Statement of Accounts 2022/23

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Wealden
District Council

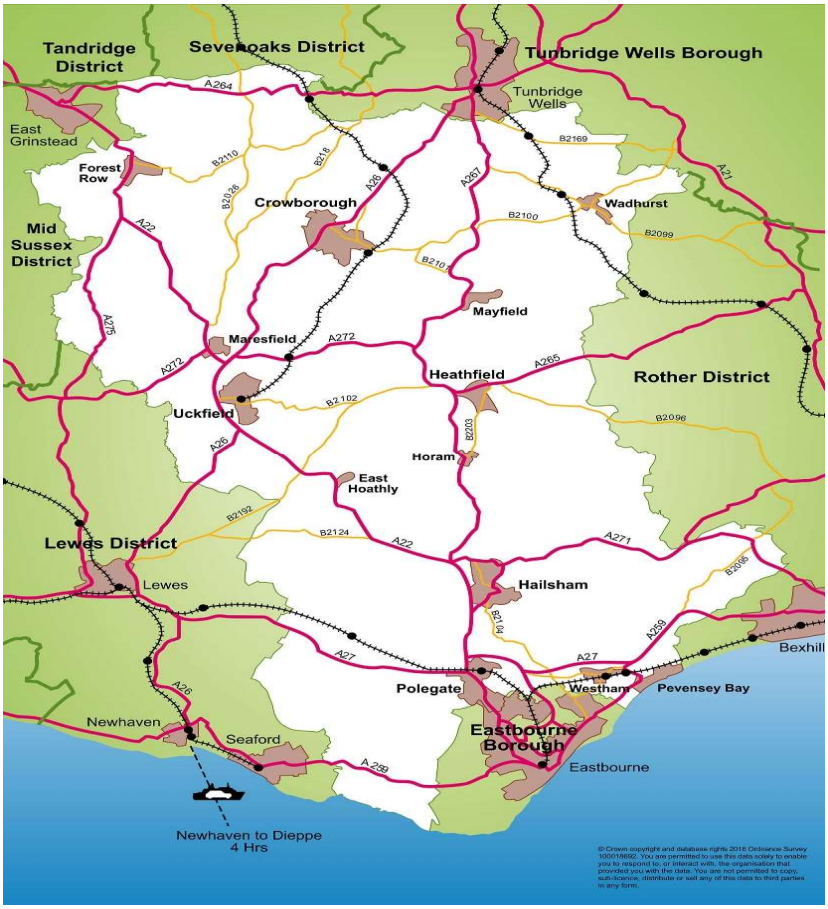
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Narrative Report

1. Wealden as a place



Wealden facts and figures

Wealden is the largest local government district in East Sussex covering 323 square miles and has a population of 160,100[1].

There are an estimated 71,336[2] households within the district.

Half the population live in five main towns: Crowborough, Hailsham, Heathfield, Polegate and Uckfield. The rest live in villages and hamlets in some of the most attractive countryside in the South of England.

With two-thirds of the district covered by the High Weald Area of Outstanding Natural Beauty and the South Downs National Park, as well as 41 conservation areas (33 of which are administered by the Council) and 2,258 listed buildings, Wealden has to place a high value on protecting the environment.

Wealden has 8,585 businesses, with small and micro businesses forming a fundamental part of the Wealden economy. 92.0% of Wealden's businesses employ fewer than 10 people[3].

The largest proportion of business enterprise in the District, with a joint share of 17.0%[4] each, are professional administration & support services and construction sector.

[1] ONS 2021 census

[2] East Sussex County Council's dwelling-led projection for 2023 produced using the POPGROUP forecasting model developed by the Local Government Association (LGA)

[3] Office for National Statistics (ONS)/Inter Departmental Business Register (IDBR) 2022

[4] Office for National Statistics (ONS)/Inter Departmental Business Register (IDBR) 2022

2. District of opportunity

Wealden District Council has a vision for the future centred around being an ambitious council delivering around four key priorities[5].

- All the communities of Wealden should be supported and involved in decisions about their area and how our services are delivered. We want our communities to be safe and active and be able to lead fulfilling and worthwhile lives.
- A sustainable environment is critical for us in delivering for all the communities of Wealden. We want an environment that is not only protected but also enhanced. We will play our part in the wider countries commitment to being net-zero carbon in tackling climate change.
- We need our local economy to be vibrant and diverse. This will ensure business and employment opportunities for all making Wealden an attractive place to live and visit.
- To be able to be able to deliver on our commitments around engaged communities, a sustainable environment and a thriving economy we need to be an ambitious organisation that is transparent and accountable. We will strive to continue to be dynamic and forward thinking in everything we do.

What will we do?

Our aims	How? In the first year of the plan;
1. Engaged communities	• We will develop a Community Sports Hub, providing a flagship sporting and leisure facility for the residents of our district and neighbouring communities. • We will redevelop our former sheltered housing scheme, Streatfeild House, to create new affordable homes. • We will adopt a new five-year Homelessness and Rough Sleeping Strategy. • We will develop a package of support for residents, community groups and businesses through cost-of-living pressures.
2. Sustainable environment	• We will consult on a new Local Plan for Wealden, that balances our growth with strong environmental protection. • We will undertake decarbonisation works in 135 council homes. • We will provide 56 electric vehicle charge points in Wealden owned and managed car parks. • We will install solar PV generation at the Wealden Crematorium.
3. Thriving economy	• We are investing £2 million in our local economy, including rural businesses and our tourism sector.

[5] Wealden District Council Corporate Plan 2023-2027 (The Council's Corporate Plan - Wealden District Council - Wealden District Council)

Our aims	How? In the first year of the plan;
	• Our new four-year Economic Development Strategy will focus our drive and determination for Wealden to be a location of choice for business. • On land at Farningham Road in Crowborough we will provide new units for local businesses to move to and grow. • On land at Knights Farm on the outskirts of Hailsham we will develop an employment park drawing in business and local employment. • We will continue to work closely with our partners to make sure the infrastructure our district needs is provided.
4. Ambitious council	• We will continue to strive to provide a five-star customer service, providing more services online whilst ensuring our residents are not digitally excluded. • We will work towards introducing new waste collection arrangements brought about by the new Environment Act in as efficient and effective manner as we can. • We will deliver a further 41 homes in Horam through our housing company, Sussex Weald Homes, 14 of which will be affordable housing. • We will continue to invest in our own workforce and provide opportunities through apprenticeships to young people in the district; we will do this through a new Wealden People Strategy.

Our progress against the 2017-2023 Corporate Plan[6]

Despite COVID we delivered against the previous 2017-2023 corporate plan. This can be seen by looking back at the annual performance review reports considered in June each year. Some particular highlights over the whole plan period include;

- Enabled the creation of 2,441 new dwellings averaging around 814 dwellings per year, creating construction jobs in the area.
- 748 new affordable homes provided including 136 new council homes.
- Allocated £4 million of Community Infrastructure Levy towards improvements to highway infrastructure and £9 million towards funding for health and wellbeing infrastructure. In addition

[6] Corporate plan 2019-23

to this, over £3.5 million has been transferred to Parish/Town Council's to spend on infrastructure items in their areas.

- We declared a climate emergency and set our detailed Climate Change Action Plan. The action plan sets out how we are working towards both the Council and the wider District being net-zero CO2 by 2050 at the latest.
- Granted planning permission for one of the first solar electric vehicle charging forecourts in the UK.
- Throughout COVID we paid out £496,000 in household support grants and test and trace support to local residents.
- Delivered a community grants programme providing almost £1 million to support our partners and local groups for the benefit of our communities.
- Became the first local authority in East Sussex to receive bronze accreditation for the Wellbeing at Work Award providing partners and local employers with examples of good practice.
- Opened the Wealden Crematorium; a state-of-the-art crematorium set in 25 acres of rural Sussex countryside.
- Minimised Council Tax increases to 5.2% since 2019.
- Launched a garden waste service. This now has over 35,400 subscribers.
- We paid out £68,485,048 in pandemic support grants to support local businesses through the COVID pandemic with £1 million in erroneous or fraudulent claims avoided.
- Sent 91,078 tonnes of household waste for reuse, recycling or composting.

How will we measure ourselves?[7]

Progress against the delivery of the Corporate Plan and its objectives is managed and reported on a regular basis. In keeping with our commitment to transparency and accountability, quarterly reports continue to be considered at Cabinet and Overview and Scrutiny committees. These reports include updates against the priority objectives and relevant performance indicators measuring the impact of our activities. These reports and the meetings are publicly available on our website.

3. The Council's response to the cost of living crisis

The Cost of Living crisis has put many residents, businesses and community organisations in the district under financial pressure. The Council has produced a Cost of living Strategy, the purpose of which is to ensure that the Council helps to build resilient communities where everyone in Wealden is engaged and able to live safe and healthy lives. The Council aims to do this by ensuring that individuals have the financial help and skills they need, but also to support them during times of financial difficulties/emergencies. This strategy is targeted at Wealden residents, as well as other stakeholders.

In addition to the strategy, the Council has administered a number of grant schemes during 2022/23. These include:

- **Household Support Fund** - To address the impact of the cost-of-living crisis, the government announced 2 extensions to the original Household Support Fund (HSF) which ended on 31 March 2022. The extensions covered the periods 1 April 2022 to 30 September and 1 October 2022 to 31 March 2023. The grant is intended to support those most in need and the expectation is that the funding should be used in a similar way as the original HSF scheme but with a new focus on pensions and a greater emphasis on supporting households with energy bills. Wealden District Council received £538,000 to distribute to those eligible households.

- **Energy Bills Support Schemes** - In February 2022 the government announced various measures to support households with rising energy bills. The Council administered payments totalling in excess of £6.5 million for these schemes during 2022/23 and continues to pay out on the Alternative Funding and Alternative Fuel Payment schemes during 2023/24. These included:

  Council Tax Energy Rebate

  - A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate, administered via Council Tax bills
  - A discretionary amount of funding to support any household in need, regardless of their council tax band, known as the Discretionary Fund.

  Energy Bills Support Scheme (EBSS) Alternative Funding (AF) and Alternative Fuel Payment (AFP)

  - The Energy Bill Support Scheme Alternative Funding scheme was set up to provide support of £400 to domestic households who have not automatically received EBSS support via their energy supplier as they do not have a domestic electricity supply contract.
  - The domestic Alternative Fuel Payment (AFP) provided a £200 grant payment to UK households that use alternative fuels for heating instead of mains gas. This was for households that were not connected to the mains gas grid and use alternative fuels as the main form of heating.

4. Year at a glance

Corporate Plan Strategic Objective	What we achieved
Ensure development meets future needs, with associated investment in infrastructure.	Processed 2,725 planning applications. Dealt with 96 planning appeals, of which 5 were withdrawn, 25 were allowed and the other 66 cases were all dismissed. Investigated 622 planning enforcement cases and resolved 637 in the reporting period. Processed 329 tree work applications and applied 11 tree preservation orders to safeguard trees and woodlands of high amenity value in the District. Undertook 31 arboriculture consultations for the South Downs National Park Authority through our service level agreement The East Sussex Building Control Partnership operated by the Council carried out 10,228 requested site visits, alongside general enquiries from the public across the partnership area. This is to ensure compliance with the building regulations. The partnershop received a total of 2,449 building projects ranging from minor domestic internal alterations to the construction of commercial units and multiple storey housing developments.

Corporate Plan Strategic Objective	What we achieved
	Further work on the local plan preparation including publication of the Wealden Housing Needs Assessment. Also development of an up-to-date landscape evidence base and a Strategic Flood Risk Assessment, an East Sussex wide Gypsy and Traveller Study, visitor surveys at Ashdown Forest and at Ashdown Forest SANG sites as well as work relating to the economy and tourism. The proposed A22 Major Road Network Outline Business Case (OBC) was submitted to the Department for Transport in December. The OBC is seeking a £46.5 million package which includes improvements to roundabouts and junctions along the road, toucan crossing facilities, a new roundabout at the A22/Hempstead Lane junction, bus priority measures and better access to the Cuckoo Trail. We have committed more than £4 million towards the project alongside a further £2 million, which has also been earmarked towards a package of improvements to the Ersham Road roundabout. In 2022/23, almost £14.5 million has been collected through the community infrastructure levy (CIL). Of this, over £2.2 million (15%), has been allocated to the town and parish councils across two separate payments An outline planning application was submitted on the Farningham Road project, seeking to deliver industrial units in Crowborough. We have completed a Memorandum of Understanding (MOU) with the DLUHC to access £1.9 million granting funding from the Local Authority Housing Fund. We have completed the handover of 6 affordable rented and 2 shared ownership units at Old Station Road, Wadhurst which are all occupied. As well as this, we have secured and exchanged on 5 affordable rented units (all flats) at Sunflowers, Polegate.
Ensure that Wealden is Carbon Zero by 2050 at the latest.	Following a trial using a sustainable replacement for regular diesel fuel in the waste collection and street cleansing fleet of vehicles which has the potential to cut overall carbon emissions by up to 90%, funding of £500k has been approved by Cabinet to enable the use of this fuel for all vehicles for 2023/24. Following the appointment of Connected Kerb to provide electric vehicle charging in our car parks we have been successful in obtaining funding from the Office for Zero Emission Vehicles towards the project. Feasibility studies for the first phase of installations

Corporate Plan Strategic Objective	What we achieved
	have been completed and installations have been completed in Forest Row and Pevensey Bay. Procurement process for solar panels for the crematorium was completed with a successful bidder selected. Installation is anticipated to begin within Q1 of 2023/24. For 2023/24 a dedicated committed housing decarbonisation budget of £1 million has been allocated. In addition to this, decarbonisation works are also carried out within the general works programmes. A schedule of works is in the process of being agreed. We have secured £1.8 million funding through the Home Upgrade Grant (HUG2) to provide energy improvement measures to some of the least energy efficient private homes. We are also continuing to deliver our decarbonisation programme, delivering energy improvements to our Council housing stock, on a worst-first basis. We have granted planning permission for a greener grid park including battery storage, energy management technologies. In addition to this we have held positive pre-application discussions about another battery storage facility. Both features are designed to support the flexible operation of the National Grid and the decarbonisation of electricity supply. We have successfully procured 4 leased electric vehicles to deliver key Council services. We have installed 7 workplace electric chargers at the Hailsham offices to ensure the fleet remains charged. We have commissioned an audit of all Council owned trees to inform the development of a tree strategy and woodland management plans. We continue to enhance the landscape and biodiversity of the crematorium grounds and have begun to plant community orchards and undertake tree planting with residents on HRA land. Work on the HRA decarbonisation plan has continued. Last year we completed the following work: • Replacement triple glazing to 87 houses • Installed 4 new air source heat pumps • Loft Insulation to 38 dwellings (generally replacement and top up) • Cavity wall insulation to 55 dwellings (most of these are extract and refill due to failing insulation) • Solar PV systems to 19 houses • Solar PV to older persons block of flats and an array of 436 PV panels on a retirement living

Corporate Plan Strategic Objective	What we achieved
	court which completes the installation of PV systems on all our courts.
Improve access to essential services for all our communities.	We have taken part in a peer audit review of our Housing Service. The results should enable us to share widely any best practice the reviewers identify and to learn from others to improve the service we provide further. Our Land Charges Team have been shortlisted for two prestigious national awards; the Customer Satisfaction Award and the Team of the Year Award. Our Human Resources Team have been shortlisted for the best support to remote workers award in the Great British Workplace Wellbeing Awards and Workplace Health Group has been shortlisted for Team of the Year in the same awards. We continue to administer the Department of Work and Pensions (DWP) Flexible Support Fund to deliver an outreach programme providing employment and training support to young people aged 16-24. In addition we supported DWP to run a Rural Careers Fair (held in the Civic Hall, Hailsham) in November. Over 20 organisations including WDC and 140 claimants attended. The Community Equalities Reference Group has held its inaugural meeting. The aim of this new groups is to bring together representatives across diverse areas in the District's communities including those with protected characteristics. We have introduced new benefit outreach sessions across the District to assist our most vulnerable residents in claiming state benefits and other additional grant payments available to them. To date we have held 7 sessions across the district and have assisted 98 clients. "Digital Improvement" function introduced using techniques and tools to ensure the customer is at the heart of digital service development. We continue to look for ways to improve our services to the public. For instance; an online booking system where our tenants can book their own meetings with their Housing Officers (tenants now have direct access without having to phone or email for appointments), The new Recyclopedia online tool (https://www.wealden.gov.uk/recycling-and-waste/recyclopedia/) to enable residents to type in an item to see if it can be recycled, reused or repaired and, if so, where it can go, customer contact centre can now

Corporate Plan Strategic Objective	What we achieved
	send text messages to customers to notify them of an update or latest news / issues. Missed bin collections remained low over 2022/23 at an average 67 per 100,000. The successful collection performance rate is 99.93%.
Promote a better quality of life for Wealden people through activities that improve health, resilience and well-being.	As we have transitioned out of Covid we have shifted much of our community support now to supporting those struggling with the cost-of-living pressures. On the 12th October, the Cabinet approved a transfer of £250,000 from the general fund to an earmarked reserve. The earmarked reserves are intended to assist staff and residents with ongoing cost of living pressures. To date we have allocated additional funding to Wealden Citizens Advice to help them meet the more complex cases that they are seeing and we have worked with the Hailsham Food Bank to enable them to occupy part of café area on the ground floor for storage of dry foods. East Sussex wide innovative housing adaptations service won the Disabled Facilities Grant (DFG) Home Adaptation Service of the Year at the National Healthy Housing Awards. Working with local organisations on employment opportunities within the Council for veterans and people with learning disabilities. Working in partnership with Sustrans who have reviewed the access barriers along the Cuckoo Trail (National Cycle Network NCN 21). Sustrans are funding a number of replacement barriers to improve movement and accessibility along the Trail as many do not currently meet modern accessibility guidelines New Health and Wellbeing Strategy was introduced. A new look and enhanced Healthy Wealden website launched: https://healthywealden.co.uk/ New partnership between the Crematorium, ESCC and Plumpton Agricultural College offering a Level 1 Horticulture certificate introduced. Combining training with a focus on wellbeing in nature. The orchard at the Horsted Green Park SANGS is being linked to a project looking to develop a food partnership for Wealden. The project is in conjunction with ESCC and their Public Health team. The aim is to build long term food security for residents across the district as part of the post COVID recovery plan.

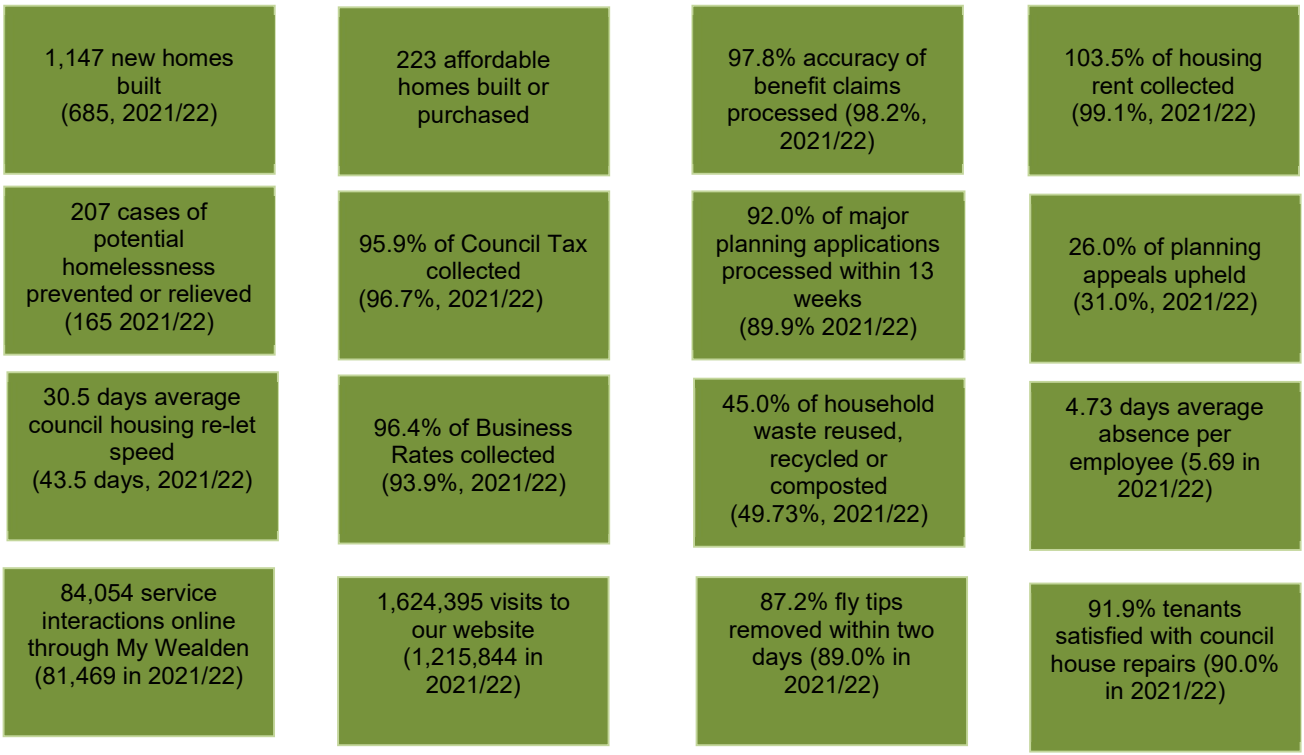
Corporate Plan Strategic Objective	What we achieved
	Six community and voluntary groups have been given a share of a £30,000 funding post to help increase physical activities and deliver better health outcome across the district. The funding was secured by the Economic Development and Wellbeing team from East Sussex Public Health. Breatheasy, Ditch the Slippers, Hailsham Active, Pevensey & Westham Sports Club, Sussex Support Service and The Conservation Volunteers will receive money from the Tackling Inequalities Funding Programme. The Wealden Community Lottery launch was well attended with over 100 people from around the district from various community groups and organisations attending to find out more about this great opportunity for them to get a fundraising boost. The first lottery was held on March 25th. A total of 56 causes were signed up, and there were 656 players. 1,477 tickets were sold. Changing Places funding for two new accessible public toilets in Polegate and Pevensey Bay. The Pevensey Bay facility has recently been completed and opened to the public in mate March. Wealden were the first local authority in East Sussex to receive bronze accreditation for the Wellbeing at Work Award. Offering early opportunities for employment through East Sussex colleges and careers fairs with apprenticeships and T Level qualifications.
Generate ongoing sources of income to reinvest in local priorities and optimise funding from external sources.	For the 2022/23 financial year the crematorium performed 1,240 cremations. An increase of 375 or 43% on the 865 cremations in previous financial year and increasing annual revenue by £245,064 as we continue to pursue commercial opportunities. Garden waste subscriptions for the 2022/23 service period reached 35,400 with income at £2.02 million. 80% of customers subscribed online, an increase of 5% on the previous year. Subscriptions for the 2023/24 service period opened from 24th April 2023. Sussex Weald Homes Ltd (SWH) have begun development of 53 homes, including 19 affordable homes for the Council's Housing Services. In addition £0.250 million dividend was paid to the Council.
Support our local businesses, tourism sector and entrepreneurs to achieve a locally sustainable economy.	We aim to grow our new Explore Wealden Tourism brand, launched with website and attractions guide. https://www.explorewealden.co.uk.

Corporate Plan Strategic Objective	What we achieved
	Supported for the Team East Sussex Economic Recovery Plan, working with partners from across the County, across all sectors. Further support to Sussex Modern and visitor economy through promotion of vineyards, cultural venues and landscapes. A new SELEP funded Gardens Gourmet trail launched. Procurement activity in the 2022/23 financial year had a total spend of £34.7 million. 34.76% was in the local area (Sussex) with 8.89% within the District. 39.77% of the total spend was with SMEs. 8.10% of the total spend was with SMEs within the District. A bid for money from the Rural England Prosperity Fund was successful. Wealden will receive £838,120 in capital funding. £209,530 has been allocated for year 1 with the rest being spent in year 2. The funding will go towards the rural business grants programme, local infrastructure grants programme, EV charging, and rural tourism. The funds will shortly be made available to the Council. The new Explore Wealden tourism guide was printed and is being distributed across Wealden and up to a 2-hour drive time. The guide is also available in the Explore Wealden Website.
Work with partners to regenerate our diverse market towns, creating jobs and attracting investment.	Funded from the UKSPF, Streets of Wealden events – a programme of town centre events were delivered throughout March 2023 in the 5 main towns in Wealden including Crowborough, Hailsham, Heathfield, Polegate and Uckfield. Events included street entertainment delivering fun and engaging performances in Crowborough, Hailsham and Uckfield and puppet shows and tales in Heathfield and Polegate. Footfall figures show an increase of 289% of visitors to the Crowborough event, 343% to the Hailsham event and 146% to the Uckfield event. The Heathfield and Polegate puppet show and tales drew in over 100 additional visitors to the town centres. The events were welcomed by residents, of whom 100% rated them as ‘excellent’ or ‘good’ and over 4 in 5 residents rating the events as ‘excellent’
Protect and enhance Wealden’s unique natural environment and heritage.	Stepping up our efforts to hold Southern Water to account for the treatment of foul water within the District, we arranged the first meeting of the Southern Water Local Authority Stakeholder Group. Formed by Wealden the group draws together local authorities from across the southeast, with over 20 councils attending the first meeting. We have agreed to chair the forum and are now working on a range of asks for Southern Water. In addition, on 22 February, Full

Corporate Plan Strategic Objective	What we achieved
	Council passed a motion seeking action from government to tighten the regulatory frameworks for water companies and introduce great local accountability for the delivery of infrastructure upgrades. The National Great British Spring Clean for 2023 took place between 17th March and 2nd April. Supported by the Council and our contractor, Biffa, over 60 groups and individuals took part removing over 300 bags of litter from our towns, villages and countryside totalling to approximately 1.5 tonnes. Mercury abated in 99.4% of cremations undertaken at the Wealden Crematorium in 2022/23.

About the Council

How does the Council decide where to use our resources?



The Council is composed of 45 councillors who meet to decide the Council's overall policies and set the revenue budget and capital programme each year. The Full Council meeting is also the main setting for holding the Cabinet to account, providing an opportunity for Cabinet members to be questioned by councillors or, indeed, members of the public. This accountability is part of the Council's wider governance framework which is reported on annually in an Annual Governance Statement (this statement forms part of the Council's Statement of Accounts).

The Cabinet is made up of the leader and up to 7 other councillors each with a portfolio of responsibilities and is responsible for most day-to-day decisions. The Cabinet has to make decisions which are in line with the Council's overall policies and budget because whilst the budget and many

plans and strategies will be proposed by the Cabinet, Full Council decides whether to accept or amend these proposals, or indeed replace them completely.

Information from various sources is considered when making those proposals including results from consultations with service users, stakeholders and the general public, needs assessments, national priorities and initiatives and the outcomes identified in the corporate plan. These outcomes underpin the allocation of resources and the activity undertaken by the Council.

