



**Walsall Council**

# Summary of Accounts 2021/22

Details of Walsall Council's spending during the past financial year

---

This summary set of accounts are not subject to audit, however they are derived from figures within the 2021/22 statement of accounts and are presented as an overview.

## Introduction

The council's full set of accounts (the statement of accounts) is a large document. Its content is largely prescribed by accounting standards that all local authorities have to follow. This summary is intended to give the reader a brief, uncomplicated view of the council's financial results in 2021/22.

## Financial review

In the financial year ended 31 March 2022, the council received income of £765.417 million and saw expenditure of £753.150 million, resulting in a surplus on the provision of services of £12.267 million. However after deducting statutory accounting adjustments of £3.574 million for items such as depreciation, impairments of fixed assets and entries in relation to pension costs, and accounting for funds set aside for specific future use of £7.198 million, the net surplus for the year was £1.495 million. These adjustments are required by regulation to enable the council to remove costs which are not actual cash payments such as depreciation, otherwise council tax levels would need to be raised to cover such accounting costs.

Capital investment in 2021/22 totalled £79.586 million (£102.837 million in 2020/21). The expenditure was on items such as improvements to the borough's roads and junctions, and investment in businesses and organisation in the borough to encourage growth and new employment. This investment was largely paid for from grants, asset sales and borrowing.

## What do we spend money on and how is it funded?

### Revenue Expenditure

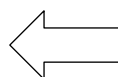
Income	£m	%
Government grants	(245.811)	32.11%
Dedicated schools grant	(169.617)	22.16%
Non domestic rates	(63.684)	8.32%
Council tax	(133.910)	17.50%
Other income (rents, fees and charges, specific grants)	(152.395)	19.91%
<b>Total</b>	<b>(765.417)</b>	<b>100.00%</b>

What income we received

What we spent it on

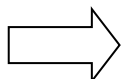
Type of expenditure	£m	%
Employees	289.792	38%
Depreciation, impairment and disposal of assets	27.323	4%
Supplies and services	124.416	17%
Precepts/Levies	11.267	1%
Other running costs	300.352	40%
<b>Total</b>	<b>753.150</b>	<b>100%</b>

<b>Service</b>	<b>£m</b>	<b>%</b>
Children's Services & Customer Engagement - Education	224.359	31%
Adult Social Care, Public Health & The Hub	160.415	21%
Children's Services & Customer Engagement - Other	161.804	21%
Economy, Environment & Communities	80.465	11%
Resources & Transformation	66.371	9%
Centre	17.323	2%
Precepts/Levies (WMCA)	11.267	1%
Other	31.146	4%
<b>Total</b>	<b>753.150</b>	<b>100%</b>



Where money was spent

Revenue summary

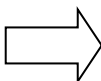


<b>Revenue summary</b>	<b>£m</b>
Income	(765.417)
Expenditure	753.150
<b>(Surplus) / deficit on the provision of services</b>	<b>(12.267)</b>

<b>Category</b>	<b>£m</b>
Charges for depreciation and impairment	(18.099)
Revaluation losses	(2.779)
Capital grants and contributions	64.799
Disposal of fixed assets	(6.445)
Pension costs	(36.031)
Other statutory movements	2.129
<b>Total</b>	<b>3.574</b>

When completing the statement of accounts we include certain adjustments to meet the requirement of accounting standards. This summary shows the further adjustments that are then undertaken, as prescribed, to remove them, ensuring that they do not result in an increase in council tax.

Final position for the year



	<b>£m</b>
Net revenue expenditure	(12.267)
Adjustments for costs (as above)	3.574
Funds set aside for specific future use	7.198
<b>(Surplus) / Deficit for the year</b>	<b>(1.495)</b>

## Capital Expenditure

The council also spends money on improving and repairing the land and property owned by the council so that first class public services can be offered, such as purchasing, upgrading and improving assets such as buildings and roads. In 2021/22 a total of approximately £80 million was spent on capital investment. This was split as follows:

<b>Capital expenditure</b>	<b>2021/22</b>
<b>Type of asset</b>	<b>£m</b>
Land and buildings	20.109
Vehicles and equipment	1.744
Highways Infrastructure	12.059
Community assets	0.086
Assets under construction	2.517
<b>Subtotal</b>	<b>36.515</b>
Intangible assets	4.307
Revenue expenditure funded from capital	33.993
Acquisition of equity in associate company	0.197
Provision of capital loans to associate company	4.574
<b>Total</b>	<b>79.586</b>

The following table shows how Walsall Council has paid for capital expenditure this year.

<b>Capital Financing</b>	<b>2021/22</b>
<b>Source</b>	<b>£m</b>
Borrowing	15.846
Capital receipts	3.301
Capital grants and contributions	57.884
Revenue	2.555
<b>Total</b>	<b>79.586</b>

## What are we worth – Walsall Council's balance sheet

The council's balance sheet gives a snapshot of the council's financial position at year end. It shows what the council owns (its assets) and what it owes (its liabilities). It also gives details of how these are all funded. Below is a summary balance sheet for the financial year ending 31 March 2022.

<b>Balance sheet category</b>	<b>£m</b>
Fixed assets	570.229
Other long term assets	59.970
Stock	0.397
Money owed to the council	90.956
Investments	174.286
Cash and cash equivalents	49.431
<b>Assets - owned by the council</b>	<b>945.269</b>
Money owed by the council	(162.178)
Borrowing by the council	(293.858)
Pensions liability	(601.226)
Other long term liabilities	(3.467)
<b>Liabilities - owed by the council</b>	<b>(1,060.729)</b>
<b>Total assets less liabilities</b>	<b>(115.460)</b>
<b>Financed by:</b>	
Distributable reserves	(320.239)
Non redistributable reserves	(165.527)
Pensions reserve	601.226
<b>Total reserves</b>	<b>115.460</b>

As at 31 March 2022 Walsall Council's balance sheet shows a negative net worth of £115.460 million. It must be noted that Walsall Council is in sound financial health when comparing the ability to pay its current liabilities. Walsall Council also has a balanced budget set for 2022/23. The negative net worth position at 31 March 2022 is largely due to the government policy of academy conversion of local authority schools. Since 2008 the council has lost a total of 42 schools at a combined balance sheet value of approximately £303 million. The council is not compensated for any academy conversions regardless of whether there has been any borrowing in prior years to finance capital spend. This means for each academy conversion the council's balance sheet is further reduced.

The statement of accounts are prepared on a going concern basis.

## Cash flow

Walsall Council handles significant amounts of cash relating to both revenue and capital during the year. The cash flow shows the movement of money into and out of the Council's bank accounts. The statement does not show money owed to the council or owed by the council.

Money received by the council, or cash inflows, can come from a variety of sources such as local taxation, government grants, bank interest and fees and charges.

The cash outflows include purchases, interest and principal payments on loans, salaries and other costs and expenses.

	£m
Cash and cash equivalents at the start of the year	33.273
Cash and cash equivalents at the end of the year	49.431

## Glossary

Please see the glossary included within the [Statement of accounts](#) for an explanation of some of the accounting terms used within this document.

The statement of accounts has been prepared in accordance with the Accounting Code of Practice. The figures for this summary were originally compiled having regard to proper accounting practice.

The council's 2021/22 accounts are currently being audited by Grant Thornton.

A full copy of the council's accounts is available at [www.walsall.gov.uk](http://www.walsall.gov.uk). Alternatively call 01922 650708 to obtain a copy.