

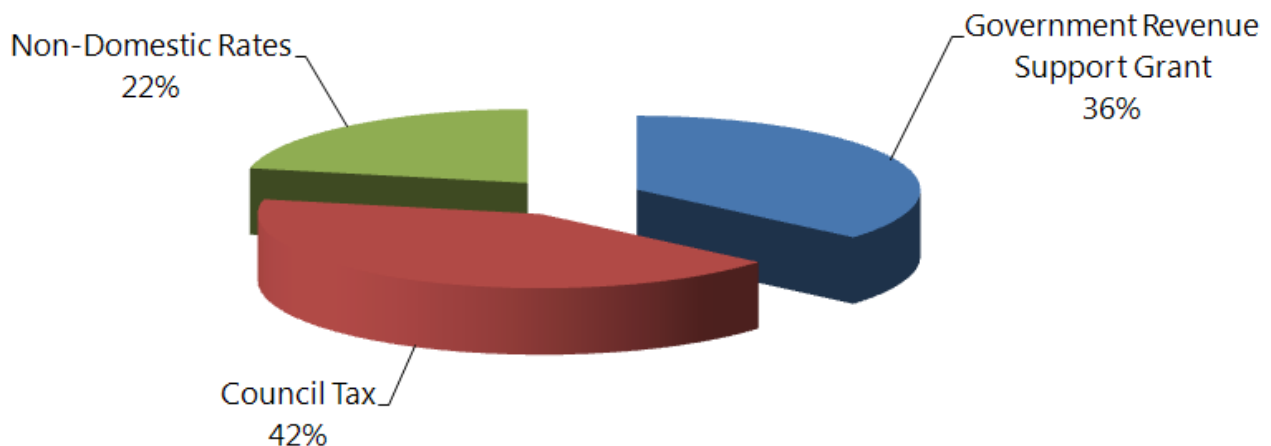
Tendring District Council

ANNUAL SUMMARY FINANCIAL INFORMATION 2013/14

Set out below is a summary of the Council's finances for 2013/14 which is intended to give quick and easy access to the most significant information. Although this document is not subject to audit itself, the figures and information contained within are taken from the full audited Statement of Accounts, which is produced each year and is available on the Council's website by clicking the link: [HERE](#)

HOW THE COUNCIL'S NET EXPENDITURE IS FUNDED

The Council's net expenditure for 2013/14 totalled £18.482 million, funded as follows:



THE COUNCIL'S INCOME AND EXPENDITURE (Surplus or Deficit for the year)

The following table sets out the day to day spending undertaken by the Council in 2013/14 after allowing for income generated by the individual services from, for example, fees and charges. This net expenditure is funded by the income sources set out immediately above.

| | % of total net cost of Services | 2013/14 £'000 | 2012/13 £'000 |
|--|--|--------------------------|--------------------------|
| Central Services to the Public | 4% | 688 | 1,036 |
| Cultural and Related Services | 17% | 2,703 | 2,868 |
| Environmental and Regulatory Services | 42% | 6,579 | 5,869 |
| Planning Services | 14% | 2,241 | 2,703 |
| Highways and Transport Services | -1% | (99) | 142 |
| Other Housing Services | 8% | 1,247 | 1,190 |
| Adult Social Care | -1% | (156) | (103) |
| Corporate and Democratic Core Expenses | 16% | 2,554 | 2,783 |
| Non Distributed Costs | 1% | 106 | 398 |
| NET COST OF SERVICES (excl. Housing Revenue Account) | 100% | 15,863 | 16,886 |
| Less | | | |
| Investment Income | | (196) | (237) |
| Income from Council Tax, Government Grant and NNDR | | (18,482) | (19,071) |
| Add | | | |
| Local Authority Housing - Housing Revenue Account | | (5,933) | (3,874) |
| Parish Precepts | | 1,287 | 1,494 |
| Technical and Other Adjustments (Interest payable, pensions etc) | | 7,461 | 4,802 |
| (Surplus) / Deficit for the Year | | | |
| | | 0 | 0 |

FOR 2013/14 – INCOME BALANCED EXPENDITURE

The Council's uncommitted reserve, which is a reserve that supports the Council budgets in future years or to meet the costs arising from unforeseen events that are unable to be funded elsewhere, therefore remains unchanged at **£4.000 million at the 31st March 2014**, built up from net surpluses from previous years.

The Council holds other Non-Housing Revenue Account reserves of **£20.849m at the 31st March 2014**. However, unlike the uncommitted reserve above, these have been earmarked to support future schemes, projects, initiatives etc. in future years.