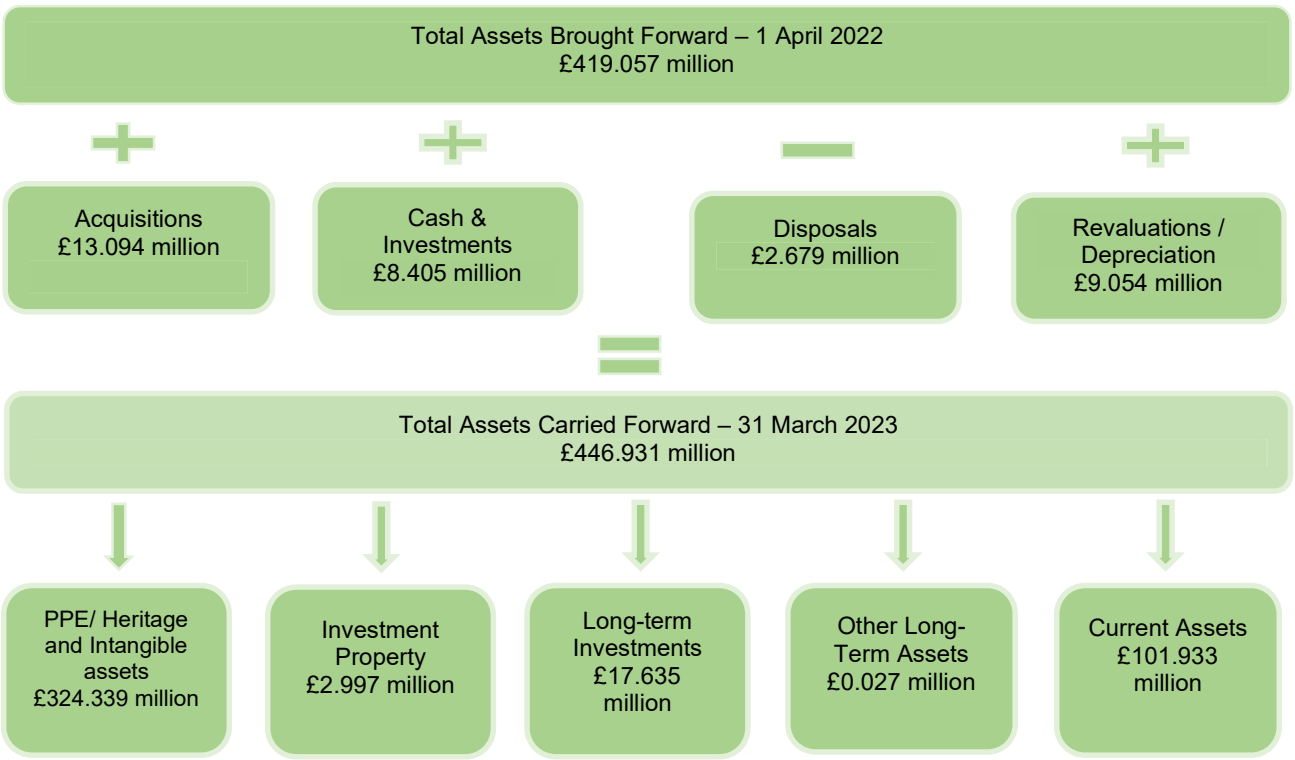
6. Financial Performance

Financial context of the Council

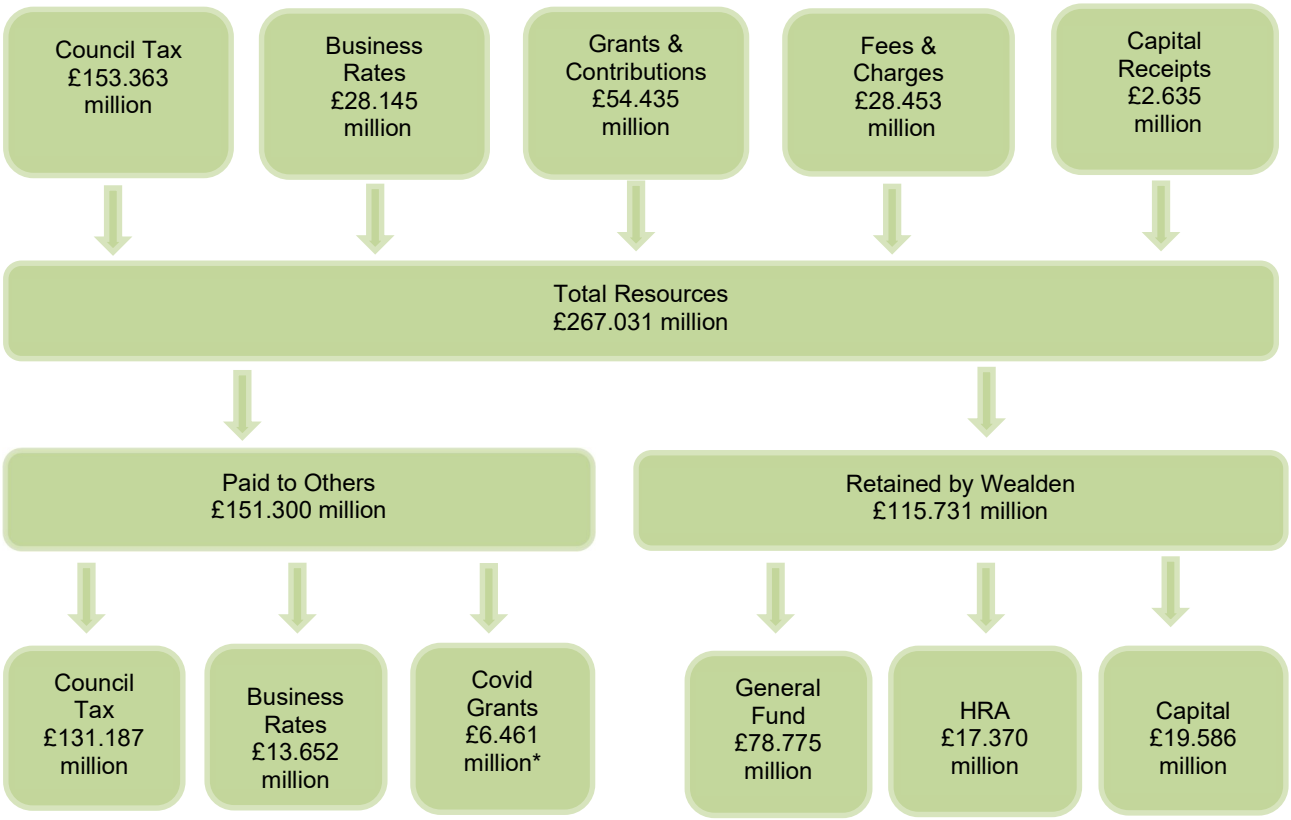
The Council manages resources and assets in excess of £738 million by:

- Collecting £154 million of Council Tax; for the Council, major preceptors and parish Councils;
- Collecting over £28 million of Business Rates. The Council keeps only a proportion of this;
- Managing a £345 million portfolio of land, buildings and other assets;
- Spending approximately £77 million on Council services;
- Accounting for £74 million of fees, charges, rents, and revenue grant funding which are used to help deliver services and keep council tax down;
- Proactively investing cash and investment balances totalling over £60 million.

Assets



Resources:



** Includes s31 grants to compensate for loss of business rates due to Covid 19 reliefs given to businesses.*

Core Funding

In common with the rest of local government, the Council has seen a steady reduction in its core funding in recent years. The government's aim is to phase out non-specific grant funding altogether, instead allowing local authorities to retain a higher proportion of business rates collected locally, the introduction of the new business rates scheme has been delayed due to the Covid-19 pandemic and we continue to await final details of the proposed scheme.

For 2022/23 the Council continued to be the lead authority for the East Sussex Business Rates Pool, which also consists of East Sussex County Council, East Sussex Fire Authority, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council. This pooling of the business rates income from growth across the area ensures that all the authorities in the pool benefit from economic growth across the whole area and benefit financially through retaining more business rates locally.

Addressing future challenges

At a national level, the Government funding that the Council will receive between 2024/25 – 2026/27 is yet to be confirmed. While the provisional local government settlement in December 2022 included some indicative figures for two years of funding the Local Government Financial Settlement was only a detailed one-year settlement for 2023/24. The Council therefore awaits the provisional settlement for 2024/25, which will be in the winter of 2023.

The delay to the Fairer Funding Review has meant greater uncertainty about the shape of any long-term sustainable settlement for local authorities. At a local level, the potential impact the economic downturn and cost of living crisis will have on the collection of business rates and council tax respectively has yet to be fully assessed. There is a risk that the extension of Local Council Tax Reduction Schemes discounts will see reductions in the collection of Council Tax.

The Council's MTFS 2023/24 to 2027/28 indicates that in addition to reductions in government funding, the Council also expects to see increasing demand for services over the next five years. The MTFS has been set within the context that the Fair Funding Review (''FFR'') and Business Rates Retention (''BRR'') will be implemented along with anticipated changes to new homes bonus and more general economic changes brought about by pay and general inflationary pressures.

The Council continues to pursue creative new initiatives such as new income generation opportunities to offset the reductions in government funding, maintain value services and become a self-financing council. An initiative to contribute towards the self-financing objective was the Council setting up Sussex Weald Homes Limited (SWH), a 100% owned subsidiary to build properties that will be rented or sold to the Council and privately, and acquisition of commercial properties. SWH paid the Council a dividend of £0.250 million in 2022/23. To balance the budget there will be a continuing need for service transformation, efficiencies and other savings initiatives for the foreseeable future.

2022/23 Council tax and revenue spending

Wealden set the Council Tax at £202.44 for a Band D property in 2022/23 (£197.44 in 2021/22).

The Council's earlier transformation programme (i.e. income generation, improved efficiency and procurement activities), put the Council in a healthy position in 2022/23, and through prudent financial management delivered a balanced budget in 2022/23.

A net revenue budget of £13.601 million was approved by Full Council in February 2022 with allocation of budgets shown in the table below (adjusted for in year transfers).

Description	Budget £'000
Members	380
Chief Executive's Directorate	5,531
Customer & Community Services	9,232
Planning, Policy & Environmental Services	3,958
Central Costs	496
Funding of capital programme from revenue	3,663
Other net income	(1,775)
Business rates (retained locally)	(5,300)
New Homes Bonus Grant	(2,245)
Lower Tier Services Grant/ Services Grant/ Rural Services Delivery Grant	(553)
Contribution to/ (from) reserves	214
Net Budget Requirement	**13,601**

Our robust financial management and reporting processes include:

- Quarterly monitoring reports to senior officers and elected members, and
- Regular meeting between finance and budget holders to highlight potential spending pressures or underspends so they can be tackled at an earlier stage.

Reserves and balances

Councils and other organisations need financial reserves to respond to unforeseen circumstances, these can be used to support the budget, or to take advantage of any opportunities that arise such as providing invest to save opportunities or council funding in order to lever in external grants. Whilst many reserves are general reserves and can be used to support our overall financial position, others are known as earmarked reserves which cannot be used for general purposes.

Due to the Council's careful financial management over the previous years, general fund reserves as at 31 March 2023 are £5.483 million (£5.065 million as at 31 March 2022). Over the period of the medium term financial strategy 2023/24 to 2027/28 reserves are planned to be maintained at approximately £5 million - £6 million.

Pension liabilities

The Council had net pension liability of £2.881 million (£30.689 million net liability in 2021/22 (restated)), which means that the amount of current and ex-employee pension payments earned at the year-end exceeded the amounts paid into pension fund by employees and the Council, and through investing these amounts.

The Council does not operate its own Pension Fund but is part of the East Sussex Local Government Pension Scheme which is administered by East Sussex County Council. Full details of the Pension Scheme and its accounts are available on-line at www.eastsussex.gov.uk.

Housing revenue account

The Council owns over 3,000 homes generating rental income of over £14.7 million in the year (£14.1 million in 2021/22). This income is held in a ring-fenced account (the Housing Revenue Account or HRA) which can only be used for social housing purposes. The Council is planning to spend over £74 million in the next five years to increase and improve its social housing stock.

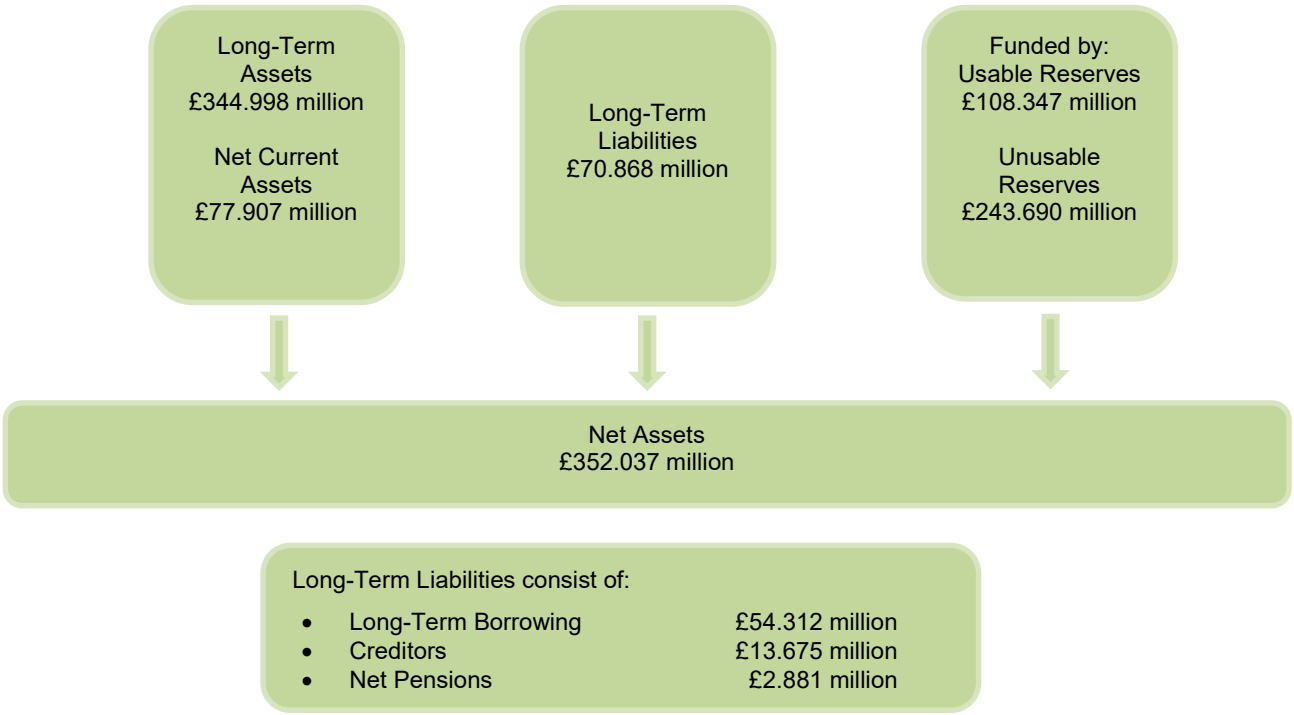
Provisions and contingencies

Wealden has made an appeals provision for business rate income. At the 31st March 2023 a provision of £0.914 million provision has been made for repayment of outstanding business rates appeals (£1.723 million in at 31 March 2022). The provision for legal costs relating to planning appeals has been increased to £0.018 million at 31st March 2023 (£0.012 million at 31st March 2022). The provision for rent liabilities in the Housing Revenue Account now stands at £0.050 million at 31 March 2023.

Other commitments and contingencies outstanding at 31 March 2023 include £8.067 million in respect of contractual obligations for capital projects scheduled from next year.

Net assets

The Council has maintained a strong year-end Balance Sheet with useable reserves increasing by £20.836 million. Sufficient funding is in place to repay both long and short term liabilities as these fall due.



Group accounts

Group accounts provide an overview of organisations subject to Council control and/ or significant influence. From 2019/20 the Council consolidated Sussex Weald Homes Limited to produce group accounts. The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder.

Capital spending

The Council has a five year capital investment programme totalling £128million (includes £74 million for the HRA), which will deliver:

- New units of affordable housing;
- Maintaining social housing to a decent standard;
- Disabled adaptations required in homes;
- Infrastructure investment to ensure the continued success of Wealden District as a business, leisure and heritage destination;
- Further investment in Sussex Weald Homes Limited, information technology and refuse & recycling;
- Improved community and leisure facilities; and
- Decarbonisation Programme.

This expenditure is financed from a combination of capital receipts, grant funding and the Council's own financial resources. The table below shows how capital expenditure was funded in 2022/23:

Capital expenditure	**£m**	**Financed by**	**£m**
General Fund	4.967	Capital receipts	(2.460)
Housing Revenue Account	8.588	Major repairs reserve	(2.888)
		Grants and contributions	(1.872)
		Borrowing	(4.843)
		Council resources	(1.492)
Total	**13.555**		**(13.555)**

Borrowing

The Council borrowed money to fund capital expenditure to improve the services provided to its residents and visitors. Before the Council borrows it ensures that it can afford to repay back the money plus interest over the period of the loan. The Council's external borrowing at 31 March 2023 was £54.367million (£54.367 million 31 March 2022). £10 million external borrowing relates to the General Fund and the balance relates to the Housing Revenue Account.

7. Who works for the Council

Wealden employs approximately 432 staff in full-time and part-time positions. This workforce reflects the diversity of the residents of the District.

The number of people the Council employees has increased over the last year and the overall numbers have shown an upward trend over the last five years. The four key reasons for this are that we have:

- Recruited to a number of vacant posts in key service areas such as planning, policy, development management and legal.
- Created a new service area for the commercial strategy.
- Increased staffing in the Building Control partnership as it has taken on two new Councils.
- Invested in creating more apprenticeships, with two intakes of apprentice cohorts during 2022/23, in line with our ambition of growing our own staff as part of our succession planning.

Since April 2017, the Council has paid an apprenticeship levy at 0.5% of the Council's total pay bill. This money is used to pay for apprenticeship training and to implement an approved apprenticeship standard for both new recruits and existing employees, with an increased uptake of existing

employees choosing to undertake apprenticeship training over the past year, in order to advance their professional skills and knowledge.

This levy allows the Council to focus on areas of skill shortage and future skills growth areas, as well as mitigate risks in services where a number of specialists may soon be reaching retirement age. Internal apprenticeships will be a key enabler of our investment in existing staff and early talent development, alongside existing various service specific training modules.

Staff turnover was 9.7% in 2022/23, compared to 11% in 2021/22, so has seen a decrease now the impact of Covid has settled. We continue to see a steady number of staff choosing to take early retirement, which is helping to enable the slightly higher intake of early talent numbers to ensure that we are continuing to retain a diverse, multi-skilled and inclusive workforce that will meet the future needs of the Council.

8. Strategic risks for up-coming year

The Council has a risk management strategy is in place to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive opportunity or threat and the likely impact. The risk management processes are subject to regular review and updating. The key risks for the forthcoming year include:

Risk	Impact	Mitigation
Continuation of the Covid-19 pandemic, or other pandemics	The coronavirus pandemic has had a profound impact on all aspects of life in Wealden. Impacts include increased need for employment services, homelessness prevention, and business support services Loss of essential services / utilities/ suppliers Demand from partner organisations to provide staff and other resources to support their response Loss of income from fees and charges, council tax and business rates	Disease outbreak is included within the Council's risk assessment and emergency plan An emergency fund reserve is held by the Council for unforeseen circumstances as well as an income risk fund, for unexpected income losses The Council also holds a prudent general fund balance for unexpected events
Financial pressures result in an inability to fund Council services, including the uncertainty surrounding the future of local government funding	Impact of financial pressures will be most felt on frontline services where the Council has less discretion over the timing and nature of service to be provided but where local demand for those services is volatile and increasing rapidly but difficult to predict and manage effectively within a finite budget	Budgets and financial strategies are regularly updated to take account of current and emerging financial pressures. The Council maintains adequate levels of reserves to cover unforeseen events Modelling of impact of grant settlement scenarios and function and funding changes Working to develop a self-financing Council

Risk	Impact	Mitigation
Loss of IT systems or data	There is the potential of a substantial fine from Information Commissioner, adverse publicity and reputational damage	Laptops are configured to prevent download of data to local storage devices unless encrypted. They are protected with encryption deletion software. The Council's network firewall and security systems are tested regularly Confidential waste is placed in locked bins and shredded General Data Protection Regulations (''GDPR'') training is part of staff induction and training
Severe Weather causing major incident (includes flood, wind, snow, drought and heat)	Disruption to Council services as staff diverted to response Additional costs associated with the response as well as possible additional costs of support to vulnerable service users Service changes may be required if long recovery phase Possible disruption to some services through water restrictions	Climate emergency action plan being developed as well as creating a reserve for climate change initiatives The business continuity plan includes a severe weather section, and our Emergency Plan includes specific response plans to flooding etc. There are service plans for supporting our residents in sheltered dwellings
Failure of a major contract results in the Council being unable to provide local services	Disruption to Council services Potential demand on partner organisations to provide staff and other resources to support our response Major media engagement and potential reputational damage Damage to relations with outsourcing partner and potential damages claim	Financial assessment of viability as part of the procurement process for contract Project management approach with prioritised resources

9. Partners and Community

In line with the values from the Corporate Plan to "deliver more by working with partners", the Council continues to work with those partners, as well as service users and our communities, to protect and deliver services in new ways:

- *Parish and Town Councils* - have been proactive in identifying services important to their local communities and working with the District Council and other bodies on local priorities.
- *Wealden Strategic Partnership* - is a non-statutory, multi-agency body, which matches Wealden District Council boundaries, and brings together the different parts of the public, private, community & voluntary, and special interest sectors to work to help improve the life of the residents of Wealden.
- *Safer Wealden Partnership* - brings together a number of agencies from the public, private, education and voluntary sector to improve people's lives in the area by working together to reduce the levels of crime and anti-social behaviour and to manage the fear of crime.
- *East Sussex Strategic Partnership* - brings together different parts of our local community – public services, local businesses, community groups, voluntary sector organisations and local people. The Partnership helps organisations and individuals work together in a co-ordinated way to plan local services, tackle the issues that matter to local people and improve quality of life in East Sussex.

10. Explanation of the Financial Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position as at 31 March 2023. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which in turn is underpinned by International Financial Reporting Standards (''IFRS'').

The **Primary Financial Statements** are:

- **Comprehensive Income and Expenditure Statement** - this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by the organisational structure under which the Council operates. The bottom half of the statement deals with corporate transactions and funding.
- **Movement in Reserves Statement** - is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "useable", which can be invested in capital projects or revenue service improvements, and "unusable" which must be set aside for specific legal or accounting requirements.
- **Balance Sheet** - is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date.
- **Cash Flow Statement** - shows the reason for changes in the Council's cash and cash equivalent balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long term liabilities).

The **Group Accounts** include:

- The assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

The **Supplementary Financial Statements** are:

- **Housing Revenue Account** - this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989. It shows the in-year economic cost of providing housing services.
- **Movement on the Housing Revenue Account Statement** - is a summary of the changes to the Council's Housing Revenue Account reserves over the course of the year.

- **Collection Fund** - summarises the collection and redistribution of Council tax and business rates income.

The **Notes** to these financial statements provide further detail about the Council's accounting policies and individual transactions.

A **Glossary** of key terms can be found at the end of this publication.

11. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document.

Laurence Woolven

Head of Financial Services

Independent auditor's report to the members of Wealden District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wealden District Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2023 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's (Head of Financial Services) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's (Head of Financial Services) conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's (Head of Financial Services) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer's (Head of Financial Services) with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer (Head of Financial Services) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Chief Finance Officer (Head of Financial Services)

As explained more fully in the Statement of 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 Chief Finance Officer (Head of Financial Services). The Chief Finance Officer (Head of Financial Services) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer (Head of Financial Services) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer (Head of Financial Services) is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003).

We enquired of management and the Audit, Finance and Governance Committee, concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit, Finance and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of fraudulent revenue and expenditure recognition, management override of controls and the risk of management bias in accounting estimates. We determined that the principal risks were in relation to journal entries we considered to be high risk and management bias in the calculation of significant estimates subject to a high level of estimation uncertainty and sensitivity to small changes in

assumptions, namely the valuation of land and buildings, investment properties and council dwellings and valuation of the pension fund net liability. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on large and unusual high risk journals, particularly manual journals, made during the year and the accounts production stage for appropriateness and corroboration,
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, council dwellings, investment property and defined benefit pension net liability valuations, and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the group and Authority operates;
- understanding of the legal and regulatory requirements specific to the Authority and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Wealden District Council for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Darren Wells

Darren Wells, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

27th March 2024

Statement of Responsibilities

The Council's responsibilities

The Council 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 Council, that officer is the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

Chief Finance Officer's Certificate

I certify that the accounts give a true and fair view of the financial position of Wealden District Council at 31 March 2023 and its income and expenditure for the year then ended.

Laurence Woolven
Head of Financial Services

Date: 21 March 2024

Approval of the Statement of Accounts

The accounts were approved, by the Audit, Finance and Governance Committee of Wealden District Council at its meeting on 20 March 2024 via delegated authority.

Councillor Andrew Wilson
Chair of Audit, Finance and Governance Committee

Date: 21 March 2024

Primary Financial Statements

Comprehensive Income & Expenditure Statement

The Comprehensive Income and Expenditure Statement* ("CIES") shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both Note 1 Expenditure and Funding Analysis, and the Movement in Reserves Statement.

2021/22				2022/23		
Gross Expenditure £000	**Gross Income £000**	**Net Expenditure £000**		**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
339	(1)	338	Members	360	0	360
8,465	(4,723)	3,742	Chief Executive's Directorate	4,893	(845)	4,048
40,447	(28,695)	11,752	Directorate of Community & Customer Services	40,015	(28,214)	11,801
8,382	(6,656)	1,726	Directorate of Planning, Policy & Environmental Services	10,109	(6,339)	3,770
1,825	(827)	998	Directorate of Legal Governance and Strategic Projects	2,313	(647)	1,666
(63)		(63)	Central Costs	97		97
12,313	(15,671)	(3,358)	Housing Revenue Account	12,289	(16,785)	(4,496)
71,708	**(56,573)**	**15,135**	**Cost of Services**	**70,076**	**(52,830)**	**17,246**

* During 2022/23 there was a departmental restructure, which included the creation of a new directorate, therefore the 2021/22 cost of services have been adjusted to reflect the new structure so that it is comparable to 2022/23.

