

Summary Accounts 2023/24



District Council

| COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT | Actual 2022/23 £million | Actual 2023/24 £million |
|--|-------------------------------|-------------------------------|
| Spending on Services | | |
| Customer Service & Delivery* (mainly frontline services such as Waste and Recycling, Grounds Maintenance and Revenues and Benefits)D | 12.049 | 13.909 ¹ |
| Strategic Finance (including Pension Costs, Corporate Management and Finance)D | 1.886 | 1.651 |
| Place & Enterprise (including Housing, Car Parking, Dartmouth Lower Ferry, Salcombe Harbour, Assets and Environmental Health) | 4.702 | 3.233 |
| Governance & Assurance (including Planning, Land Charges, Elections, Legal Services, Democratic Services and Insurance)D | 3.055 | 3.605 |
| Cost of Services | 21.692 | 22.398 |
| Removal of technical accounting adjustments e.g. depreciation, revaluation and IAS19 retirement benefitsD | (8.563)D | (5.462)D |
| Cost of Services – excluding technical accounting adjustments | 13.129 | 16.936 |
| Income from Investments and other Adjustments** | | |
| Investment Properties | (0.911)D | (0.900)D |
| Interest and Investment Income | (1.146)D | (1.937)D |
| Interest payable and repayment of principal debt | 0.859 | 0.865 |
| Other adjustments | (1.507)D | (2.825)D |
| Net Cost of Services – to be met by local taxation and government grants | 10.424 | 12.139 |
| Income from local taxes and government grants | | |
| Council Tax income | (7.061)D | (7.407)D |
| Surplus on Council Tax Collection Fund | (0.181)D | (0.332)D |
| Business Rates | (2.574)D | (3.024)D |
| Non ringfenced government grants (including the Funding Guarantee of £0.69 million in 2023/24)D | (0.665)D | (1.405)D |
| Total income from local taxes and government grants | (10.481) | (12.168) |
| Surplus for the year (to be added to the General Fund Balance) | (0.057) | (0.029) |

THE COST OF COUNCIL SERVICES FOR 2023/24

The Comprehensive Income and Expenditure Account details the cost of running Council Services between 1 April 2023 and 31 March 2024, where the money came from to finance those costs along with the surplus or deficit at the year end.

¹ For example, this figure should be read as £13.909 million

* The increase in Customer Service and Delivery gross expenditure in 2023/24 of £2.3 million reflects the impact of the local government pay award in 2023/24. In addition the Council has incurred additional expenditure whilst providing better outcomes following the return of the Waste and Cleansing service coming back in-house from October 2022.

**D Income figures are shown in brackets.

The 2023/24 budget for South Hams was £11.738 million but the actual net spend was 0.25% lower, providing a surplus of £29,000 for the year.

SUMMARY OF THE FINANCIAL POSITION 2023/24

There were a number of factors which contributed to the overall surplus of £29,000 in 2023/24. These can be summarised as follows:

In 2023/24, the Council generated £2.21 million of additional income and savings (equating to 18.8% of the Council's net budget of £11.738 million). This was from extra treasury management investment income (£1.1 million) by realising the opportunity from high interest rates and securing advantageous rates from reviewing market offers on a daily basis. The Council also generated additional car parking income (£0.39 million) primarily as a result of increased usage. Employment estates generated extra income of £0.309 million due to high occupancy rates and the Council secured extra business rates income from identifying renewable energy sites (0.207 million). In addition, proactive management action resulted in salary savings from vacancies of £0.13 million.

This additional income and savings were offset by the fact that the Council also incurred additional costs and a shortfall in income of £2.18 million (equating to 18.6% of the Council's net budget of £11.738 million). 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 national local government pay award (£0.56 million), the waste and cleansing service (£0.38 million) and temporary accommodation costs (£0.26 million). In addition, there was an increase in the overall bad debt provision for debtors (£0.23 million) and higher inflation than budgeted mainly in respect of IT, utilities and insurance totalling £0.39 million. The Council also experienced a shortfall in planning income of £0.12 million.

The difference between the higher costs and the additional income achieved in 2023/24 equates to the overall surplus of £29,000.

