

Revenue and Capital Outturn 2022/23



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2022/23 REVENUE & CAPITAL OUTTURN

Report of the Director of Finance

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

RECOMMENDATIONS:

It is recommended that:

- a) Members note that the draft outturn for 2022/23, after carry forwards and contributions to and from balances, reserves and provisions, shows an increase in the General Fund Balance of £156,000 against the approved revenue budget;
- b) The 2022/23 revenue outturn be approved, including transactions on earmarked reserves and provisions, spending against budget, treatment of over and under spending and the implications for balances, as set out in the tables and the narrative of the report;
- c) The 2022/23 capital outturn be approved including spending against budget and proposed carry forwards, in accordance with the tables;
- d) The use of capital finance as set out in the Determination of Capital Finance section 12 of the report be approved;
- e) A total of just over £14.1 million is set aside from revenue resources as Minimum Revenue Provision (provision for credit liabilities to repay debt);
- f) The Prudential Indicators as set out in section 11 of this report be noted; and
- g) The total monies owing to the Council as at 31st March 2023 be noted.

1. Summary

- 1.1 Members have received regular budget monitoring reports throughout 2022/23 in which budget pressures and risks have been identified. The outturn underspend of £156,000 is achieved after a contribution to the budget management reserve of £1.5 million and a carry forward of £500,000 into 2023/24 for Highways. The final outturn position is an improvement from the £3.6 million overspend forecast outturn which was reported to Cabinet on 8th March and a significant improvement on the £30.5 million forecast overspend at month 2 at which time there was a further £10 million risk identified relating to in year inflationary pressures. The organisational wide response to the financial challenges faced by the authority, resulted in £25.4 million of additional in year savings, income and alternative applications of funding being identified. Delivery of savings and additional income contained within the budget totalled £33.7 million against planned savings of £38.7 million.
- 1.2 There are overspends primarily to the budgets for Integrated Adult Social Care and to Children and Young People's Futures, for which sections 2.1 and 2.2 provide further detail. However, these are offset by underspends in other services, use of COVID carry forwards and additional income from interest on balances and business rates pooling gain.
- 1.3 As set out later in this report, just under £1.4 million of underspend on the Public Health grant has been transferred to the ring-fenced Public Health Reserve.

- 1.4 When the Council approved the 2022/23 budget in February 2022, it agreed to use just under £29.9 million of earmarked reserves to support its revenue expenditure and invest to save initiatives as well as funding of various one-off projects including service transformation economic recovery, Bridges, fostering network, Special Educational Needs staffing amongst others. Actual use of these reserves is £425,000 higher than budgeted but this has been more than offset by an outturn contribution of £1.5 million to the Budget Management Reserve. Further detail is provided in the table on Earmarked Reserves later in this report.
- 1.5 The Dedicated Schools Grant Special Educational Needs and Disabilities (SEND) Service continues to be under significant pressure. A statutory instrument had been issued in which local authorities account for DSG deficits (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212), made by what is now the Department for Levelling Up, Housing and Communities (DLUHC), which require DSG deficits to be held in a separate unusable reserve in local authorities' accounts. This is now the accounting treatment that local authorities must follow while those regulations are in force. DLUHC have announced that they are extending these regulations up to and including the accounts for 2025/26 (April 2026).
- 1.6 The SEND element of the Dedicated Schools Grant year-end position is a shortfall of £38.9 million. When combined with £86.5 million deficit brought forward from 2021/22 the cumulative deficit is just over £125.4 million. This is now being held on the Dedicated Schools Grant Adjustment Account. This is shown in more detail in paragraph 5.2
- 1.7 Detailed explanations of the final financial position for each service area are given in section 2 of this report.

2. Spending

2.1 Integrated Adult Social Care

2.2 The outturn for Adult Care and Health services is an overall overspend of £2.3 million.

Adult Care Operations and Health outturn is £4.8 million overspent, which reflects significant pressure on unit rates and higher residential and nursing placements volumes and complexity present throughout the year. These pressures have been partially offset by one off grant monies and underspends on staffing budgets which reflect the difficulty in recruiting care management staff.

Adult Commissioning and Health outturn is £2.5 million underspent, due to an under spend on Mental health placements, further core staffing vacancies, central budget underspends and temporary external funding.

2.3 Children and Young People's Futures

2.4 The overall position for Children's Futures is an overspend of £19.6 million excluding the Dedicated Schools Grant and after taking into account recommended carry forwards of £762,000.

The position for Children's Social Care and Health & Wellbeing including the Public Health Nursing Service is a net overspend of £12.7 million.

The number of children in our care rose by 6% during the year and many of these children need complex care arrangements. Of the £14.2 million overspend on placements, just under £10 million relates to higher prices with just over £4 million due to the higher numbers of children in care. Increased caseloads and court activity resulted in an overspend on legal costs of just under £400,000.

The number of Special Guardianship and Adoption Orders granted has continued to grow leading to £1.4 million overspend against budget.

Additional staffing costs due to increased demand and use of agency staff to cover front line vacancies offset in part by slippage in recruitment and retention led to a net overspend of £1.5 million.

During the year Phase 1 of the Leadership reorganisation was implemented. Phase 2 implementation was deferred resulting in an underspend of £1.9 million.

The Public Health Nursing Service underspent by £1.2 million mainly due to staff vacancies and lower accommodation costs. £1 million is ring-fenced Public Health Grant, £200,000 is core revenue budget savings.

In-year savings implemented through the Financial Sustainability Programme of work and identification of alternative funding sources amounted to £2.7 million.

For Education Learning and Inclusions Services (General Fund) the final position is an overspend of £6.8 million. The most significant overspend is within personalised transport (£5.3 million), the result of growth in demand and inflationary increases of 30% linked with cost of living and fuel. Home to School Transport has been similarly impacted with £2.9 million additional costs.

Savings within Core Services of £1.4 million have been achieved, as a result of staff vacancies, efficiencies and additional income.

