

2022/23 Statement of Accounts (SOA) Overview

[page references are shown which cross reference to the full SOA document also available on the T&W internet site]

- The communication of financial information is a key aspect of public accountability. The Statement of Accounts provides detail about the funds available to the Council and how they have been used to deliver services together with a snap-shot of the financial position as at 31 March 2023 i.e. the value of assets and liabilities at year end.

BACKGROUND

- The structure and content of the Statement of Accounts is determined by Government Legislation, Accounting Standards, including International Financial Reporting Standards, and the Chartered Institute of Public Finance & Accountancy (CIPFA) Guidance and Codes of Practice.
- The Statement of Accounts comprises:
 1. **Narrative Report**
 2. **Statement of Responsibilities**
 3. **Annual Governance Statement**
 4. **Auditor's Report**
 5. **Expenditure & Funding Analysis**
 6. **Comprehensive I&E Statement**
 7. **Movement in Reserves Statement**
 8. **Balance Sheet**
 9. **Cash Flow Statement**
 10. **Notes to the Accounts**
 11. **The Collection Fund Account**
 12. **Group Accounts**
 13. **Glossary**

KEY DATES

- Outturn report presented to Cabinet: 15 June 2023; Council 13 July 2023
- **Draft SOA presented to Audit Committee Members: 31 May 2023**
- Draft SOA available for Public Inspection for 30 days
- **Start of External Audit: 24 July 2023**
- Updated SOA approval by Audit Committee: 30 April 2024
- **Audit substantially completed**
- Final SOA published once Audit Opinion is received

1. NARRATIVE REPORT [pages 4 -28]

Provides an overview of the budget and financial context, highlights issues raised during the year and provides a summary of both the revenue and capital outturn positions for the Council.

Revenue Position			
	Budget £m	Outturn £m	Variation £m
Net Budget	134.953	135.243	+0.290
Add: Funding Variance	0.000	-0.302	-0.302
Service Outturn [page 12 SOA]	134.953	134.941	-0.012

General & Special Fund Balances - £m	
Balances bwfd 1/4/22	5.107
Surplus or (Deficit) in year	0.012
Agreed use of balances	(0.398)
Balances cwfd 31/3/23	4.721

Capital - £m	
Approved Capital Programme	87.160
Outturn	75.702
Funded by:	
Borrowing	25.253
Capital Receipts	13.598
Grants	28.697
Other Sources	8.154
Total	75.702

2 & 3. STATEMENT OF RESONSIBILITIES & ANNUAL GOVERNANCE STATEMENT [pages 29 & 30 - 49]

Sets out the responsibilities of the authority and the Chief Financial Officer in respect of the SOA; details the governance framework, systems of control and standards of conduct; reviews the effectiveness of governance arrangements and identifies actions to be implemented in 2023/24

4. AUDITORS REPORT [page 50 - 55 (to follow)]

Provides independent assurance to Members that the SOA have been compiled in accordance with UK accountancy regulations and that they give a true and fair view of the financial position as at 31 March 2023. Grant Thornton will **present** their own report to Audit Committee which will include the Audit Opinion. An unqualified audit opinion is anticipated.

5. EXPENDITURE & FUNDING ANALYSIS (EFA) [page 56]

The EFA reconciles how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices.

6. COMPREHENSIVE INCOME & EXPENDITURE STATEMENT (CIES) [page 63]

The CIES shows the cost of providing services, in accordance with Accountancy regulations, not the amount funded from taxation.

	£m
Deficit on I&E Account	38.437
Less adjustments for capital purposes	5.661
Plus other adjustments	(13.216)
Less pension adjustments	(30.894)
Actual Contribution to General Fund Balances	(0.012)

7. MOVEMENT IN RESERVES STATEMENT [page 64]

Shows the different reserves held by the authority, analysed into Usable reserves (those which could be used to fund expenditure) and Other Reserves (technical reserves and those where funds would not be immediately realisable e.g. revaluation reserve where assets would have to be sold to release the benefit).

