because this is a new framework, some of the figures on the HRA are not directly comparable between years

NOTE 2. HOUSING STOCK AS AT 31 MARCH 2002

<u>Houses and Bungalows</u>	£'000	£'000
- one bedroom	220	
- two bedrooms	704	
- three bedrooms	1003	
- four bedrooms	63	
	<hr/>	1,990
<u>Flats</u>		
- Bedsits	73	
- one bedroom	797	
- two bedrooms	548	
- three bedrooms	50	
- four bedrooms	3	
	<hr/>	1,471
		3,461

In addition the Council had, at the same date, shared ownership arrangements covering 10 properties and 1 property (partly) sold under the Right to Buy.

NOTE 3. HRA SUBSIDY RECEIVABLE

The Subsidy receivable in 2001/02 is made up as follows:

	£'000
Major Repairs Allowance	2,001
Management and Maintenance Allowance	3,168
Capital Charges Allowances	1,646
Tenants Participation Allowance	16
Resource Accounting Allowance	30
Rent Rebate costs	4,669
Other Expenditure	11
	<hr/>
Sub Total	11,541
Less: Assumed rent income	(8,464)
Other income	(18)
Total	3,059

NOTE 4. CONTRIBUTION FROM GENERAL FUND

The standard rent rebate scheme has been enhanced in Lewes for war widows and war disablement pensioners. The cost of this enhancement has not been met by a contribution from the General Fund.

NOTE 5. ASSET VALUATION

The Council's consolidated Balance Sheet includes the following HRA assets:

	31 March	
	2001	2002
	£'000	£'000
Operational Assets		
- Dwellings	134,343	190,014
- Garages	1,230	1,188
- Other	140	312
Community Assets	213	397
Infrastructure	1,785	1,695
Non-operational Assets	565	663
	138,276	194,269

The increase in the value of dwellings arose following an annual appraisal by the Council's appointed surveyor.

NOTE 6. DEPRECIATION

Depreciation of the housing stock has been calculated using the methodology of the Major Repairs Allowance. It is based on the annual cost of replacing individual building components, such as windows, kitchens and heating systems, as they reach the end of their useful life. An additional depreciation sum of £152,603 is also included in respect of non-dwelling assets.

NOTE 7. MAJOR REPAIRS RESERVES

This account was established by the Local Authorities (Capital Finance and Accounts) Regulations 2000 in order to channel the funds made available through the Major Repairs Allowance (equivalent to the depreciation of the stock – see Note 6) into capital expenditure on HRA property. The movements on the account, as set out below, show that a balance has been retained for future liabilities.

	2001/02
	£'000
Balance at 1 April 2001	0
Depreciation	
- Housing Stock	(2,001)
- Other HRA Assets	(152)
Financing of Capital Expenditure	1,512
Transfer to HRA	152
Balance at 31 March 2002	(489)

NOTE 8. COST OF CAPITAL

In accordance with the principles of resource accounting, a charge representing the cost of capital tied up in housing assets is included in the HRA's Net Cost of Services. It is calculated by applying a notional rate of interest (6% - as specified by regulation) to the value of the HRA stock at the beginning of the accounting period.

NOTE 9. NET INCOME FROM ASSET MANAGEMENT REVENUE ACCOUNT

This account is used to replace the NOTIONAL cost of capital (referred to in the note above) with the HRA's proportion of the interest payable on the Council's ACTUAL borrowing. The net income shown is thus the difference between the **cost of capital** and the appropriate interest liability.

NOTES TO HOUSING REVENUE ACCOUNT

NOTE 10. FUNDING OF CAPITAL EXPENDITURE

In 2001/02 capital expenditure on HRA services totalled £3.117 million funded as follows:

	£'000
Borrowing	181
Useable Capital Receipts	196
Revenue Contribution	469
Major Repairs Reserve	1,512
Insurance Claim Contribution	701
Leaseholders Contributions	58
Total	3,117

NOTE 11. CAPITAL RECEIPTS

Receipts from sales of HRA assets in 2001/02 are summarised below:

	£'000
Sale of Council Houses (Right to Buy)	2,440
Deferred sales of DIYSO properties	76
Repayment of HRA mortgages	48
Repayment of RTB discount	58
	2,622

NOTE 12. REVENUE CONTRIBUTION TO CAPITAL EXPENDITURE

The new financial framework does not impose any direct limit on the extent of direct funding of the capital programme from revenue monies. In 2001/02 Lewes has augmented its capital spending by making a direct revenue contribution of £469,000.

NOTE 13. RENT ARREARS

Rent arrears at 31st March were:

	2001	2002
	£	£
Current Tenants	192,987	158,187
Former Tenants	105,830	99,722
Garages	1,034	1,200
	299,851	259,109

Write-offs in 2001/02 amounted to £25,461 compared to £63,817 in 2000/01.

NOTE 14. PROVISION FOR BAD DEBTS

The amount to be set aside from revenue to provide for non-payment of rent is determined by reference to the level of arrears. The write-offs noted above have reduced the level of former tenants' arrears and consequently the bad debt provision has been reduced from £222,006 to £195,959. The Balance Sheet also contains a provision of £48,675 to offset other potential HRA debts.

NOTE 15. INVESTMENT INCOME - INTEREST ON CASH BALANCES

Under the provisions of the Local Government & Housing Act 1989, interest earned from the investment of capital receipts is not credited directly to the HRA. Instead, interest on the 'usable' part of capital receipts - i.e. the part available to finance new capital - is credited to the General Fund and interest on the remaining 'reserved' part of capital receipts is effectively netted off the HRA capital financing costs. Consequently, the figure for investment income represents solely interest earned from investment of the HRA's revenue balance.

DIRECT SERVICE ORGANISATIONS SUMMARY REVENUE ACCOUNT

In line with the advice contained within the Best Value Accounting Code of Practice the Council has decided to keep separate accounts for its Direct Service Organisations. The following statement shows the transactions for each of the DSOs which operated during the last financial year.