Waste Service

In 2023/24, there was a £2 million reserve contribution to fund exceptional transitional costs for bringing the waste and recycling service back in house in October 2022 and the one-off costs of implementing Devon Aligned Service.D

This was referenced in reports to Council on 14 July 2022, 22 September 2022 and 14 December 2023 and had the support of the cross-party Waste Working Group. The £2 million was funded from the Business Rates Retention earmarked reserve. Performance has improved significantly.D

BORROWING

In 2023/24 the long term borrowing of the Council reduced from £13,825,000 (2022/23) to £13,364,000. Short term borrowing has increased from £459,000 to £461,000. This is due to the profiling of the debt repayments where long term borrowing has moved to short term borrowing. Total borrowing as at 31 March 2024 has reduced from £14,284,000 to £13,825,000. No further external borrowing took place during 2023/24.

The average fixed rate of interest on the borrowing is 2.547%.D



BALANCE SHEET

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

| BALANCE SHEET | 31 March 2023 £million | 31 March 2024 £million |
|--|------------------------------|------------------------------|
| Net Assets | | |
| Building, Land & Assets owned by the Council | 105.793 | 113.092 |
| Money Owed to the Council | 9.095 | 7.401 |
| Investments – long term and short term | 20.526 | 9.205 |
| Cash and Cash Equivalents | 14.709 | 15.244 |
| Money Owed by the Council | (17.290)D | (10.621)D |
| Provisions – Business Rates Appeals | (0.901)D | (0.893)D |
| Pension Liability | (2.191)D | (2.214)D |
| S106 Deposits | (6.643)D | (6.495)D |
| Borrowing – long term and short term | (14.284)D | (13.825)D |
| Total Net Assets | 108.814 | 110.894 |
| FINANCED BY: | | |
| Usable Reserves | | |
| General Fund Balance | 2.113 | 2.142 |
| Earmarked Reserves | 15.424 | 15.473 |
| Capital Reserves | 3.329 | 2.640 |
| Unusable Reserves | | |
| Capital Finance & Revaluation of Assets | 87.273 | 93.644 |
| Collection Fund Adjustment Accounts | 3.957 | (0.228)D |
| Pension Reserve | (2.191)D | (2.214)D |
| Other Unusable Reserves | (1.091)D | (0.563)D |
| Total Reserves – Usable and Unusable | 108.814 | 110.894 |

CAPITAL PROGRAMME

Capital expenditure represents monies spent on the purchase, construction or major refurbishment of assets. The Council's capital expenditure amounted to £9.66 million in 2023/24. The main areas of expenditure were as follows:

- Purchase of 8 properties in Sherford (£2.31 million) for refugees and temporary accommodation, utilising Government Local Authority Housing Fund grant funding
- Purchase of waste fleet (£1.74 million)D
- Residential renovation grants including disabled facilities grants (£1.50 million)D
- St Ann's Chapel housing scheme (£0.94 million)D
- Purchase of 3 properties in Ivybridge (£0.85 million) for refugees and temporary accommodation, utilising Government Local Authority Housing Fund grant funding
- Torr Quarry depot improvement (£0.35 million)D
- Batson Harbour Depot (£0.33 million)D
- Affordable Housing – purchase of Westville Flats (£0.15 million)D

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

| CAPITAL PROGRAMME FOR THE YEAR | 2022/23 £million | 2023/24 £million |
|--|---------------------|---------------------|
| Capital Expenditure | | |
| Property | 0.410 | 0.465 |
| Other Land | 0.207 | 0.300 |
| Plant & Equipment | 0.358 | 2.581 |
| IT Software | 0.095 | 0.093 |
| Disabled Facilities Grants & Regulatory Reform Order Grants | 1.136 | 1.497 |
| Green Homes Grants | 0.914 | - |
| Other Private Housing | 0.094 | 3.377 |
| Assets Under Construction e.g. Dartmouth Health and Wellbeing Hub 2022/23 and St Ann's Chapel | 6.165 | 1.345 |
| Total expenditure for capital purposes | 9.379 | 9.658 |
| Sources of Finance | | |
| Capital Receipts | (0.179)D | (0.617)D |
| Government Grants and Other Contributions | (2.596)D | (4.984)D |
| Earmarked Reserves | (1.083)D | (2.563)D |
| Revenue | (0.050)D | (0.076)D |
| Borrowing from previous years used for capital projects | (5.471)D | (1.418)D |
| Total capital financing | (9.379) | (9.658) |

The full set of audited accounts for 2023/24 can be found on the Council's website:

www.southhams.gov.uk/your-council/budgets-and-finance/budgets-and-spending/annual-accounts