Comprehensive Income and Expenditure Statement (continued)

2021/22 Net Expenditure £000		Notes	2022/23 Net Expenditure £000
6,426	Other operating expenditure	[12]	7,657
1,328	Financing and investment income and expenditure	[13]	1,945
(35,263)	Taxation and non-specific grant income and expenditure	[14]	(46,754)
(12,374)	**(Surplus)/Deficit on the Provision of Services**		**(19,906)**
	Items that will not be reclassified to the (Surplus)/Deficit on Provision of Services		
(21,756)	(Surplus)/Deficit on revaluation of non-current assets	[22a]	(14,095)
(9,431)	Remeasurement of the net defined benefit liability	[34]	(31,401)
(31,187)	**Other Comprehensive Income and Expenditure**		**(45,496)**
(43,561)	**Total Comprehensive Income and Expenditure**		**(65,402)**

Movement in Reserves Statement

The Movement in Reserves Statement ("MIRS") shows the movement from the start to the end of the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Movement in Reserves during 2022/23	Non-Earmarked General Fund Reserves £000	Earmarked General Fund & HRA Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves (note 22) £000	Total Council Reserves £000
Balance at 1 April 2022	**(5,065)**	**(43,888)**	**(48,953)**	**(4,416)**	**(6,731)**	**0**	**(27,411)**	**(87,511)**	**(199,120)**	**(286,631)**
Total Comprehensive Income and Expenditure	(16,763)	0	(16,763)	(3,143)	0	0	0	(19,906)	(45,496)	(65,402)
Adjustments between accounting basis and funding basis under regulations (Note 9)	12,181	0	12,181	3,142	(175)	(999)	(15,079)	(930)	930	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(4,582)**	**0**	**(4,582)**	**(1)**	**(175)**	**(999)**	**(15,079)**	**(20,836)**	**(44,566)**	**(65,402)**
Transfers to / (from) Earmarked Reserves (Note 10)	4,164	(4,057)	107	(107)	0	0	0	0	0	0
(Increase) / Decrease in 2022/23	**(418)**	**(4,057)**	**(4,475)**	**(108)**	**(175)**	**(999)**	**(15,079)**	**(20,836)**	**(44,566)**	**(65,402)**
Balance at 31 March 2023	**(5,483)**	**(47,945)**	**(53,428)**	**(4,524)**	**(6,906)**	**(999)**	**(42,490)**	**(108,347)**	**(243,686)**	**(352,033)**

Movement in Reserves Statement (continued)

Movement in Reserves during 2021/22	Non-Earmarked General Fund Reserves £000	Earmarked General Fund & HRA Reserves £000	General Fund Balance - Total	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves (note 22) £000	Total Council Reserves £000
Balance at 1 April 2021	**(4,482)**	**(40,612)**	**(45,094)**	**(4,778)**	**(7,631)**	**(912)**	**(21,312)**	**(79,727)**	**(163,343)**	**(243,070)**
Total Comprehensive Income and Expenditure	(10,217)	0	(10,217)	(2,157)	0	0	0	(12,374)	(31,187)	(43,561)
Adjustments between accounting basis and funding basis under regulations (Note 9)	6,379	0	6,379	2,498	900	912	(6,099)	4,590	(4,590)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(3,838)**	**0**	**(3,838)**	**341**	**900**	**912**	**(6,099)**	**(7,784)**	**(35,777)**	**(43,561)**
Transfers to / (from) Earmarked Reserves (Note 10)	3,255	(3,276)	(21)	21	0	0	0	0	0	0
(Increase) / Decrease in 2020/21	**(583)**	**(3,276)**	**(3,859)**	**362**	**900**	**912**	**(6,099)**	**(7,784)**	**(35,777)**	**(43,561)**
Balance at 31 March 2022	**(5,065)**	**(43,888)**	**(48,953)**	**(4,416)**	**(6,731)**	**0**	**(27,411)**	**(87,511)**	**(199,120)**	**(286,631)**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2022 £000		Notes	31 March 2023 £000
306,933	Property Plant and Equipment	[15]	323,357
849	Heritage Assets	[15]	894
41	Intangible Assets		88
2,963	Investment Property	[16]	2,997
19,470	Long-term Investments	[17]	17,635
9,959	Long-term Debtors - Loan to Subsidiary	[18]	0
19	Long-term Debtors - Other	[18]	27
340,234	**Long-term Assets**		**344,998**
5,103	Short-term Investments	[17]	5,122
1	Inventories		1
0	Short-term Debtors - Loan to Subsidiary	[18]	11,654
15,035	Short-term Debtors - Other	[18]	16,251
58,684	Cash and Cash Equivalents	[17]	68,905
78,823	**Current Assets**		**101,933**
(21,224)	Short-term Creditors - Central Government	[19]	(6,752)
(9,363)	Short-term Creditors - Other	[19]	(16,237)
(55)	Short-term Borrowing	[17]	(10,055)
(2,001)	Provisions	[20]	(982)
(32,643)	**Current Liabilities**		**(34,026)**
(14,782)	Long-term Creditors	[19]	(13,675)
(54,312)	Long-term Borrowing	[17]	(44,312)
(30,689)	Net Pensions Liabilities	[34]	(2,881)
(99,783)	**Long-term Liabilities**		**(60,868)**
286,631	**Net Assets**		**352,037**
(87,511)	Usable Reserves	[21]	(108,347)
(199,120)	Unusable Reserves	[22]	(243,690)
(286,631)	**Total Reserves**		**(352,037)**

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2021/22 £000		Notes	2022/23 £000
12,374	Surplus/(deficit) on the provision of services		19,906
14,577	Adjustments to the surplus/(deficit) on the provision of services for non-cash movements	[23]	(13,284)
(10,473)	Adjustments for items included in the surplus/(deficit) on the provision of services that are investing and financing activities	[23]	(19,585)
16,478	**Net cash flows from Operating Activities**		**(12,963)**
(9,169)	Net cash flows from Investing Activities	[24]	19,461
6,775	Net cash flows from Financing Activities	[25]	3,723
14,084	**Net increase/(decrease) in cash and cash equivalents**		**10,221**
44,600	Cash and cash equivalents at the beginning of the reporting period		58,684
58,684	Cash and cash equivalents at the end of the reporting period		**68,905**

Components of Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements:

31 March 2022 £000		31 March 2023 £000
8,661	Bank current accounts	18,615
50,023	Short term deposits	50,290
58,684	**Total Cash and Cash Equivalents**	**68,905**

Notes to the Primary Financial Statements

Note 1 Expenditure and Funding Analysis*

The Expenditure and Funding Analysis is a note to the financial statements that shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on the next page. The adjustments between funding and accounting basis shown below are analysed in Note 8.

2021/22				2022/23		
Net Expenditure Chargeable to the General Fund & HRA Balances £000	**Adjustments between Funding and Accounting Basis £000**	**Net Expenditure in the CIES £000**		**Net Expenditure Chargeable to the General Fund & HRA Balances £000**	**Adjustments between Funding and Accounting Basis £000**	**Net Expenditure in the CIES £000**
338	0	338	Members	360	0	360
3,226	516	3,742	Chief Executive's Directorate	3,507	541	4,048
8,983	2,769	11,752	Directorate of Community & Customer Services	9,285	2,516	11,801
476	1,250	1,726	Directorate of Planning, Policy & Environmental Services	2,566	1,204	3,770
747	251	998	Directorate of Legal Governance and Strategic Projects	1,407	259	1,666
698	(761)	(63)	Central Costs	612	(515)	97
(8,310)	4,952	(3,358)	Housing Revenue Account (HRA)	(8,477)	3,981	(4,496)
6,158	**8,977**	**15,135**	**Net Cost of Services**	**9,260**	**7,986**	**17,246**
(9,655)	(17,854)	(27,509)	Other Income and Expenditure	(13,843)	(23,309)	(37,152)
(3,497)	**(8,877)**	**(12,374)**	**(Surplus)/Deficit on the Provision of Services**	**(4,583)**	**(15,323)**	**(19,906)**

Note 1 Expenditure and Funding Analysis (continued)

2021/22		2022/23
(49,872)	Opening General Fund and HRA Balance, and Earmarked Reserves	(53,369)
(3,497)	Plus (Surplus)/Deficit on General Fund and HRA, and increase in Earmarked Reserves for the	(4,583)
(53,369)	Closing General Fund and HRA Balance, and Earmarked Reserves at 31 March	**(57,952)**
	Analysis of General Fund and HRA Balances, and Earmarked Reserves	
(5,065)	General Fund Balance	(5,483)
(4,416)	HRA Balance	(4,524)
(43,888)	GF and HRA Earmarked Reserves Balances	(47,945)
(53,369)		**(57,952)**

*During 2022/23 there was a departmental restructure, which included the creation of a new directorate, therefore the 2021/22 cost of services have been adjusted to reflect the new structure so that it is comparable to 2022/23

Note 2 Accounting Policies

i. General principles

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 supported by International Financial Reporting Standards ("IFRS").

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet provided the

amount exceeds £1,000. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- Housing rents income is billed weekly and is receivable over 48 weeks in the year. No adjustments are made to account for income in respect of part weeks at the beginning or end of the financial year.
- Housing benefits expenditure is payable on a weekly basis throughout the year. No adjustments are made to account for payments in respect of part weeks at the beginning or end of the financial year.

iii. Council tax and non domestic rates

The Council is a billing authority for council tax and non-domestic rates ("NDR"). Billing authorities act as agents, collecting council tax and non-domestic rates on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The balance sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in the comprehensive income and expenditure statement ("CIES"). The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Accounting for council tax:

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the CIES is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Tax payers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Accounting for non-domestic rates:

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Council's share of NDR for the year specified in the National Non Domestic Rates NNDR1 return.

The NDR income included in the CIES is the Council's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the

full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from NDR payers belongs proportionately to the Council, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

iv. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v. Prior period adjustments, changes in accounting policies and estimates and errors

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current year and future years affected by the change and do not give rise to a prior year adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. When a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vi. Charges to revenue for non-current assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The dwellings and non-dwellings depreciation for the Housing Revenue Account is a real charge to the Housing Revenue Account Income and Expenditure Statement.

vii. Employee benefits

Benefits payable during employment:

Short-term employee benefits (i.e. benefits due to be settled wholly within 12 months of the year-end), such as wages and salaries, paid annual leave, paid sick leave, and expenses for current employees are paid monthly and recognised in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi-leave earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in

which the employee takes the benefit. The accrual is charged to the appropriate service segment in the CIES, but then reversed out through the movement in reserves statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits:

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the central costs segment in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-employment benefits:

Employees of the Council are members of the Local Government Pensions Scheme, administered by East Sussex County Council. The Local Government Pensions Scheme is accounted for as a defined benefits scheme:

- The liabilities of the East Sussex pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond (iBoxx Sterling Corporates AA Over 15 years Index).
- The assets of the East Sussex pension fund attributable to the Council are included in the Balance Sheet at their fair value:
  - Quoted securities - current bid price.
  - Unquoted securities - professional estimate.
  - Unitised securities - current bid price.
  - Property - market value.
- The change in the net pensions liability is analysed into the following components:

  Service cost comprising:

  - Current service cost: the increase in liabilities as a result of years of service earned this year, allocated in the appropriate service segment in the CIES for which the employees worked;
  - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the central costs segment in the CIES; and
  - Net interest on the net defined benefit liability: i.e. net interest expense for the Council, the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning

of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on plan assets: excluding amounts included in net interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the East Sussex pension fund: cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pensions fund or directly to pensioners in the year, not the amount calculated according to relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirement. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

viii. Events after the reporting period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events;
- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix. Financial instruments

Financial liabilities:

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial assets:

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- Amortised Cost;
- Fair Value through Profit or Loss ("FVPL"); and
- Fair Value through Other Comprehensive Income ("FVOCI").

The Council's business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified as either:

- Amortised cost: financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (e.g. debtors, loans to other local authorities); or
- FVPL: financial assets whose contractual cash flow characteristics do not resemble a basic lending agreement because the cash flows don't arise on specified dates or comprise solely payments of principal and interest (e.g. The Council's investments in strategic pooled funds).

Financial assets measured at amortised cost:

Financial assets at amortised cost are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Expected credit loss model:

"The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to the Council's lease receivables. Only lifetime losses are recognised for the Council's trade receivables (i.e. debtors).

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial assets measured at FVPL:

"Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised in the Surplus or Deficit on the Provision of Services as they arise.

The fair value measurements of these financial assets are based on the following techniques:

- Instruments with quoted market prices - the market price; and
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

Inputs to fair value measurement techniques are categorised in accordance with the following three levels:

- Level 1 Inputs - quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 Inputs - inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- Level 3 Inputs - unobservable inputs for the asset.

Any gains or losses that arise on de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

x. Government grants and contributions

Whether paid on account, by instalments or in arrears, Government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the appropriate service segment (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure line (non-ring fenced revenue grants and all capital grants), in the CIES.

Where capital grants are credited to the CIES they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community infrastructure levy:

The Council has elected to charge a Community Infrastructure Levy ("CIL"). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area. In accordance with government regulations, a meaningful proportion of the CIL collected is passed to Town and Parish Councils where the development takes place.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

xi. Section 106 contributions

The Council receives contributions from land owners and developers under Section 106 of the Town and Country Planning Act 1990. The contributions are negotiated as part of a condition of planning consent to contribute to the costs of infrastructure and services such as community facilities, public open space, transport improvements and affordable housing. Wealden District Council receives these

contributions on behalf of the County Council in most cases, and sometimes the Highways England and Parish Councils.

The terms of the agreements require the Council to hold the monies in an interest bearing account until the relevant conditions have been met and then the contributions can be paid over to the County Council or other relevant party. If any of the contributions remain unpaid after ten years, these must be refunded to the owner of the land. Consequently, Wealden District Council acts as a 'distribution point' for the Section 106 contributions and is the agent in this arrangement. Therefore, the transactions are not reflected in the Council's financial statements except for the creditor position in respect of the cash collected by Wealden on behalf of the other parties, which is included in the Balance Sheet, and the net cash position which is included in financing activities in the Cash Flow Statement.

xii. Interests in companies and other entities

The Council has a material interest in a subsidiary company that requires the Council to prepare group accounts. In the Council's own single-entity financial statements, the interest in the company is recorded as a financial asset at cost, less provision for losses.

xiii. Investment property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiv. Joint operations

Joint arrangements are those in which the Council participates with one or more other parties, bound by a contractual arrangement and over which the parties share control. In a joint operation, the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement and the parties are called the joint operators.

Should the Council have an interest in a joint operation, the Council will recognise its assets, its liabilities, its revenue and its expenses, including its share of these transactions and balances held/incurred jointly. In 2021/22 [and 2020/21] the Council did not have any joint operations.

xv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

<u>Operating Leases</u>

Operating leases - the Council as lessor:

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Surplus or Deficit on Provision of Services in the CIES. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Operating leases - the Council as lessee:

Rentals paid under operating leases are charged to the comprehensive income and expenditure statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

xvi. Overheads and support services

The costs of overheads and support services are charged to service segments or, where applicable, to the central costs segment in the CIES in accordance with the Council's arrangements for accountability and financial performance.

The recharge of overheads and support services is based on an estimation of the percentage of time spend on supporting services.

xvii. Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition:

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement:

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction - historical cost.
- Community Assets - historical cost.
- Dwellings - current value, determined using the basis of existing use value for social housing (''EUV-SH'').
- Surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.

- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - "EUV").

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost ("DRC") is used as an estimate of current value.

Where assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value following the materiality concept.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment:

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the appropriate service segment in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation:

Depreciation is provided for on all Property, Plant and Equipment assets by systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and some community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. The useful life of vehicles, plant and equipment is generally between 3 and 7 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item and the asset lives are materially different, the components are depreciated separately.

Depreciation is not permitted to have an impact on the general fund Balance (with the exception of Council dwelling and non-dwelling depreciation). The depreciation is therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

Housing Revenue Account dwelling and non-dwelling depreciation is a real charge and impacts the Housing Revenue Account balance. The impact is reflected in the Movement in Reserves Statement including entries in the Major Repairs Reserve and Capital Adjustment Account.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on an asset and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation is charged from the month of recognition until the month of disposal/ derecognition.

Disposals and non-current asset held for sale:

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease in the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in the fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xviii. Fair value measurement of non-current assets

The Council's accounting policy for fair value measurement of financial assets is set out in note ix. The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, as follows:

- Level 1 Inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 Inputs - other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs - unobservable inputs for the asset or liability.

All of the non-financial asset fair value measurements and disclosures in the Council's financial statements are categorised as Level 2 on the fair value hierarchy.

xix. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or payment of compensation.

Provisions are charged as an expense to the appropriate service segment in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service segment.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service segment if it is virtually certain that reimbursement will be received if the Council settles the obligation.

xx. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the general fund Balance in the movement in reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service segment in the year to score against the surplus or deficit on the provision of services in the CIES. The reserve is then appropriated back into the general fund balance in the movement in reserves statement so that there is no net charge against council tax (and rents in respect of the housing revenue account) for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, and for retirement and employee benefits and do not represent usable resources for the Council - these reserves are explained in the relevant policies.

xxi. Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service segment in the CIES in the year. Where the Council has determined to meet the cost of expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs ("HMRC"). VAT receivable is excluded from income.

The above accounting policies do not include non-material transactions/ balances i.e. intangible assets and inventories.

xxiii. Council acting as agent

Where the Council is acting as an agent (i.e. in respect of a number of Covid grants) the transactions will be accounted for on the Balance Sheet, with a debtor or creditor shown at the year end and as cash inflows and outflows in the Cash Flow Statement.

In respect of Covid grants the Council is acting as an agent where it will not be in control of Government funding where it is responsible only for distributing amounts to beneficiaries in accordance with rules specified by the funder, so that the recipients and the amounts they receive would be no different if the Government had distributed the funding itself.

Note 3. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code") requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2022/23 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2023/24 Code are:

- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3).

The Council does not anticipate that the above amendments will have a material impact on the information provided in local authority financial statements.

IFRS 16 Leases is not included in the above list of accounting changes because CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1 April 2024, and the Council is not adopting the Standard earlier (as permitted by the Code). The changes to be introduced by IFRS 16 will mean that operating leases where the Council is lessee, will be reflected in the Balance Sheet based on the concept of 'right of use'. Whilst work is currently underway to access the impact on the Council, at the current time the impact is not known.

Note 4. Critical Judgements in Applying Accounting Policies

In applying the accounting polices set out in Note 2, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

<u>Impairment of non-current assets:</u>

There is a high degree of uncertainty about future levels of funding for local government. The Council has assessed the impact of the Covid pandemic on the collectability of its income outstanding as at 31 March 2023, and made additional impairments where considered necessary.

<u>Joint Waste and Recycling Contract:</u>

A joint waste committee ("JWC") conducted business in relation to and provided oversight of the joint waste contract with Biffa, between Eastbourne Borough Council (‘’EBC’’), Hastings Borough Council (‘’HBC’’), Lewes District Council (‘’LDC’’), Rother District Council (‘’RDC’’) and the Council. Due to the cessation of the Kier contract in 2019-20 (replaced by Biffa), the JWC ceased. A joint waste and recycling committee ("JWRC") was constituted in 2017 to run concurrently alongside the JWC but with a specific remit of facilitating the authorities in working together to improve the quality and effectiveness of the discharge of the waste collection functions under the relevant provisions of the Environmental Protection Act 1990. The JWRC also facilitates the authorities to work in partnership with East Sussex County Council ("ESCC") as the Waste Disposal Authority to maximise integration opportunities. The members of the JWRC being the Council, RDC, HBC and East Sussex County Council.

The detailed management arrangements exercised through the former JWC and current JWRC for the joint waste and recycling contract have been assessed against IFRS11 Joint Arrangements. This assessment has concluded that the former JWC and current JWRC are not classified and accounted for as either a joint venture or joint operation. Consequently the Council's share of the expenses of the former JWC and current JWRC have been accounted for in the relevant segment in the Comprehensive Income and Expenditure Statement.

Sussex Weald Homes Limited:

- Group accounts - The Council has interests in Sussex Weald Homes Limited that falls within the group boundary of the Council on the grounds of control in line with the Code. The Council's interest in Sussex Weald Homes Limited, a wholly-owned housing company, are material to the Council’s overall financial position and therefore have been consolidated within the Council’s group accounts. As at 31 March 2023, the Council owns shares of £3.429 million, and loaned the Company £10 million in 2021/22 and a further £2 million during 2022/23.
- Classification and valuation of property construction costs - The company classified the construction costs of properties as inventories. Upon consolidation into the Council's group accounts the properties that are to be sold by the company to the public remained as inventories in line with the Code definition of inventories i.e. "assets in the process of production for sale or distribution". The properties to be sold to the Council or rented out (by either the Council or the Company) meet the Code's definition of Property Plant and Equipment i.e. "held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period", and have therefore been reclassified as Assets Under Construction (as these properties had not been completed) which is a sub-category of Property, Plant and Equipment. Both inventories and Assets Under Construction are held at cost therefore did not require revaluation on reclassification.

Note 5. Assumptions Made About The Future And Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2023 for which there is significant estimation uncertainty that could result in a material adjustment within the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumptions
Property, Plant & Equipment	Other Land and Buildings: Asset valuations are based on market prices (i.e. existing use values) and are periodically reviewed to ensure that the Council does not materially misstate	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as

Item	Uncertainties	Consequences if actual results differ from assumptions
	its non-current assets. The Council's external valuers provided valuations as at 31 March 2023 for the operational portfolio, which was a detailed valuation of all assets (by value, c. 20% of portfolio), and assets valued using the DRC (excluding Public Conveniences). This was based on a remote desk-top exercise with the valuer providing a market review report for those assets not revalued during the financial year (See note 15). The measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at 31 March 2023 property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. The Russian invasion of Ukraine has also added a level of global uncertainty, however, at the time of the valuation there has not been any specific impact on the value of the assets identified within the portfolio. Accordingly, the property, plant and equipment valuations are not being reported as being subject to material valuation uncertainty.	appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Revaluation Reserve and /or Comprehensive Income and Expenditure Statement of approximately £5.022 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement. Any such gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances.
	<u>Council Dwellings:</u> The HRA residential portfolio is valued by the Council's external valuers based on a beacon methodology according to their EUV-SH. In order to value the whole portfolio an inspection of a sample of Beacons was undertaken with a desktop review of the remaining Beacon properties. It was necessary to research a number of information sources. These include sales of directly comparable property, changes of income flow for non-residential property, information available at a local level showing house price movement plus regional and National Indices. The measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at 31 March 2023 property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. The Russian invasion of Ukraine has also added a level of global uncertainty, however, at the time of the valuation there has not been any specific impact on the value of the assets identified within	A reduction in the estimate value of HRA dwellings would be a reduction in the Revaluation Reserve or a loss in the Comprehensive Income and Expenditure Statement. If the value of dwellings were to reduce by 10% this would lead to a reduction in value of approximately £25.434 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the

Item	Uncertainties	Consequences if actual results differ from assumptions
	the portfolio. Accordingly, the housing dwellings valuations are not being reported as being subject to material valuation uncertainty.	Comprehensive Income and Expenditure Statement. Any such gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances.
Investment Property	The Council's external valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property. The ongoing pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at 31 March 2022 property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. The Russian invasion of Ukraine has also added a level of global uncertainty, however, at the time of the valuation there has not been any specific impact on the value of the assets identified within the portfolio. Accordingly, the investment property valuations are not being reported as being subject to material valuation uncertainty.	Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date. An increase or decrease in estimated valuations would result in gains or losses being recorded in the Comprehensive Income and Expenditure Statement. Any such gains or losses would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. If the value of the Council's Investment Property were to reduce by 10%, this would result in a loss of approximately £0.299 million.
Pensions Asset/ Liability	At 31 March 2023 the Council had a pensions net liability of £2.881 million. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund investments. The firm of actuaries Barnett Waddingham LLP is engaged to provide the Council with expert advice about assumptions to be applied. The accounts now include an asset ceiling, which is the present value of any economic benefit available to the employer in the form of refunds or reduced future employer contributions. There are risks and uncertainties associated with whatever assumptions are adopted. The Accounting Standard requires the assumptions to be determined on a 'best estimate' basis. However, the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty inherent in what constitutes 'best estimate' with such projections.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance: • 0.1% increase in the discount rate will reduce the net pension asset by £2.304 million; • 0.1% increase in the assumed level of pension increases will increase the net pension asset by £2.466 million; • 0.1% increase in the salaries will increase the net pension asset by £2.385 million; and • Increase of one year in longevity will increase the net pension asset by £2.474 million.
Impairment Allowance for Doubtful Debts	At 31 March 2023 the Council had a balance of debtors comprising other entities & individuals of £13.336 million. Against this debtors' balance, there is an impairment allowance of £2.832 million. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The	An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected. The impairment allowances held are based on expected credit losses. The nature of the debt and service area have

Item	Uncertainties	Consequences if actual results differ from assumptions
	economic impact of the cost of living crisis (and the impact that is still being felt from the Covid 19 pandemic) continues to make the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.	been considered, and calculations have been updated to reflect the potential uncertainty of the collection rates as a result of the cost of living crisis and the impact still being felt from Covid-19.
Non-domestic Rates Provision for Outstanding Appeals	In a normal year, the Council collects approximately net £34.373 million in business rates (and retained 40% in 2022/23). In 2022/23 due to the additional reliefs granted to business by central government, net rates collected were £28.145 million, with s31 grants provided for the additional reliefs. Since 1 April 2013, local authorities have been liable for successful appeals against business rates charged to businesses in their proportionate share. The assumptions around the outcome of appeals against the NNDR valuations (either received to date or expected in future years) represent a material and critical judgement applied to the accounts. The appeals provision is empirically derived from the experience with both the 2005 and 2010 lists as well as appeals determinations so far made against the 2017 list, and success rates for settled appeals provided by the Valuation Office Agency. There are no appeals outstanding for the 2005 list and only a relatively small value of appeals relating to the 2010 list, with the majority relating to the 2017 list. A total provision for the Collection Fund of £2.284 million has been recognised as the best estimate of the amount that may be required to be repaid to businesses that have been overcharged up to 31 March 2023, of which the Council's share is £0.914 million.	The amount of the provision is uncertain as it is dependent on numerous factors including the likelihood of businesses lodging an appeal, the outcome of appeal cases, whether appeals will result in any change to the rateable value and the amount by which the rateable value is changed if successful. If the provision required is 5% greater than estimated, an increase of £0.114 million would be required to the total Collection Fund Provision; of which, the Council's attributable share would be £0.046 million.

Note 6. Material Items of Income and Expense

The table below shows the material items (i.e. £1.5 million or greater) of income and Expenses reflected in the Council's Surplus/Deficit on Provision of Services within the Comprehensive Income and Expenditure Statement.

2021/22 £000	Description	2022/23 £000	CIES Segment
3,775	Covid Grant Payments (Service related) Expenditure*	**	Chief Executives
(3,870)	Covid Grant (Service related) Income*	**	
20,072	Housing Benefit Payments	19,579	
(20,377)	Housing Benefit Subsidy	(19,560)	
1,578	Gain/Loss On Revaluation of Non-Current Assets	**	Community & Customer Services
4,966	Refuse, Recycle & Garden Waste Contract	5,308	
(1,956)	Refuse, Recycle & Garden Waste Contract	(2,039)	
***	Fees and Charges	(2,112)	Planning, Policy & Environmental Services
(2,180)	Major Planning Application Fees	**	
3,677	Depreciation of Non-Current Assets	3,887	Housing Revenue Account
(14,004)	Rental Income from HRA Dwellings	(14,758)	
2,197	Housing Revenue Account (HRA) Repairs	2,361	
1,908	Non-Current Asset Written Off on Disposal	2,679	Corporate Items
(3,131)	Capital Receipts Received for Disposal of Assets	(2,635)	
7,232	Parish Precepts	7,527	
1,568	Interest Paid On Long Term Loans	1,660	
3,759	Interest On Pensions Liability	5,212	
(3,050)	Return On Pension Fund Assets	(4,453)	
***	Financial Instrument Adjustment	2,076	
***	Interest On Investments	(1,906)	
(20,512)	Council Tax	(21,294)	
(11,278)	National Non-Domestic Rates	(11,607)	
9,909	Business Rates Tariff Payment	9,909	
(6,005)	Small Business Rate Relief Grant	(6,003)	
***	New Homes Bonus Grant	(2,245)	
(5,591)	Capital Grant And Contribution	(15,709)	

* A further breakdown of these can be found in note 29 Grant Income.

** These items were below the £1.5m threshold in 2022/23.

*** These items were below the £1.5m threshold in 2021/22.

Note 7. Events After the Reporting Period

The Statement of Accounts was authorised for issue on 14 September 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis

Adjustments between funding and accounting basis 2022/23

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Chief Executive's Directorate	(9)	(537)	5	**(541)**
Directorate of Community & Customer Services	(1,345)	(1,190)	19	**(2,516)**
Directorate of Planning, Policy & Environmental Services	(290)	(932)	18	**(1,204)**
Directorate of Legal Governance and Strategic Projects	0	(255)	(4)	**(259)**
Central Costs	0	515	0	**515**
Housing Revenue Account (HRA)	(3,565)	(428)	12	**(3,981)**
Net Cost of Services	**(5,209)**	**(2,827)**	**50**	**(7,986)**
Other income and expenditure from the Expenditure and Funding Analysis	23,683	(761)	387	**23,309**
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**18,474**	**(3,588)**	**437**	**15,323**

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

During 2022/23 there was a departmental restructure, which included the creation of a new directorate, therefore the 2021/22 cost of services have been adjusted to reflect the new structure so that it is comparable to 2022/23

Adjustments between funding and accounting basis 2021/22

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Chief Executive's Directorate	(25)	(529)	38	(516)
Directorate of Community & Customer Services	(1,610)	(1,201)	42	(2,769)
Directorate of Planning, Policy & Environmental Services	(339)	(928)	17	(1,250)
Directorate of Legal Governance and Strategic Projects	0	(257)	6	(251)
Central Costs	76	685	0	761
Housing Revenue Account (HRA)	(4,566)	(391)	5	(4,952)
Net Cost of Services	**(6,464)**	**(2,621)**	**108**	**(8,977)**
Other income and expenditure from the Expenditure and Funding Analysis	14,421	(707)	4,140	17,854
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**7,957**	**(3,328)**	**4,248**	**8,877**

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes:

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments:

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income as follows:

- Services – the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences:

Other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute as follows:

- Services – the charge here represents the amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.
- Taxation and non-specific grant income and expenditure – the charge here represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. Note 21 sets out a description of the reserves that the adjustments are made against.