2000/01			Revenue Account	2001/02		
Income	Exp'd	Surplus		Income	Exp'd	Surplus/ (Deficit)
£'000	£'000	£'000		£'000	£'000	£'000
1,183	1,179	4	Refuse Collection	1,235	1,232	3
478	477	1	Street Cleansing	515	506	9
131	131	0	Golf Course Maintenance	146	146	0
1,339	1,282	57	Community Leisure	1,434	1,290	144
491	490	1	Building Maintenance	443	437	6
3,622	3,559	63	Total DSOs	3,773	3,611	162

NOTES:

a) Operations

The Council operates five Direct Service Activities with the turnover and surplus or deficit for each DSO shown above. Compulsory Competitive Tendering was abolished on 2 January 2000 but authorities were advised to continue with their DSO accounts when the new financial and accounting arrangements came into force.

b) Appropriation Accounts / Reserves

	Balance	Surplus/ (Deficit)	Contribution to General Fund	Trans to/ (from) Reserves	Balance C/fwd
	£'000	£'000	£'000	£'000	£'000
Refuse Collection	19	3	0	(14)	8
Street Cleansing	63	9	(10)	0	62
Building Maintenance	1	6	0	0	7
Community Leisure	38	144	0	(136)	46
Comm Leis Building Repairs	50	0	0	55	105
Total DSOs	171	162	(10)	(95)	228

A Community Leisure Buildings, Plant and Equipment Reserve was established in 2000/2001. A further contribution of £55,000 was appropriated from the 2001/2002 surpluses. The £10,000 in respect of Street Cleansing was returned to the General Fund and, not as in all other cases, used to finance capital expenditure.

Balances remain in the DSOs' Appropriation accounts to finance the future purchase of new equipment.

c) Financial Objectives

All the Council services previously subject to CCT were required to break-even after taking into account capital charges which included a capital financing charge of 6 per cent of the value of fixed assets used in the provision of the service in question.

The Council's Direct Service Organisations were all successful in achieving the required objective.

COLLECTION FUND REVENUE ACCOUNT

This account reflects the statutory requirements for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with other accounts of the billing authority.

2000/01		2001/02	
£'000	INCOME	£'000	£'000
	Council Tax (Note 2)		
28,659	- Income from Council Tax	31,338	
2,888	- Council Tax Benefit	3,002	
187	- Compensation for Council Tax Benefit Limitation Subsidy	318	
31,734			34,658
14,785	Income in respect of Non-Domestic Rates (Note 1)		15,308
46,519	Total Income for the Year		49,966
	EXPENDITURE		
32,109	Precepts and Demands (Note 3)		34,832
	Non-Domestic Rates		
14,658	- Payment to National Pool	15,182	
127	- Cost of Collection Allowance	126	
14,785	Sub Total		15,308
108	Provision for uncollectable amounts		74
15	Contribution to/(from) General Fund for previous year Community Charge		18
76	Contribution to General Fund for previous year Council Tax		48
47,093	Total Expenditure for the Year		50,280
574	(Surplus) / Deficit for the Year		314

2000/01		2001/02
£'000		£'000
(819)	Surplus at 1 April brought forward	(245)
574	(Surplus) / Deficit for the year	314
(245)	(Surplus) / Deficit at 31 March carried forward	69

NOTES TO THE ACCOUNTS**Note 1 – Non-Domestic Rates**

Non-Domestic Rates are organised on a national basis. The Government specifies the rate in the pound, and subject to the effects of transitional arrangements, local businesses pay rates according to the product of their rateable value, multiplied by the rate in the pound. The rateable value of their hereditaments at 31 March 2002 amounted to £37.6 million and the rate in the £ applied for 2001/02 was 43.0 pence.

Note 2 – Council Tax

The Council Tax Base, before adjustment for anticipated losses on collection, is detailed below:

	Ratio to Band "D"	Actual Number of Dwellings	Number of Dwellings Converted to Band "D" Equivalents
Band A Properties	6/9	3,006	2,004
Band B Properties	7/9	4,543	3,533
Band C Properties	8/9	11,263	10,011
Band D Properties	9/9	7,993	7,993
Band E Properties	11/9	4,777	5,839
Band F Properties	13/9	2,599	3,754
Band G Properties	15/9	1,940	3,234
Band H Properties	18/9	181	362
Total		36,302	36,730

Note 3 – Precepts and Demands

In addition to Lewes District Council's demand of £5.631 million, East Sussex County Council, and the Sussex Police Authority were the only other authorities to have a call on the Collection Fund, their precepts amounting to £27.043 million and £2.158 million respectively.

Note 4 – Collection Fund Balance

The deficit on the Collection Fund at 31 March 2002 amounted to £0.069 million, made up of a £0.015 million deficit in respect of Community Charge and £0.054 million deficit in respect of Council Tax.

CONSOLIDATED BALANCE SHEET

		31 March	
		2001	2002
		£'000	£'000
	Notes		
	1 & 2		
FIXED ASSETS			
OPERATIONAL ASSETS			
- Council Dwellings		134,343	190,014
- Other Land and Buildings		15,397	15,877
- Vehicles Plant and Equipment		487	430
- Infrastructure		4,104	3,703
- Community Assets		902	1,173
NON OPERATIONAL ASSETS			
- Non Operational Land and Property		10,504	11,186
TOTAL FIXED ASSETS		165,737	222,383
Deferred Charges	3	4,799	4,699
Long Term Investments	4	21	21
Long Term Debtors	5	426	397
TOTAL LONG TERM ASSETS		5,246	5,117
CURRENT ASSETS			
- Stocks and Work in Progress	6	5	5
- Debtors	7	4,032	4,315
- Investments	4	29,446	29,535
TOTAL CURRENT ASSETS		33,483	33,855
CURRENT LIABILITIES			
- Short Term Loans		1,008	2,508
- Creditors	8	5,187	5,228
- Cash Overdrawn		1,165	1,401
TOTAL CURRENT LIABILITIES		7,360	9,137
NET CURRENT ASSETS		26,123	24,718
TOTAL ASSETS LESS CURRENT LIABILITIES		197,106	252,218
Less: Long Term Borrowing	9	34,002	31,502
Government Grants and Contributions Deferred	10	4,835	6,355
Deferred Capital Receipts	11	268	194
Provisions	12	256	288
TOTAL ASSETS LESS LIABILITIES		157,745	213,879
REPRESENTING			
Fixed Asset Restatement Reserve	13	109,241	164,275
Capital Financing Reserve	14	40,417	42,194
Usable Capital Receipts Reserve	15	1,991	2,004
Earmarked Reserves	16	4,545	4,267
Revenue Balances - General Fund	Page 10	750	832
- Housing Revenue Account	Page 15	556	376
- Collection Fund	Page 20	245	(69)
TOTAL EQUITY		157,745	213,879