Education and Learning spending on schools is funded from the Dedicated Schools Grant (DSG). The in-year SEND deficit totals just over £38.9 million, individual school reserve balances held by the authority total £20.8 million and ringfenced balances of £6.7 million mean the DSG is overspent by £11.5 million

There continues to be increased demand on Special Educational Needs and Disabilities (SEND), in particular, the growing demand on Education Health Care Plans (EHCP) and SEND placements within the independent sector

The cumulative DSG deficit at the close of 2022/23 is £125.4 million. Devon has had a number of discussion with the DfE during the year and has now been formally invited to progress discussions as part of the next tranche of the Safety Valve Intervention Programme.

There is a government requirement to show DSG surplus and deficit balances (excluding individual schools balances) as a DSG adjustment account, per the statutory instrument.

2.5 Public Health, Communities and Prosperity

The outturn for Public Health, Communities and Prosperity shows an overall underspend of just under £2 million after taking into account grants and contributions carry forward, and other carry forward requests.

Citizen Engagement is overspent by £45,000 due to inflationary pressures on IT licences and professional fees.

Communities and other services are underspent by £1.2 million (before carry-forward requests). Additional in year savings identified, and unspent Locality budgets, account for the majority of this underspend. The balance is attributable to slippage on programme delivery and one-off alternate funding sources for core staff.

Economy Enterprise and Skills is underspent by £1.4 million (before carry forward requests). Additional in year savings account for a third of this. Delayed match funding requirements and slippage on the Trading Standards system implementation account for another third. The balance is as a result of vacancy savings, slippage in activity and increased income generation.

Public Health underspent by just under £1.4 million against the Public Health Grant. Service delivery has largely increased since the pandemic but in some areas capacity is not available or the demand has not risen as expected. Unbudgeted costs have been incurred supporting Food and Fuel Insecurity, agenda for change and children's centres. As a ring-fenced grant this amount has been added to the statutory public health reserve.

2.6 Corporate Services

The outturn for Corporate Services shows an overall underspend of £2.3 million after the carry forward of grants and contributions, and any other carry forward requests.

Legal and Democratic Services has underspent by £151,000 largely due to income generated from the continuing demand for ceremonies delivered by the Registration Service, combined with vacancy slippage. This offset pressures within Legal Services driven by a combination of increased demand from Children's Social Work and difficulty in recruiting permanent lawyers, as well as unbudgeted expenditure incurred by the Coroners Service.

Digital Transformation and Business Support are showing an underspend of £1.7 million with the decision to pause the current ICT Roadmap (taken as part of the Financial Sustainability Programme) accounting for the majority of this. Inflationary pressure on building maintenance and facilities management were mitigated by savings generated from vacancy management and increased income generation from services including the Farms Estate and Devon Norse.

Organisational Development underspent by £287,000 largely as a result of staff turnover and vacancy management.

Human Resources delivered an underspend of £178,000 despite increased demands on the service which have made it necessary to write-out £330,000 of historic savings plans. The underspend was largely generated by additional external job advertising and health and safety training income.

The position for the Finance and Public Value service is a net overspend of £61,000 attributable to four main areas: unbudgeted external audit fees; the partial non-achievement of savings plans linked to unfunded pre-LGR pensions; a shortfall in Client Financial Services Deferred Payment income; and a shortfall in Court of Protection fee income. The scale of the overspend was mitigated by additional income generated from supporting externally funded projects.

2.7 Climate Change, Environment and Transport

The overall position for Climate Change, Environment and Transport, after carry forward requests, is an underspend of just over £5.5 million.

The Highways and Traffic Management service has overspent the budget allocation by £160,000. Additional expenditure required to repair the increased number of potholes arising during the last quarter of the year totalled just under £1.9 million. However, this was largely mitigated by an over-achievement of income from Highways of fees of £900,000 a one-off adjustment to the value of salt stocks of £400,000 and savings achieved due to the relatively mild start to the winter gritting period.

Expenditure of £7.4 million has been charged to the on-street parking account during the year, this includes items such as operating costs for on-street parking and enforcement activities, public transport support and highways cyclic maintenance works. Income totalling £7.2 million has been generated, leaving a shortfall against expenditure of £200,000. The balance of the reserve has reduced from £2.1 million to £1.9 million at 31st March 2023.

Savings totalling £961,000 have been achieved within Infrastructure Development, mainly resulting from a review of charge out rates to ensure full cost recovery is achieved.

Despite facing significant inflationary pressures, the Waste services has delivered a net underspend of £3.6 million. The amount of residual household waste has fallen substantially during the year which has reduced the expenditure required for disposal across all treatment types. One-off contractual items have also contributed to the underspend.

The Planning, Transportation and Environment services have delivered an underspend position of just under £1.1 million. Savings totalling £640,000 have been achieved from a reduction in staffing costs throughout the year and additional planning and inspection fee income. Further savings have been achieved from a reduction in expenditure on road safety activities and the County Hall travel plan.

2.8 Other Items

The national staff pay award for 2022/23 (£1,925 for each full time employee) turned out to be £6.5 million more than the 2% used to set the budget in February 2022. Part of this cost pressure has been met by not making the planned contribution to the insurance provision of £1 million and a further £1 million underspend where the contingency for emergencies (Bellwin) was not required.

The Authority's borrowing is at fixed rates at the time the borrowing was taken out (before 2009) but interest income on balances depends on current interest rates. Increases in the Bank of England base rates have resulted in additional income of almost £3.5 million more than budget.

The increasing pay costs have resulted in an overspend of £116,000 for the Apprenticeship Levy but they have also resulted in an underspend of almost £1.7 million on the Pension Contribution Discount.

The Council works very closely with Health and towards the end of 2020/21 a new Integrated Care Agreement was setup. Health contributed to this fund and by 31 March 2022 just under £41 million was carried forward into 2022/23, of which £14 million was transferred to support wider health and social care budgets leaving a carry forward balance of just over £27 million at the end of the year.

As outlined in section 3 of this report, the Better Care Fund has underspent this year and the Authority's share is £1.6 million to support outturn. In addition, just over £6.6 million of the Improved Better Care Fund Grant is being carried forward into 2023/24.

Capital Financing Charges are £997,000 less than budgeted due to the underspending on the Capital Programme; more details are provided within section 7 of this report.

