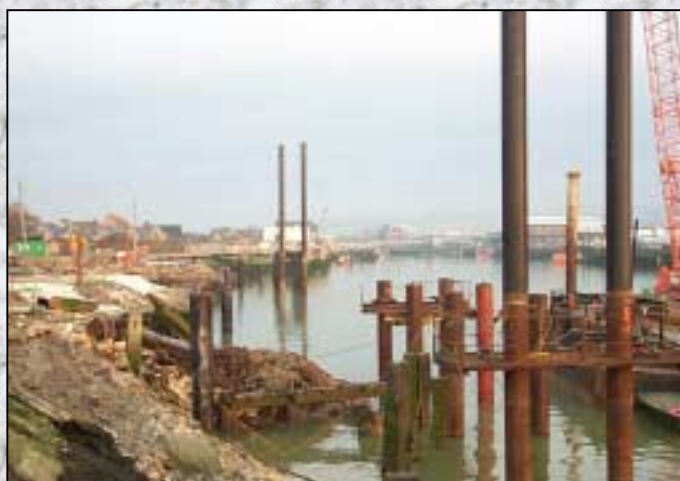


Statement of Accounts 2001/2002



John Magness CPFA
Director of Finance and Community Services

Prepared by the Financial Services Division of the Finance and
Community Services Department

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.

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.

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.

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)

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:

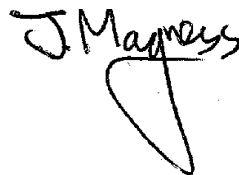
- * selected suitable accounting policies and then applied them consistently;
- * made judgements and estimates that were reasonable and prudent;
- * complied with the Code.

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.

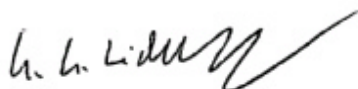
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity 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 Equivalents

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.