NOTE 1. CAPITAL EXPENDITURE AND CAPITAL FINANCING

Capital Spending in 2001/2002

The Council's capital spending in the year was £7.63 million compared with a forecast of £7.23 million. Approximately 3.5% of the programme has been funded by borrowing, generating charges to be met from future revenue spending, 13.2% from the proceeds of asset sales and the remaining 83.3% was met from other sources, mainly capital grants and contributions, followed by revenue contributions.

Major capital assets acquired and other items of expenditure for capital purposes during 2001/02 are set out below.

	£'000	£'000
Housing		
New Building	6	
Modernisation, Conversion and Enhancements	3,018	
Housing Association Projects	115	
Renovation Grants	616	
Private Sector Energy Works	154	
Works in Default	17	3,926
Leisure		
Leisure Centres	84	
Seaford Head Golf Course	8	
Seaford Splash Point and Hawks Brow	60	
Seaford Salts Pavilion	20	
Play Areas	20	
Other Leisure Schemes	17	209
Planning and Economic Development		
Coastal Defence	10	
Lewes Conservation Area Partnership	29	
Heritage Economic Regeneration Scheme	26	
Lewes Tourist Information Centre	6	
Newhaven West Quay Development	1,996	
Newhaven Fort Refurbishment	302	
Denton Island Reclamation	650	3,019
Public Offices		
Lewes House	31	
Fisher Street, Lewes	102	133
Other Services		
Repairs to Flint Walls	42	
Vehicles and Plant	47	89
Total Services		7,376

Financing of Capital Expenditure			
	Housing £'000	Non Housing £'000	Total £'000
Expenditure			
Fixed Assets	3,024	1,295	4,319
Deferred Charges	902	2,130	3,032
Mortgages	0	25	25
	3,926	3,450	7,376
Financed By:			
Credit Approvals	229	40	269
Capital Receipts	956	54	1,010
Major Repairs Allowance	1,512	0	1,512
Revenue Financing	469	412	881
Capital Grants and Contributions	991	2,584	3,575
Capital Creditors	(231)	360	129
	3,926	3,450	7,376

NOTES TO CONSOLIDATED BALANCE SHEET

NOTE 2. FIXED ASSETS

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infra- Structure Assets £'000	Community Assets £'000	TOTAL £'000
Gross book value at 1 April 2001	134,343	26,678	1,357	8,067	916	171,361
Revaluations	57,019	281	0	0	0	57,300
Restatements	(90)	0	0	0	167	77
Additions	2,997	1,157	46	1	118	4,319
Disposals	(2,254)	(89)	0	0	0	(2,343)
Gross book value as at 31 March 2002	192,015	28,027	1,403	8,068	1,201	230,714
Depreciation:						
Balance at 1 April 2001	0	777	870	3,963	14	5,624
Charge for Year	2,001	187	103	402	14	2,707
Balance as at 31 March 2002	2,001	964	973	4,365	28	8,331
Net Book Value as at 31 March 2002	190,014	27,063	430	3,703	1,173	222,383

Information on assets held

Fixed assets owned by the Council include the following:

	Number as at 31 March 2001	Number as at 31 March 2002
Council Dwellings - HRA	3,528	3,461
Council Dwellings - Non-HRA	5	5
Civic Offices	6	6
Depots	2	2
Car Parks	38	38
Golf Course	1	1
Downs Leisure Centre & Seahaven Pool	2	2
Parks and Gardens	2	2
Recreation Grounds	18	18
Public Halls	1	1
Cemeteries	2	2
Industrial Units	107	107
Vehicles	60	61
Community Recycling Centre	1	1

FIXED ASSET VALUATION

The General Fund fixed assets were valued by the Valuation Agency of the Inland Revenue and the Housing Revenue Account fixed assets were valued by King Sturge, a firm of international property consultants. The valuations were made in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors, so far as they are consistent with the stated and agreed requirements of the Council. Agreed departures from the manual are explained below.

The Housing Revenue Account Valuations were in accordance with the Guidance on Stock Valuation issued by the Department of Environment, Transport and the Regions in their publication "A New Financial Framework for Local Authority Housing".

For each operational asset, that is, those held occupied and used by the Council in the direct delivery of services for which there is either a statutory or discretionary responsibility, Existing Use Value (EUV) has been used.

In the case of specialised properties, that is, those properties that are rarely, if ever, sold on the open market due to the specialised nature of the properties, their location or use, the valuation basis used is Depreciated Replacement Cost (DRC).

Non-operational assets, which are assets held by the Council but which are not directly occupied or used in the delivery of services, are valued at Open Market Value (OMV).

The following departures from the RICS Appraisal and Valuation Manual were agreed in respect of General Fund assets.

- Community Assets – These were not valued by the Valuation Agency and have been included at historic cost.
- Infrastructure Assets – These were not valued by the Valuation Agency and have been included at historic cost and depreciated as appropriate.
- The Leisure Centres at Lewes and Peacehaven are owned by East Sussex County Council and they were excluded from the valuations since the agreements respectively refer to the provision, use and management of the buildings without conferring any property interest on the Council. The licences granted by the County Council are for periods of sixty years. The costs of constructing the leisure centres are written off as a deferred charge over the period of the licences.