Usable Reserves	£m	Unusable Reserves	£m
General/Special Fund Balance	4.721	Pension Reserve - Deficit	(86.494)
Capital Grants Unapp.	12.748	Acc. Absence Reserve	(2.346)
Revenue Grants Unapp.	0.137	Capital Adjustment a/c	121.766
Earmarked Service Reserves	99.619	Revaluation Reserve	207.644
School Balances	11.452	Collection Fund	(1.723)
		Other	(7.302)
Total Usable Reserves	128.677	Total Unusable Reserves	231.545
Total Reserves at 31 March 2023: £360.222			

8. BALANCE SHEET [page 65]

The Balance Sheet shows the value of assets and liabilities at 31 March.

Assets	£m	Liabilities	£m
Property, Plant & Equipment	780.181	Borrowing	347.222
Intangible Assets	5.429	Creditors	95.443
Long Term Investments	18.800	Pensions Liability	86.494
Long Term Debtors	45.420	PFI/Finance Leases	44.215
Assets Held for Sale	2.238	Provisions	3.219
Debtors	50.325	Other	4.462
Cash/Cash Equivalents	38.620		
Other Current Assets	0.264		
Total Assets	941.277	Total Liabilities	581.055
Total Net position at 31 March 2023: £360.222 (Asset)			

9. CASHFLOW STATEMENT [page 66]

Shows cash inflows and outflows during the year.

10. NOTES TO THE ACCOUNTS [pages 67 - 146]

56 notes providing further information to support the figures in the financial statements.

[listed in contents on page 1]

11. COLLECTION FUND [pages 147 - 151]

Required by statute for billing authorities; records transactions relating to business rates and council tax income and payments to this Council, the Parishes, Police & Fire Authorities.

12. GROUP ACCOUNTS AND NUPLACE ACCOUNTS [pages 155 - 169]

Nuplace was incorporated on 1 April 2015. The principal activity of the company is the procurement of the construction and management of private and affordable residential property.

- Nuplace is wholly owned by Telford & Wrekin Council;
- 2022/23 was the eighth year of operation;
- At 31 March, NuPlace's housing portfolio comprised of 485 homes of which 64 are affordable. The programme has resulted in 23 acres of brownfield land being regenerated, addressing sites that might otherwise blight communities.
- Dyke Yaxley are the appointed auditors for Nuplace;
- Nuplace generated an operating profit, before taxation of **£0.573m**. The Council also received income of **£1.9m** from Nuplace during 2022/23. A summary of the financial statements is shown below:

Profit & Loss Account Financial Year 2022/23	
	£
Turnover	3.944
Cost of Sales	(0.857)
Gross Profit	3.087
Administrative Expenses	(0.359)
Other Operating Income	0.034
Profit before taxation and interest	2.762
Net Interest payable/receivable	(2.189)
Profit before taxation	0.573
Tax on Profit	(0.257)
Profit for the financial year	0.315

Balance Sheet at 31 March 2023			
Assets	£m	Liabilities	£m
Fixed assets	86.743	Creditors	45.760
Cash at bank and in hand	1.061	Provisions	0.424
Debtors	0.042	Deferred Income	1.468
Total Assets	87.846	Total Liabilities	47.652
Total Net Assets at 31 March 2023: £40.194m			
Share Capital			£18.800m
Profit & Loss Account			£2.007m
Revaluation Reserve			£19.387m
			£40.194m

- In accordance with accounting policy, the housing portfolio was revalued at year end which result in an increase in value of 3% (£2.7m) over the 9 completed sites.

The Council has produced Group Accounts for 2022/23 which consolidate the Council's accounts with those of Nuplace to give an overall picture of the Council's activities.

AMENDMENTS MADE DURING AUDIT PERIOD

Amendments actioned during 2021/22 audit period and replicated in 2022/23

- Reclassification of Property Investment Portfolio / NuPlace
- Capital Grants and Contributions
- Pension Liability
- Single Status
- Contingent Liability – Reinforced Autoclaved Aerated Concrete

AMENDMENTS MADE DURING AUDIT PERIOD (cont.)

Other amendments identified through 2022/23 audit period

- Prior Period Adjustment – Internal Recharges

- Accounting treatment of assets
 - VPE / Intangible assets
 - REFCUS
 - Other Changes

- Debtors / Creditors classifications

- Various changes to wording and presentation within Disclosure Note

CONTACT DETAILS

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