



West Devon
Borough
Council

Draft Summary Accounts (Unaudited) 2022/23

Actual 2021/22 Restated £000	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	Actual 2022/23 £000
4,113	Customer Service & Delivery	5,411
887	Strategic Finance	1,279
1,908	Place & Enterprise*	3,052
1,239	Governance & Assurance	844
8,147	Cost of Services - CIES	10,586
(2,200)	Technical/accounting adjustments e.g. removal of depreciation, revaluation and IAS19 retirement benefits	(3,274)
5,947	Cost of Services – excluding accounting adjustments	7,312
(1,162)	Investment Properties	(1,165)
(35)	Interest and Investment Income	(601)
1,368	Interest payable and repayment of principal debt	1,380
946	Other adjustments	781
7,064	Amount to be met from Government Grants and taxation (excluding parish precepts) – this compares to the 2022/23 net expenditure budget of £7.77m	7,707
(4,890)	Council Tax income	(5,103)
10	Deficit/(Surplus) on Council Tax Collection Fund	(152)
(1,673)	Business Rates	(1,900)
(557)	Non ringfenced government grants	(690)
(150)	Budgeted earmarked reserve contributions	59
(7,260)	Total Financing	(7,786)
(196)	Net General Fund (Surplus)	(79)
(1,294)	General Fund Balance on 1 April	(1,490)
(1,490)	General Fund Balance on 31 March	(1,569)

* The increase in Place & Enterprise expenditure mainly relates to payment of the Green Homes grant of £0.537m in 2022/23.

THE COST OF COUNCIL SERVICES FOR 2022/23

The Comprehensive Income and Expenditure Account (CIES) details the cost of running Council Services between 1 April 2022 and 31 March 2023, where the money came from to finance those costs along with the surplus at the year end.

The 2022/23 budget for West Devon was £7.77m but the actual net spend was 1.0% lower, providing a surplus of £79,000 for the year.

SUMMARY OF THE FINANCIAL POSITION 2022/23

In 2022/23 the Council incurred additional costs and a shortfall in income of £1.162m (equating to 15% of the Council's net budget of £7.770million). Many of the additional costs were as a result of the current economic climate with high inflation and the cost of living crisis. The extra costs incurred in the year included the impact of the local government pay award (£230,000) and inflation (over the amount budgeted) for the waste contract and IT costs totalling £289,000. In addition there were additional waste contract costs totalling £328,000 and the Council experienced a shortfall in planning income of £185,000 plus a net income shortfall in car parking of £78,000.

These extra costs and shortfall in income were offset by the Council generating additional investment income from treasury management of £575,000, as a result of the Council realising the opportunity from high interest rates. Overall £1.241m of additional income and reductions in costs were achieved in 2022/23 equating to 16% of the Council's net budget of £7.770 million. This was generated from various services including the extra investment income, salary savings and a reduction in homelessness prevention costs.

SAVINGS AND ADDITIONAL INCOME

Savings and additional income were identified in the 2022/23 budget setting process and were closely monitored during the year. In 2022/23 £423,000 of savings and additional income were achieved compared to the original target of £271,000. This is mainly due to the additional recycling income generated.

COLLECTION FUND – COUNCIL TAX AND BUSINESS RATES

The Collection Fund holds the transactions of the Billing Authority in relation to the collection of council tax and business rates from taxpayers and its distribution to local authorities and the Government.

Council Tax

The income from Council Tax totalled £48.1m in 2022/23. The Council collected 98.34% of council tax in 2022/23, which was in the top quartile of all Councils nationally.

Business Rates

Business Rates receivable totalled £8.9m in 2022/23. The Council collected 98.95% of business rates in 2022/23, which was in the top quartile of all Councils nationally.



BALANCE SHEET

The Balance Sheet shows what the Council owns, owes or is owed.

2021/22 £000	BALANCE SHEET	2022/23 £000
Net Assets		
44,690	Building, Land & Assets owned by the Council	37,832
3,732	Money Owed to the Council	5,118
17,753	Investments – long term and short term*	10,662
10,011	Cash and Cash Equivalents	11,153
(15,604)	Money Owed by the Council*	(8,909)
(921)	Provisions – Business Rates Appeals	(733)
(24,220)	Pension (Liability)/Asset**	(5,490)
(1,321)	S106 Deposits	(1,259)
(28,341)	Borrowing – long term and short term	(27,726)
5,779	Total Net Assets	20,648
FINANCED BY:		
Usable Reserves		
1,490	General Fund Balance	1,569
9,189	Earmarked Reserves	8,902
409	Capital Reserves	382
Unusable Reserves		
19,789	Capital Finance & Revaluation of Assets	13,579
(864)	Collection Fund Adjustment Accounts	1,813
(24,220)	Pension Reserve**	(5,490)
(14)	Other Unusable Reserves	(107)
5,779	Total Reserves – Usable and Unusable	20,648

* The reduction in investments and money owed by the Council as at 31 March 2023 partly relates to the timing of the Council Tax energy rebate grant (£2.99m) which was received at the end of 2021/22 and the payments were made on behalf of Central Government at the beginning of 2022/23. In addition the Council also administered various Business Grants on behalf of Central Government in 2021/22 and part of the reduction in investments relates to unapplied funding being repaid to Central Government in 2022/23.

** The pension liability as at 31 March 2023 of £5.49million is significantly lower than the previous year (£24.22million) as a result of the actuary reducing life expectancy projections and an increase in interest rates affecting the discount rate for liabilities.

CAPITAL PROGRAMME

Capital expenditure represents monies spent on the purchase, construction or major refurbishment of assets. The Council's capital expenditure amounted to £2.049m in 2022/23. The main areas of expenditure were residential renovation grants (£1.135m) and Green Homes grants (£0.537m).

A breakdown of the main types of capital expenditure and the sources of funding are shown below:

2021/22 £000	CAPITAL PROGRAMME FOR THE YEAR	2022/23 £000
Capital Expenditure		
208	Property	91
4	Other Land	12
102	Plant & Equipment	144
166	IT Software	95
607	Disabled Facilities Grants & Regulatory Reform Order Grants	1,135
-	Green Homes Grants	537
16	Other Private Housing	35
1,103	Total expenditure for capital purposes	2,049
Sources of Finance		
(115)	Capital Receipts	-
(607)	Government Grants and Other Contributions	(1,791)
(96)	Earmarked Reserves	(208)
(123)	Revenue	(50)
(162)	Borrowing	-
(1,103)	Total capital financing	(2,049)

BORROWING

Total borrowing for the Council has reduced from £28.341m as at 31 March 2022 to £27.726m as at 31 March 2023. No further external borrowing took place during 2022/23.