The introduction of Resource Accounting to the Housing Revenue Account in 2001/02 required the housing stock to be valued on the beacon basis of Existing Use Value for Social Housing (EUV-SH). This valuation was completed in the autumn of 2000 and was reviewed as at March 2002. The updated valuation has been included in the accounts for 2001/02.

Plant and machinery, which would normally be regarded as an integral part of the buildings on letting or sale, has been included in the valuation of the buildings. Office fixtures, fittings, furniture and loose furnishings have not been included in the valuation but were given a notional 10% value of the office's valuation and are depreciated.

Vehicles, plant and equipment were not included in the valuation, but have been included on the basis of depreciated historic cost.

NOTE 3. DEFERRED CHARGES

	2000/01	2001/02
	£'000	£'000
Balance as at 1 April	4,843	4,799
Expenditure in year		
Renovation Grants	423	633
Advances to Housing Association	238	115
Private Sector Energy Works	110	154
West Quay Newhaven Redevelopment	493	1,996
Other Services	213	134
Amounts charged to Service Revenue Accounts	(1,521)	(3,132)
Balance at 31 March	4,799	4,699

NOTES TO CONSOLIDATED BALANCE SHEET

NOTE 4. INVESTMENTS

	Long Term £'000	Short Term £'000
Cash Management Funds		
- Investec Asset Management	0	17,295
- Tradition U.K.	0	10,500
Banks	0	1,740
ADC Debenture Stock 1996/2011	20	0
Government Stocks	1	0
Balance at 31 March 2002	21	29,535

The Investec Asset Management and Tradition UK funds are shown in the accounts at the lower of cost or market valuation. The cash management funds of £27.795 million were £162,000 lower than the cost price, reflecting market volatility at the end of the financial year.

NOTE 5. LONG TERM DEBTORS

These are debtors which fall due after a period of at least one year, analysed as follows:

	31 March	
	2001 £'000	2002 £'000
Mortgages	304	254
Loans to Individuals	95	118
Lewes Town Council	27	25
Total	426	397

NOTE 6. STOCKS AND WORKS IN PROGRESS

An analysis of stocks and work in progress is shown below:

	31 March	
	2001 £'000	2002 £'000
DSO Stores (Leisure Management)	5	5
Total	5	5

NOTE 7. DEBTORS

An analysis of Debtors is shown below:		
	31 March	
	2001	2002
	£'000	£'000
Government Departments	1,324	910
H.M. Customs	104	236
Other Local Authorities	104	241
Council Taxpayers	816	879
Non-Domestic Ratepayers	161	241
Community ChargePAYERS	3	0
Housing Rents	300	259
Sundry Debtors	1,898	2,328
	4,710	5,094
Less Provision for Doubtful Debts	(678)	(779)
Total	4,032	4,315

NOTE 8. CREDITORS

An analysis of Creditors is shown below:		
	31 March	
	2001	2002
	£'000	£'000
Government Departments	510	613
Inland Revenue	128	124
Other Local Authorities	209	209
Council Taxpayers	609	556
Non-Domestic Ratepayers	172	96
Housing Rents	61	74
Sundry Creditors	3,498	3,556
	5,187	5,228
Total	5,187	5,228

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 9. LONG TERM BORROWING

Source of Loan	31 March		Average
	2001 £'000	2002 £'000	Rate %
Public Works Loan Board	3,002	2,002	7.87
Banks	31,000	29,500	7.81
Total	34,002	31,502	7.82

Analysis of Loans by Maturity		31 March		% of	Average
		2001 £'000	2002 £'000	Total Debt	Rate %
Within	1- 2 Years	2,500	5,500	17.5	7.39
	2- 5 Years	5,500	3,000	9.5	7.85
	5- 10 Years	19,001	16,001	50.8	7.72
	10+ Years	7,001	7,001	22.2	8.35
Total		34,002	31,502	100.0	7.82

NOTE 10. GOVERNMENT GRANTS AND CONTRIBUTIONS DEFERRED

	Balance at 1.4.01	Additions	Revenue Accounts	Balance at 31.3.02
	£'000	£'000	£'000	£'000
Coast Protection	1,642	0	(231)	1,411
Leisure and Recreation	1,441	62	(24)	1,479
Council Dwellings	218	760	0	978
Derelict Land	37	0	0	37
Newhaven Town Centre	80	0	0	80
Newhaven Fort	1,011	307	0	1,318
Denton Island	300	646	0	946
West Quay Newhaven Redevelopment	0	1,567	(1,567)	0
Other Properties	106	1	(1)	106
Total	4,835	3,343	(1,823)	6,355

NOTE 11. DEFERRED CAPITAL RECEIPTS

Deferred Capital Receipts are amounts derived from sales of assets which will be received by instalments over agreed periods of time. The account reflects mortgages on sold Council Houses and future receipts from the sale of Lewes Town Hall, which form the main part of long term debtors.

	£'000
Opening Balance at 1 April 2001	268
Receipts Applied in Year	(74)
Closing Balance at 31 March 2002	194

NOTE 12. PROVISIONS

These monies have been set aside to cover the following potential liabilities:

	31 March	
	2001	2002
	£'000	£'000
Compensation and Damages	120	120
Asset Rental Equalisation - Contract Works Group	35	58
Profit Sharing Schemes		
- Contract Works Group	67	66
- Contract Works Unit	2	2
- Community Leisure	23	29
- Lewes Leisure Centre	9	13
Total	256	288

NOTE 13. FIXED ASSET RESTATEMENT RESERVE

	£'000
Opening Balance at 1 April 2001	109,241
Surplus on revaluation and restatement of fixed assets	57,377
Disposal of fixed assets	(2,343)
Closing Balance at 31 March 2002	164,275

The balance represents the difference between the valuation of assets under the previous system of capital accounting and subsequent revaluations. The reserve will be written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future revaluations.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 14. CAPITAL FINANCING RESERVE

	2001/02
	£'000
Opening Balance at 1 April 2001	40,417
Capital Receipts set aside in year	1,858
Release of Grants and Contributions	1,823
Housing Association Grants	111
Capital Financing	
- Capital Receipts	1,010
- Revenue, General Fund	411
- Revenue, Housing Revenue Account	469
- Major Repairs Reserve	1,512
HRA Depreciation transfer to Major Repairs Reserve	(2,153)
Excess of depreciation and deferred charge write off over sums set aside from revenue for debt repayment	(3,261)
	42,197
Less: Advances to Housing Associations and Mortgages written down	(3)
Closing Balance at 31 March 2002	42,194

The Reserve contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between the amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans. The Reserve cannot be called upon to support either capital or revenue spending.