The one off budget of £600,000 for Council Tax Hardship Support has not been spent. Additional ongoing support for Citizen's Advice and Growing Communities Together of £250,000 each year has been incorporated into the 2023/24 budget.

The Authority received a new grant of £1.4 million for additional responsibilities dealing with Domestic Abuse, where the additional costs had already been incorporated into the service budget.

The national business rates levy account is held by Government to help manage the risk if any local authorities incur business rates losses to such an extent where they enter the "safety net." When DLUHC decides that the balance on previously collected levies is no longer needed it distributes to all local authorities. In March 2023 DLUHC distributed £100 million nationally and the Authority's share is £861,000.

Overall there has been a favourable movement of £2.2 million on business rates (pooling gain and levy distribution).

There is additional provision for the Authority's bad debt of £352,000.

The Local Service Support Grant has increased by £387,000, and there are other small grant variations.

In response to the COVID-19 outbreak central government continued to put in place a number of grant funding streams to help support local authorities in responding to the pandemic. Just over £22 million was brought forward from 2021/22. The Authority spent £12.5 million in 2022/23 and carried forward a balance of just under £1.9 million into 2023/24 in line with specific grant terms and conditions leaving an underspend of just over £7.6 million. The detail is provided in the following table.

Spending of COVID-19 Grants				
	Budget	Actual	Grant C / fwd to 23/24	Variance
	£000	£000	£000	£000
COVID-19 Local Authority Support	9,479	3,162	0	(6,317)
COVID-19 Test and Trace	685	685	0	0
COVID-19 Wellbeing for Education Return Grant	105	24	81	0
COVID-19 Clinically Extremely Vulnerable Support	1,102	0	275	(827)
COVID-19 Outbreak Management Grant	10,690	9,192	1,498	0
COVID-19 Community Testing Grant	0	(141)	0	(141)
COVID-19 Practical Support for Self Isolation	0	1	0	1
Covid-19 Extended Infection Control Grant	0	(2)	0	(2)
COVID-19 Household Support Fund Grant	0	(328)	0	(328)
COVID-19 Household Support Fund 3	0	(74)	0	(74)
COVID-19 Household Support Fund 4	0	14	0	14
	22,061	12,533	1,854	(7,674)

3. Better Care Fund

- 3.1 The Better Care Fund (BCF) for 2022/23 totals £130.5 million which is reporting an underspend of £8.3 million (6.4%). The underspending is attributable to the non-utilisation of a previous carry-forward, some planned under-spending within grant funding and increased (once-off) contributions from the NHS Devon ICB. £6.65 million of the total will be carried forward by the Council to 2023-24 to continue with spending plans within the terms of the BCF framework agreement. The BCF governing body, the Better Care Fund Leadership Group, have agreed that the use of all surplus funds carried forward in to the 2023-24 financial year will be decided by them, within the guidelines of the Section 75 BCF framework agreement. For more information on the Better Care Fund, please see the table on page 22.

4. General Balances

- 4.1 The working balance at 31st March 2022 was £14.8 million and this increased by £1 million as a result of a transfer from the Budget Management Reserve, approved by County Council

when it set the budget in February 2022. There is also an increase of £156,000 because of the underspend during 2022/23 taking the closing balance to just under £16 million.

5. Earmarked Reserves

- 5.1 At the beginning of the financial year, earmarked reserves (excluding schools and non-schools carry forwards) stood at just under £136 million. During the year earmarked reserves have decreased by £28.4 million to just under £107.6 million. The reason for this movement is explained below:

	£000	£000
Budget Book (February 2022)		
Contribution from reserves to support the budget	(22,938)	
Transfer from Budget Management to General Fund	(1,000)	
Use of Reserves	<u>(6,949)</u>	
Budgeted reduction in earmarked reserves		(30,887)
Additional use of reserves during the year		(425)
Outturn Contribution to Budget Management Reserve		1,500
Underspend on Public Health Ring-fenced Grant		<u>1,376</u>
Net reduction in earmarked reserves		<u>(28,436)</u>

- 5.2 Government regulations require that any negative DSG balance be held as a DSG Adjustment Account and not netted off from our Reserves. Initially these regulations were to be applied to the three financial years to 31 March 2023 but this statutory requirement has been extended for a further three years to 31 March 2026. What will happen to the balance after that time is unclear. The following table sets out the balances on this ring-fenced account.

Dedicated Schools Grant Adjustment Account

	1 April 2022 £000	Movement £000	31 March 2023 £000
High Needs Block - SEND	(86,529)	(38,908)	(125,437)
De-delegated, Central and Early Years Block and Growth Fund	5,115	1,560	6,675
Total (Deficit)	<u>(81,414)</u>	<u>(37,348)</u>	<u>(118,762)</u>

Details of earmarked reserves are on page 13.

6. Conclusion

- 6.1 The net underspend on the revenue budget of £156,000 has been achieved after a contribution to the budget management reserve of £1.5 million and carry forwards, this has been added to the General Fund balance.
- 6.2 For 2022/23, the Council budgeted to use £22.9 million of reserves to support its revenue budget as well as a further £6.9 million to support one off expenditure.
- 6.3 It was identified very early in the financial year that the authority was facing significant financial pressures. An overspend in 2022/23 has been avoided through the introduction of an organisational wide response that resulted in the development of a rigorous in year

savings programme, additional income opportunities being identified and funding sources being utilised differently, higher than anticipated interest income and pooling gain from business rates in the final months of the year have also contributed to delivering an underspend. However financial challenges continue, demand for services is higher than ever before, prices continue to rise and labour market shortages are still being experienced. This is being felt acutely within our adults and children's services.

- 6.4 This trend of rising demand pressure and rising prices is expected to continue into 2023/24, which will create a very challenging financial environment for the Council going forward.
- 6.5 Although the cumulative SEND Deficit of just over £125.4 million (an increase in 2022/23 of £38.9 million) has been moved out of the Council's usable reserves and into a ring-fenced adjustment account, in line with Government policy, it must not be forgotten that this arrangement is time limited and it is not clear what will happen after March 2026.