2022/23 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	(3,069)	(524)			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	2,528				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	43	12			
Financial Instruments (Fair Value and Impairment Adjustments)	(2,140)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(1,288)	(5,957)			
Total Adjustments to Revenue Resources	**(3,926)**	**(6,469)**	**0**	**0**	**0**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2022/23 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	0	2,635	(2,635)		
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0		0		
Posting of HRA resources from revenue to the Major Repairs Reserve		3,887		(3,887)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	14,515	584			(15,100)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	323				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		2,282			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	1,269	223			
Total Adjustments between Revenue and Capital Resources	**16,107**	**9,611**	**(2,635)**	**(3,887)**	**(15,100)**
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			2,460		
Proceeds from the Repayment of Capital Loan			0		
Use of the Major Repairs Reserve to finance capital expenditure				2,888	
Application of capital grants to finance capital expenditure					21
Total Adjustments to Capital Resources	**0**	**0**	**2,460**	**2,888**	**21**
Total Adjustments in 2022/23	**12,181**	**3,142**	**(175)**	**(999)**	**(15,079)**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2021/22 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	(2,848)	(475)			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	4,253				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	94	5			
Financial Instruments (Fair Value and Impairment Adjustments)	(112)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(1,848)	(6,474)			
Total Adjustments to Revenue Resources	**(461)**	**(6,944)**	**0**	**0**	**0**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2021/22 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	209	2,922	(3,131)		
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(334)		334		
Posting of HRA resources from revenue to the Major Repairs Reserve		3,677		(3,677)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	6,099				(6,099)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	637				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		2,282			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	229	561			
Total Adjustments between Revenue and Capital Resources	**6,840**	**9,442**	**(2,797)**	**(3,677)**	**(6,099)**
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			3,697		
Proceeds from the Repayment of Capital Loan			0		
Use of the Major Repairs Reserve to finance capital expenditure				4,589	
Application of capital grants to finance capital expenditure					0
Total Adjustments to Capital Resources	**0**	**0**	**3,697**	**4,589**	**0**
Total Adjustments in 2021/22	**6,379**	**2,498**	**900**	**912**	**(6,099)**

Note 10. Transfers (To) / From Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

Earmarked Reserves	Balance at 1 April 2021	Reallocation*	Transfers Out	Transfers In	Balance at 31 March 2022	Transfers Out	Transfers In	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000
General Fund:								
Capital Investment Fund	(13,383)	(398)	226	(4,664)	(18,219)	(3,705)	1,173	**(20,751)**
Service Programme Fund (GF)	(3,528)	892	117	(110)	(2,629)	(237)	280	**(2,586)**
Investment in People	0	(830)	93		(737)	(250)	290	**(697)**
Climate Emergency Fund	(647)	(500)	49		(1,098)	(250)	0	**(1,348)**
Continuous Improvement Fund	(709)	(363)	80		(992)	0	10	**(982)**
Collection Fund Equalisation Reserve	(7,737)	250	6,623	(3,159)	(4,023)	(1,273)	2,194	**(3,102)**
Income and Cost Risk Fund	(2,746)	806		(1,500)	(3,440)	(460)	90	**(3,810)**
Repairs and Maintenance Fund	(500)		222	-	(278)	0	34	**(244)**
Insurance Fund	(346)	109		-	(237)	-	-	**(237)**
Emergencies Fund	(648)		195	-	(453)	0	6	**(447)**
Election Fund	(205)		31	(60)	(234)	(60)	25	**(269)**
Appeals and Legal Cost Fund	(334)	34		-	(300)	-	-	**(300)**
Maintenance of Open Spaces	(189)			-	(189)	-	-	**(189)**
Croft Road Car Park Fund	(469)			(72)	(541)	(41)	34	**(548)**
SAMMS Fund	(1,282)		12	(293)	(1,563)	(741)	19	**(2,285)**
SANGS Fund	(3,446)		46	(1,096)	(4,496)	(1,458)	156	**(5,798)**
Air Quality Monitoring	(63)		5		(58)	0	0	**(58)**
HRA:								
Service Programme Fund (HRA)	(89)		6		(83)	(11)	68	**(26)**
Priorities and Initiatives Fund	(3,951)				(3,951)	-	-	**(3,951)**
Maintenance Fund (HRA)	(340)		9	(36)	(367)	(32)	82	**(317)**
Total	**(40,612)**	**0**	**7,714**	**(10,990)**	**(43,888)**	**(8,518)**	**4,461**	**(47,945)**

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Note 10. Transfers (To) / From Earmarked Reserves (continued)
The earmarked reserves are held for the following purposes:

General Fund:

Capital Investment Fund - Funds for future capital investment.

***Service Programme** Fund* (GF) - Funds for use in future years on a range of specific service programmes of activity.

Investment in People - Fund for the development and training of Council staff.

Climate Emergency Initiatives Fund - This has been set up to fund the Council's Climate Emergency Initiatives priorities.

Continuous Improvement Fund - Funds for 'Invest to Improve' and 'Invest to Save' initiatives.

Collection Fund Equalisation Reserve - This has been set up due to the potential impact of Covid-19 on the Collection Fund in future years.

Income and Cost Risk Fund - Funds held to manage the risk of specific service income and funding streams falling below expected levels.

Repairs and Maintenance Fund - Funds to cover costs of any significant unexpected building repairs required.

Insurance Fund - Funds to meet the costs relating to liability in respect of Municipal Mutual Insurance Scheme of Arrangement and to provide self-insurance for small claims.

Emergencies Fund - Funds to cover costs of emergencies arising in the district.

Election Fund - Funds are reserved here to cover the costs of District Council Elections.

Appeals and Legal Cost Fund - Funds to cover the legal costs for planning appeals.

Maintenance of Open Spaces - Funds to meet the costs of maintaining open spaces in the General Fund.

Croft Road Car Park Fund - Funds set aside to meet maintenance costs on Croft Road Car Park, Crowborough. This reserve is funded from annual maintenance cost contributions received from Waitrose.

Strategic Access Management & Monitoring Strategy (SAMMS) Fund - This reserve holds income received from developers in order to pay for future costs of SAMMS for the Ashdown Forest Special Protection Area in perpetuity. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest. The Council is in the process of developing an agreement with Lewes, Tandridge, Mid Sussex and Tunbridge Wells councils to administer and hold their SAMMS income in future.

Suitable Alternative Natural Green Spaces (SANGS) Fund - This reserve holds income from the Council and other authorities, received from developers, in order to pay for Suitable Alternative Natural Green Spaces. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest Special Protection Area. The Council holds income in reserves to meet future management costs.

Air Quality Monitoring Fund - Air Quality Monitoring Fund to meet future expenditure requirements.

HRA:

Service Programme Fund - Funds for use in future years on a range of specific service programmes of activity within the Housing Revenue Account.

Priorities and Initiatives Fund - Funds set aside for meeting the costs of Decarbonisation works to HRA Properties

Maintenance Fund - A ring-fenced account to hold contributions from leaseholders towards future costs for communal repairs of specific retirement living courts.

Note 11a. Segmental Income

Fees and charges income received on a segmental basis, as reflected in the CIES is analysed below.*

2021/22 £000	Income Analysis	2022/23 £000	£000
	Fees, charges and other service income		
(1)	Members		0
(581)	Chief Executive's Directorate		(159)
	Directorate of Community & Customer Services		
(2,255)	Refuse & Recycling (incl. Recycling Credits)	(2,373)	
(2,572)	Other Service Income	(2,733)	
(4,827)			**(5,106)**
	Directorate of Planning, Policy & Environmental Services		
(2,558)	Development Management	(1,449)	
(1,259)	Building Control	(1,232)	
(269)	Licensing	(276)	
(413)	Local Land Charges	(270)	
(1,706)	Other Service Income	(2,742)	
(6,205)			**(5,969)**
(827)	Legal Governance & Strategic Properties		**(440)**
(15,671)	Housing Revenue Account[1]		(16,785)
(12)	Corporate		6
(28,124)	**Total income analysed on a segmental basis**		**(28,453)**

1 Housing Revenue Account service income is analysed on the HA Income and Expenditure Statement.

Income has been recognised upon the satisfaction of a performance obligation in line the requirements of IFRS 15 Revenue from Contracts with Customers.

*During 2022/23 there was a departmental restructure, which included the creation of a new directorate, therefore the 2021/22 cost of services have been adjusted to reflect the new structure so that it is comparable to 2022/23

Note 11b. Expenditure and Income Analysed by Nature

Expenditure and income reflected in the CIES is analysed by nature below.

2021/22 £000	Expenditure Analysis	2022/23 £000
	Expenditure	
19,417	Employee benefits expenses	20,620
45,468	Other services expenses	43,510
6,464	Depreciation, amortisation, revaluation/ impairment losses / (reversals)	5,041
2,512	Interest payments	3,280
213	Financial Instrument Adjustments	2,076
7,315	Precepts and levies	7,613
334	Payments to the Housing Capital Receipts Pool	0
(1,223)	(Gain) / Loss on the disposal of assets	44
80,500	**Total expenditure**	**82,184**
	Income	
(28,124)	Fees, charges and other service income	(28,453)
(884)	Interest and investment income	(3,519)
(27,083)	Income from council tax and non-domestic rates	(28,244)
(36,783)	Grants and contributions	(41,874)
(92,874)	**Total income**	**(102,090)**
(12,374)	**(Surplus) / Deficit on the Provision of Services**	**(19,906)**

Note 12. Other Operating Expenditure

Other operating expenditure includes the following items:

2021/22 £000	Other Operating Expenditure	2022/23 £000
7,232	Parish & Town Council Precepts	7,527
83	Levies	86
334	Payments to the Government housing capital receipts pool	0
(1,223)	(Gain) / Loss on disposal of non current assets	44
6,426	**Total**	**7,657**

Note 13. Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

2021/22 £000	Financing and Investment Income and Expenditure	2022/23 £000
1,816	Interest payable and similar charges	2,525
707	Net interest on the net defined benefit liability	761
(797)	Interest receivable and similar income	(3,250)
(54)	Income and expenditure in relation to investment properties	(134)
(557)	Changes in fair value of investment properties	(33)
213	Financial Instruments adjustments *	2,076
1,328	**Total**	**1,945**

* The Financial Instruments adjustments figure for 2021/22 includes an adjustment amount of (£16k) in respect of Sussex Weald Homes 2020/21 fair value.

Note 14. Taxation and Non-Specific Grant Income and Expenditure

Taxation and non-specific grant income and expenditure includes the following items:

2021/22 £000	Taxation and Non-Specific Grant Income and Expenditure	2022/23 £000
(20,512)	Council Tax Income	(21,299)
(11,278)	Non Domestic Rates Income (Gross)	(11,607)
(209)	Non Domestic Rates Income - Renewable Energy Disregards	(228)
(6,005)	Non Domestic Rates - Section 31 Grants Receivable from Government	(6,003)
9,909	Non Domestic Rates - Tariff Payable	9,909
2,025	Non Domestic Rates - Levy Payable	2,010
(1,012)	Government Levy Account Surplus distribution	(1,027)
(1,618)	Non-ringfenced Government Grants	(2,800)
(5,591)	Capital Grants and Contributions	(15,709)
(176)	New Burdens Grants	0
(796)	Covid Grants	0
(35,263)	**Total**	**(46,754)**

Note 15. Property, Plant and Equipment & Heritage Assets

The table below provides a reconciliation from the carrying amount of property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Property, Plant and Equipment 2022/23	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2022	240,288	51,851	1,304	5,966	5,893	3,389	**308,691**
Additions	5,076	735	355	0	0	3,934	**10,100**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	8,927	1,253	0	0	24	0	**10,204**
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(143)	(652)	0	0	0	0	**(795)**
Derecognition - Disposals	(2,724)	0	0	0	0	0	**(2,724)**
Assets re-classified from Assets Under Construction	2,913	0	0	0	0	(2,913)	**0**
At 31 March 2023	**254,337**	**53,187**	**1,659**	**5,966**	**5,917**	**4,410**	**325,476**
Accumulated Depreciation & Impairment							
At 1 April 2022	0	0	(648)	0	(1,110)	0	**(1,758)**
Depreciation charge	(3,861)	(699)	(310)	0	0	0	**(4,870)**
Depreciation written out to the Revaluation Reserve on revaluation	3,353	480	0	0	0	0	**3,833**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	464	168	0	0	0	0	**632**
Impairment Losses Recognised in the Surplus on Provision of Services	0	0	0	0	0	0	**0**
De-recognition - Disposals	44	0	0	0	0	0	**44**
At 31 March 2023	**0**	**(51)**	**(958)**	**0**	**(1,110)**	**0**	**(2,119)**
Net Book Value at 31 March 2023	**254,337**	**53,136**	**701**	**5,966**	**4,807**	**4,410**	**323,357**
Net Book Value at 31 March 2022	**240,288**	**51,851**	**656**	**5,966**	**4,783**	**3,389**	**306,933**

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2021/22	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2021	220,917	50,417	1,060	5,959	2,718	1,220	**282,291**
Additions	8,523	317	259	7	0	3,052	**12,158**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	13,758	2,820	0	0	1,513	0	**18,091**
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(268)	(1,703)	0	0	76	0	**(1,895)**
Derecognition - Disposals	(1,939)	0	(15)	0	0	0	**(1,954)**
Assets re-classified from Assets Under Construction	883	0	0	0	0	(883)	**0**
Assets re-classified as Surplus Asset *	(1,586)	0	0	0	1,586	0	**0**
At 31 March 2022	**240,288**	**51,851**	**1,304**	**5,966**	**5,893**	**3,389**	**308,691**
Accumulated Depreciation & Impairment							
At 1 April 2021	0	0	(408)	0	0	0	**(408)**
Depreciation charge	(3,651)	(681)	(255)	0	0	0	**(4,587)**
Depreciation written out to the Revaluation Reserve on revaluation *	3,188	477	0	0	(54)	0	**3,611**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	432	204	0	0	0	0	**636**
Impairment Losses Recognised in the Surplus on Provision of Services *	0	0	0	0	(1,056)	0	**(1,056)**
De-recognition - Disposals	31	0	15	0	0	0	**46**
At 31 March 2022	**0**	**0**	**(648)**	**0**	**(1,110)**	**0**	**(1,758)**
Net Book Value at 31 March 2022	**240,288**	**51,851**	**656**	**5,966**	**4,783**	**3,389**	**306,933**
Net Book Value at 31 March 2021	**220,917**	**50,417**	**652**	**5,959**	**2,718**	**1,220**	**281,883**

*amended between Council Dwellings and Surplus Assets (£1.110 million), lines - Asset reclassified as Surplus Asset including associated depreciation and impairment loss. No change in Property, Plant & Equipment Total.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Heritage assets are measured at valuation (or cost) which may be made by any method that is appropriate and relevant. The Council has three heritage assets: Old Pavilion Cinema, Argos Hill Windmill, and Jack Cade Memorial. The Council's external valuers; Wilks Head & Eve LLP has determined that as at 31 March 2023 there was adequate information to enable the cinema to be revalued (prior to 31 March 2020, all the heritage assets were carried at cost). The valuation was carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuer has deemed the cinema should be valued using the depreciated replacement method to assess its current value in existing use as at 31 March 2023, which has led to a valuation gain of £0.059 million as shown in the table below.

2021/22 £000	Movement in Heritage Assets	2022/23 £000
809	Balance at 1 April	849
0	Additions	0
0	Disposals	0
(14)	Depreciation	(14)
54	Net gains / (losses) from fair value adjustments	59
849	**Balance at 31 March**	**894**

Non-operational Property, Plant and Equipment - Surplus Assets:

Fair Value Hierarchy & Valuation Techniques:

All of the Council's surplus assets are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the surplus assets is based on the market approach using current market conditions consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use:

The fair value of the surplus assets has been estimated based on their highest and best use. The current use of these assets differs from their highest and best use in some cases. This is due to the fact that the assets are being held vacant and non-operational pending decisions regarding their future development or disposal by the Council.

Depreciation:

The following useful economic lives have been used in the calculation of depreciation:

Council Dwellings (structure)	56 to 60 years
Council Dwellings (replaceable components)	15 to 40 years
Other & Land Buildings	24 to 60 years
Vehicles, Plant, Furniture & Equipment	5 to 10 years

Assets Under Construction:

The balance of £4.410 million in Assets Under Construction at 31 March 2023 includes capital expenditure of £3.512 million incurred on HRA new build council dwellings and £0.422 million on Mayfield Medical and Community Centre and Farningham Road in the course of development at the reporting date.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Capital Commitments:

At 31 March 2023, the Council has entered into contracts for the construction and enhancement of Property Plant and Equipment in 2022/23 and future years. The significant commitments are as follows:

Capital Commitments	31 March 2022 £000	31 March 2023 £000
HRA New Builds: Cart Barn	2,724	837
HRA New Builds: Park Farm	466	0
HRA New Builds: Old Sation Wadhurst	2,025	1,350
HRA New Builds: Streatfield House	0	5,695
HRA: Joan Hughes Court Refurbishment	198	85
HRA: Fire Door replacement programme	716	100

Reclassifications:

In 2022/23, the following assets have been reclassified:

- The completed development of 9 new build council dwellings in Maresfield (Park Farm development) in October 2022.
- The completion of 2 new build council Dwellings in Wadhurst (Old Station Road development) in March 2023.

In 2021/22, the following assets were reclassified:

- The completed development of 4 new build council dwellings in Hailsham (Mill Road development) in August 2021.

Revaluations:

The Council carries out a rolling programme that ensures that all Property Plant and Equipment required to be measured at current value is revalued every five years as a minimum, and at more frequent intervals as required to keep pace with material changes in current value.

Assets Under Construction and Vehicles, Plant, Furniture and Equipment values are based on their historical cost. The table below shows the effective date of valuation for assets within each category of Property Plant and Equipment.

Land and buildings assets not valued in year have been reviewed to confirm that their carrying amounts do not differ materially from their current value at 31 March 2023.

The significant assumptions used in estimating the current values are as follows:

- Good title can be shown and the property is not subject to unusual or onerous restrictions, encumbrances or outgoings;
- That an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- That there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation; and
- That the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Revaluations	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost		78	701	5,966		4,410	**11,155**
Valued at current value as at:							
31 March 2022		11,163			2,509		**13,672**
31 March 2023	254,337	41,895			2,298		**298,530**
Total Net Book Value	**254,337**	**53,136**	**701**	**5,966**	**4,807**	**4,410**	**323,357**

Note 16. Investment Property

Movement in Fair Value of Investment Property:

The movement in the fair value of investment properties is shown in the table below:

2021/22 £000	Movement in Fair Value of Investment Property	2022/23 £000
2,406	Balance at 1 April	2,963
0	Additions	0
0	Disposals	0
557	Net gains / (losses) from fair value adjustments	34
2,963	**Balance at 31 March**	**2,997**

The fair value of the Council's investment property is measured annually at each reporting date. The valuations are carried out by an independent valuer. For 2021/22 and 2022/23, this was Wilks Head & Eve LLP. The valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. There is regular liaison between the valuer and the Council's finance officers regarding all valuation matters.

Fair Value Hierarchy & Valuation Techniques:

All of the Council's investment properties shown above are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the investment properties is based on the market approach using current market conditions consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use of Investment Properties:

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Note 17. Financial Instruments

Financial instruments are recognised on the balance sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities:

Financial liabilities are initially measured at fair value and then at amortised cost. For the Council's borrowing this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement ("CIES") are based on the carrying amount of the liability, multiplied by the rate of interest for the instrument.

Financial Assets:

To meet the financial instruments accounting standard requirements (IFRS 9), financial assets are now classified into one of three categories:

1. *Financial assets held at amortised cost* - represented by loans or loan type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal due plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
2. *Fair Value through Other Comprehensive Income* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account with the balance debited or credited to the CIES when the asset is disposed of.
3. *Fair Value Through Profit or Loss* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Allowances for impairment losses have been calculated for amortised cost assets applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are taken to the Financing and Investment Income and Expenditure line in the CIES.

Note 17. Financial Instruments (continued)

Categories of Financial Instruments:

The following categories of financial instrument are carried in the Balance Sheet:

Categories of Financial Assets	Long Term		Current	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Financial Assets				
Investments				
At amortised cost:				
Principal			5,000	5,000
Accrued interest			9	48
At fair value through profit and loss:				
Fair value [1]	19,470	17,635	94	74
Total Investments	**19,470**	**17,635**	**5,103**	**5,122**
Cash and Cash Equivalents				
At amortised cost:				
Principal			29,661	33,615
Accrued interest			23	290
At fair value through profit and loss:				
Fair value			29,000	35,000
Total Cash and Cash Equivalents	**0**	**0**	**58,684**	**68,905**
Debtors				
At amortised cost:				
Trade receivables			5,404	7,800
Loss allowance			(787)	(723)
Loan to subsidiary	10,000			12,000
Loss allowance	(41)			(346)
Accrued interest				
At fair value through profit and loss:				
Decent Homes loans	19	27		
Included in Debtors [2]	**9,978**	**27**	**4,617**	**18,731**
Total Financial Assets	**29,448**	**17,662**	**68,404**	**92,758**

1 **Fair Value includes Unquoted Equity Investments**
The Council has a shareholding in Sussex Weald Homes Limited (representing 100% of the company's capital). The shares have a nominal value of £3.429 million. Fair value has been arrived at by including retained earnings to date, the fair value as at 31 March 2023 was £3.998 million (£4.467 million as at 31 March 2022). The company was formed in December 2016 and had no established trading history. There are also no established companies with similar aims in the Council's area whose shares are traded and which might provide comparable market data. The Council has no current intention to dispose of the shareholding.

Note 17. Financial Instruments (continued)

[2] *Debtors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Included in Financial Assets	9,978	27	4,617	18,731
Debtors that do not meet the definition of a financial asset:				
Statutory Debtors			9,757	8,625
Prepayments			661	549
Total Debtors	**9,978**	**27**	**15,035**	**27,905**

Categories of Financial Liabilities	Long Term		Current	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Financial Liabilities				
Borrowings				
Loans at Amortised Cost:				
Principal sum borrowed	(54,312)	(44,312)		(10,000)
Accrued interest			(55)	(55)
Total Borrowings	**(54,312)**	**(44,312)**	**(55)**	**(10,055)**
Creditors				
Liabilities at amortised cost	(14,782)	(13,675)	(5,091)	(8,928)
Included in Creditors[3]	**(14,782)**	**(13,675)**	**(5,091)**	**(8,928)**
Total Financial Liabilities	**(69,094)**	**(57,987)**	**(5,146)**	**(18,983)**

[3] *Creditors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Included in Financial Liabilities	(14,782)	(13,675)	(5,091)	(8,928)
Creditors that do not meet the definition of a financial liability:				
Statutory Creditors			(14,320)	(11,298)
Income in Advance			(11,176)	(2,763)
Total Creditors	**(14,782)**	**(13,675)**	**(30,587)**	**(22,989)**

Note 17. Financial Instruments (continued)

Items of Income, Expense, Gains and Losses Recognised in the Comprehensive Income and Expenditure Statement

The follow table provides a breakdown of the financial instrument items of income, expenditure and gains/ losses recognised in the CIES.

	2021/22				2022/23			
Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**
Interest Expense	1,604			1,604	2,519			2,519
Losses on Derecognition				0				0
(Gains)/Losses from change in fair value			(75)	(75)			469	469
Impairment losses		142		142		241		241
Fees Paid				0		6		6
Interest Payable and Similar Charges	**1,604**	**142**	**(75)**	**1,671**	**2,519**	**247**	**469**	**3,235**
Interest Income		(55)		(55)		(1,904)		(1,904)
Dividend Income			(530)	(530)			(1,346)	(1,346)
(Gains) / loss from changes in fair value			146	146			1,366	1,366
Interest and Investment Income	**0**	**(55)**	**(384)**	**(439)**	**0**	**(1,904)**	**20**	**(1,884)**
Recognised in the (surplus)/deficit on provision of services	**1,604**	**87**	**(459)**	**1,232**	**2,519**	**(1,657)**	**489**	**1,351**
Net (Gain) / Loss for the Year	**1,604**	**87**	**(459)**	**1,232**	**2,519**	**(1,657)**	**489**	**1,351**

Note 17. Financial Instruments (continued)

Financial Instruments Fair Values:

In previous year's financial assets classified as available-for-sale were carried in the balance sheet at fair value. These assets comprised Money Market Funds and a Property Fund. The fair value was taken from the market price.

With the adoption of accounting standard IFRS 9 Financial Instruments from 2018/19, the 'available - for - sale' category is no longer available. The standard requires that investments in equity be classified as fair value through profit and loss unless there is an irrevocable election to designate an asset as fair value through other comprehensive income.

Financial assets classified as loans and receivables and all financial liabilities are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the following table. The analysis shows at which level in the fair value hierarchy that the instruments have been measured. The fair value hierarchy includes three levels as follows:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.

Level 2 Inputs: Other than quoted prices that are observable for the asset or liability, either directly or indirectly. E.g. interest rates or yields for similar instruments.

Level 3 Inputs: Unobservable inputs for the asset or liability. E.g. non-market data such as cash flow forecasts or estimated creditworthiness.

There have been no transfers between levels of the hierarchy or changes in valuation technique during the year.

Note 17. Financial Instruments (continued)

The table shows that the fair value of financial liabilities held at amortised cost is higher than the carrying amount. This is because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders above current market rates.

Fair value of Financial Liabilities	Fair Value Level	31 March 2022 Carrying Amount £000	31 March 2022 Fair Value £000	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000
Financial Liabilities held at amortised cost:					
PWLB Borrowing	2	(54,367)	(40,334)	(54,367)	(47,585)
Total		**(54,367)**	**(40,334)**	**(54,367)**	**(47,585)**
Liabilities for which fair value is not disclosed[1]:		(19,873)		(22,603)	
Total Financial Liabilities		**(74,240)**		**(76,970)**	
Recorded on Balance Sheet as:					
Short Term Creditors		(5,091)		(8,928)	
Short Term Borrowing		(55)		(10,055)	
Long Term Creditors		(14,782)		(13,675)	
Long Term Borrowing		(54,312)		(44,312)	
Total Financial Liabilities		**(74,240)**		**(76,970)**	

1 The fair value of short term financial liabilities including trade payables is assumed to be approximate to carrying amount.

Fair value of Financial Assets	Fair Value Level	31 March 2022 Carrying Amount £000	31 March 2022 Fair Value £000	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000
Financial assets held at fair value:					
Money Market Funds	1	29,000	29,000	35,000	35,000
Diversified Income Bonds	1	15,098	15,098	13,637	13,638
Shares in subsidiary	3	4,467	4,467	3,998	3,998
Decent Homes loan	2	19	19	27	27
Financial assets held at amortised cost:					
Loans to Local Authorities	2	26,032	25,998	20,412	20,134
Loans to Subsidiary	3	9,959	10,009	11,654	11,185
Total		**84,575**	**84,591**	**84,728**	**83,982**

Note 17. Financial Instruments (continued)

Assets for which fair value is not disclosed[1]	31 March 2022 Carrying Amount £000	31 March 2023 Carrying Amount £000
Bank Current Account	8,660	18,615
Trade Receivables	4,617	7,077
Total Financial Assets	**97,852**	**110,420**
Recorded on Balance Sheet as:		
Long Term Debtors	9,978	27
Long Term Investments	19,470	17,635
Short Term Debtors	4,617	18,731
Short Term Investments	5,103	5,122
Cash and Cash Equivalents	58,684	68,905
Total Financial Assets	**97,852**	**110,420**

1 The fair value of short term financial assets including current bank account balances and trade receivables is assumed to be approximate to carrying amount.

Note 18. Debtors

The following two tables provide a breakdown of short terms and long term debtors.

