



**Walsall Council**

# Draft Summary of Accounts 2022/23

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

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This summary set of accounts are not subject to audit, however they are derived from figures within the 2022/23 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 2022/23.

## Financial review

In the financial year ended 31 March 2023, the council received income of £772.278 million and saw expenditure of £842.109 million, resulting in a deficit on the provision of services of £69.831 million. However, after adding in statutory accounting adjustments of £38.669 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 £30.676 million, the net deficit for the year was £0.486 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 2022/23 totalled £96.314 million (£79.586 million in 2021/22). 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

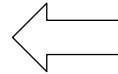
Provided by	Income	£m	%
Government	Government grants	(240.971)	31.20%
Government	Dedicated schools grant	(178.023)	23.05%
Government	Non domestic rates	(63.834)	8.27%
Citizen	Council tax	(138.899)	17.99%
Citizen	Other income (rents, fees and charges, specific grants)	(150.551)	19.49%
<b>Total</b>		<b>(772.278)</b>	<b>100.00%</b>

← What income we received

What we spent it on →

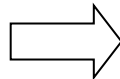
Type of expenditure	£m	%
Employees	307.573	37%
Depreciation, impairment and disposal of assets	30.889	4%
Supplies and services	138.651	16%
Precepts/Levies	11.497	1%
Other running costs	353.499	42%
<b>Total</b>	<b>842.109</b>	<b>100%</b>

<b>Service</b>	<b>£m</b>	<b>%</b>
Children's Services & Customer Engagement - Education	236.400	29%
Adult Social Care, Public Health & The Hub	163.479	19%
Children's Services & Customer Engagement - Other	180.058	21%
Economy, Environment & Communities	100.257	12%
Resources & Transformation	66.703	8%
Centre	33.577	4%
Precepts/Levies (WMCA)	11.497	1%
Other	50.138	6%
<b>Total</b>	<b>842.109</b>	<b>100%</b>



The services it provides

Revenue summary



<b>Revenue summary</b>	<b>£m</b>
Income	(772.278)
Expenditure	842.109
<b>(Surplus) / deficit on the provision of services</b>	<b>69.831</b>

<b>Category</b>	<b>£m</b>
Charges for depreciation and impairment	(21.723)
Revaluation losses	(0.814)
Capital grants and contributions	56.728
Disposal of fixed assets	(8.352)
Pension costs	(39.910)
Other statutory movements	(24.598)
<b>Total</b>	<b>(38.669)</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	69.831
Adjustments for costs (as above)	(38.669)
Funds set aside for specific future use	(30.676)
<b>(Surplus) / Deficit for the year</b>	<b>0.486</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 2022/23 a total of approximately £96 million was spent on capital investment. This was split as follows:

<b>Capital expenditure Type of asset</b>	<b>2022/23 £m</b>
Land and buildings	17.826
Vehicles and equipment	4.825
Highways Infrastructure	16.510
Community assets	0.415
Assets under construction	1.652
<b>Subtotal</b>	<b>41.228</b>
Intangible assets	5.238
Revenue expenditure funded from capital	44.367
Provision of capital loans to associate company	5.481
<b>Total</b>	<b>96.314</b>

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

<b>Capital Financing Source</b>	<b>2022/23 £m</b>
Borrowing	28.524
Capital receipts	3.314
Capital grants and contributions	61.697
Revenue	2.779
<b>Total</b>	<b>96.314</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 2023.

<b>Balance sheet category</b>	<b>£m</b>	<b>Explanation</b>
Fixed assets	585.653	Property, equipment
Other long term assets	73.219	Investments and long term debtors
Stock	0.290	Value of goods held such as food
Money owed to the council	102.271	By citizens and businesses
Investments	58.617	Short term cash deposits
Cash and cash equivalents	49.993	Cash in bank
<b>Assets - owned by the council</b>	<b>870.043</b>	
Money owed by the council	(122.488)	To businesses for goods purchased
Borrowing by the council	(240.918)	To fund capital expenditure
Pensions liability	(92.294)	Total pension liability
Other long term liabilities	(2.578)	Finance leases and PFI
<b>Liabilities - owed by the council</b>	<b>(458.278)</b>	
<b>Total assets less liabilities</b>	<b>411.765</b>	
<b>Financed by:</b>		
Distributable reserves	(285.848)	Can be used to fund future years
Non redistributable reserves	(218.211)	Accounting balances mainly for financing
Pensions reserve	92.294	Total pension assets
<b>Total reserves</b>	<b>(411.765)</b>	

As at 31 March 2023 Walsall Council’s balance sheet shows a net worth of £411.765 million. It must be noted that Walsall Council is in good financial health when comparing the ability to pay its current liabilities. Walsall Council also has a balanced budget set for 2023/24.

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.

	<b>£m</b>
Cash and cash equivalents at the start of the year	49.431
Cash and cash equivalents at the end of the year	49.993

## **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 2022/23 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.