REVENUE OUTTURN SUMMARY 2022/23

	Final Approved Budget	Spending	Variations (Under) / Over	Grant C/Fwd to 23/24 from 22/23	Transfer to DSG Adj'ment Account	Other C/Fwd to 23/24 from 22/23	Transfer To/ (From) Reserves	Recomm- ended Outturn	(Increase) /Decrease in Balances
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
1 Integrated Adult Social Care	336,347	338,662	2,315	0				338,662	2,315
2 Children and Young People's Futures - General Fund	180,141	197,770	17,629	1,946				199,716	19,575
3 Children and Young People's Futures - DSG	29,795	41,248	11,453	20,780	(32,233)			29,795	0
4 Public Health, Communities and Prosperity	24,163	9,464	(14,699)	10,797		603	1,376	22,240	(1,923)
5 Corporate Services	43,468	41,164	(2,304)					41,164	(2,304)
6 Climate Change, Environment and Transport	87,330	73,831	(13,499)	7,661		317		81,809	(5,521)
7 County Council Election			0					0	0
8 Central Contingency - Apprenticeship levy	700	816	116					816	116
9 Pension Contribution Discount	(519)	(2,207)	(1,688)					(2,207)	(1,688)
10 Pay Award	(6,471)		6,471					0	6,471
11 Insurance	1,000		(1,000)					0	(1,000)
12 TOTAL FOR SERVICES	695,954	700,748	4,794	41,184	(32,233)	920	1,376	711,995	16,041
13 Budget Carry Forward Fund	(117,743)		117,743					0	
14 NON-SERVICE ADJUSTMENTS									
15 Other		(15)	(15)					(15)	(15)
16 Integrated Care Agreement	27,088	(42)	(27,130)			27,130		27,088	0
17 Improved Better Care Fund Carry Forward	6,652		(6,652)			6,652		6,652	0
18 Additional iBCF Funding	797		(797)						(797)
19 Capital Financing Charges	39,442	38,445	(997)					38,445	(997)
20 Capital Financing Charges - PFI	13,552	13,552	0					13,552	0
21 Investment Income on Balances	(900)	(4,370)	(3,470)					(4,370)	(3,470)
22 Levies and Contributions to Outside Bodies:									
23 Environment Agency	643	639	(4)					639	(4)
24 Inshore Fisheries Conservation Authority	359	359	0					359	0
25 Direct Revenue Financing	1,031	1,031	0					1,031	0
26 Schools contribution to capital expenditure	(1,024)	(1,024)	0					(1,024)	0
27 Bad Debt Provision	0	352	352					352	352
28 Council Tax Support Partnership	50	31	(19)					31	(19)
29 Council Tax Hardship Support	600	0	(600)					0	(600)
30 Bellwin	1,000		(1,000)						(1,000)

REVENUE OUTTURN SUMMARY 2022/23

	Final Approved Budget	Spending	Variations (Under) / Over	Grant C/Fwd to 23/24 from 22/23 £'000	Transfer to DSG Adj'ment Account £000	Other C/Fwd to 23/24 from 22/23 £'000	Transfer To/ (From) Reserves £'000	Recomm- ended Outturn £'000	(Increase) /Decrease in Balances £'000
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £000	(6) £'000	(7) £'000	(8) £'000	(9) £'000
31 ACH Transformation - Health funding	2,000		(2,000)						(2,000)
32 Domestic Abuse Duty	1,300		(1,300)						(1,300)
33 Economic Recovery - Leaving EU	72		(72)					0	(72)
34 Business Rates - Government Grants	(17,428)	(17,416)	12					(17,416)	12
35 Business Rates - Levy Surplus Grant	0	(861)	(861)					(861)	(861)
36 Business Rates - Pooling Gain, Energy Efficiency	(1,000)	(2,332)	(1,332)				1,500	(832)	168
37 Independent Living Fund Grant Education Statutory retained duties -	(2,622)	(2,622)	0					(2,622)	0
38 schools contribution	(1,794)	(1,807)	(13)					(1,807)	(13)
39 Local Service Support Grant	(675)	(1,062)	(387)					(1,062)	(387)
40 New Homes Bonus	(2,143)	(2,143)	0					(2,143)	0
41 Rural Services Delivery Grant Adult Social Care Reform / Market	(7,823)	(7,823)	0					(7,823)	0
42 Sustainability Grant	(2,413)	(2,413)	0					(2,413)	0
43 ASC Charging Reform Imp Support Gnt	(97)	(97)	0					(97)	0
44 Adult Social Care Discharge Fund	(2,980)	(2,980)	0					(2,980)	0
45 Social Care Capacity Productivity Grant	0	(350)	(350)	350				0	0
46 Cyber Security	(120)	(100)	20					(100)	20
47 Services Grant	(7,076)	(7,076)	0					(7,076)	0
48 Social Care Support Grant	(32,317)	(32,317)	0					(32,317)	0
49 Schools Improvement Grant	(317)	(278)	39					(278)	39
50 Improved Better Care Fund	(29,126)	(29,126)	0					(29,126)	0
51 NHS Contribution - Adult Care and Health	(2,000)		2,000					0	2,000
52 Other Grants		(80)	(80)					(80)	(80)
53 Highways Drainage and Potholes	0	0				500		500	500
54 COVID-19 Spending - Revenue	32,191	23,448	(8,743)	1,854				25,302	(6,889)
55 COVID-19 Grant Funding	(10,130)	(10,914)	(784)					(10,914)	(784)
56 Sub Total	583,003	651,357	68,354	43,388	(32,233)	35,202	2,876	700,590	(156)
57 Routine Spending from Earmarked Reserves	6,949	7,374	425					7,374	425
58 Routine Use of Earmarked Reserves	(6,949)		6,949				(7,374)	(7,374)	(425)
59 Contribution from Reserves	(22,938)		22,938				(22,938)	(22,938)	0
60 Transf Budg. Mgt Reserve to Working Bal.	(1,000)		1,000				(1,000)	(1,000)	0
61 Transf. Working Bal from Budg. Mgt Res've	1,000		(1,000)				1,000	1,000	0
62 TOTAL	560,065	658,731	98,666	43,388	(32,233)	35,202	(27,436)	677,652	(156)