(a) Short Term Debtors

31 March 2022				31 March 2023		
Gross Debt £000	Impair -ment £000	Net of Impair -ment £000	Short Term Debtors	Gross Debt £000	Impair -ment £000	Net of Impair -ment £000
3,369		3,369	Central Government Bodies	997		997
4,781		4,781	Local Authorities	4,981		4,981
1		1	NHS Bodies	0		0
10		10	Public Corporations & Trading Funds	0		0
0		0	Loan to subsidiary*	12,000	(346)	11,654
9,717	(2,843)	6,874	Other Entities & Individuals	13,105	(2,832)	10,273
17,878	**(2,843)**	**15,035**	**Total**	**31,083**	**(3,178)**	**27,905**

* Loan to subsidiary was classified as long-term debtor in 2021/22 – see note 18 (b) on the next page.

Note 18. Debtors (continued)

(b) Long Term Debtors

31 March 2022 £000		Long Term Debtors	31 March 2023 £000
19		Decent Home Loans	27
9,959	*	Loan to subsidiary	0
9,978		**Total**	**27**

* 2021/22 loan to subsidiary includes an impairment of £0.041 million.

Note 19. Creditors

The following two tables provide a breakdown of short term and long term creditors.

(a) Short Term Creditors

31 March 2022 £000		Short Term Creditors	31 March 2023 £000
21,224	*	Central Government Bodies	6,752
2,140		Local Authorities	3,408
5,941		Other Entities & Individuals	9,556
1,282		Balance of Section 106 Monies	3,273
30,587		**Total**	**22,989**

* Includes £9.3 million Receipts in Advance (£6.3m Council Tax Rebate Energy Payments 2022/23 and £2.5 million Covid Additional Relief Payments Grants 2022/23)

(b) Long Term Creditors

31 March 2022 £000	Long Term Creditors	31 March 2023 £000
13,253	Balance of Section 106 Monies	12,123
1,529	SAMMS Contributions	1,552
14,782	**Total**	**13,675**

At 31 March 2023, the total creditor balance in respect of Section 106 contributions was £12.123 million. These contributions are required to be held by the Council until the conditions in the agreement have been met or for ten years, after which the amount must be refunded to the owner of the land. In determining whether the creditor should be classified as long term or short term, information is obtained from the planning service to identify those schemes where there is evidence available that conditions in the Section 106 agreement are likely to be met within 12 months of the balance sheet date, or where the ten year limit will expire within 12 months of the balance sheet date, and these balances are consequently classified as short term creditors. All other balances held are classified as long term creditors.

Note 20. Provisions

The following table provide a breakdown of the provisions.

2021/22					2022/23			
Business Rates Appeals	Outstanding Legal cases	HRA Council Dwellings Rent Liability	Total		Business Rates Appeals	Outstanding Legal cases	HRA Council Dwellings Rent Liability	Total
£000	£000	£000	£000		£000	£000	£000	£000
(2,320)	(156)	(266)	(2,742)	Balance at 1st April	(1,723)	(12)	(266)	(2,001)
135	76		211	Additional provisions made in year	656	(10)		646
462	68		530	Amounts used in year	153	4	216	373
(1,723)	**(12)**	**(266)**	**(2,001)**	**Balance at 31 March**	**(914)**	**(18)**	**(50)**	**(982)**

Business Rates Appeals

Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses in 2022/23 and earlier financial years in their proportionate share. Therefore, a provision of £1.723 million was recognised at 31 March 2022 for the Council's attributable share of the best estimate of the amount that may be required to be repaid to businesses that had been overcharged up to 31 March 2022. The estimate was calculated using information on outstanding appeals at 31 March 2022 and success rates for settled appeals provided by the Valuation Office Agency.

The latest information from the Valuation Office Agency has been used to estimate the provision required at 31 March 2023 for appeals against the 2010 List that remain outstanding at the balance sheet date. Also, the appeals process changed with effect from April 2017 following the introduction of 'Check, Challenge, Appeal'. This introduced two initial stages prior to the appeal stage. Therefore, the overall provision has been calculated on the basis of experience in regards to the 2010 List and by the use of a detailed analysis of 'likely threats' provided by a specialist agency. This has resulted in an overall decrease to the Council's share of the provision to £0.914 million.

Outstanding Planning Enforcement Appeals

In 2022/23 there was one occasion where costs awarded against the Council were not settled by 31 March 2023. It was in respect of a planning application appeal, and in line with the Codes requirements, it has been classified as a provision.

There are two planning appeals outstanding from 2021/22; one was partly settled in 2022/23 for £0.004 million, and the other remains fully outstanding.

Housing Revenue Account - Dwellings Rent

A provision of £0.266 million was made for an estimated rent liability from the prior five year period ending 2020/21. A small proportion of properties had been re-let above the government's formula rent level and so require adjustments to be made to correct this. A total of £0.216 million adjustments were made in 2022/23 leaving a balance of £0.050 million for this provision.

Note 21. Useable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement with further analysis provided in Note 9 Adjustments Between Accounting Basis and Funding Basis Under Regulations and Note 10 Transfers To / From Earmarked Reserves.

A description of the nature and purpose of the Council's usable reserves is set out below.

General Fund:

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all the liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year. However, the balance is not available to be applied to funding HRA services.

Earmarked Reserves:

These are reserves into which amounts are set aside from the General Fund and HRA balances in order to provide financing for future expenditure plans and from which amounts are posted back to meet General Fund and HRA expenditure. The details of each earmarked reserve are provided in Note 10 Transfers To / From Earmarked Reserves.

Housing Revenue Account:

The Housing Revenue Account (HRA) Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function.

Usable Capital Receipts Reserve:

The Usable Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at year end.

Major Repairs Reserve:

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. In previous years, the amount transferred to this reserve was based on a historical Major Repairs Allowance. With effect from 2017/18, the amount transferred into the reserve is based on the total of depreciation for the year charged to the HRA. The balance on the reserve shows the resources that have yet to be applied at the year end.

Capital Grants Unapplied Account:

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Note 22. Unusable Reserves

The following table provide a summary of the Council's unusable reserves.

31 March 2022 £000	Unusable Reserves	Note 22	31 March 2023 £000
(46,117)	Revaluation Reserve	(a)	(59,144)
(186,854)	Capital Adjustment Account	(b)	(189,369)
30,689	Pensions Reserve	(c)	2,881
2,789	Collection Fund Adjustment Account	(d)	261
377	Accumulated Absences Account	(e)	319
(4)	Pooled Investment Fund Fair Value Adjustment Reserve	(f)	1,362
(199,120)	**Total Unusable Reserves**		**(243,690)**

(a) Revaluation Reserve:

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment and Heritage Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22 £000	Revaluation Reserve	2022/23 £000	£000
(24,856)	Balance at 1 April		(46,117)
(22,391)	Upward revaluation of assets	(14,576)	
635	Downward revaluation of assets and impairment losses not charged to the Surplus on Provision of Services	481	
(21,756)	**(Surplus) or Deficit on revaluation of non current assets not posted to the (Surplus)/Deficit on the Provision of Services**		**(14,095)**
374	Difference between fair value depreciation and historical cost depreciation	701	
121	Accumulated gains on assets sold or scrapped	367	
495	**Net amount transferred to the Capital Adjustment Account**		**1,068**
(46,117)	**Balance at 31 March**		**(59,144)**

Note 22. Unusable Reserves (continued)

(b) Capital Adjustment Account:

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisation are charged to the Comprehensive Income & Expenditure Statement with reconciling postings from the Revaluation Reserve to convert current value in existing use figures to a historical cost basis. The Account is credited with amounts set aside by the Council as finance for the costs of acquisition, construction or enhancement.

The Account contains accumulated gains and losses on Investment Properties. It also contains revaluation gains on Property, Plant & Equipment accumulated before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2021/22 £000	Capital Adjustment Account	2022/23 £000	£000
(182,651)	Balance at 1 April		(186,854)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:		
4,601	Charges for depreciation and impairment of non-current assets	4,885	
2,315	Revaluation (gains) / losses on Property, Plant & Equipment	131	
105	Amortisation of intangible assets	25	
683	Revenue expenditure funded from capital under statute	1,376	
1,908	Amounts of non-current assets written off on disposal as part of the gain / loss on disposal posted to the CIES	2,679	
9,612			9,096
(34)	Impairment/fair value movement on subsidiary company		774
(495)	Adjusting amounts written out of the Revaluation Reserve		(367)
9,083	**Net written out amount of the cost of non-current assets consumed in the year**		**9,503**
	Capital financing applied in the year:		
(3,698)	Use of the Capital Receipts Reserve to finance new capital expenditure	(2,460)	
(4,589)	Use of the Major Repairs Reserve to finance new capital expenditure	(2,888)	
(733)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(1,851)	
0	Application of grants to capital financing from the Capital Grants Unapplied Account	(21)	
(637)	Statutory provision for the financing of capital investment charged against the General Fund balance	(323)	
(2,282)	Voluntary provision for the financing of capital investment charged against the HRA balance	(2,282)	
(790)	Capital expenditure charged against the General Fund and HRA balances	(1,492)	
(12,729)			**(11,317)**
(557)	Movements in the market value of Investment Properties credited to the CIES		(701)
(186,854)	**Balance at 31 March**		**(189,369)**

Note 22. Unusable Reserves (continued)

(c) Pensions Reserve:

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and the funding of benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income & Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund, or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £000	Pensions Reserve	2022/23 £000
36,797	Balance at 1 April	30,689
(9,431)	Remeasurements of the net defined benefit liability	(31,401)
6,183	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	6,409
(2,860)	Employer's pensions contributions and direct payments to pensioners payable in the year	(2,816)
30,689	**Balance at 31 March**	**2,881**

(d) Collection Fund Adjustment Account:

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income and non-domestic rates income in the Comprehensive Income & Expenditure Statement as it falls due from the council tax payers and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2021/22 £000	Collection Fund Adjustment Account	2022/23 £000
7,042	Balance at 1 April	2,789
(136)	Amount by which the council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(5)
(4,117)	Amount by which the non-domestic rates income credited to the Comprehensive Income & Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(2,523)
2,789	**Balance at 31 March**	**261**

Note 22. Unusable Reserves (continued)

(e) Accumulated Absences Account:

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance and Housing Revenue Account Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance and Housing Revenue Account Balance is neutralised by transfers to or from the Account.

2021/22 £000	Accumulated Absences Account	2022/23 £000
475	Balance at 1 April	377
(475)	Settlement or cancellation of accrual made at the end of the preceding year	(377)
377	Amounts accrued at the end of the current year	319
(98)	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(58)
377	**Balance at 31 March**	**319**

(f) Pooled Investment Fund Fair Value Adjustment Reserve:

In compliance with IFRS 9 the cumulative variance between the nominal value and the fair value of pooled investments held at the end of each year is taken to the reserve account.

2021/22 £000	Pooled Investment Fund Fair Value Adjustment Reserve	2022/23 £000
(150)	Balance at 1 April	(4)
146	(Increase) / decrease in value in current year	1,366
(4)	**Balance at 31 March**	**1,362**

Note 23. Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2021/22 £000	Cash Flow Statement: Operating Activities	2022/23 £000
722	Interest received	2,981
(1,785)	Interest paid	(2,393)

Note 23. Cash Flow Statement: Operating Activities (continued)

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2021/22 £000	Adjustments for Non-Cash Movements	2022/23 £000
4,707	Depreciation and amortisation	4,911
2,314	Impairments and revaluations	164
99	Increase in impairment for bad debts	294
3,261	Decrease in creditors	(10,883)
(740)	Increase/ (decrease) in provisions	(1,020)
229	Increase in debtors	(15,333)
3,323	Movement in pension liability	3,586
1,908	Carrying amount of non-current assets sold or de-recognised	2,679
(557)	(Increase) in fair value of investment property	(33)
33	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	2,351
14,577	**Total adjustment for non-cash movements**	**(13,284)**

The (Surplus)/Deficit on Provision of Services has been adjusted for the following items that are investing and financing activities:

2021/22 £000	Adjustments for Investing and Financing Activities	2022/23 £000
(3,131)	Proceeds from the sale of property, plant & equipment net of disposal costs	(2,635)
(7,342)	Capital grants credited to the Comprehensive Income and Expenditure Statement	(16,950)
(10,473)	**Total adjustment for items that are investing and financing activities**	**(19,585)**

Note 24. Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following items:

2021/22 £000	Cash Flow Statement: Investing Activities	2022/23 £000
(12,329)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(9,614)
8,000	Proceeds/ (Purchase) of short term investments	0
3,131	Proceeds from the sale of property, plant & equipment	2,635
7,029	Capital grants received	16,440
(10,000)	Loan (Advance)/ Repayment to Sussex Weald Homes Limited	10,000
(5,000)	(Purchase)/ Proceeds from long term investments	0
(9,169)	**Net cash flows from investing activities**	**19,461**

Note 25. Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items:

2021/22 £000	Cash Flow Statement: Financing Activities	2022/23 £000
(3,458)	Increase / (decrease) in Covid creditors (agency arrangements)	57
(2,716)	Net cash (payments)/receipts in respect of Section 106 Agreements	861
5,231	(Payments) / Receipts in respect of Preceptors' and Government's shares of net cash collected for Council Tax and Non Domestic Rates	2,805
7,718	Net (Repayments)/ Additional short and long term borrowing	0
6,775	**Net cash flows from financing activities**	**3,723**

Note 26. Officer Remuneration, Exit Packages and Termination Benefits

Officer Remuneration

The remuneration paid to the Council's senior employees is shown below.

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive	2022/23	143,051	0	180	0	**143,231**	25,347	**168,578**
	2021/22	139,706	0	180	0	139,886	27,720	167,606
Director of Community & Customer Services [1]	2022/23	76,105	200	120	0	**76,425**	13,425	**89,850**
	2021/22	108,951	200	180	0	109,331	19,876	129,207
Director of Planning, Policy & Environmental Services [2]	2022/23	29,316	200	45	0	**29,561**	5,134	**34,695**
	2021/22	112,659	4,136	180	0	116,975	20,543	137,518
Director of Community [3]	2022/23	90,408	200	180	0	**90,788**	15,879	**106,667**
	2021/22	72,113	0	180	0	72,293	12,579	84,872
Director of Governance & Projects [4]	2022/23	97,863	0	180	0	**98,043**	16,997	**115,040**
	2021/22	83,748	0	180	0	83,928	14,714	98,642
Director of Place [5]	2022/23	97,506	200	180	0	**97,886**	17,093	**114,979**
	2021/22	77,471	200	180	0	77,851	13,599	91,450

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Head of Financial Services (Section 151 Officer)	2022/23	84,403	0	180	0	**84,583**	14,834	**99,417**
	2021/22	80,758	4,136	180	0	85,074	14,165	99,239
Head of People & Organisational Development	2022/23	71,595	0	180	0	**71,775**	12,439	**84,214**
	2021/22	13,014	0	34	0	13,048	2,265	15,313
Head of Business Services [6]	2022/23							
	2021/22	81,339	2,916	180	0	84,435	14,117	98,552
Head of Planning & Environmental Services	2022/23	77,611	200	180	0	**77,991**	13,175	**91,166**
	2021/22	71,222	0	180	0	71,402	12,386	83,788
Head of Housing	2022/23	73,983	200	180	0	**74,363**	12,925	**87,288**
	2021/22	70,162	200	180	0	70,542	12,229	82,771
Head of Customer, Digital & Benefits Services [7]	2022/23	64,084	200	180	0	**64,464**	11,469	**75,933**
	2021/22							

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Head of Legal & Governance Services [8]	2022/23	77,482	0	180	0	**77,662**	13,891	**91,553**
	2021/22							
Head of Planning Policy, Economy & Climate Change [9]	2022/23	38,395	0	96	0	**38,491**	6,649	**45,140**
	2021/22							
Head of Waste, Assets & Crematorium [10]	2022/23	59,353	200	180	0	**59,733**	10,349	**70,082**
	2021/22							
Head of Commercial & Assets [11]	2022/23	21,630	0	45	0	**21,675**	3,256	**24,931**
	2021/22	30,134	0	75	0	30,209	5,259	35,468
Head of Commercial & Assets [12]	2022/23	0	0	0	0	**0**	0	**0**
	2021/22	53,071	0	120	15,000	68,191	5,293	73,484

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)
Footnotes to tables on previous three pages:

1 The Director of Community & Customer Services left the post on 29/11/2022 and was replaced by the post of The Director of Community on 01/09/2022. There was a small crossover of posts to allow a smooth handover.

2 Director of Planning, Policy & Environmental services resigned from the post on 30/06/2022, prompting a restructure. This role was split into the Director of Governance & Projects, and the Director of Place.

3 The Head of Customer and Digital Services vacated the post on 31/08/2022, having been appointed to Director of Community on 01/09/2022. Actual figures for 2022/23 consist of 5 months as Head of Customer & Digital Services, and 7 months as Director of Community.

4 The Head of Legal & Governance Services vacated the post on 31/07/22 having been appointed into the post of Director of Governance & Projects on 01/08/22. The actual figures for 2022/23 consist of 4 months as Head of Legal and Governance Services and 8 months as Director of Governance and Projects.

5 The Head of Policy & Economic Development vacated the post on 31/05/2022 having been appointed into the post of Director of Place. The actual figures for 2022/23 consist of 2 months as Head of Policy and Economic Development and 10 months as Director of Place.

6 The Head of Business Services retired on 31/03/22, and was re-established into the role of Head of People & Organisational Development.

7 The Head of Customer, Digital & Benefits Services was appointed to the post on 01/10/2022.

8 The Head of Legal & Governance Services was appointed to the post on 01/10/2022.

9 The Head of Planning Policy, Economy & Climate Change was appointed to the post on 20/09/2022.

10 The Head of Waste, Assets & Crematorium was appointed to the post on 01/10/2022.

11 The replacement for Head of Commercial & Assets commenced 01/04/2022 and left the post on 30/06/2022.

12 The Head of Commercial Assets left the post on 31/08/2021 and received no salary in 2022/23.

Remuneration Banding:

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

Remuneration Band	2021/22 No. of Employees	2022/23 No. of Employees
£50,000 - £54,999	8	17
£55,000 - £59,999	10	7
£60,000 - £64,999	2	3
£65,000 - £69,999	2	1
£70,000 - £74,999	1	1

Exit Packages:

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

Exit package cost band	Number of compulsory redundancies		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22 £000	2022/23 £000
£0 - £20,000	0	0	3	1	38	4
£20,000 - £40,000	0	0	1	1	32	39
£40,000 - £60,000	0	0	0	0	0	0
£60,000 - £80,000	0	0	0	0	0	0
Total cost included in bandings and in the CIES					**70**	**43**

Termination Benefits:

The Council terminated the contract of 2 employees in 2022/23 incurring a cost of £43,000 as set out in the table above. The Council terminated the contract of 4 employees in 2021/22 at a cost of £70,000.

Note 27. Members Allowances

The Council paid the following amounts to members of the Council during the year:

2021/22 £000	Members Allowances	2022/23 £000
279	Allowances	292
6	Expenses	6
285	**Total**	**298**

Note 28 External Audit Costs

The Council has incurred the following costs (exclusive of VAT) in relation to the audit of the Statement of Accounts and the certification of grant claims.

2021/22 £000	External Audit Costs	2022/23 £000
69	Fees payable to the appointed auditor, with regard to external audit services carried out for the year	73
19	Fees payable for the certification of grant claim and returns for the year	20
6	Addtional Fee 2021/22*	2
16	Fees payable for the certification of grant claim and returns for 2021/22*	10
110	**Total**	**105**

* The additional 2021/22 fee of £1,500 was paid in 2022/23 relating to the 2021/22 accounts. The fees payable for the certification of grant claim and returns for 2021/22 had not been previously been accrued in the 2021/22 accounts.

Note 29 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

2021/22 £000	Grant Income	2022/23 £000
	Credited to Taxation and Non-specific Grant Income & Expenditure	
217	Rural Services Delivery Grant	555
1,401	New Homes Bonus Grant	2,245
6,005	Non Domestic Rates - Section 31 Grants Receivable from Government	6,003
5,591	General Fund Capital Grants and Contributions	14,838
0	Housing Revenue Account Capital Grants and Contributions	871
176	New Burdens Grants	0
126	Lower Tier Services Grant	0
670	General Covid Grants	0
14,186	**Total**	**24,512**

The above amounts are included in Note 14. Taxation and Non-Specific Grant Income and Expenditure.

Note 29 Grant Income (continued)

2021/22 £000	Grant Income	2022/23 £000
	Credited to Services	
20,575	Housing Benefit Subsidy	19,560
369	Housing Benefit & Localised Council Tax Support Administration Grants	357
231	Non Domestic Rates Cost of Collection Allowance	232
1,241	Disabled Facilities Grant	1,241
1,924	Other Government Grants	1,272
91	Other Non-government Grants and Contributions	100
65	New Burdens Grant (service element)	578
0	Covid Grant - Council Tax Rebate Energy Grant	122
3,549	Covid Grant - Additional Restrictions Grant	0
31	Covid Grant - Local Restrictions Support Grant Open	0
30	Covid Grant - Clinicaly Extremely Vulnerable Grant	0
87	Covid Grant - Test and Trace Grant	0
173	Covid Grant - Contain Outbreak Management Fund Grant	0
28,366	**Total**	**23,462**

The Council credited the following grants and contributions to the Balance Sheet:

2021/22 £000	Grant Income	2022/23 £000
	Grants where the Council is acting as an Agent (Covid related)	
0	Council Tax Rebate Energy Grant	5,657
0	BIES Energy Bills Support Scheme	320
2,934	Local Restrictions Support Grant	0
(2,058)	Closed Business Lockdown Payment	0
202	Test and Trace funding	0
1,785	Additional Restrictions Grant	0
217	Household Support Grant	484
1,089	Omicron Grant	0
7,176	Restart 1 & 2 grant	0
11,345	**Total**	**6,461**

Grants received in 2022/23 totalled £6.573 million (2021/22 £8.104 million) of which £4.675million (2021/22 £4.615 million) was not paid out and classified as a creditor

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Note 30 Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government:

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides a substantial proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from Government departments are set out in Note 29 Grant Income.

Members:

Members of the Council have direct control over the Council's financial and operating policies.

Members are obliged by the Council's Constitution to record in a Members' Register of Interests any personal interest, financial and/or otherwise, in any business of the Council. The Members' Register of Interests, which is maintained by the Monitoring Officer, is open to public inspection at the Council's offices and is available on the Council's website.

In addition, Members are asked to complete an annual declaration of related party transactions.The total of members' allowances paid in the year is shown in Note 27. Seven members of the Council are also members of East Sussex County Council.

Cabinet approved the awarding of Community Grants totalling £223,500 (2021/22: £209,950) to organisations in which non-Cabinet members are Trustees, board members or otherwise involved. Additionally, Cabinet approved the awarding of community grants totalling £17,000 (2021/22: £8,000) to organisations in which Cabinet members are trustees or otherwise involved. Details of these transactions are shown in the table below. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members were not involved in any discussion or decision relating to the award of the grants.

Additionally, a small number of payments to organisations in which members are involved were also made during the 2022/23 year. These are shown below. In all cases, the Council's financial procedure rules have been fully complied with and the relevant members were not involved in these transactions.

Organisation	£	Nature of Transaction
3VA	18,500.00	Community Grant
Conservators Of Ashdown Forest	10,000.00	Community Grant
Crowborough For Young People Ltd	22,000.00	Community Grant
Edeal	8,000.00	Community Grant
High Weald Joint Advisory Committee	7,200.00	Community Grant
Wealden Citizens Advice	165,000.00	Community Grant
Wealden Works	10,000.00	Community Grant
Wealden Works	72,034.00	Special Levy
Pevensey & Cuckmere Water Level Mgmt Brd	66,920.64	Special Levy
Action In Rural Sussex	22,000.00	Special Levy
Upper Medway Internal Drainage Board	19,100.72	Special Levy
South East Employers	11,731.00	Special Levy
East Sussex Fire & Rescue	9,936.00	Special Levy
Sussex Wildlife Trust	5,710.00	Special Levy

Note 30 Related Parties (continued)

Officers:

Officers are obliged under the code of conduct in the Council's Constitution to declare any personal interest, financial and/or otherwise, in any business of the Council. They are also required to record any gifts and/or hospitality received in a format prescribed and held by the Monitoring Officer. In addition, senior officers complete an annual declaration of related party transactions to confirm whether or not they had any qualifying interests in the year.

During 2022/23, there were no related party transactions as follows:

Entities Controlled or Significantly Influenced by the Council:

The related party transactions involving entities controlled or significantly influenced by the Council in 2022/23 are shown below.

Sussex Weald Homes Limited

The Council controls Sussex Weald Homes Limited, Company number 10528563 incorporated on 15 December 2016, which is a private company limited by shares. The Council owns 100% of the issued share capital and holds the right to appoint and remove Directors. The Company's accounting period is 1 April to 31 March. As at 31 March 2023, the Directors of the company were Councillor R W Standley, Cllr D R Watts, Cllr R V Hallett and the Director of Community. The Legal Services Manager as Company Secretary under a service level agreement.

The Council maintains proper governance and separation of duties by the Director of Governance and Corporate Services (Monitoring Officer) acting as shareholder and the Chief Finance Officer acting as funder to ensure that all share purchases and loan agreements meet proper commercial viability tests and that state aid is not given inappropriately. The company receives accounting services from Plummer Parsons LLP and legal advice from DMH Stallard LLP in order to ensure there are no conflicts of interest.

The Council has control of the company by virtue of being 100% shareholder and occupying all director positions. Therefore the Council has consolidated the company's financial performance and financial position to produce group accounts. Further details of the group accounts are on pages 122 - 133.

Note 31 East Sussex Business Rates Pool

The Local Government Finance Act 2012 introduced the business rates retention system ("BRRS") from 1 April 2013. The arrangements enable local authorities to retain a proportion of the business rates generated in their area. Billing authorities collect rates on behalf of Central Government (50%), Major Preceptors; East Sussex County Council ("ESCC") (9%) and the East Sussex Fire Authority ("ESFA") (1%), and themselves (40%).

The BRRS introduced a system of Tariffs and Top-ups, as well as Levy and Safety Net payments. 'Tariff' authorities are subject to a levy on any real terms growth in business rates at a maximum rate of 50%. In non-pooled areas the levy is payable to the Government and is used to fund safety net payments to authorities which have seen significant reductions in business rates income.

In 2022/23 (as in 2021/22), the Council, along with ESCC, ESFA, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council operated a pooling arrangement: the East Sussex Business Rates Pool ("ESBRP").

The ESBRP achieved a net Pool gain of £3.826 million in 2022/23 which was distributed to the members of the Pool in proportionate shares. The Council's share of this gain was £1.002 million.

The pooling arrangements will continue for 2023/24.