NOTE 15. USABLE CAPITAL RECEIPTS RESERVE

	£'000	£'000
Opening Balance at 1 April 2001		1,991
Capital Receipts 2001/2002		2,881
Less: - 2001/2002 capital receipts set aside	(1,858)	
- 2001/2002 capital receipts used for financing	(1,010)	
		(2,868)
Closing Balance at 31 March 2002		2,004

The usable capital receipts reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.

NOTE 16. OTHER RESERVES

	Balance at 1 April 2001 £'000	Receipts In Year £'000	Payments In Year £'000	Balance at 31 Mar 2002 £'000
Leisure Buildings Repairs	79	0	0	79
Corporate Buildings Repairs	74	24	0	98
Lewes Leisure Centre Buildings Repairs	28	7	0	35
Maintenance	238	25	48	215
Revenue Equalisation & Asset Maintenance	1,594	64	509	1,149
Contract Works Group	83	18	24	77
Community Leisure	38	89	80	47
Community Leisure Building Repairs	50	55	0	105
Section 106 Agreements	194	16	29	181
Partnership Fund	284	0	49	235
Insurance	150	0	13	137
Rent Deposit Guarantee Scheme	52	0	0	52
Housing Development	252	0	0	252
Financial Systems	180	0	151	29
Revenue Systems	125	0	82	43
Community Grants	15	0	0	15
Building Control Charging Scheme	0	103	6	97
Major Repairs Allowance	0	2,001	1,512	489
Partnership Projects:				
West Quay Development	317	1,843	1,612	548
Newhaven Fort Refurbishment	181	279	307	153
Denton Island Reclamation	611	266	646	231
Total	4,545	4,790	5,068	4,267

NOTE 17. PROVISION FOR CREDIT LIABILITIES (MEMORANDUM ACCOUNT)

	£'000
Opening Balance at 1 April 2001	35,050
Amount set aside for MRP	293
Reserved capital receipts	1,858
Housing Association Grants	111
Closing Balance at 31 March 2002	37,312

NOTE 18. CAPITAL COMMITMENTS

As at 31 March 2002, the Council was contractually committed to capital works which amounted to approximately £50,000. This included the following contracts, the balance comprising minor schemes or retentions.

	£'000
Leisure Centres	8
Southover Grange Heating & Decoration	9
Seaford Head Golf Course Clubhouse	6
Flint Walls Repairs	14
Southover House Refurbishment	8

NOTE 19. AGGREGATE CREDIT LIMIT

At the end of 2001/02 Lewes' actual external debt was well within the aggregate credit limit defined by the regulations.

NOTE 20. CONTINGENT LIABILITIES

There were no known liabilities at 31 March 2002.

NOTE 21. NET PENSION LIABILITY

As part of the terms and conditions of employees, the Council offers retirement benefits. Although these will not actually be payable until the employees retire, the Council has a commitment to make the payments and that commitment needs to be disclosed at the time that employees earn their future entitlement. The Council participates in the East Sussex County Council Pension Fund, administered by East Sussex County Council – this is a funded scheme meaning that the Council and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets.

In 2001/2002, pensions costs have been charged to the Consolidated Revenue Account on the basis of contributions payable for the year to the Fund, based on a formal actuarial valuation as at 31 March 2001. However, at 31 March 2002, the Council had the following overall assets and liabilities for pensions that have not been included in the balance sheet.

31 March 2002		
	£'000	£'000
Estimated assets in Scheme		39,779
Less:		
Present Value of Scheme Liabilities	41,422	
Present Value of Unfunded Liabilities	0	41,422
Net Pension Asset/(Liability)		(1,643)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, levels, etc. The liabilities have been assessed by Hymans Robinson, and independent firm of actuaries. The main assumptions used in their calculations are:

	% per annum
Price increases	2.8
Salary increases	4.3
Pension increases	2.8
Rate for discounting scheme liabilities	6.4

Assets in the East Sussex County Pension Fund as a whole are valued at fair value, principally market value for investments. Assets are analysed by type below, along with the expected annual return.

	Long Term Return	Whole Fund Value at 31 March 2002	Expected Return £'000
Asset type (Whole Fund)	% per annum	£'000	per annum
Equities	7.5	804,053	60,304
Bonds	5.5	152,828	8,406
Property	6.0	120,865	7,252
Cash	4.0	36,680	1,467
TOTAL		1,114,426	77,429

NOTE 22. POST BALANCE SHEET EVENTS

There were no known events at 31 March 2002

STATEMENT OF TOTAL MOVEMENT ON RESERVES

2000/01 £'000	2001/02 £'000	£'000
(Surplus)/Deficit for the year:		
0 - General Fund	(82)	
4 - Housing Revenue Account	180	
add back Movements on specific revenue		
(806) reserves	278	
(802) Total (increase)decrease in revenue resources		376
(505) (Increase)/decrease in useable capital receipts	(13)	
(Increase)/decrease in unapplied capital grants		
0 and contributions	0	
(505) Total (increase)decrease in realised capital resources (Note 1)		(13)
(57,677) (Gains)/losses on revaluation of fixed assets	(57,376)	
Impairment losses on fixed assets due to general		
0 changes in prices	0	
(57,677) Total (increase)/decrease in unrealised value of fixed assets (Note 2)		(57,376)
Value of assets sold, disposed of or		
2,619 decommissioned (Note 3)		2,342
(2,228) Capital Receipts set aside	(2,979)	
62 Revenue resources set aside	1,202	
(300) Movement on Government Grants deferred	(1,520)	
153 Total (increase/decrease in amounts set aside to finance capital investment (Note 4)		(3,297)
(58,831) TOTAL RECOGNISED GAINS AND LOSSES		(57,968)