REVENUE OUTTURN 2022/23

WORKING BALANCES

	Balance 1st April 2022 (1) £'000	Contrib'ns (2) £'000	Spending (3) £'000	Balance 31st March 2023 (4) £'000
1 Working Balances	14,825			14,825
2 External Support for Revenue Spending		560,065		
3 Net Revenue Spending			(559,909)	156
4 Transfer from Budget Management Reserve		1,000		1,000
5 Total County Fund	14,825	561,065	(559,909)	15,981

EARMARKED RESERVES

	Balance 1st April 2022 (1) £'000	Contrib'ns from Budget & Transfers (2) £'000	Contrib'ns from/(to) Outturn (3) £'000	Spending (4) £'000	Balance 31st March 2023 (5) £'000
General Earmarked Reserves					
1 Budget Management	63,229	(1,000)	1,500	(17,369)	46,360
2 Business Rates Risk Management	17,233				17,233
3 Business Rates Pilot	7,623			(6,992)	631
4 Emergency	19,089				19,089
5 Climate Change Emergency	1,509				1,509
6 Service Transformation	9,006			(2,117)	6,889
7 Regeneration and Recovery	4,402			(3,569)	833
8 Total General Reserves	122,091	(1,000)	1,500	(30,047)	92,544
Special Purpose Reserves					
9 Affordable Housing	182			(52)	130
10 On Street Parking	2,072			(213)	1,859
11 Public Health	11,615		1,376		12,991
12 Total Special Purpose Reserves	13,869	0	1,376	(265)	14,980
13 Total Earmarked Reserves	135,960	(1,000)	2,876	(30,312)	107,524
14 Schools Carry Forward	24,680		20,780	(24,680)	20,780
15 Non Schools Carry Forward	87,948		57,810	(87,948)	57,810
	112,628	0	78,590	(112,628)	78,590
16 Total Reserves & Carry Forwards	248,588	(1,000)	81,466	(142,940)	186,114
17 DSG Adjustment Account (SEND)	(86,529)			(38,908)	(125,437)
18 Dedicated Schools Grant, Early Years	5,115		6,675	(5,115)	6,675

REVENUE OUTTURN 2022/23

FUNDING REVENUE SPENDING

	£'000	£'000
1 Total revenue spending		559,909
2 Increase in General Fund Balance (excluding budgeted transfer from reserves)		156
3 Budget level		560,065
4 Financed by:		
5 Revenue Support Grant	(582)	
6 Business Rates Retention Scheme - Local Element	(19,145)	
7 Business Rates Retention Scheme - Top Up	(80,654)	
8 Business Rates Collection Fund Deficit	7,464	
9 Council Tax - distribution of previous year surplus	(4,954)	
10 Council Tax - precepts on District Councils	(462,194)	
11 Total financing		(560,065)

PROVISIONS

	Balance 1st April 2022 (1) £'000	Contrib'ns (2) £'000	Spending (3) £'000	No longer Required (4) £'000	Remaining 31st March 2023 (5) £'000
1 Doubtful debts provision	2,460	864	(21)	(12)	3,291
2 Insurance	11,808	2,570	(2,904)	(1,110)	10,364
3 Green Waste	100	0	0	(100)	0
4 Social Care	1,815	999	(87)	(141)	2,586
Total	16,183	4,433	(3,012)	(1,363)	16,241

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

INTEGRATED ADULT SOCIAL CARE

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2023/24 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action Other c/fwds to 2023/24 (5) £'000	Final Outturn (Under) / Over (6) £'000
Integrated Adult Social Care Operations	302,579	307,397	0	4,818	0	4,818
Integrated Adult Social Care Commissioning	33,768	31,265	0	(2,503)	0	(2,503)
Revenue Outturn	336,347	338,662	0	2,315	0	2,315

VARIATIONS BETWEEN BUDGET AND SPEND

£'000 £'000

Integrated Adult Social Care Operations

Older People - residential and nursing higher unit costs and increased nursing placements throughout the year, partially offset by underspends in community based services	3,395	
Additional one off grant income used to offset increased spend and activity on residential and nursing placements	(2,542)	
Disability Services, including autistic spectrum conditions - higher costs per service user and increased community based packages	3,056	
Under delivery of Disability Savings Strategies across Integrated Adult Social Care	3,011	
Older People & Disability in-house - additional income to care homes and underutilisation of days	(521)	
Countywide teams and other operational budgets - additional income and hard to recruit qualified posts	(1,581)	
		4,818

Integrated Adult Social Care Commissioning

Commissioning staffing vacancies and impact of one off grant funding	(1,009)	
Underspends on central contracts	(551)	
Net underspend on Mental Health costs and volumes of placements	(943)	
		(2,503)

CONTRIBUTION (TO) / FROM OUTTURN

2,315

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

CHILDREN AND YOUNG PEOPLE'S FUTURES

CHILDREN'S SERVICES - SOCIAL CARE AND HEALTH & WELLBEING AND GENERAL FUND

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd to 2023/24 (3) £'000	Variations (Under)/Over (4) £'000	Recommended Action Other c/fwds to 2023/24 (5) £'000	Final Outturn (Under)/Over (6) £'000
Children's Social Care and Health & Wellbeing	131,848	143,385	1,184	12,721	0	12,721
Education & Learning - General Fund	48,293	54,385	762	6,854	0	6,854
Children's Social Care & Education General Fund	180,141	197,770	1,946	19,575	0	19,575

VARIATIONS BETWEEN BUDGET AND SPEND

Children's Social Care

Children Looked After - increased number of children and more complex care arrangements	14,261	
Special Guardianship Orders and Adoption - increase in the number of Orders granted	1,425	
Additional staffing costs to manage increase in caseloads and use of agency staff to cover front line vacancies	1,291	
Legal fees and disbursements - increase in case numbers	328	
Additional in year savings achieved, including alternative funding sources	(2,708)	
Service reorganisation - revised implementation profile	(1,918)	
Other budget variations	42	
		12,721

Education & Learning - General Fund

School/College Transport - increased contractor costs due to fuel and general inflation	2,943	
Personalised Transport - increased costs for children with SEN requiring transport	5,325	
School Improvement & Inclusion - staff vacancies, increased income and efficiencies	(476)	
Early Years staff vacancies, secondments and efficiencies	(258)	
Babcock Dividend	(650)	
Other budget variations	(30)	
		6,854