The ESBRP results for 2022/23 are summarised in the following table (subject to Final NNDR figures)

East Sussex Business Rates Pool 2022/23 Results	Percentage Share	Levy Payable to the Pool:	Administration Fees Deducted to Pay Pool Lead	Pool Gain distribution - Receivable by Pool Members	Net Amount (Receivable) / Payable by each Pool Member
	%	£	£	£	£
East Sussex County Council	40.0%	0		(1,530,379)	(1,530,379)
East Sussex Fire Authority	10.0%	0		(382,595)	(382,595)
Eastbourne Borough Council	3.3%	255,000		(126,256)	128,744
Hastings Borough Council	3.0%	228,436		(114,778)	113,658
Lewes District Council	8.8%	676,000		(336,683)	339,317
Rother District Council	8.7%	661,075		(332,856)	328,219
Wealden District Council	26.2%	2,010,436	(5,000)	(1,002,400)	1,003,036
East Sussex Business Rates Pool	**100.0%**	**3,830,947**	**(5,000)**	**(3,825,947)**	**0**

Note 32 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown below, together with the resources that have been used to finance it. Where the capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase to the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2021/22 £000	Capital Financing Requirement	2022/23 £000
82,090	Opening Capital Financing Requirement	92,259
	Capital Investment:	
12,158	Property, Plant & Equipment	10,100
10,000	Investment in Sussex Weald Homes Limited	2,000
9	Decent Homes Loan	7
48	Intangible Assets	72
683	Revenue Expenditure Funded from Capital Under Statute	1,376
	Sources of finance:	
(3,698)	Capital Receipts	(2,460)
(733)	Government grants & contributions	(1,872)
(4,589)	Major Repairs Allowance	(2,888)
	Sums set aside from revenue:	
(790)	Capital expenditure charged to revenue	(1,492)
(637)	Minimum Revenue Provision (General Fund)	(323)
(2,282)	Voluntary Revenue Provision (HRA)	(2,282)
92,259	**Closing Capital Financing Requirement**	**94,497**

Note 32 Capital Expenditure and Capital Financing (continued)

2021/22 £000	Explanation of movements in the year	2022/23 £000
10,169	Increase / (Decrease) in underlying need to borrow (unsupported by government financial assistance)	2,238
10,169	**Increase / (Decrease) in Capital Financing Requirement**	**2,238**

The 2022/23 net increase of £2.238 million in the underlying need to borrow includes a net increase of £1.677 million for the General Fund and a net increase of £0.561 million increase in the HRA borrowing requirement related to the HRA capital programme and business plan.

Note 33 Operating Leases

Authority as Lessor

The Council leases out property under operating leases for the following purposes:

- Provide suitable affordable accommodation for local businesses.
- Provide garden plots.
- Provide accommodation to other local service providers.

In December 2017, the Council purchased Vicarage Field Shopping Centre in Hailsham. The retail units within the shopping centre are currently being leased out under operating leases and the lease rents receivable for these units are included in the figures below.

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2022 £000	Operating Leases - Lessor	31 March 2023 £000
642	Not later than one year	658
2,047	Later than one year and not later than five years	1,498
1,484	Later than five years	1,448
4,173	**Total**	**3,604**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £0.059 million contingent rents were receivable by the authority (2021/22 £0.023 million).

Note 34 Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme ("LGPS") for its employees, administered by East Sussex County Council ("ESCC"), which is a defined benefit scheme. It is also a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. Contribution rates for 2022/23 were determined at the formal triennial actuarial valuation of the Fund on 31 March 2022.

Note 34 Defined Benefit Pension Scheme (continued)

The East Sussex Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme. East Sussex County Council is the designated statutory body responsible for administering the East Sussex Pension Fund on behalf of the constituent Scheduled and Admitted Bodies. The Pensions Committee has delegated authority for all pension related investment and administration decisions on behalf of the Administering Authority; ESCC.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2022 formal valuations for English and Welsh LGPS Funds were concluded by 31 March 2023.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Statement	**2021/22 £000**	**2022/23 £000**
Cost of Services		
Service Cost comprising:		
Current service cost	5,396	5,522
Past service cost including curtailments		
Administration Expenses	80	126
Financing and Investment Income & Expenditure		
Net interest expense	707	761
Total post-employment benefits charged to the (Surplus)/Deficit on the Provision of Services	**6,183**	**6,409**
Other Post-employment Benefits Charged to Other Comprehensive Income & Expenditure		
Remeasurement of the Net Defined Benefit Liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(14,845)	9,163
Actuarial gains arising on changes based on demographic assumptions	(2,425)	0
Actuarial (gains) and losses arising on changes in demographic assumptions	2,781	0
Actuarial (gains) and losses arising on changes in financial assumptions *	(9,560)	(76,488)
Actuarial (gains) and losses arising on changes based on other experience **	14,618	16,717
Changes in effect of asset ceiling ***	0	19,207
Total post-employment benefits recognised in Other Comprehensive Income and Expenditure	**(9,431)**	**(31,401)**

Note 34 Defined Benefit Pension Scheme (continued)

* In 2022/23 the change in financial assumptions have had a positive impact on the fund. The main change in financial assumptions relate to the significant increase in the discount rate and future inflation assumptions.

** The experience loss/(gain) on the defined benefit obligation includes £16.717 million in respect of the allowance for actual pensions increases and CPI inflation over the accounting period.

*** The £19.207 million is the impact of the asset ceiling which relates to the present value of any economic benefits available to the Council in the form of refunds or reduce future employer contributions. The amount is measured according to the requirements of accounting standard IFRIC 14.

Movement in Reserves Statement	2021/22 £000	2022/23 £000
Reversal of net charges made to the (Surplus)/Deficit on Provision of Services for post-employment benefits in accordance with the Code	(6,183)	(6,409)
Actual amount charged against the General Fund Balance for pensions in the year:	2,860	2,816

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

Balance Sheet	2021/22 £000	2022/23 £000
Present value of funded liabilities	(201,203)	(147,334)
Present value of unfunded liabilities	(1,818)	(1,534)
Fair value of plan assets	172,332	165,194
Changes in effect of asset ceiling	0	(19,207)
Net (liability)/asset arising from the defined benefit obligation	**(30,689)**	**(2,881)**

Reconciliation of the Movements in the Fair Value of Plan Assets	2021/22 £000	2022/23 £000
Opening fair value of plan assets at 1 April	153,072	172,332
Interest income	3,052	4,451
Administration Expenses	(80)	(126)
Remeasurement (gains) and losses:		
Return on plan assets (excluding the amount included in the net interest expense)	14,845	(9,163)
Contributions from employer	2,686	2,643
Contributions from employer in respect of unfunded benefits	174	173
Contributions from employees into the scheme	865	845
Benefits paid	(4,533)	(5,788)
Unfunded Benefits paid	(174)	(173)
Other (gains) and losses	2,425	0
Changes in effect of asset ceiling	0	(19,207)
Closing fair value of plan assets at 31 March	**172,332**	**145,987**

Note 34 Defined Benefit Pension Scheme (continued)

Reconciliation of the Present Value of the Scheme Liabilities	2021/22 £000	2022/23 £000
Opening balance at 1 April	189,869	203,021
Current service cost	5,396	5,522
Past service cost	0	0
Interest cost	3,759	5,212
Remeasurement (gains) and losses:		
Actuarial gains arising on changes in demographic assumptions	2,781	0
Actuarial (gains) and losses arising on changes in financial assumptions	(9,560)	(76,488)
Actuarial gains arising on changes based on other experience	14,618	16,717
Contributions from employees into the scheme	865	845
Benefits paid	(4,533)	(5,788)
Unfunded Benefits Paid	(174)	(173)
Closing balance at 31 March	**203,021**	**148,868**
Comprising:		
Present value of funded liabilities	(201,203)	(147,334)
Present value of unfunded liabilities	(1,818)	(1,534)
	(203,021)	**(148,868)**

The fair value of the plan assets held at 31 March 2023 comprised the following classes of assets. The values in the table below are at bid value as required under IAS19.

Asset Category	Total as at 31 March 2022 £000	Percentage of Total Assets %	Total as at 31 March 2023 £000	Percentage of Total Assets %
Equity Securities				
Equities	126,650	74%	116,608	71%
Bonds	22,471	13%	20,053	12%
Property	19,515	11%	26,558	16%
Cash	3,696	2%	1,975	1%
Total	**172,332**	**100%**	**165,194**	**100%**

Note 34 Defined Benefit Pension Scheme (continued)

Basis for Estimating Assets & Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme defined benefit liability has been estimated by Barnet Waddingham LLP, an independent firm of actuaries, based on the roll forward from the accounting valuation as at 31 March 2023, using financial assumptions that comply with IAS19.

To calculate the asset share, the assets disclosed at 31 March 2023 have been rolled forward allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Assumptions

The significant assumptions used by the actuary are shown below.

Financial Assumptions	**31 March 2022**	**31 March 2023**
	% p.a.	**% p.a.**
Pension Increase Rate	3.2%	2.95%
Salary Increase Rate	3.2%	2.95%
Discount Rate	2.6%	4.8%

Mortality Assumptions	**31 March 2022**	**31 March 2023**
	Years	**Years**
Longevity at 65 for current pensioners:		
Males	21.1	20.8
Females	24.0	23.7
Longevity at 65 for future pensioners:		
Males	22.1	21.8
Females	25.5	25.3

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are shown below. These have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Change in Assumptions at 31 March 2023	£000's	£000's	£000's
Adjustment to Discount Rate	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	146,698	148,868	151,091
Projected service cost	2,304	2,383	2,466
Adjustment to long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	149,014	148,868	148,723
Projected service cost	2,385	2,383	2,382
Adjustment to pension increases and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	150,983	148,868	146,803
Projected service cost	2,466	2,383	2,302
Adjustment to life expectancy assumptions	**+ 1 year**	**None**	**- 1 year**
Present value of total obligation	155,389	148,868	142,648
Projected service cost	2,473	2,383	2,296

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible using a stability overlay mechanism which dampens down short term market volatility subject to certain limits. The Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The 31 March 2022 formal valuations for English and Welsh LGPS were concluded by 31 March 2023.

The scheme takes account of the national changes that were introduced to the scheme under the Public Services Pensions Act 2013. The Act provided for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. Members started earning benefits under the new scheme from April 2014.

The Council expects to pay employer's contributions for the period to 31 March 2024 of approximately £2.589 million.

The table below summaries the membership data as at 31 March 2022 (this is the latest information provided by the actuary) for members receiving funded and unfunded benefits.

	Salary/Pensions as at 31 Mar 2022 £000
Active members	11,259
Deferred members	1,401
Pensioner members	5,313
Unfunded Pensioners	173

Note 35 Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- Credit Risk - the possibility that other parties might fail to pay the amounts due to the Council.
- Liquidity Risk - the possibility that the Council might not have funds available to meet its commitments to make payments.

- Market Risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Note 35 Nature and Extent of Risks Arising from Financial Instruments (continued)

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise the potential adverse effects on the resources available to fund services. Risk management is carried out by the Finance team, under policies approved by the Council in the Annual Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy. These include prudential indicators which determine:

- The Council's overall borrowing.
- Maximum exposure to fixed and variable rates.
- Maximum and minimum exposure of the maturity structure of the Council's debts.
- Maximum and minimum exposure of investments maturing beyond a year.

Credit Risk

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, and other local authorities. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

The credit limits applied in respect of the financial assets held by the Council at 31 March 2023 are detailed below:

- No more than £5 million invested in secure investments with banks and building societies.
- No more than £3 million in unsecured investments in banks and building societies.
- No more than £7 million loaned to any one local authority.
- No more than £7 million invested in any one Money Market Fund.
- No more than £10 million invested in any Strategic Pooled Fund.
- Any balances over those set out above (should the Council’s bank account exceed its recommended limit of £25 million) would be invested with the Debt Management Account Deposit Facility, managed by the UK Debt Management Office, an executive agency of HM Treasury.

A copy of the Council’s Treasury Management Strategy is available on the Council's website.

The Council's maximum exposure to credit risk in relation to its investments in banks, deposit funds and loans to other local authorities of £89.2 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay principal sums will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits but there was no evidence at 31 March 2023 that this was likely to crystallise.

The following table shows the credit risk applicable to all the Council's investments, and cash & equivalents.

Credit Rating	Long Term 31 March 2022 £000	Long Term 31 March 2023 £000	Short Term 31 March 2022 £000	Short Term 31 March 2023 £000
AAA				
AA+				
AA				
AA-				
A+			13,663	18,615
A				
A-				
BBB+				
Unrated local authorities			21,029	20,338
Unrated building societies				
Total	**0**	**0**	**34,692**	**38,953**
Credit risk not applicable	19,470	17,635	29,094	35,074
Total investments , cash & equivalents	**19,470**	**17,635**	**63,786**	**74,027**

Note 35 Nature and Extent of Risks Arising from Financial Instruments (continued)

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years.

Exposure Risk	Amount at 31 March 2023	Historical experience of default	Estimated maximum exposure to default and uncollect-ability at 31 March 2023	Estimated maximum exposure at 31 March 2022
	£000	%	£000	£000
	A	B	(A x B)	
Customers	18,320	4.3%	788	278

The Council does not generally allow extended credit for its customers so some of the £18.3 million balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows.

Credit Risk	31 March 2022	31 March 2023
	£000	£000
Less than three months	3,364	15,440
Three to six months	50	47
Six months to one year	162	2,001
More than one year	866	832
	4,442	**18,320**

Liquidity Risk

The Council has a robust cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has access to borrowings from the Public Works Loan Board for long term funding. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead the risk is that the Council will be bound to replenish a significant proportion of its fixed rate borrowings at a time of unfavourable interest rates. In order to address this risk, the Council sets limits on the proportion of its borrowing during specified periods. The maturity analysis of all the Council's financial liabilities and assets are as follows:

Time to maturity (years)	31 March 2022			31 March 2023		
	Liabilities	Assets	Net	Liabilities	Assets	Net
	£000	£000	£000	£000	£000	£000
Not over 1	(5,146)	78,268	73,122	(18,983)	92,119	73,136
Over 1 but not over 2	(10,000)		(10,000)	(1,000)	0	(1,000)
Over 2 but not over 5	(4,282)		(4,282)	(6,064)		(6,064)
Over 5 but not over 10	(11,910)		(11,910)	(11,410)		(11,410)
Over 10 but not over 20	(20,538)		(20,538)	(20,538)		(20,538)
Over 20 but not over 40	(7,582)		(7,582)	(5,300)		(5,300)
Over 40			0	0		0
Uncertain date	(14,782)	19,584	4,802	(13,675)	17,662	3,987
Total	**(74,240)**	**97,852**	**23,612**	**(76,970)**	**109,781**	**32,811**

Note 35 Nature and Extent of Risks Arising from Financial Instruments (continued)

All trade and other payables are due to be paid in less than one year.

The total balance of £12.123 million held in respect of Section 106 monies at 31 March 2023 will be due for payment to the County Council as and when conditions attached to each scheme have been fulfilled. The amount has been classified as either a short term or a long term creditor based on the expectations we have of payment timescales using the best information available at the reporting date. There is no significant exposure to liquidity risk in respect of this creditor because the monies are held in interest-earning accounts and are available to be paid, with notice of up to three months, as and when requested.

Market Risk

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the (Surplus)/Deficit on Provision of Services would rise.
- Borrowings at fixed rates - the fair value of the liabilities would fall.
- Investments at variable rates - the interest income credited to the (Surplus)/Deficit on Provision of Services would rise.
- Investments at fixed rates - the fair value of the assets would fall.

All of the Council's borrowings are at fixed rates so there is no impact on the interest expense charged to the (Surplus)/Deficit on the Provision of Services. Borrowings are not carried at fair value so nominal gains and losses would not impact on the (Surplus)/Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be posted to the (Surplus)/Deficit on the Provision of Services and affect the General Fund balance.

Consequently, the Council's exposure to interest rate risk is limited to the impact from any fall in interest rates on the interest receivable from variable rate investments. As the Council's main bank account had a zero interest rate for most of the year the Council's risk exposure was limited to its investments in Money Market Funds and Diversified Income Funds although as these are pooled funds the risk is spread over a range of investments.

The effect of a 1% rise in interest rates as at 31st March 2022 and a 5% fall in property & equity prices as at 31st March 2022 would be:

Sensitivity to Interest Rate Changes	**31 March 2022 £000**	**31 March 2023 £000**
Increase in interest receivable on variable rate investments	(524)	(501)
Decrease in fair value of investments held at FVPL	280	288
Impact on the (Surplus)/Deficit on the Provision of Services	**(244)**	**(213)**
Decrease in fair value of available for sale investments	0	0
Impact on Comprehensive Income and Expenditure	**(244)**	**(213)**
Decrease in fair value of loans and investments at amortised cost	33	26
Decrease in fair value of fixed rate borrowing	(3,687)	(3,330)
5% fall in property prices	(58)	(41)
5% fall in equity prices	(490)	(376)

Note 35 Nature and Extent of Risks Arising from Financial Instruments (continued)

Price Risk

The Council's investments in Pooled Funds - the CCLA Diversified Income Fund, Ninety One Diversified Income Fund & Aegon Diversified Income Fund includes bonds, equity and property investments, and is therefore subject to the risk of falling commercial property and share prices. This risk is limited by the diversified nature of the Fund portfolio which is structured to control relative risk, and the Council's maximum exposure of £30 million.

The Council has no financial assets or liabilities denominated in foreign currency. Therefore there is no exposure to Foreign Exchange Risk.

Note 36 Agency Expenditure and Income

Under various statutory powers the Council may have arrangements with other local authorities and government departments to do work on their behalf.

During the 2022/23 the Council has acted as lead authority for two arrangements: The Joint Waste Partnership and the Strategic Access Management and Monitoring ("SAMMs") Agreement.

The Joint Waste Partnership is not a legal entity in its own right and involves Wealden District Council, Rother District Council and Hastings Borough Council. The three councils have a joint contract with Biffa for the provision of waste collection, recycling and street & beach cleaning. The contract has been in place since 29 June 2019.

On 1st April 2021, Wealden District Council became the lead authority for the Joint Waste Contract (previously Rother District Council) with the relevant staff transferring under TUPE.

The other lead authority arrangement is the SAMMs Agreement. The agreement is between local partner authorities ("LPAs"); Wealden, Mid-Sussex, Lewes, Tandridge, Sevenoaks and Tunbridge Wells and the Conservators of the Ashdown Forest. The agreement is to implement and deliver the SAMMs programme at the Ashdown Forest Special Protection Area ("SPA") which will be financed by means of a tariff levied in respect of residential developments in each of the LPAs areas that could have an impact on the Ashdown Forest SPA.

The tables below summarise the transactions for 2022/23; the amounts shown as recharged to Partner Councils treated as Agency expenditure and therefore not included within this Council's Comprehensive Income and Expenditure Statement.

	2021/22		2022/23	
	Joint Waste	SAMMS Agreement	Joint Waste	SAMMS Agreement
	£000	£000	£000	£000
Expenditure	13,765	14	14,528	13
Income	0	(14)	0	(13)
Net Cost	**13,765**	**0**	**14,528**	**0**
Recharged to Wealden District Council	(6,430)	0	(6,755)	0
Recharged to partner councils	(7,335)	0	(7,773)	0
Total Recharges	**(13,765)**	**0**	**(14,528)**	**0**
Net Cost	**0**	**0**	**0**	**0**

Housing Revenue Account Income & Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with international financial reporting standards, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost

2021/22 £000	Housing Revenue Account Income and Expenditure Statement	2022/23 £000	£000
	Expenditure		
3,523	Repairs and maintenance	3,920	
3,938	Supervision and management	4,150	
205	Rents, rates, taxes and other charges	204	
3,677	Depreciation and amortisation of non-current assets	3,887	
48	Debt management costs	58	
33	Movement in the debt impairment allowance	392	
889	Gain on revaluation of non-current assets	(322)	
12,313	**Total Expenditure**		**12,289**
	Income		
(14,004)	Dwelling rents	(14,773)	
(160)	Non-dwelling rents	(157)	
(1,209)	Charges for services and facilities	(1,393)	
(298)	Contributions towards expenditure	(462)	
(15,671)	**Total Income**		**(16,785)**
(3,358)	**Net expenditure/(income) for HRA services as included in the whole Council Comprehensive Income and Expenditure Statement**		**(4,496)**
357	HRA Services' share of Corporate and Democratic Core costs		263
(3,001)	**Net expenditure/(income) for HRA Services**		**(4,233)**
	HRA share of the operating income and expenditure in the whole Council Comprehensive Income and Expenditure Statement:		
(1,014)	(Gain)/Loss on disposal of HRA non-current assets		44
1,763	Interest payable and similar charges		2,163
83	Financial Instruments adjustments		(130)
(71)	Interest and investment income		(212)
83	Net interest on the net defined benefit liability		96
0	Capital grants and contributions receivable		(871)
(2,157)	**(Surplus)/deficit for the year on HRA Services**		**(3,143)**

Movement of the Housing Revenue Account Statement

The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2021/22	Movement on the Housing Revenue Account Statement	2022/23	
£000		£000	£000
(4,778)	Balance on the HRA at the end of the previous reporting period		**(4,416)**
(2,157)	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	(3,143)	
	Adjustments between accounting basis and funding basis under statute:		
(4,192)	Transfers to / from the Capital Adjustment Account[1]	(3,675)	
561	Capital expenditure charged to revenue	223	
2,922	Transfer to the Usable Capital Receipts Reserve	2,635	
3,677	Transfer to the Major Repairs Reserve	3,887	
	Transfer to the Capital Grants Unapplied Account	584	
(475)	HRA share of contributions to the Pensions Reserve	(524)	
5	HRA share of transfers to the Accumulated Absences Account	12	
341	**Net (increase)/decrease before transfers to or from earmarked reserves**	**(1)**	
21	Transfers to / (from) earmarked reserves	(107)	
362	**(Increase)/ decrease in the year on the HRA**		**(108)**
(4,416)	**Balance on the HRA at the end of the current reporting period**		**(4,524)**

[1] Transfers to / from Capital Adjustment Account comprise:

(3,677)	Reversal of depreciation and amortisation	(3,887)
(889)	Reversal of revaluation gains credited to the (Surplus)/Deficit on the provision of services	322
0	Capital grants & contributions applied	287
2,282	Voluntary provision for financing of capital investment	2,282
(1,908)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(2,679)
(4,192)	**Total**	**(3,675)**

Notes to the Housing Revenue Account

Note 1 Housing Stock

The numbers and types of dwellings in the Council's housing stock at 31 March are as follows:

31 March 2022 Stock Numbers	Housing Stock	31 March 2023 Stock Numbers	
	Houses and Bungalows:		
124	One bedroom	123	
581	Two bedrooms	580	
803	Three bedrooms	799	
36	Four or more bedrooms	35	
1,544			1,537
	Flats:		
1,075	One bedroom	1,084	
347	Two bedrooms	344	
2	Three bedrooms	2	
1,424			1,430
2,968	**Total Housing Stock**		**2,967**

The Council had, at the same date, shared ownership arrangements covering 86 properties (31 March 2022: 85) in total; 73 of these properties within retirement living courts.

Note 2 Rent Arrears and Impairment Allowance for Uncollectable Debts

Rent Arrears

Rent arrears at 31 March were as follows:

31 March 2022 £000	Rent Arrears and Impairment Allowance for Uncollectable Debts	31 March 2023 £000
560	Current tenants	532
404	Former tenants	200
964	**Total arrears**	**732**

Rent arrears as a percentage of total rent receivable for the year were 4.96% (2021/22: 6.88%). The total amount of arrears written off during the year was £0.394 million (2021/22: £0.023 million). £0.022 million of this amount was in respect of former tenant arrears (2021/22: £550).

Impairment Allowance for Uncollectable Debts

The amount to be set aside from revenue to provide for non-payment of rent is determined by reference to the nature and level of the arrears outstanding at the end of the financial year. The balance sheet impairment allowance in respect of uncollectable rent debts as at 31 March 2023 is £0.338 million; a reduction of £0.129 million on the 31 March 2022 position.

Note 3 Asset Valuation

The balance sheet values of the assets within the Council's HRA are as follows:

31 March 2022 £000	Asset Valuation	31 March 2023 £000
211,574	Council Dwellings (Social Rents)	222,644
28,713	Council Dwellings (Affordable Rents)	31,693
3,268	Other Land & Buildings	3,209
3,236	Assets Under Construction	3,834
1,896	Surplus Assets	1,896
248,687	**Total**	**263,276**

Council Dwellings Valuation Basis

Council dwellings are revalued annually, for resource accounting purposes, according to their existing use for social housing. Under this method, the open market value of the stock is reduced by a regional adjustment factor determined in accordance with Government guidance to reflect the status of the properties as social housing. The details of the factor used and the corresponding open market (vacant possession) values of council dwellings are set out below.

Council Dwellings Let at Social Rents:

The regional adjustment factor used for dwellings let at social rents is 67% (2021/22, 67%), thereby reducing the balance sheet value of these dwellings to 33% (2021/22, 33%) of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2023 was £674.680 million, as valued by the valuers Wilks Head & Eve LLP, compared with the value of £222.644 million for its existing use as social housing which is reflected in the balance sheet.

The difference of £452.036 million represents the cost to the Government of providing council housing at less than open market rents.

Council Dwellings Let at Affordable Rents:

A total of 260 dwellings included in the stock held at 31 March 2023 (31 March 2022: 253) are let on an 'affordable rent' basis which is closer to market rent values than social rents. Consequently, a different regional adjustment factor is required in determining the existing use valuation as social housing for these dwellings. The adjustment factor used has been determined by a professional valuer in accordance with Government guidance.

The regional adjustment factor used for dwellings let at affordable rents is 50% (2021/22 - 50%), thereby reducing the balance sheet value of these dwellings to 50% of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2023 was £63.385 million, as valued by the valuers Wilks Head & Eve LLP, compared with the value of £31.693 million for its existing use as social housing which is reflected in the balance sheet. The difference of £31.692 million represents the cost to the Government of providing council housing at less than open market rents.

HRA Surplus Assets

In 2021/22 Streatfeild House, Uckfield transferred from Council Dwellings to Surplus Assets whilst awaiting development, with land valued using fair value measurement. The development commenced in 2022/23 and development costs on this land shown under Assets Under Construction.

Note 4 Depreciation and Amortisation

Depreciation of the housing stock has been calculated using the existing use for social housing valuation of individual building components and the useful economic lives determined for each.

Depreciation and amortisation charges to the HRA have been made as follows:

2021/22 £000	Depreciation and Amortisation	2022/23 £000
3,651	Council Dwellings	3,862
26	Other Land & Buildings	25
3,677	**Total**	**3,887**

Note 5 Capital Expenditure and Financing

The total capital expenditure during the year on land, houses and other property within the HRA is analysed below according to the source of funding:

2021/22 £000	Capital Expenditure and Financing	2022/23 £000
561	Revenue contribution	223
3,089	Loan	2,843
4,589	Major Repairs Reserve	2,888
	Grants and contributions	287
3,221	Capital receipts	2,347
11,460	**Total HRA capital expenditure**	**8,588**

Note 6 Major Repairs Reserve

The Major Repairs Reserve is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings. The analysis of the movement on the Major Repairs Reserve for the year is shown below:

2021/22 £000	Major Repairs Reserve	2022/23 £000
(912)	Balance on the reserve at 1 April	0
(3,677)	Amount transferred to the reserve during the year	(3,887)
4,589	Financing of capital expenditure in the year	2,888
0	**Balance on the reserve at 31 March**	**(999)**

Note 7 Capital Receipts Reserve

Receipts from the sale of HRA assets are summarised below:

2021/22 £000	Capital Receipts	2022/23 £000
2,158	Sale of council houses (Right to Buy scheme)	1,930
315	Sale of shared ownership properties (Retirement Living Court dwellings)	355
89	Sale of shared ownership properties (New Build Homes)	350
2,562	**Total gross capital receipts**	**2,635**
(334)	Less amount paid to national pool	0
2,228	**Total net capital receipts**	**2,635**

Collection Fund Statement

2021/22 Council Tax £000	2021/22 Non-domestic Rates £000	2021/22 Total £000	Collection Fund Statement	2022/23 Council Tax £000	2022/23 Non-domestic Rates £000	2022/23 Total £000
			Income			
(145,277)		(145,277)	Council Tax receivable	(153,350)		(153,350)
	(35,096)	(35,096)	Non domestic rates receivable		(34,373)	(34,373)
13		13	Council Tax Benefits	20		20
2	163	165	Transitional Protection	1	40	41
(237)		(237)	Council Tax Hardship Relief (including additional Covid Hardship relief)	(34)		(34)
	7,159		Non domestic rates Covid reliefs for Retail, Hospitality, Leisure and Nurseries		3,712	3,712
	92	92	Discretionary Relief		2,476	2,476
(145,499)	**(27,682)**	**(173,181)**	**Total Income**	**(153,363)**	**(28,145)**	**(181,508)**
			Expenditure			
			Precepts, Demands & Shares			
	17,026	17,026	Central Government Share NDR		15,359	15,359
102,570	3,065	105,635	East Sussex County Council	108,397	2,765	111,162
14,276		14,276	Police & Crime Commissioner for Sussex	15,111		15,111
6,472	341	6,813	East Sussex Fire Authority	6,676	307	6,983
20,348	13,621	33,969	Wealden District Council	21,128	12,287	33,415
143,666	34,053	177,719		151,313	30,718	182,031
			Apportionment of Previous Year Surplus/(Deficit)			
	(8,015)	(8,015)	Central Government		(3,982)	(3,982)
139	(1,468)	(1,329)	East Sussex County Council	834	(717)	117
19	0	19	Police & Crime Commissioner for Sussex	116	0	116
9	(166)	(157)	East Sussex Fire Authority	53	(80)	(27)
28	(6,440)	(6,412)	Wealden District Council	165	(3,186)	(3,021)
195	(16,089)	(15,894)		1,168	(7,965)	(6,797)
			Charges to the Collection Fund			
497	74	571	Write-offs of uncollectable amounts	414	98	512
169	290	459	(Decrease) / Increase in allowance for impairment of debts	423	254	677
	(1,154)	(1,154)	Increase/(decrease) in provision for outstanding appeals		(1,643)	(1,643)
	231	231	Cost of collection allowance		232	232
	209	209	Transfer Renewable Energy Disregards to General Fund		228	228
	(163)	(163)	Transfer Transitional Protection Payments to General Fund		(40)	(40)
666	(513)	153		837	(871)	(34)
144,527	**17,451**	**161,978**	**Total Expenditure**	**153,318**	**21,882**	**175,200**
(972)	**(10,231)**	**(11,203)**	**(Surplus) / Deficit arising during the year**	**(44)**	**(6,263)**	**(6,307)**
(397)	17,731	17,334	(Surplus)/Deficit brought forward at 1 April	(1,369)	7,500	6,131
(1,369)	**7,500**	**6,131**	**(Surplus) / Deficit carried forward at 31 March**	**(1,413)**	**1,237**	**(176)**

Notes to the Collection Fund

Note 1 Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

Any Collection Fund surplus or deficit declared by the billing authority in relation to council tax is apportioned to the relevant precepting bodies in the subsequent financial year.