NOTES TO THE STATEMENT OF TOTAL MOVEMENTS ON RESERVES

NOTE 1. MOVEMENTS IN REALISED CAPITAL RESOURCES

	Usable Capital Receipts £'000
Amounts receivable in 2001/02	(1,023)
Amounts applied to finance new capital investment in 2001/02	1,010
Total (increase)/decrease in realised capital resources in 2001/02	(13)
Balance brought forward 1 April 2001	(1,991)
Balance carried forward 31 March 2002	(2,004)

USEABLE CAPITAL RECEIPTS

Represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans. (See Note 15 Consolidated Balance Sheet)

NOTES TO THE STATEMENT OF TOTAL MOVEMENTS ON RESERVES

NOTE 2. MOVEMENTS IN UNREALISED VALUE OF FIXED ASSETS

	Fixed Asset Restatement Reserve £'000
(Gains)/losses on revaluation of fixed assets in 2001/02	(57,376)
Impairment losses on fixed assets due to general changes in prices in 2001/02	0
Total (increase)/decrease in unrealised capital resources in 2001/02	(57,376)

NOTE 3. VALUE OF ASSETS SOLD, DISPOSED OF OR DECOMMISSIONED

Amounts written off fixed asset balances for disposals in 2001/02	2,342
Total movement on reserve in 2001/02	(55,034)
Balanced brought forward 1 April 2001	(109,241)
Balance carried forward 31 March 2002	(164,275)

FIXED ASSET RESTATEMENT RESERVE

This account shows the surplus that has arisen on the valuation of assets under the new system of capital accounting and subsequent valuations.

The reserves will be written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future valuations. (See note 13 Consolidated Balance Sheet)

NOTES TO THE STATEMENT OF TOTAL MOVEMENT ON RESERVES

NOTE 4. MOVEMENTS IN AMOUNTS SET ASIDE TO FINANCE CAPITAL INVESTMENT

	Capital Financing Reserve	Government Grants Deferred	Total
Capital receipts set aside in 2001/02			
- reserved receipts	(1,969)	0	(1,969)
- useable receipts applied	(1,010)	0	(1,010)
Total capital receipts set aside in 2001/02	(2,979)	0	(2,979)
Revenue resources set aside in 2001/02			
- capital expenditure financed from revenue	(2,393)	0	(2,393)
- reconciling amount and provisions for loan repayment	3,595	0	3,595
Total revenue resources set aside in 2001/02	1,202	0	1,202
Grants applied to capital investment in 2001/02	0	(3,343)	(3,343)
Amounts credited to the asset management revenue account in 2001/02	0	1,823	1,823
Movement on Government Grants Deferred	0	(1,520)	(1,520)
Total (increase)/decrease in amounts set aside to finance capital investment			(3,297)
Total movement on reserve in 2001/02	(1,777)	(1,520)	
Balance brought forward at 1 April 2001	(40,417)	(4,835)	
Balance carried forward at 31 March 2002	(42,194)	(6,355)	

CAPITAL FINANCING RESERVE

The capital financing reserve contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. (See note 14 Consolidated Balance Sheet)

GOVERNMENT GRANTS DEFERRED

(See note 10 Consolidated Balance Sheet)

THE CASHFLOW STATEMENT

This consolidated statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2000/01 £'000	REVENUE ACTIVITIES	2001/02	
		£'000	£'000
	Cash Outflows		
8,531	Cash paid to and on behalf of employees	9,060	
15,440	Other operating cash payments	16,023	
8,630	Housing Benefit paid out	8,854	
15,432	National non-domestic rate payments to pool	14,467	
27,811	Precepts paid	30,425	
<u>75,844</u>			78,829
	Cash Inflows		
5,441	Rents (after rebates)	5,480	
33,974	Council Tax Receipts	37,172	
4	Disbursements from the Collection Fund	3	
3,270	National non-domestic rate receipts from pool	3,276	
14,575	Non-Domestic Rate Receipts	14,826	
1,425	Revenue Support Grant	1,825	
12,404	DSS grants for benefits	13,775	
697	Other government grants (Note 3)	776	
4,085	Cash received for goods and services	4,762	
265	Other operating cash receipts	522	
<u>76,140</u>			82,417
(296)	NET REVENUE INCOME (Note 1)		(3,588)
	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Cash Outflows		
2,710	Interest paid	2,698	
	Cash Inflows		
2,176	Interest received	1,612	
<u>534</u>			1,086
	CAPITAL ACTIVITIES		
	Cash Outflows		
2,529	Purchase of fixed assets	4,439	
1,584	Other capital cash payments	2,885	
<u>4,113</u>			7,324
	Cash Inflows		
2,219	Sale of fixed assets	2,892	
1,495	Capital grants received	2,394	
458	Other capital cash income	682	
<u>4,172</u>			5,968
(59)			1,356
<u>179</u>	NET CASH INFLOW/OUTFLOW BEFORE FINANCING		(1,146)
	FINANCING		
	Cash Outflows		
13,000	Repayment of amounts borrowed		3,400
	Cash Inflows		
(13,000)	New loans raised		(2,400)
<u>179</u>	INCREASE/DECREASE IN CASH & CASH EQUIVALENTS (Note 2)		(146)

NOTE 1.

Reconciliation between the net surplus/(deficit) on the income and expenditure account to the revenue activities net cash flow.