CONTRIBUTION (TO)/FROM OUTTURN

19,575

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

CHILDREN'S SERVICES - DEDICATED SCHOOLS GRANT

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwd to 2023/24 (3) £'000	DSG Adjustment Account (4) £'000	Final Outturn (Under)/Over (5) £'000
Education & Learning - DSG: Individual Schools Balances	25,435	1,975	20,780	2,680	0
Education & Learning - DSG: Schools De-delegated, Central School Services & Early Years	3,242	(753)	0	3,995	0
Education & Learning - DSG: High Needs (Excluding Special & Hospital Schools) - Government advice for Deficit Reserve	1,118	40,026	0	(38,908)	0
Education & Learning - Dedicited Schools Grant	29,795	41,248	20,780	(32,233)	0

VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Education & Learning - Dedicated Schools Grant: Individual Schools Balances</u>		
Schools delegated budgets (including Special and Hospital schools)	(20,780)	
Schools Growth Fund	(2,680)	
DSG Adjustment Account - Schools Growth Fund	2,680	
DSG Adjustment Account - Schools Balances	20,780	0
<u>Education & Learning - Dedicated Schools Grant: Schools De-delegated, Central School Services & Early years</u>		
Schools de-delegated budgets and centrally retained services for schools	(2,309)	
Early education for 2,3 & 4 years olds - take up of provision, planned carry forward of funding and Early grants income	(736)	
High Needs - SEN 100 ringfenced	(950)	
DSG Adjustment Account - De-delegated, Central Provisions & Early Years	3,045	
DSG Adjustment Account - SEN 100 Project	950	0
<u>Education & Learning - Dedicated Schools Grant: High Needs (Excluding Special & Hospital Schools) - Government advice for Deficit Reserve</u>		
DSG Deficit identified at 2022/23 budget prep	32,225	
High Needs - Increased demand and cost in Independent SEN placements and Alternate Provision	6,683	
DSG Adjustment Account - DSG Deficit	(38,908)	0
<u>CONTRIBUTION (TO)/FROM OUTTURN</u>		0

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

PUBLIC HEALTH, COMMUNITIES AND PROSPERITY

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2023/24 (3) £'000	Variations (Under) / Over (4) £'000	Recommended Action		Final Outturn (Under)/ Over (7) £'000
					c/fwds to 2023/24 (5) £'000	Take to / (from) Reserves (6) £'000	
Citizen Engagement	1,149	1,194	0	45	0	0	45
Communities and other services	15,886	4,640	10,050	(1,196)	176	0	(1,020)
Economy, Enterprise and Skills	7,128	5,006	747	(1,375)	427	0	(948)
Public Health	0	(1,376)	0	(1,376)	0	1,376	0
Revenue Outturn	24,163	9,464	10,797	(3,902)	603	1,376	(1,923)

VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Citizen Engagement</u>		
Inflationary impact on IT licences and Professional Fees	45	45
<u>Communities and other services</u>		
One off saving on Libraries and Heritage centre and reduction on Libraries book fund	(140)	
Savings due to specifically holding vacancies in Communities staffing	(100)	
Suspension of specific Communities activities	(52)	
Limit set on in year Community grants issued	(50)	
Release half of 21/22 carry forward for Locality budgets	(122)	
Reduction in Fair Trade spend and cross cutting IT savings	(8)	
Release of Domestic Violence 21/22 grant carry forward	(300)	
Locality budgets 22/23 unspent due to in year pause to new applications	(176)	
Other activity slippage & staff savings	(248)	(1,196)
<u>Economy, Enterprise and Skills</u>		
Skypark Development delayed to 23/24 to realise savings	(410)	
Cross cutting IT savings	(13)	
Delayed completion of system for Trading Standards	(106)	
Delayed match funding spend on Service for All project	(321)	
Slippage on general project activity	(262)	
Reduced staffing costs and increased income	(263)	(1,375)
		<u>(2,526)</u>

CARRY FORWARD PROPOSALS

Match funding on externally funded projects	321	
Locality budgets	176	
Trading Standards system implementation	106	
		603

CONTRIBUTION (TO)/FROM OUTTURN

(1,923)

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

CORPORATE SERVICES

	Final Adjusted Budget (1) £'000	Unadjusted Spending (2) £'000	Grants c/fwds to 2023/24 (3) £'000	Variations (Under) / Over (3) £'000	Recommended Action Other c/fwds to 2023/24 (4) £'000	Final Outturn (Under) / Over (5) £'000
Legal and Democratic Services	5,826	5,675		(151)		(151)
Digital Transformation and Business Support	19,742	17,993		(1,749)		(1,749)
Organisational Development	953	666		(287)		(287)
Human Resources	3,405	3,227		(178)		(178)
Finance and Public Value	13,542	13,603		61		61
Revenue Outturn	43,468	41,164	0	(2,304)	0	(2,304)

VARIATIONS BETWEEN BUDGET AND SPEND

£'000 £'000

Legal and Democratic Services

Legal Services - increased staffing costs (children's safeguarding demand combined with recruitment difficulties)	422	
Coroners - increased pathology, body removal, expert witness and legal Counsel costs	113	
Equality, Diversity & Inclusion - vacancy slippage	(468)	
Registration Services - Increased income generation	(187)	
Other minor variations	(31)	
		(151)

Digital Transformation & Business Support

Increased cost of facilities management, building maintenance & estates	944	
ScoMIS - service reorganisation	110	
Savings generated by pausing the ICT roadmap and service restructure	(1,699)	
Increased income generation	(573)	
Staff vacancy management savings	(347)	
Net savings in other running costs	(184)	
		(1,749)

Organisational Development

Staff turnover, vacancy and running cost savings	(287)	
		(287)

Human Resources

Under-achievement of HRMS savings plans	330	
Increased income generation	(429)	
HR contractual, staff turnover & vacancy savings	(47)	
Other minor variations	(32)	
		(178)