Since April 2013, the business rates retention scheme has been in operation. This allows local authorities and fire and rescue authorities to retain a proportion of any increases in non-domestic rates revenue to invest in local services. This also increases the financial risk borne by local authorities in respect of non-collection of non-domestic rates. Any Collection Fund surplus or deficit in relation to non-domestic rates is apportioned to Central Government and to the local precepting bodies in the subsequent financial year.

Note 2 Council Tax Base

The council tax base for 2022/23 was calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. There are eight valuation bands in which dwellings are placed for council tax purposes, from band A at the lower end to band H for the highest value properties. Council tax is calculated in terms of band D, which is the median band. As different amounts of tax are payable in respect of each valuation band, the number of dwellings in the various bands must be converted to a “band D equivalent” to allow council tax to be calculated as a "Band D" amount. The calculation of the 2022/23 council tax base is set out below.

Valuation Band	Number of Chargeable Dwellings	Proportion of Band D Council Tax	Equivalent Band D Dwellings
A - Disabled reduction	9.76	$^{5}/_{9}$	5.4
A	2,642.19	$^{6}/_{9}$	1,761.5
B	5,741.46	$^{7}/_{9}$	4,465.6
C	14,145.37	$^{8}/_{9}$	12,573.7
D	13,238.77	$^{9}/_{9}$	13,238.8
E	10,469.14	$^{11}/_{9}$	12,795.6
F	7,287.13	$^{13}/_{9}$	10,525.9
G	6,674.99	$^{15}/_{9}$	11,125.0
H	859.32	$^{18}/_{9}$	1,718.6
Total (adjusted for decimal roundings)			68,210.1
Collection Rate			98.5%
Tax Base for 2022/23			**67,186.9**

The Council levied an average charge of £2,22.41* per Band D property for Council Tax purposes in 2022/23. Actual Band D charges set ranged between £2,140.06 and £2,324.25 dependent upon the amount of precept set in each parish.

* it should be noted that this amount is the average Band D property and differs from the actual Band D charge of £2,252.09

Note 3 Non-domestic Rates

Rateable Value

Every non-domestic property in England, unless it is exempt, has a rateable value. This figure broadly represents the yearly rent a property could have been let for on the open market on a particular date. The Valuation Office Agency revalues properties every five years. For the revaluation that took effect from 1 April 2017, this date was set as 1 April 2015. The rateable value for the Council's area at 31 March 2023 was £96,547,597; at 31 March 2022 it was £96,640,949. The next revaluation takes effect from 1 April 2023.

Multiplier

Each year the Government sets two multipliers or 'poundages'. Details of the two multipliers for 2022/23 are as follows:

- The small business multiplier - applies to those who qualify for small business relief, was set at 49.9 pence in the pound.
- The standard multiplier - applies to everyone else, was set at 51.2 pence in the pound.

Group Accounts

Introduction

The purpose of the Group Accounts is to provide a picture of Wealden District Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group Accounts show the full extent of the Authority's wider assets and liabilities. While the Group Accounts are not primary statements, they provide transparency and enable comparison with other entities that have different corporate entities.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement - summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accruals basis.
- Group Movement in Reserves - shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group reserves.
- Group Balance Sheet - reports the Council Group financial position at the year-end.
- Group Cash Flow Statement - shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, financing and investing activities.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts.

Results of the Subsidiary

The following notes provide additional details about the Authority's involvement in the entity consolidated to form the group accounts.

Sussex Weald Homes Limited

The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder, and Councillors & Officers occupy all director positions thereby having guaranteed majority voting rights on the Board. The company builds property to sell or rent to the Council (i.e. affordable homes) and to the public.

For 2022/23, the company's results showed a loss of £0.219 million (£0.059 million surplus in 2021/22), and net assets of £3.998 million (£4.467 million at 31 March 2022). The Council provided a £10 million loan to the company towards the end of 2021/22 and a further £2 million loan in 2022/23. Both loans are repayable in March 2024.

A copy of the company's accounts can be obtained from the Directors, Council Offices, Vicarage Lane, Hailsham, East Sussex, BN27 2AX. The accounts are compiled by Plummer Parsons Chartered Accountants.

Group Comprehensive Income & Expenditure Statement

The Group Comprehensive Income and Expenditure Statement ("CIES")* shows the accounting cost in the year of providing services in the Group, in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost.

2021/22				2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
339	(1)	338	Members	360	0	360
8,896	(5,154)	3,742	Chief Executive's Directorate	4,893	(845)	4,048
40,815	(29,155)	11,660	Directorate of Community & Customer Services	39,744	(28,190)	11,554
8,385	(6,659)	1,726	Directorate of Planning, Policy & Environmental Services	10,109	(6,339)	3,770
1,995	(997)	998	Directorate of Legal Governance and Strategic Projects	2,313	(647)	1,666
(63)	0	(63)	Central Costs	97	0	97
12,313	(15,671)	(3,358)	Housing Revenue Account	12,289	(16,785)	(4,496)
72,680	**(57,637)**	**15,043**	**Cost of Services**	**69,805**	**(52,806)**	**16,999**

*During 2022/23 there was a departmental restructure, which included the creation of a new directorate, therefore the 2021/22 cost of services have been adjusted to reflect the new structure so that it is comparable to 2022/23

Group Comprehensive Income and Expenditure Statement (continued)

2021/22 Net Expenditure £000		2022/23 Net Expenditure £000
6,426	Other operating expenditure	7,657
2,346	Financing and investment income and expenditure	3,075
(35,263)	Taxation and non-specific grant income and expenditure	(46,754)
(11,448)	**(Surplus)/Deficit on the Provision of Services**	**(19,023)**
14	Tax charge of subsidiaries	(73)
(11,434)	**Group (Surplus) / Deficit**	**(19,096)**
	Items that will not be reclassified to the Surplus on Provision of Services	
(21,755)	(Surplus) / Deficit on revaluation of non-current assets	(14,095)
(9,431)	Remeasurement of the net defined benefit liability	(31,401)
(31,186)	**Other Comprehensive Income and Expenditure**	**(45,496)**
(42,620)	**Total Comprehensive Income and Expenditure**	**(64,592)**

Group Movement in Reserves Statement

The Group Movement in Reserves Statement ("Group MIRS") shows the movement from the start of the year to the end on the different reserves held by the Council's Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's Group reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Group Movement in Reserves during 2022/23	Non-Earmarked General Fund Reserves £000	Earmarked General Fund & HRA Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary £000	Total Group Reserves £000
Balance at 1 April 2022	**(4,093)**	**(43,888)**	**(47,981)**	**(4,416)**	**(6,731)**	**0**	**(27,411)**	**(86,539)**	**(199,120)**	**(285,659)**	**(1,011)**	**(286,670)**
Total Comprehensive Income and Expenditure	(16,763)	0	(16,763)	(3,143)	0	0	0	(19,906)	(45,496)	(65,402)	468	(64,934)
Adjustments between group accounts and authority accounts	(394)		(394)					(394)		(394)	(14)	(408)
Adjustments between accounting basis and funding basis under regulations	12,181		12,181	3,142	(175)	(999)	(15,079)	(930)	930	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(4,976)**	**0**	**(4,976)**	**(1)**	**(175)**	**(999)**	**(15,079)**	**(21,230)**	**(44,566)**	**(65,796)**	**454**	**(65,342)**
Transfers to / (from) Earmarked Reserves	4,166	(4,059)	107	(107)				0		0		0
(Increase) / Decrease in 2022/23	**(810)**	**(4,059)**	**(4,869)**	**(108)**	**(175)**	**(999)**	**(15,079)**	**(21,230)**	**(44,566)**	**(65,796)**	**454**	**(65,342)**
Balance at 31 March 2023	**(4,903)**	**(47,947)**	**(52,850)**	**(4,524)**	**(6,906)**	**(999)**	**(42,490)**	**(107,769)**	**(243,686)**	**(351,455)**	**(557)**	**(352,012)**

Group Movement in Reserves Statement (continued)

Group Movement in Reserves during 2021/22	Non-Earmarked General Fund Reserves £000	Earmarked General Fund & HRA Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary £000	Total Group Reserves £000
Balance at 1 April 2021	**(3,471)**	**(40,612)**	**(44,083)**	**(4,778)**	**(7,631)**	**(912)**	**(21,312)**	**(78,716)**	**(163,343)**	**(242,059)**	**(1,028)**	**(243,087)**
Total Comprehensive Income and Expenditure	(10,217)		(10,217)	(2,157)	0	0	0	(12,374)	(31,187)	(43,561)	59	(43,502)
Adjustments between group accounts and authority accounts	(39)		(39)					(39)		(39)	(42)	(81)
Adjustments between accounting basis and funding basis under regulations	6,379		6,379	2,498	900	912	(6,099)	4,590	(4,590)	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(3,877)**	**0**	**(3,877)**	**341**	**900**	**912**	**(6,099)**	**(7,823)**	**(35,777)**	**(43,600)**	**17**	**(43,583)**
Transfers to / (from) Earmarked Reserves	3,255	(3,276)	(21)	21	0	0	0	0	0	0	0	0
(Increase) / Decrease in 2021/22	**(622)**	**(3,276)**	**(3,898)**	**362**	**900**	**912**	**(6,099)**	**(7,823)**	**(35,777)**	**(43,600)**	**17**	**(43,583)**
Balance at 31 March 2022	**(4,093)**	**(43,888)**	**(47,981)**	**(4,416)**	**(6,731)**	**0**	**(27,411)**	**(86,539)**	**(199,120)**	**(285,659)**	**(1,011)**	**(286,670)**

Group Balance Sheet

The Group Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council's Group. The net assets of the Council's Group (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council's Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2022 £000		Notes	31 March 2023 £000
306,933	Property Plant and Equipment	[2]	325,901
849	Heritage Assets		894
40	Intangible Assets		87
2,964	Investment Property		2,997
15,004	Long-term Investments		13,638
19	Long-term Debtors		27
325,809	**Long-term Assets**		**343,543**
5,103	Short-term Investments		5,122
4,251	Inventories	[3]	11,265
0	Short-term Debtors - Loan to Subsidiary		0
15,016	Short-term Debtors - Other		16,338
0	Short-term Tax Asset		51
69,041	Cash and Cash Equivalents		71,106
93,411	**Current Assets**		**103,882**
(21,224)	Short-term Creditors - Central Government		(6,752)
(9,471)	Short-term Creditors - Other		(16,741)
(14)	Short-term Tax Liability		(4)
(55)	Short-term Borrowing		(10,055)
(2,002)	Provisions		(982)
(32,766)	**Current Liabilities**		**(34,534)**
(14,783)	Long-term Creditors		(13,686)
(54,312)	Long-term Borrowing		(44,312)
(30,689)	Net Pensions Liabilities		(2,881)
(99,784)	**Long-term Liabilities**		**(60,879)**
286,670	**Net Assets**		**352,012**
(86,539)	Usable Reserves		(107,769)
(199,120)	Unusable Reserves		(243,686)
(1,011)	Council's share of the Reserves of the Subsidiary		(557)
(286,670)	**Total Reserves**		**(352,012)**

Group Cash Flow Statement

The Group Cash Flow Statement shows the changes in cash and cash equivalents of the Council's Group during the reporting period. The statement shows how the Council's Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council's Group are funded by way of taxation and grant income or from the recipients of services provided by the Council's Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's Group future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council's Group.

2021/22 £000		Notes	2022/23 £000
11,434	Net surplus/(deficit) on the provision of services		19,096
11,208	Adjustments to the net surplus on provision of services for non-cash movements	[4]	(22,999)
(10,472)	Adjustments for items included in the net surplus on provision of services that are investing and financing activities		(19,585)
12,170	**Net cash flows from Operating Activities**		**(23,488)**
831	Net cash flows from Investing Activities	[5]	21,830
6,775	Net cash flows from Financing Activities		3,723
19,776	**Net increase / (decrease) in cash and cash equivalents**		**2,065**
49,265	Cash and cash equivalents at the beginning of the reporting period		69,041
69,041	Cash and cash equivalents at the end of the reporting period		**71,106**

Notes to the Group Accounts

Note 1 Group Accounting Policies

The Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards ("IFRS").

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. Sussex Weald Homes Limited have been consolidated because it is material to the Council's balance sheet.

The results of Sussex Weald Homes Limited has been consolidated on a line by line basis as a subsidiary.

Where the company uses different accounting policies to the Council, its accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line by line basis.

Note 2 Group Property, Plant and Equipment

This note provides a reconciliation from the carrying amount of Group's property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements. Details of the Council's property plant and equipment are shown in Note 15 to the single entity accounts.

Property, Plant and Equipment 2022/23	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation							
At 1 April 2022	240,288	51,851	1,304	5,966	5,893	3,389	**308,691**
Additions	5,076	735	355	0	0	6,478	**12,644**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	8,927	1,253	0	0	24	0	**10,204**
Revaluation increases / (decreases) recognised in the Surplus on Provision of Services	(143)	(652)	0	0	0	0	**(795)**
Derecognition - disposals	0	0	0	0	0	0	**0**
Assets re-classified from Assets Under Construction	(2,724)	0	0	0	0	0	**(2,724)**
Assets re-classified as Held for Sale	2,913	0	0	0	0	(2,913)	**0**
At 31 March 2023	**254,337**	**53,187**	**1,659**	**5,966**	**5,917**	**6,954**	**328,020**
Accumulated Depreciation & Impairment							
At 1 April 2022	0	0	(648)	0	(1,110)	0	**(1,758)**
Depreciation charge	(3,861)	(699)	(310)	0	0	0	**(4,870)**
Depreciation written out to the Revaluation Reserve on revaluation	3,353	480	0	0	0	0	**3,833**
Depreciation written out to the Surplus on Provision of Services on revaluation	464	168	0	0	0	0	**632**
Impairment Losses Recognised in the Surplus on Provision of Services	0	0	0	0	0	0	**0**
De-recognition - Disposals	44	0	0	0	0	0	**44**
At 31 March 2023	**0**	**(51)**	**(958)**	**0**	**(1,110)**	**0**	**(2,119)**
Net Book Value at 31 March 2023	**254,337**	**53,136**	**701**	**5,966**	**4,807**	**6,954**	**325,901**
Net Book Value at 31 March 2022	**240,288**	**51,851**	**656**	**5,966**	**4,783**	**3,389**	**306,933**

Note 2. Group Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2021/22	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation							
At 1 April 2021	220,917	50,417	1,060	5,959	2,718	1,220	**282,291**
Additions	8,523	317	259	7	0	3,052	**12,158**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	13,758	2,820			1,513		**18,091**
Revaluation increases / (decreases) recognised in the Deficit on Provision of Services	(268)	(1,703)			76		**(1,895)**
Derecognition - disposals	(1,939)		(15)				**(1,954)**
Assets re-classified from Assets Under Construction	883					(883)	**0**
Assets re-classified as Held for Sale	(1,586)				1,586		**0**
At 31 March 2022	**240,288**	**51,851**	**1,304**	**5,966**	**5,893**	**3,389**	**308,691**
Accumulated Depreciation & Impairment							
At 1 April 2021	0	0	(408)	0	0	0	**(408)**
Depreciation charge	(3,651)	(681)	(255)				**(4,587)**
Depreciation written out to the Revaluation Reserve on revaluation*	3,188	477			(54)		**3,611**
Depreciation written out to the Deficit on Provision of Services on revaluation	432	204					**636**
Impairment Losses Recognised in the Surplus on Provision of Services*	0				(1,056)		**(1,056)**
De-recognition - Disposals	31		15				**46**
At 31 March 2022	**0**	**0**	**(648)**	**0**	**(1,110)**	**0**	**(1,758)**
Net Book Value at 31 March 2022	**240,288**	**51,851**	**656**	**5,966**	**4,783**	**3,389**	**306,933**
Net Book Value at 31 March 2021	**220,917**	**50,417**	**652**	**5,959**	**2,718**	**1,220**	**281,883**

*amended between Council Dwellings and Surplus Assets (£1.110 million), lines - Asset reclassified as Surplus Asset including associated depreciation and impairment loss. No change in Property, Plant & Equipment Total.

Note 3 Group Inventories

The carrying amount of Group inventories as 31 March 2023 is £11.265 million (£4.251 million as at 31 March 2022).

Note 4 Group Cash Flow Statement: Operating Activities

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2021/22 £000	Adjustments for Non-Cash Movements	2022/23 £000
4,707	Depreciation and amortisation	4,911
2,314	Impairments and revaluations	164
99	Increase in impairment for bad debts	294
3,038	Increase in creditors	(10,883)
(740)	Increase in provisions	(1,020)
253	Decrease in debtors	(15,333)
3,323	Movement in pension liability	3,586
1,908	Carrying amount of non-current assets sold or de-recognised	2,679
(557)	(Increase) / Decrease in fair value of investment property	(33)
(3,137)	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	(7,364)
11,208	**Total adjustment for non-cash movements**	**(22,999)**

Note 5 Group Cash Flow Statement: Investing Activities

The investing activities include the following items:

2021/22 £000	Cash Flow Statement: Investing Activities	2022/23 £000
(12,329)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(12,158)
8,000	Proceeds/ (Purchase) of short term investments	0
3,131	Proceeds from the sale of property, plant & equipment	5,548
7,029	Capital grants received	16,440
0	Loan (Advance)/ Repayment	12,000
(5,000)	(Purchase)/ Proceeds from long term investments	0
831	**Net cash flows from investing activities**	**21,830**

Glossary of Terms

Accounting Period
The length of time covered by the accounts. In the case of these accounts, it is the year from 1 April to 31 March.

Accruals Basis
The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses
Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Balances
These represent the accumulated surplus of revenue income over expenditure.

Budget
An expression, mainly in financial terms, of the Council's intended income and expenditure to carry out its objectives.

Budget Requirement
The amount each local authority estimates as its planned spending, after deducting funding from reserves and any income expected to be collected (excluding Council Tax and Government Grants). This requirement is then offset by Government Grant, the balance being the amount needed to be raised in Council Tax.

Capital Adjustment Account
The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (Revenue Expenditure Funded from Capital Under Statute, REFCUS). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure
Payments for the acquisition, construction, enhancement or replacement of non-current assets that will be of use or benefit to the Council in providing its services for more than one year. Capital expenditure also includes Revenue Expenditure Funded from Capital Under Statute.

Capital Receipts
Income received from the sale of land and other capital assets, a proportion of which may be used to finance new capital expenditure subject to the provisions of the Local Government Act 2003.

Cash Equivalents
Short term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Chartered Institute of Public Finance and Accountancy ("CIPFA")
CIPFA is the main professional body for accountants working in public services.

Collection Fund
A fund administered by the Council as a billing authority. The fund records the receipts from council tax and non-domestic rates and the payments of the relevant shares of the surplus or deficit arising on the fund to the major precepting authorities and to Central Government.

Community Assets
Assets that the Council intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal. The class largely comprises open land. They are classified as operational assets in that their use as parkland provides or supports the relevant services of the Council.

Community Infrastructure Levy ("CIL")
A levy which is charged on new builds (chargeable developments for the authority) with appropriate planning consent. This is a planning charge used to fund a number of infrastructure projects, including transport, flood defences and schools, to support the development of the area.

Corporate and Democratic Core
These are the activities that a local authority engages in specifically because it is a democratically elected decision making body. Examples of corporate and democratic core costs are Councillors' allowances, Committee support and time spent by professional officers in giving policy advice.

Creditors
Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the balance sheet date.

Current Service Cost
Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Current Value
The amount that would be exchanged for an asset in its existing use. Operational property, plant & equipment assets are measured at current value reflecting the economic environment prevailing for the service or function that the asset is supporting at the reporting date.

Debtors
Amounts due to the Council that have not been received at the balance sheet date.

Depreciation
The measure of the consumption, wearing out or other reduction in the useful economic life of non-current assets that has been consumed in the period.

Employee Benefits
Amounts due to employees including salaries, paid annual leave, paid sick leave, and bonuses. These also include the cost of employer's national insurance contributions paid on these benefits; and the cost of post-employment benefits, i.e. pensions.

Expected Rate of Return on Pensions Assets
The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the pension scheme.

Fair Value
The amount for which an asset could be exchanged or a liability settled, in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy and Inputs
In measuring fair value of assets and liabilities, the valuation technique used is categorised according to the extent of observable data that is available to estimate the fair value – this is known as the fair value hierarchy. Observable inputs refers to publicly available information about actual transactions and events in the market. Unobservable inputs are used where no market data is available and are developed using the best information available.
The fair value hierarchy has three levels of inputs:

- Level 1: Quoted prices for identical items in an active market – i.e. the actual price for which the asset or liability is sold;
- Level 2*:* Other significant observable inputs – i.e. actual prices for which similar assets or liabilities have been sold;
- Level 3: Unobservable inputs – i.e. where market data is not available and other information is used in order to arrive at a best estimate of fair value.

Finance Lease
A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (even though title to the property may not be transferred). The asset is recognised on the Balance Sheet of the lessee.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund
The main revenue fund of the Council which is used to meet the cost of services paid for from Council Tax, Government Grant and fees and charges.

Heritage Asset
A tangible asset with historic, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account
A separate account, maintained by law that accounts for the income and expenditure related to the Council's housing stock. The General Fund cannot subsidise the Housing Revenue Account and vice versa.

Impairment
A reduction in the value of a non-current asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value and evidence of obsolescence or physical damage to the asset.

Intangible Assets
Assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software and licences.

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

Liability
An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are those that are payable within one year of the balance sheet date.

Minimum Revenue Provision
An amount to be set aside each year from revenue to repay the principal amounts of external loans outstanding.

Non-domestic Rates ("NDR") - also known as Business Rates
A levy on business property, based on a national rate in the pound – known as the Multiplier – applied to the rateable value of the property. The Government determines the NDR Multiplier to be used each year. Billing Authorities collect non-domestic rates and account for this through the Collection Fund. Any surplus or deficit arising on the fund is distributed to the major precepting authorities and to central government in their proportionate shares in the subsequent year. The major precepting authorities for Wealden are East Sussex County Council and East Sussex Fire & Rescue Authority.

Net Book Value
The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

New Homes Bonus
New Homes Bonus is a grant payable to councils from Government for six years, for increasing the number of homes in the Council's area.

Non-Current Asset
An item that yields benefit to the Council for a period of more than one year.

Operating Lease
A lease that does not transfers substantially all the risks and rewards of ownership of an asset to the lessee. The asset is not recognised on the Balance Sheet of the lessee.

Past Service Cost
Past service costs arise from decisions taken in the current year but whose financial effect is derived from service earned in earlier years.

Precept
The amount levied by various authorities that is collected by the Council on their behalf.

Provisions
Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount or timing of the costs is uncertain.

Public Works Loans Board ("PWLB")
A statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB is the major provider of loans to local authorities.

Reserves
The residual interest in the assets of the Council after deducting all of its liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences between expenditure being incurred and its financing e.g. Capital Adjustment Account.

Revenue Expenditure
Spending incurred on the day-to-day running of the Council. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital under Statute ("REFCUS")
Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the balance sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

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

Suitable Alternative Natural Green Space ("SANGS")
The name given to green space that is of a quality and type suitable to be used as mitigation for residential and where necessary, tourism development likely to affect the Ashdown Forest Special Protection Area. It is considered that the provision of SANGS together with a range of on-site and other management measures at Ashdown Forest has the potential to provide an effective means of avoiding or mitigating harm from the effects of recreational pressure from new development.

Strategic Access Management and Monitoring Strategy ("SAMMS")
This is a strategy for managing and monitoring the Ashdown Forest and introducing a range of measures to reduce the problems arising from increased visitor numbers. The aim of strategic access management measures and associated monitoring at Ashdown Forest is to provide confidence that, even if the provision of SANGS on its own does not divert residents from new developments visiting the Forest, there will be no increase in harm caused as a result of recreational pressure on the Special Protection Area.

Specific Government Grants
Central Government financial support towards particular services which is provided with certain restrictions regarding the expenditure that may be funded from it.

Useful Economic Life
The period over which the Council expects to derive benefit from non-current assets

Annual Governance Statement

1. Scope of Responsibility

Wealden District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Wealden District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Wealden District Council is responsible for ensuring arrangements are in place for the good governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Wealden District Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016. A copy of this Code is available on the Council's website at
http://council.wealden.gov.uk/documents/s59966/Appendix%20A%20-%20Code%20of%20Corporate%20Governance.pdf
This statement explains how Wealden District Council has complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control.

1. The Purpose of the Governance Framework

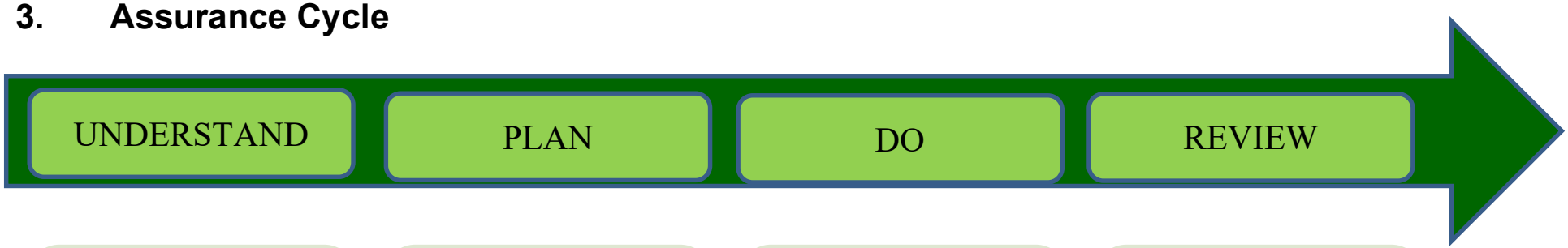
The governance framework comprises the cultures, values and systems and processes by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services and value for money. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assessment/assurances of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wealden District Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Wealden District Council for the year ended 31 March 2023 and up to the date of approval of the Statement of Accounts.