2000/01		2001/02
£'000		£'000
(565)	Surplus/(Deficit) for the year	(409)
Non-Cash Transactions		
308	Add minimum revenue provision	293
29	Add / (Less) provisions set aside in the year	133
(738)	Less contributions to or (from) reserves	(138)
1,521	Deferred Charges	3,132
4	Add/(Less) movement in stocks	(1)
(983)	Add/(Less) movement in debtors	(549)
186	Add/(Less) movement in creditors	41
Other items not classified in revenue activities in the cash flow statement		
2,710	Interest Paid	2,698
(2,176)	(Less) investment income	(1,612)
296	Net cash flow from revenue activities	3,588

NOTE 2.

Movement in cash and cash equivalents.

	Balance 1 April 2001 £'000	Balance 31 March 2002 £'000	Movement in the Year £'000
Bank Overdraft	(1,165)	(1,401)	(236)
Short Term Investments	29,445	29,535	90
Decrease in cash and cash equivalents			(146)

NOTES TO CASHFLOW STATEMENT

NOTE 3.

An analysis of other Government Grants is shown below:

2000/01 £'000		2001/02 £'000
180	Home Energy Conservation	0
196	Housing Benefits Administration	262
23	Central Support Protection Grant	0
38	Home Improvement Agency	39
11	Civil Defence	0
179	Bellwin Scheme	112
0	Supporting People	19
0	Communities Against Drugs	75
0	Partnership Development Fund	26
0	Discretionary Housing Payment	25
70	Improvement Grants	218
697	Total	776

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- * to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and Community Services.
- * to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Director of Finance and Community Services' Responsibilities

The Director of Finance and Community Services is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code"), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2002.

In preparing this statement of accounts, the Director of Finance and Community Services has:

- * selected suitable accounting policies and then applied them consistently;
- * made judgements and estimates that were reasonable and prudent;
- * complied with the Code.

The Director of Finance and Community Services has also:

- * kept proper accounting records which were up to date;
- * taken reasonable steps for the prevention and detection of fraud and other irregularities.

CHIEF FINANCIAL OFFICER'S CERTIFICATE

I certify that the accounts set out on pages 5 to 38 fairly states the financial position of the Council at 31 March 2002 and its income and expenditure for the year ended 31 March 2002.



John Magness CPFA
Director of Finance & Community Services
September 2002

AUDIT REPORT TO LEWES DISTRICT COUNCIL

We have audited the statement of accounts on pages 5 to 38, which have been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 5 to 9.

Respective Responsibilities of Chief Officer and Auditors

As described on page 39 the Chief Finance Officer is responsible for the preparation of the statement of accounts. Our responsibilities as independent auditors are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

I report to you my opinion as to whether the statement of accounts presents fairly the financial position and results of operations of the Council.

We read the other information published with the statement of accounts and consider the implications for our report if I become aware of any apparent misstatements or material inconsistencies with the statement of accounts.

Basis of Opinion

We carried out our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also included an assessment of the significant estimates and judgements made by the authority in the preparation of the statement of accounts and of whether the accounting policies are appropriate to the authority's circumstances, consistently applied and adequately disclosed.

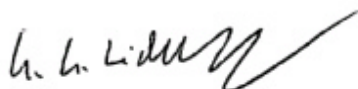
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the statement of accounts.

Opinion

In my opinion the statement of accounts presents fairly the financial position of Lewes District Council at 31 March 2002 and its income and expenditure for the year then ended.

Certificate

I have carried out the audit of accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



26 November 2002

District Audit
Northwing
Southern House
Sparrow Grove
Otterbourne
Winchester
Hants SO21 2RU

G Liddell
Audit Manager

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Agency Services

The provision of services by one authority on behalf of, and reimbursed by, another local authority or central Government.

Asset Management Revenue Account

An account kept separately from the main service accounts, which bears the cost of depreciation of assets and external interest payments, and receives a credit netting off the capital charges borne by service accounts.

Balances

A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Basic Credit Approval

The limit set by the Government on borrowing to finance capital expenditure in any one year.

Budget

An expression, mainly in financial terms, of the Council's policy for a specified period.

Business Rates

A charge on non-domestic buildings fixed by the Government and collected by local authorities for the Government. The Government makes an allocation back to local authorities based upon population.

Capital Charges

Amounts charged to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

Capital Expenditure

Expenditure on the acquisition of assets, or which adds to, rather than maintains, the value of existing assets.

Capital Financing Reserve

A reserve which is not available for revenue purposes: it is credited with the amounts set-aside for the repayment of external debt and with capital expenditure paid for from revenue and usable capital receipts.

Capital Receipts

Income received from sale of capital assets. Legislation requires a proportion (0%-100%) to be set-aside for debt redemption the usable balance is then available to finance new capital expenditure.

Cash Equivalent

This includes short term highly liquid investments readily convertible into known amounts of cash.

Contingency

A sum set-aside to meet future pay and price rises over and above provision made in service budgets.

GLOSSARY OF TERMS continued

Corporate and Democratic Core

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same service. There is therefore no logical basis for apportioning these costs to services.

Creditors

Amounts owed by the Council but not paid at the date of the balance sheet.

Debtors

Amounts owed to the Council but unpaid at the date of the balance sheet.

Deferred Charges

Expenditure which may properly be charged to revenue over a number of years, but which does not result in tangible assets.

Direct Service Organisation

An organisation within the District Council undertaking work which would otherwise have been carried out by private contractors.

Financial Reporting Standards (FRS)

These are prepared by the Accounting Standards Board set up in 1990 by the professional accountancy bodies and they set out methods of accounting for applications to company accounts. Some of the standards apply or are adapted for use in the public sector.

Fixed Asset Restatement Reserve

This account shows the surplus which has arisen on the valuation of assets following the introduction of a new system of capital accounting in 1994/95.

General Fund

The main revenue fund of the Council which is used to meet the cost of providing services paid for from Council Tax, Government grants and charges for services.

Government Grants

Assistance by central Government towards either the revenue or capital cost of local authority services.