Finance and Public Value

External audit fees	89	
Unfunded Pensions	60	
Other minor variations	83	
Increased income generation	(171)	
		61

CONTRIBUTION (TO)/FROM OUTTURN

(2,304)

REVENUE OUTTURN 2022/23 – RECOMMENDED ACTION

CLIMATE CHANGE, ENVIRONMENT AND TRANSPORT

	Final Adjusted Budget (1)	Unadjusted Spending (2)	Grants c/fwds to 2023/24 (3)	Variations (Under) / Over (4)	Recommended Action Other c/fwds to 2023/24 (5)	Final Outturn (Under)/ Over (6)
	£'000	£'000	£'000	£'000	£'000	£'000
Highways and Traffic Management	29,969	29,608	521	160	0	160
Infrastructure Development and Waste	29,683	25,033	42	(4,608)	0	(4,608)
Planning Transportation and Environment	27,678	19,190	7,098	(1,390)	317	(1,073)
Revenue Outturn	87,330	73,831	7,661	(5,838)	317	(5,521)

VARIATIONS BETWEEN BUDGET AND ACTUALS

Highways and Traffic Management

Increased requirement for safety defects expenditure	1,876	
Reduction in expenditure for winter service and emergency works	(289)	
Adjustment to winter salt stock balance carried forward	(412)	
Highways Network Management - increased income offset by staffing and other operational costs	(881)	
Other net variations	(134)	
		160

Infrastructure Development & Waste

Net impact of reduction in household waste tonnages	(1,351)	
Energy from Waste facilities - reduced tonnages and one-off contractual items	(986)	
Recycling centres - net impact of in year expenditure and one-off contractual items	(682)	
Reduction in recycling credits due to lower tonnages	(423)	
Waste team staffing savings resulting from vacancy management	(171)	
Infrastructure Development - increased income and reduced operating expenditure	(961)	
Other net variations	(34)	
		(4,608)

Planning, Transportation and Environment

Slippage on major development projects and general project activity	(208)	
Reduced staffing costs and increased income	(641)	
Delayed match funding on partnership schemes	(109)	
Reduction in expenditure for road safety projects and County Hall travel plan	(339)	
Other net variations	(93)	
		(1,390)

(5,838)

CARRY FORWARD PROPOSALS

Slapton Line flood scheme	208	
Match funding for partnership agreements for projects	97	
Slippage in road scheme at Lee Mill	12	
		317

CONTRIBUTION (TO)/FROM OUTTURN

(5,521)

BUDGET ADJUSTMENTS 2022/23

	Original Budget £000	2021/22 Brought Forward £000	Virements £000	Final Budget £000
Integrated Adult Social Care	312,928	931	22,488	336,347
Children and Young People's Futures	176,148	26,370	7,418	209,936
Public Health, Communities and Prosperity	18,867	5,078	218	24,163
Corporate Services	41,719		1,749	43,468
Climate Change, Environment and Transport	79,700	6,814	816	87,330
Central Contingency - Apprenticeship levy	700			700
Pension Contribution Discount	(519)			(519)
Pay Award			(6,471)	(6,471)
Insurance Provision	1,000			1,000
Total Service budgets	630,543	39,193	26,218	695,954
Budget Carry Forward Fund		(117,743)		(117,743)
DSG Adjustment (Non SEND)		5,115	(5,115)	0
Improved Better Care Fund C/F		9,707	(3,055)	6,652
Additional iBCF Funding			797	797
Integrated Care Agreement		40,987	(13,899)	27,088
Capital Financing	38,318		1,124	39,442
Capital Financing PFI	13,552			13,552
Interest on Balances	(900)			(900)
Direct Revenue Financing			1,031	1,031
Direct Revenue Financing - Schools Contributions			(1,024)	(1,024)
Council Tax Support Partnership	50			50
Council Tax Hardship Support		600		600
Bellwin Scheme Related Emergencies	1,000			1,000
Adult Care & Health Transformation - Health funding	2,000			2,000
Domestic Abuse Duty			1,300	1,300
Highways, Draining and Patching	1,000		(1,000)	0
Economic Recovery - Leaving EU		80	(8)	72
ASC Reform/Market Sustainability & Cost of Care Spend	2,413		(2,413)	0
Equality, Diversity and Inclusion	500		(500)	0
Community grant and crowd funding schemes removal of	329		(329)	0
Community Recycling Centres removal of saving	50		(50)	0
Spending from Reserves	6,949			6,949
Use of Reserves	(6,949)			(6,949)
Contribution from Reserves	(22,938)			(22,938)
Transfer from Budget Mgt Reserve to Working Balance	(1,000)			(1,000)
Transfer to Working Balance from Budget Mgt Reserve	1,000			1,000
Levies				
Flood Defence	643			643
Inshore Fisheries	359			359
	36,376	(61,254)	(23,141)	(48,019)
Non Service Budgets	666,919	(22,061)	3,077	647,935
Business Rates - Government Grants and Pilot	(18,428)		1,000	(17,428)
Business Rates - Pooling Gain			(1,000)	(1,000)
Independent Living Fund Grant	(2,622)			(2,622)
Education Statutory retained duties - schools contribution	(1,794)			(1,794)
School Improvement Grant	(317)			(317)
Local Service Support Grant	(675)			(675)
New Homes Bonus	(2,143)			(2,143)
Rural Services Delivery Grant	(7,823)			(7,823)
Adult Social Care Reform / Market Sustainability Grant	(2,413)			(2,413)
ASC Charging Reform Imp Support Gnt			(97)	(97)
Adult Social Care Discharge Fund			(2,980)	(2,980)
Cyber Security	(120)			(120)
Services Grant	(7,076)			(7,076)
Social Care Support Grant	(32,317)			(32,317)
Improved Better Care Fund	(29,126)			(29,126)
NHS Contribution - Adult Care and Health new initiatives	(2,000)			(2,000)
COVID-19 Income			(10,130)	(10,130)
COVID-19 Expenditure		22,061	10,130	32,191
TOTAL	560,065	0	0	560,065