3. Assurance Cycle



What are we seeking to receive assurances on ?

- Delivery against the Corporate Plan whilst observing the governance framework
- Management of the Council's key risks
- Design and effectiveness of internal controls
- Compliance with laws, regulation, internal policies and procedures
- Key governance tools are fit for purpose, e.g. the performance management and Risk Management Policy and Framework
- Value for money in the delivery of our services
- Direction of travel of previous governance issues

What sources of assurance do we require?

- Internal Audit Annual Plan
- External Audit Annual Plan
- Management assurances in response to external audit recommendations
- Risk management Policy and Framework
- Budget monitoring report
- Cabinet portfolio holder assurances and update reports

How will we arrange ourselves to receive adequate assurances?

- Cabinet
- Audit, Finance & Governance Committee
- Overview & Scrutiny Committee and working parties
- Cabinet Advisory Groups
- Corporate Management Team
- Standards Committee
- Partnership Boards

How will we know that we are effective?

- Regular Internal Audit reports and assurances
- External Audit reports and management assurances given
- Quarterly performance management reports and portfolio holder updates
- Quarterly risk management reports
- Corporate Risk Register
- Annual Governance Statement
- Cabinet and committee reports
- Working Party reports

4. The Governance Framework



Source: CIPFA 2016

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.	**Behaving with integrity** • Ensuring Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	•Codes of conduct for Members and Officers •Members sign an individual commitment to comply with the Code/ Member Register of Interests •Induction for new Members on the Code of Conduct and staff on standards of behaviour expected •Performance appraisals – which measure behaviours and competencies •Staff Declarations of Interest March 2023 •Related party transaction declarations •No Local Government Ombudsman (LGO) complaints upheld •Commitment to Councillor Development Charter
	• Ensuring Members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	• Corporate Plan sets operating direction and organisational values approved by the Council • Member Code of Conduct is based on Nolan Principles • Corporate objectives cascaded down into Service Plans • Corporate Plan and Service Plan objectives reflected in individual appraisal goals
	• Leading by example and using these standard operating principles or values as a framework for decision making and other actions	• Members trained on Standards, Code of Conduct and Probity • Declarations of Interest at meeting • Standards Committee in effective operation including delivering training sessions to others to be proactive in communicating positive messages about good conduct • Requirement for elected Members to be specifically trained before serving on Planning Committee and Licensing Committee
	• Demonstrating, communicating and embedding the standard operating principles or values	• Anti-fraud and anti-corruption policies are working effectively

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	• Registered of Interests reviewed and updated annually (Members and staff) • Related Party Transactions completed annually • Up-to-date register of gifts and hospitality • Whistleblowing policies are in place, up to date and protect individuals raising concerns • Whistleblowing policy has been made available to members of the public, employees, partners and contractors • Complaints Policy in place and reported upon annually to Cabinet • All policies are managed through corporate performance management framework to ensure effective and timely review with communication of changes and provision of training as appropriate • All policies are published online to demonstrate openness and transparency • Changes/improvements as a result of complaints received and acted upon and reported in annual report to Members • Members and officers code of conduct refers to a requirement to declare interests • Minutes show declarations of interest were sought and appropriate declarations made • Relevant recommendations from LGO incorporated into future working practices and procedures • Legal, Risk, Human Resources and Equalities implications identified in all Council reports
	Demonstrating strong commitment to ethical values	• Good ethical governance is championed by Members, particularly through the Standards Committee, the Monitoring Officer and Corporate Management Team

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Seeking to establish, monitor and maintain the organisation's ethical standards and performance	• Audit, Finance & Governance Committee takes the lead in overseeing and promoting good governance • Clear mechanisms in place for reporting / referral to the Monitoring Officer
	• Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	• Provision of ethical awareness training including thorough Code of Conduct, Standards and Probity training • Standards Committee takes the lead in promoting this
	• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	• Appraisal process in place dealing with both staff performance and behaviours and competencies which specifically incorporate good ethical conduct • Procurement policy and approach include good governance and ethical conduct • Requirement to declare conflicts of interest • Robust processes with checks and balances to ensure that procurement is undertaken in accordance with the principles of transparency, fairness and equal treatment.
	• Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	• Partnership Guidelines and reviews • Annual procurement report showing commitment to local businesses and SMEs • Adhering to Anti-Bribery and Anti-Corruption policies as required by the Council • Whistleblowing policy available for members, officers and contractors • Ensuring confidentiality of information throughout the process • Data protection and ethical procurement requirements specifically built into contract specification
	Respecting the rule of law	• Constitution • Statutory guidance and provisions are followed

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	• These are assessed through internal and external audit • Oversight by Audit, Finance & Governance Committee • Legal implications identified in all Cabinet and committee reports
	• Creating the conditions to ensure that the statutory officers, other key post holders and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	• Requirement built into relevant job description/specifications • Compliance with CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government* (CIPFA, 2016). The Council's arrangements conform to these governance requirements with the HFS now reporting directly to the Chief Executive. • Legal implications identified in all Cabinet and committee reports • The Monitoring Officer routinely attends Corporate Management Team meetings and has access to all members of the leadership team. • The HFS attends Corporate Management Team and has access to all members of the leadership team. In addition, the HFS has attends the Audit, Finance & Governance and to the internal and external auditors. • In performing their roles, the Monitoring Officer and the HFS can bring influence to bear on all material decisions of the Council through advice and guidance on all corporate reports. • The HFS leads on the budget monitoring reports, financial strategy reports and can promote to the organisation the delivery of good financial management. In discharging this role, the HFS is supported by a team of officers, including a deputy, and these arrangements ensure that the HFS has adequate resources to support the design and maintenance of sound financial governance arrangements. • As a result, it is considered that these arrangements allow the HFS to have the same impact within the organisation than if the

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
		specific arrangements proposed in the CIPFA Statement were in place.
	• Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	• Cabinet reports / decision making reports all document legal advice / implications • Where appropriate, make use of general power of competence e.g. housing company or the power to charge for discretionary services
	• Dealing with breaches of legal and regulatory provisions effectively	• The Monitoring Officer takes the lead role in ethical governance and ensuring compliance with the law • Incorporated into decision making processes • Legal team provide in-house advice and guidance • Legal team review all reports to mitigate any risk of breaches • Statutory teams familiar with and operating effectively to deliver on their statutory duties
	• Ensuring corruption and misuse of power are dealt with effectively	• Effective anti-fraud and anti-corruption policies and procedures are in place and are regularly updated and incorporated into all contracts • Grievance and disciplinary code for officers • The Monitoring Officer sits at senior level within the organisation • Standards Committee regular oversees member behaviour in decision-making • 360 appraisal of managers acts as an additional layer of challenge • Annual appraisal review assesses competencies and behaviours and compliance with organisational values
B. Ensuring openness and comprehensive stakeholder engagement	**Openness**	• Quarterly performance reports to record performance against Corporate Plan • 5 star Customer Service

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	• Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	• Freedom of Information publication scheme • Legal Services Team provides advice to the Information Governance Team in relation to information requests (FOI/EIR/SAR/DPA) including to ensure that exemptions are exercised in accordance with relevant legislation and ICO guidance. • Compliance with the UK General Data Protection Regulation 2016 and Data Protection Act 2018 • Transparency publication scheme • Website publishes clear and accessible information • Public inspection of accounts • Annual publication of accounts • Public consultation and engagement with the community on the Council's priorities, strategies and policies • Webcasting of all Committee meetings which are made available for view on the website
	• Making decisions that are open about actions, plans, use of resources, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided in accordance with rules governing e.g. exemptions.	• Records of decision making and supporting materials maintained centrally • Publish decisions by Members and Officers in accordance with the Constitution, Scheme of Delegation, Financial Procedure Rules and Contract Procedure Rules. • Forward Plan promotes community interest in democracy by publishing report schedule • Register of all contracts maintained
	• Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	• Decision making protocols • Report template including requirement to obtain professional advice in key areas • Meeting reports show details of advice given

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
		• Discussion between Members and officers on the information needs of Members to support decision making • Committee work programmes • Agreement on the information that will be provided and timescales • Calendar of dates for submitting, publishing and distributing timely reports is adhered to
	• Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	• Community Engagement Strategy • Annual budget consultation • Consultation on Local Plan options • Consultation on Community Sports Hub • Member drop in sessions • Online Ask the Leader Q&A • Online consultation exercises • Benefit Outreach Days • Community Equalities Reference Group • Staff Briefings • Internal Equalities Group
	Engaging comprehensively with institutional stakeholders • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	• Communications Strategy and specific communications strategies for key projects or initiatives • Local ward Member communication networks • Specific consultation with under-represented groups through Equalities Officer • Wealden Community Engagement Strategy • Statement of Community Involvement

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	• Online databases of residents who register to be kept informed / consulted about matters e.g. planning policy • My Alerts email • Significant partnership working e.g. Wealden Strategic Partnership, Local Economic Partnership, shared services with neighbouring authorities • Shared services for Legal, Building Control and Environmental Health, Equalities. The Council is also part of the East Sussex Emergency Resilience Partnership. • Working in line with the Duty to Cooperate for the Local Plan, including agreeing Statements of Common Ground with neighbouring authorities. • Working with Hailsham Food Bank to support storage of dry foods. • Working with One You East Sussex to provide roadshows and health checks.
	• Ensuring that partnerships are based on: – trust – a shared commitment to change – a culture that promotes and accepts challenge among partners – and that the added value of partnership working is explicit	• Partnership Guidelines • Partnership register • Cabinet report on review of partnerships and partnership working • Process for registering new partnerships
	Engaging stakeholders effectively, including individual citizens and service users • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or	• Online record of public consultations • Feedback reports on public consultations • Consultation responses included in relevant Cabinet reports e.g. budget • Housing Survey • Resident Satisfaction Survey

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	other) provision is contributing towards the achievement of intended outcomes.	• Service User satisfaction surveys • Consultation on Community Sports Hub
	• Ensuring that communication methods are effective and that Members and officers are clear about their roles with regard to community engagement	• Communications Strategy • Community & Public Health • Cabinet Advisory Group • Monitoring reports on the effectiveness of our communications output including regular reports on the effectiveness of WDC Social Media Usage • Communications and media training for Members and Senior Leadership Team • 5 star Customer Service
	• Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	• Communications Strategy • Community Engagement Strategy • Resident Satisfaction Survey • Themed consultation exercises with Wealden Disability Involvement Group
	• Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	• Feedback included online in response to consultations • Reports to Cabinet include feedback on consultation e.g. budget report • Extensive use of WDC social media to interact with communities • Consultation on Community Sports Hub
	• Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	• Corporate Equalities Objectives • Equalities Policy and Action Plan • Consultation with specific under-represented groups within our community
	• Taking account of the interests of future generations of tax payers and service users	• Corporate Plan • Cabinet / Scrutiny reports

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
		• Strategic Housing Needs Assessment
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	**Defining outcomes** • Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	• Corporate Plan • Published performance indicators • MTFS and Capital Programme to fund ambitions • Commercial Strategy • Performance management framework • Performance management reporting to Cabinet • Organisational values
	• Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	• Statement of Community engagement • Consultation strategy • Service plans • Consultation on Community Sports Hub • Draft Local Plan
	• Delivering defined outcomes on a sustainable basis within the resources that will be available	• Quarterly budget reports • Quarterly performance monitoring reports • Medium Term Financial Strategy • Capital Programme • Commercial Strategy
	• Identifying and managing risks to the achievement of outcomes	• Review of corporate risk management policy and framework • Risk assessments for specific projects • External Audit report giving assurance that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources
	• Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	• Service plans • Performance indicators • Cabinet reports identify issues of competing community demands

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
		• How your Council Tax is Spent leaflet issued with annual Council Tax bills
	Sustainable economic, social and environmental benefits • Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	• Capital programme • Medium Term Financial Strategy • Treasury Management strategy • Corporate Plan • Commercial Strategy
	• Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	• Corporate Plan with four-year vision • Medium Term Financial Strategy • Reports on decision making • Mandatory training (e.g. for the Planning Committee and Licensing Committee)
	• Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	• Consultation and community engagement strategy • Consultation and community engagement online diary
	• Ensuring fair access to services	• Customer service strategy • 24/7 Website offering >100 online services • Transparency webpages • Clear policies explaining the Council's processes and what customers can expect from the Council e.g. housing allocations policy, complaints policy • Regular engagement with the Wealden Disability Involvement Group (WDIG) • Translation and interpreting services

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
		• Read Speaker and enhanced zoom enabled website • Benefits Outreach Days • Internal Equalities Group • Community Equalities Reference Group
D. Determining the interventions necessary to optimise the achievement of the intended outcomes Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to	**Determining interventions** • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	• Options appraisals within key decision reports • All Cabinet reports available for consideration at Overview & Scrutiny • Reports to Audit, Finance & Governance Committee • Legal, Financial, Risk and HR implications considered as part of every decision and evidenced within committee reports • Climate Change/Sustainability impact and considerations embedded in all reports • Individual risk assessment on larger projects e.g. Crematorium, Elections (including delivery in pandemic)
	• Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	• Consultation outcomes incorporated within key Cabinet / Council reports • Specific consultation part of the annual budgeting process • Complaints process • Annual Budget consultation • Residents Surveys
	Planning interventions • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	• Calendar of meetings • Forward Plan of decision-making • Annual work programmes for Audit, Finance & Governance and Overview & Scrutiny Committees
	• Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	• Communication strategy • Regular engagement through WDIG

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
ensure that achievement of outcomes is optimised.	• Considering and monitoring risks facing each partner when working collaboratively including shared risks	• Risk management reporting • Risk identified within Cabinet reports • Risk register for specific projects • Service and Corporate Risk Registers
	• Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	• Report cycles allow flexibility to respond to changing priorities
	• Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	• Corporate Plan • Service plans • Performance Management Framework • Financial performance regularly measured through quarterly budget meetings and report
	• Ensuring capacity exists to generate the information required to review service quality regularly	• Pentana is the Council's online performance management system • Quarterly performance management reports
	• Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	• Clear alignment between corporate objectives and resources • Regular budget monitoring analysis and reporting across all Council Services
	• Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	• Medium Term Financial Strategy • Capital Strategy – reports to Cabinet / Audit, Finance and Governance on performance / progress
	Optimising achievement of intended outcomes • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	• Annual Budget consultation • Audit, Finance and Governance financial reporting cycle

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	• Full and detailed budgeting exercise • Internal and External Audit review
	• Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	• Medium Term Financial Services identifies plan for savings • External auditor report gives assurance • Quarterly budget reporting
	• Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes"	• Social Value Strategy • Social value assessed as part of award process under procurement • Social value embedded across the organisation through the Social Value Group • Annual procurement report updates Members on social value achieved through procurement as required under the Public Contracts Regulations 2015.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and	**Developing the entity's capacity** • Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness	• Assets Management Strategy • Commercial Strategy
	• Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	• CIPFA benchmarking • LGA Social Housing Peer Review • External Audit Use of Resources Statement • Local benchmarking exercise at Service level
	• Recognising the benefits of partnerships and collaborative working where added value can be achieved	• Wealden Strategic Partnership • South East Local Economic Partnership

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.		• Regular engagement with Chambers of Commerce across District • Significant commitment to partnership working • Joint working / shared services
	• Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• People Strategy • Leading Wealden management programmes across all levels of the organisation • Commitment to apprenticeships including higher level apprenticeships for established staff • Commitment to Continuing Professional Development • Revised Staff Structure to improve organisational capacity to deliver corporate ambitions • Introduction of a Coaching and Mentoring Framework
	Developing the capability of the entity's leadership and other individuals • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	• Constitution contains job descriptions for lead Members • Officer Job descriptions • Shared understanding of roles between Leader and CE • Officer Member protocol
	• Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	• Constitution • Scheme of Delegation • Financial Procedure Rules • Individual reports for major projects set out decision making basis so that this is open and transparent, particularly for new projects
	• Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership	• Job description for Chief Executive • Role profile for Leader in Constitution

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	roles within a structure whereby the Chief Executive leads the council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority	
	• Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:	• Regular meetings between Cabinet and CMT • Senior Leadership Training & Development • Leading Wealden management programmes across all levels of the organisation • SOLACE Springboard/ Development Programmes
	– ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged	• Induction programme for both staff and Members • Annual staff appraisal • Annual training programme for Members • Commitment to apprenticeships including those at a higher level and support for appropriate professional qualifications
	– ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	• Member Development Charter • Bespoke training at committees including presentations by service departments to Audit, Finance & Governance Committee • Community Leadership is discussed and led by Portfolio Holder and Cabinet Advisory Group • Member support through Democratic Services • Member training programme • Officer training e.g. professional training, continuing professional development, management and leadership training

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	– ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external	• Internal Audit reports on governance to Audit, Finance & Governance Committee • Workforce monitoring reports to Cabinet through Portfolio Holder
	• Ensuring that there are structures in place to encourage public participation	• Community Engagement Strategy • Residents' satisfaction survey • Regular user satisfaction surveys • Residents' consultation panel • Tenants' Forum • Wealden Aspires Drop In Shop / Consultation • Wealden Disability Involvement Group • The Council also has a Statement of Community Involvement (SCI) - a document that sets out what consultation will take place when the Council is developing and reviewing its planning policy documents (including the new Local Plan) and when determining planning applications.
	• Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	• Publish member attendance records • Members Development Charter • Annual training plan • Participation in appropriate Peer Reviews – most recently LGA Social Housing Peer Review
	• Holding staff to account through regular performance reviews which take account of training or development needs	• Annual performance appraisals and probationary appraisals • Staff development plan within appraisal process • Capability procedure • Sickness procedure • Routine Service Team Meetings and 1:1 Meetings

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	• Conditions of Service • Health and Safety policies • Health and Safety • Employee Assistance Programme – Confidential Helpline • Mental Health First Aiders • Workplace Health Scheme Monthly Programme • Wellbeing Hub • Council policies which support employees e.g. bereavement • Conditions of Service provisions • Specific Covid workplace risk assessment and safe working guidance
F. Managing risks and performance through robust internal control and strong public financial management Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management	**Managing risk** • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	• Review of Risk Management Policy and Framework • Risk management reported to Cabinet and Audit, Finance & Governance Committee • Risk assessments on all projects
	• Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	• Risk management policy and framework • Annual internal audit plan • Risk assessments on all projects • Emergency plan and Business Continuity Plan and the review of risks specific to emergencies such as the Covid-19 pandemic • Regular exercises to test the Emergency Plan, Rest Centre provision, Business Continuity Plan, Disaster Recovery and Cyber Security.
	• Ensuring that responsibilities for managing individual risks are clearly allocated	• Risks assigned with responsible owners • Named officers for e.g. Health and Safety, Data Protection, Emergency Planning, Business Continuity
	Managing performance	• Departmental service plans which are reviewed regularly

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision-making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.	• Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	• Senior Leadership ownership of specific Corporate Plan outcomes. • Performance monitoring • CIPFA Benchmarking • Transparency pages on website • Revised report format since May 2019 strengthening consideration of implications
	• Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	• Report template to Cabinet / Committees includes specific sections for analysis, options, risk, finance, and other relevant considerations • Agendas published at least 5 clear days in advance • Decision notices and minutes published after meetings
	• Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible	• Constitution defines roles and responsibilities of Overview & Scrutiny Committee and Audit, Finance & Governance Committees • Annual work programmes for those committees • Regular training sessions for committee members pertinent to that committee and the wider business and functions of the council
	• Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	• Annual timetable / calendar of meetings • Work programmes / forward plan for Cabinet and Committees • Senior Leadership ownership of specific Corporate Plan outcomes. • Annual Budget and Tax Setting report to Cabinet
	• Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)	• Financial Procedure Rules • Annual accounts and Statement of Accounts • External auditor reports

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	Robust internal control • Aligning the risk management strategy and policies on internal control with achieving the objectives	• Internal Audit Plan • Regular reports from Internal Audit to Audit, Finance & Governance Committee
	• Evaluating and monitoring the authority's risk management and internal control on a regular basis	• Risk Management Policy and Framework • Internal Audit Review of Effectiveness • Annual Governance Statement • External Audit Annual Report
	• Ensuring effective counter fraud and anti-corruption arrangements are in place	• Anti-fraud and anti-corruption policy • Whistleblowing policy • Acquisition and use of specialist data analysis software to detect fraud and corruption • Regular reports to Audit, Finance & Governance Committee on counter fraud activity
	Strong public financial management • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	• Clear links between Corporate Plan, Medium Term Financial Strategy and subsequent reporting on outcomes
	• Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	• Embedded financial management process covering process from beginning to end • Annual Star Chamber Process to examine all service budgets • External audit review
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	**Implementing good practice in transparency** • Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	• Publication of all reports and decisions on website • Transparency publication scheme • Consistent, accessible, reporting style used with supporting evidence providing more detail for those who require it.

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	• Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	• Web pages give key information and ability to drill down to specific documents and background papers for those requiring detail. • Annual performance report • Regular internal audit reports to Audit, Finance & Governance Committee
	Implementing good practices in reporting • Reporting at least annually on performance, value for money and the stewardship of its resources	• Annual performance report that supplements quarterly performance and budget reports • Annual reports from External Auditor • Value for money opinion • Statement of Accounts • Internal audit reports also comment on Value for Money implications where applicable.
	• Ensuring Members and senior management own the results	• Clearly defined roles for Cabinet portfolio holder and Audit, Finance & Governance Committee • Portfolio holders present reports at Cabinet • Each portfolio holder operates a Cabinet Advisory Group and has regular portfolio holder briefings with officers
	• Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	• Annual Governance Statement
	• Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	• Shared service legal agreements • Annual Governance Statement

Principles of good governance (in bold)	Sub-principles (in bold) and behaviours and actions that demonstrate good governance in practice	Wealden's Compliance & Supporting Evidence
	• Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	• CIPFA benchmarking • Quarterly performance reports to Cabinet and Overview & Scrutiny Committee including end of year performance.
	Assurance and effective accountability • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	• Management comments / response is incorporated as part of the reports from both Internal and External Audit • Follow-up procedure for all Internal Audit recommendations accepted by management. • Annual Opinion on the Control Environment report from Internal Audit • Compliance with CIPFA's Statement on the Role of the Head of Internal Audit • Compliance with Public Sector Internal Audit Standards • Annual review of effectiveness of internal audit reported to Audit, Finance & Governance Committee • Annual Governance Statement Action Plan and follow up
	• Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	• LGA Social Housing Peer Review • Cabinet report on outcomes and recommendations / action plan arising from review
	• Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	• Annual Governance Statement • Risk management reporting • Performance report • Requirement for performance information to management is specified in contract specification.
	• Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	• Proportionate governance arrangements in place for partnership working • Service Level Agreements for some community grants ensuring that outcomes are measurable and delivered.

5. Review of Effectiveness

Wealden District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Management Team, the Monitoring Officer and the Head of Financial Services who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The following processes have been applied in maintaining and reviewing the effectiveness of the governance framework:

Council

Council is responsible for approving the budget and policy framework, which includes the Corporate Plan and the Constitution.

Cabinet

Cabinet has approved the Council's performance management framework. Cabinet also approves the risk management policy and framework and receives reports on risk management, performance monitoring and budget monitoring.

Each Cabinet Member has also up a Cabinet Advisory Group (CAG). The membership of CAGs includes the relevant Portfolio Holder and is open to all Members. CAGs are not subject to political balance rules. The purpose of CAGs is to discuss any item of relevance to the Portfolio Holder with the purpose of allowing the Portfolio Holder to obtain the views, opinions and advice from the Members. They also review and advise the Portfolio Holder on policy and significant service delivery issues and will have access to relevant financial and performance information. As an advisory body only, the Cabinet Advisory Groups do not vote upon or seek to form a consensus opinion and any report or decision made will be of the Portfolio Holder's alone and will not be the decision of the Cabinet Advisory Group.

Audit, Finance & Governance Committee

This Committee undertakes the core functions of an Audit Committee and approves the annual Internal Audit report, receiving monitoring reports twice a year updating them on progress against that report. It also receives the external auditor's annual audit letter, annual governance report, annual plan and grant claim certification report. The Committee has lead oversight responsibility for corporate governance, risk management and other internal control issues. It also leads the cross Member scrutiny and consideration of the budget. The Audit & Governance Committee also reviews the Constitution.

Overview & Scrutiny Committees

The Overview & Scrutiny Committee reviews performance across all services delivered by the Council and partner organisations, and the impact they have on the District and its communities.

Standards Committee

This Committee undertakes a proactive role in relation to the promotion of the ethical conduct framework. To achieve this it has undertaken training and visits with Parish & Town Councils which have helped gain a better understanding of public attitudes and perceptions of ethical conduct within the District. It has also published documents to inform the public about its role, the importance of good ethical conduct in the area, and the high standards of conduct evident in the District.

The current Code of Conduct and a new framework for dealing with ethical governance has been adopted by the county and the district and borough councils in East Sussex in order to maintain a level of consistency across the geographical area, particularly in relation to twin-hatted Members. The Standards Committee has put in place arrangements for dealing with complaints, conduct investigations and hearing allegations. It has also recently received an Ethical Update Report following a detailed review on local government ethical standards by The Committee on Standards in Public Life.

Head of Financial Services

The Head of Financial Services (HFS) has been designated as the s151 Officer. That officer maintains the statutory powers to report to Cabinet or Council on any proposals, decision or omission that gives rise to any unlawful expenditure. The HFS also has clearly defined responsibilities for Risk Management, Internal Control, and systems and processes for financial administration and control, which are set out in the Financial Procedure Rules.

Monitoring Officer

The Head of Legal & Governance Services has been designated as the Monitoring Officer. The Monitoring Officer has the specific duty, contained within Section 5 of the Local Government and Housing Act 1989, to ensure that the Council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do.

The role of the Monitoring Officer is:

- To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration;
- To be responsible for matters relating to the conduct of Councillors and officers; and
- To be responsible for monitoring and reviewing the operation of the Constitution, to ensure that the aims and principles of our Constitution are given full effect.

Internal Audit

The internal control system comprises the whole network of systems established within the Council to provide reasonable assurance that corporate objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data
- Effective monitoring systems and optimum use of performance management information

6. Governance Issues – Progress from last year

The table below describes the governance issues identified during 2021/22 and the progress made against these during the year:

No.	Key Improvement Area	Lead Officer	Update on Position
1	Corporate Governance	Head of Legal & Governance Services Head of Financial Services	Review of the Council's governance processes was undertaken, including a detailed Constitutional review, project governance for all strategic projects and implementation of cross-organisational groups and internal project teams for all projects.
2	Risk of Cyber Attack and Information Security	Head of Customer and Digital Services	PSN compliance completed with no outstanding recommendations following detailed review and audit of the Council's systems and policies.
3	Staff Recruitment and Retention	Head of People and Organisational Development	Pay review completed and implemented, including comprehensive review of the Council's pay grades, job evaluation processes and staff conditions of employment. Staff development programme also in progress. Staff turnover reduction has been noted since the review.

7. Governance Issues

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit, Finance & Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

No.	Issue	Action	Lead Officer
1.	Cyber and Data Security	To continue to review and audit the Council's IT systems and policies to ensure continued security of its systems and to further optimise our mitigation against such events and the potentially critical damage to council services	Head of Customer and Digital Services Head of Legal and Governance Services
2.	Staff Recruitment and Retention	To fully implement the People Strategy and undertake a review of the effectiveness of the pay review to address the issue of market conditions and to provide recommendations to improve recruitment and retention at all levels.	Head of People and Organisational Development
3.	Risk Management	To implement the revised Risk Management Policy and Framework and provide appropriate training to Members and staff. Risk registers to be maintained in all service areas, with risks identified and appropriate mitigations put in place. Risk management will be reported upon to Members periodically.	Head of Legal & Governance Services Head of Financial Services

8. Certification

To the best of our knowledge, the governance arrangements, as defined above have been effectively operating during the year with the exception of those areas identified in Section 7. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for the improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.



Councillor James Partridge
Leader of the Council

Date: 31 July 2023



Trevor Scott
Chief Executive

Date: 31 July 2023