Housing Revenue Account

The Housing Revenue Account reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure, maintenance, administration, rent rebates and capital financing costs and how these are met by rents, subsidy and other income.

Leasing

A method of acquiring capital assets by which a rental charge is paid for a specified period.

Levy

A contribution, which the District Council is required to make, towards the costs of the Environment Agency.

Minimum Revenue Position

An amount, prescribed by Government, to be set aside from revenue for the redemption of debt.

Precept

The income needed by one authority which is collected by another. The District Council collects on behalf of the County Council, Parish Councils and the Sussex Police Authority.

Provision for Credit Liabilities

Amounts set-aside for the redemption of debt, usually from revenue account or from capital receipts.

Provisions

Provisions are made for liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately.

Public Works Loan Board

A Government agency which provides a source of borrowing for local authorities.

Rateable Value

A notional annual rental value of property assessed by the District Valuer and to which the rate poundage is applied to determine the rates payable for non-domestic property.

Rate Poundage or Multiplier

The number of pence in the £ applied to rateable value to determine the rates payable.

Reserves

Internal reserves set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Expenditure

Recurring expenditure principally on pay, running costs of buildings, equipment and capital financing costs.

Revenue Support Grant (RSG)

A grant from the Government to contribute to the cost of providing services.

Revised Estimates

The approved estimates as amended by any budget transfers, supplementary estimates, inflation adjustments and sums brought forward from the previous year.

Standard Spending Assessments (SSA)

A Government estimate of what it thinks each local authority needs to spend to provide a typical standard of services, allowing for the particular characteristics of each area, but within the Government's overall estimate of expenditure.

Statements of Standard Accounting Practice (SSAP)

These were prepared by the Accounting Standards Committee of the professional accountancy bodies before it was replaced by a new Accountancy Standards Board in 1990. SSAPs are similar to the newer FRSs described previously and they will continue to apply unless they are replaced by FRSs or withdrawn.

GLOSSARY OF TERMS continued

Statements of Recommended Practice (SORP)

These are similar to FRSs and SSAPs described above but not of such fundamental importance or of limited application.

Supplementary Credit Approvals

Borrowing approvals which may only be used to meet capital expenditure on other specific schemes.

LEWES DISTRICT COUNCIL

.....

The Local Authorities (Members' Allowances) Regulations 1991

.....

Notice is hereby given that the total payments made by the Council during the financial year 2001/2002 to each member in respect of Basic, Special Responsibility and Attendance Allowances were as shown on the following sheets:

N.B.

1. Basic Allowance recognises the time devoted by members to their work, including meetings with constituents.
2. Attendance Allowance recognises the time incurred by members in attending meetings of the Council, its committees and sub-committees, or of other meetings specifically authorised by the Council.
3. Special Responsibility Allowance recognises the types of special responsibility (e.g. chairmanship of committees and leadership of political groups) for which an additional allowance is payable.
4. The figures relate to the financial year.

John Crawford
Chief Executive

Councillor	Basic £	Special Responsibility £	Attendance £	Total £
Appleton	1,649.50	399.96	120.00	2,169.46
Best	727.71			727.71
Borrowski	1,649.50	2,000.04	570.00	4,219.54
Byng	1,649.50		540.00	2,189.50
Carr	1,649.50	2,000.04	670.00	4,319.54
Chartier	1,649.50	2,000.04	180.00	3,829.54
Clark	1,649.50		590.00	2,239.50
Clayton	1,649.50		360.00	2,009.50
Collict EN	1,649.50	1,790.35	420.00	3,859.85
Cornwell	1,649.50		480.00	2,129.50
Cowdrey	1,649.50	600.00	570.00	2,819.50
Craven	1,649.50		410.00	2,059.50
Crocker	1,649.50		450.00	2,099.50
De Vecchi	1,649.50	5,000.04	1,230.00	7,879.54
Farrar	1,649.50		120.00	1,769.50
Fitton	1,649.50		390.00	2,039.50
Frost	1,649.50		510.00	2,159.50
Griffiths	1,649.50		570.00	2,219.50
Harper	1,649.50	606.00	410.00	2,665.50
Hearn	1,649.50		210.00	1,859.50
Holland	1,649.50	2,000.04	730.00	4,379.54
Howard	1,649.50		210.00	1,859.50
James AJ	1,649.50		330.00	1,979.50
James SIC	1,649.50	600.00	700.00	2,949.50
Johnson	1,649.50			1,649.50
Lee	1,649.50		630.00	2,279.50
Lewry	1,649.50	399.96	570.00	2,619.46
Mayhew	1,649.50		300.00	1,949.50
Messer	1,649.50		150.00	1,799.50
Moorhouse	1,649.50	2,000.04	700.00	4,349.54
Murray	595.92		30.00	625.92
Neighbour	1,649.50	2,000.04	1,010.00	4,659.54
Olbrich	1,649.50	999.96	600.00	3,249.46
Ost	1,649.50	2,000.04	330.00	3,979.54
Parfect	1,649.50	209.69	480.00	2,339.19
Peterson	1,649.50		550.00	2,199.50
Rogers	1,649.50			1,649.50
Small	1,649.50	2,000.04	470.00	4,119.54
Smith BG	1,649.50	600.00	420.00	2,669.50
Smith MEA	1,649.50	999.96	780.00	3,429.46
Stanton L	1,649.50		180.00	1,829.50
Stanton MG	1,649.50		270.00	1,919.50
Stechler	1,649.50			1,649.50

Councillor	Basic £	Special Responsibility £	Attendance £	Total £
Sugarman	1,649.50		30.00	1,679.50
Thorne	1,649.50		350.00	1,999.50
White	1,649.50	2,000.04	382.50	4,032.04
Whittle JL	1,649.50		360.00	2,009.50
Whittle LR	1,649.50		360.00	2,009.50
Wilson	1,649.50	2,000.04	330.00	3,979.54
Total	77,200.63	32,206.32	20,022.50	131,108.95