THE COUNCIL'S BALANCE SHEET (Total Assets and Liabilities)

This details the 'net worth' of the Council at the end of the Financial year which is summarised across the various headings below:

| | At the 31st March 2014 £000 | At the 31st March 2013 £000 |
|---|---|---|
| Assets | | |
| Housing Revenue Account – Council Dwellings | 122,521 | 118,934 |
| General Fund Assets – Land, Buildings and other | 57,077 | 52,599 |
| Money owed to the Council | 5,624 | 4,717 |
| Cash and Investments | 40,981 | 33,962 |
| Other Assets | 38 | 34 |
| Total assets | 226,241 | 210,246 |
| Liabilities | | |
| Money owed by the Council | 9,959 | 8,208 |
| Borrowing | 52,931 | 56,137 |
| Liability related to the pension scheme | 46,039 | 61,212 |
| Other Liabilities | 2,180 | 890 |
| Total Liabilities | 111,109 | 126,447 |
| 'NET WORTH' | 115,132 | 83,799 |

The significant variances were: -

In respect of the Council's pension liability, the deficit reported for 2013/14 highlights that, to date the current benefit obligations of the fund are greater than the current value of the assets of the fund, however this difference has reduced at the end of 2013/14 compared to 2012/13. Statutory arrangements for funding the deficit will be made good by contributions over the remaining working life of employees. Further changes to the Local Government Pension Scheme have to come into force from April 2014 which will have an impact on the pension liability in future years.

COUNCIL HOUSING (Housing Revenue Account)

This summarises the expenditure and income for the revenue activities undertaken by the Council in its role as a landlord for over 3,000 housing properties it owns. Although these figures are included within the Income and Expenditure Account already set out above, more detailed information is shown below.

| | 2013/14 £'000 | 2012/13 £'000 |
|--|------------------|------------------|
| Expenditure | | |
| Repairs and Maintenance | 3,273 | 3,158 |
| Supervision and Management | 2,226 | 2,208 |
| Depreciation and Impairments of Assets | 2,088 | 3,476 |
| Net Interest Payable | 1,602 | 1,633 |
| Debt Repayments | 1,964 | 1,964 |
| Other Costs | 229 | 172 |
| Total Expenditure | 11,382 | 12,611 |
| Income | | |
| Council House Rents | (12,839) | (12,086) |
| Other Income | (910) | (802) |
| Total Income | (13,749) | (12,888) |
| Net Cost of Housing Revenue Account Services | (2,367) | (277) |
| Technical and Other Adjustments | 1,821 | 280 |
| Transfer from/(to) Housing Revenue Account Reserves | (546) | 3 |

The surplus at the end of 2013/14 totalling **£0.546 million** adjusted the amounts carried forward from previous years; however, the total amount of money held in the Housing Revenue Account Reserve at the end of 2013/14 is **£6.372 million** which will be used to support the Council's landlord activities in future years.

In addition to this, other Housing Revenue Account Reserves held at 31st March 2014 are the Housing Repairs Account which stood at **£1.375 million** and the Major Repairs Reserve which stood at **£3.666 million**.

CAPITAL EXPENDITURE

Capital Expenditure is money relating to the purchase, creation or enhancement of assets that have a value to the Council or Community for more than one year. This type of expenditure must be treated separately from the day to day running expenses.

The Council spent **£5.547 million** on capital expenditure in 2013/14. The tables below show how it was spent and funded.

| How the Capital Expenditure was spent | 2013/14 £'000 |
|---|------------------|
| Council Housing | |
| Improving and Enhancing Council Stock | 2,153 |
| Other | 1,123 |
| | |
| General Fund | |
| Disabled Facilities Grants | 756 |
| Coastal Defences | 565 |
| Beach Changing Facilities | 143 |
| Regeneration | 33 |
| Vehicles | 127 |
| Information and Communications Technology | 532 |
| Other | 115 |
| Total Capital Expenditure | 5,547 |

| How the Capital Expenditure was funded | 2013/14 £'000 |
|--|------------------|
| Government Grants | 1,285 |
| External Sources of Finance | 656 |
| Leasing/Contract Hire | 127 |
| Capital Receipts | 59 |
| Revenue and Reserves | 3,420 |
| Total Capital Funding | 5,547 |

UPCOMING FINANCIAL CHALLENGES FACING THE COUNCIL

Brief explanations of some issues that are likely to have an impact on the Council's future financial position or relate to significant projects are as follows: -

- **Impact of Current Economic Climate** - The Government continue to undertake measures to reduce the level of spending in the public sector which follows on from the worst local government funding settlement for many years. Tending's provisional settlement for 2015/16 reflects a further reduction in Revenue Support Grant of £1.645 million and along with other budget adjustments, savings of £2.000 million are required to be found by 2015/16.
- **Financial Risk** – There is now a significant element of financial risk facing the Council following the introduction of the Localisation of Business Rates, and Local Council Tax Support. There is now a greater impact of local decisions on the financial position of the Council in addition to general economic conditions. The Council therefore needs to remain alert to the financial risk such changes bring and the potential impact on its overall financial position in the years to come.
- **Coast Protection Works** – 2014/15 is the first year of a two year scheme that will deliver a significant coast protection project across the Clacton to Holland-on-Sea coastline. The total project costs are estimated at £36.000 million and is one of the largest projects undertaken by this Council. The Council is working with its funding partners (Environment Agency and Essex County Council) in managing the financial risks associated with a project of this magnitude.