BETTER CARE FUND S.75 POOLED FUND MEMORANDUM ACCOUNT

For the period 1st April 2022 to 31st March 2023

Gross Funding	Total £'000	NHS Devon CCG		Devon County Council	
		Revenue	Capital	Revenue	Capital
Contributions Received	(119,883)	(68,383)	(43,255)	(8,245)	
Prior year carry forward	(10,638)	0	(10,638)	0	
TOTAL FUNDING	(130,521)	(68,383)	(53,893)	(8,245)	

Expenditure	Total £'000	NHS Devon CCG		Devon County Council	
		Revenue	Capital	Revenue	Capital
Care Act duties	689	737	(48)	0	
Dementia Diagnosis	170	439	(269)	0	
Disabled Facilities Grant	8,245	0	0	8,245	
Enabling services	2,660	2,550	110	0	
Enhanced Community Equipment Services	8,964	5,580	3,384	0	
Enhanced Support for Carers	4,700	2,146	2,554	0	
Frailty & Community Care	47,912	43,016	4,896	0	
Hospital Discharge Services	19,384	6,333	13,051	0	
Improved Better Care Fund grant	21,790	0	21,790	0	
Rapid Response	3,303	3,008	295	0	
Single Point of Co-ordination	386	414	(28)	0	
Social Care Reablement	600	600	0	0	
Step-Up, Step-Down Care	3,372	3,518	(146)	0	
Support to social care	42	42	0	0	
TOTAL EXPENDITURE	122,217	68,383	45,589	8,245	

NET OVER/(UNDER) SPEND (8,304) 0 (8,304) 0

Refund to partners are as follows:	Total £'000	NHS Devon CCG		Devon County Council	
		Revenue	Capital	Revenue	Capital
NHS Devon ICB	0	0			
Devon County Council	(8,304)		(8,304)		
	(8,304)	0	(8,304)	0	
Capital funding carried forward	0				0
	(8,304)	0	(8,304)	0	

ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS

UNDER THE MEMBERS ALLOWANCES SCHEME FOR THE YEAR ENDING 31st MARCH 2023

Note: Basic & Special Responsibility Allowances and some elements of travelling & subsistence allowances are subject to taxation.

Elected members		Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses
Surname	Inits	£	£	£
Adams	T	13409.19	0.00	0.00
Asvachin	M	13409.19	0.00	0.00
Atkinson	Y	13409.19	0.00	0.00
Aves	S	13409.19	0.00	0.00
Bailey	J	13409.19	0.00	0.00
Barnes	D	13409.19	0.00	0.00
Berry	EJ	13409.19	0.00	122.12
Biederman	F	13409.19	3,352.24	963.73
Bradford	J	13409.19	0.00	160.18
Brazil	JC	13409.19	5,710.12	1,745.67
Brook	FJ	13409.19	6,704.72	0.00
Bullivant	P	13409.19	2,855.01	226.55
Channon	C	13409.19	0.00	43.13
Chesterton	R	13409.19	0.00	0.00
Chubb	I	13409.19	0.00	906.98
Connett	A	13409.19	1,012.36	0.00
Cox	D	13409.19	0.00	0.00
Crabb	P	13409.19	0.00	0.00
Croad	RF	13409.19	20,113.92	1,561.03
Davis	AV	13409.19	20,113.92	2,578.11
Dewhirst	A	13409.19	9,788.53	0.00
Gent	H	13409.19	0.00	0.00
Gilbert	R	13409.19	20,113.92	2,709.52
Gribble	G	13409.19	0.00	895.50
Hall	I	13409.19	11,076.71	355.18
Hannaford	R	13409.19	9,788.53	424.66
Hart	TJ	13409.19	33,523.11	1,336.89
Hartnell	M	13409.19	0.00	675.70
Hawkins	JD	13409.19	3,352.24	1,086.18
Hellyer	L	13409.19	3,352.24	637.77
Henderson	P	13409.19	0.00	483.98
Hodgson	J	13409.19	0.00	299.03
Hughes S	S	13409.19	20,113.92	2,225.31
Leadbetter	AR	13409.19	20,113.92	2,219.19
Leaver	C	13409.19	0.00	50.15
Letch	F	13409.19	0.00	310.89
Maskell	P	13409.19	0.00	187.62

Elected members		Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses
Surname	Inits			
McGeough	D	13409.19	0.00	152.57
McInnes	JR	13409.19	26,818.49	3,128.73
Morrish	J	13409.19	6,704.72	0.00
Parker-Khan	S	13409.19	0.00	0.00
Peart	R	13409.19	0.00	0.00
Prowse	GJ	13409.19	3,180.39	0.00
Radford	RF	13409.19	0.00	0.00
Randall Johnson	S	13409.19	9,788.53	154.00
Roome	I	13409.19	0.00	362.03
Samuel	L	13409.19	0.00	182.34
Sanders	PR	13409.19	4,894.40	880.05
Saywell	A	13409.19	20,113.92	2,277.92
Scott	R	13409.19	3,352.24	168.23
Sellis	D	13409.19	563.88	163.96
Slade	C	13409.19	4,894.40	821.39
Squires	M	13409.19	0.00	503.32
Thomas	D	13409.19	0.00	0.00
Trail	J	13409.19	2,125.70	356.94
Twiss	P	13409.19	20,113.92	1,036.19
Whitton	C	13409.19	6,546.46	0.00
Wilton-Love	J	13409.19	0.00	656.08
Wrigley	M	13409.19	0.00	465.30
Yabsley	J	13409.19	3,352.24	0.00
Totals		804,551.40	303,534.70	33,514.12

CAPITAL

7. The Capital Programme Outturn 2022/23

- 7.1 The approved Capital Programme for 2022/23 totalled £230.9 million. This figure includes £42.2 million brought forward from 2021/22 and £23.5 million of other additions approved during 2022/23
- 7.2 During March 2023, the following income was secured for the financial year 2022/23. This income has been added to the capital programme in order to fund capital expenditure, or to carry forward to 2023/24; subject to the terms and conditions of that funding:
- New Stations Fund 3 - Marsh Barton Station £360,000
 - S106 and other Contributions – Uffculme Primary Academy additional classrooms £211,424
 - External Funding Contribution – Cullompton High Street, Heritage Action Zone £174,023
- 7.3 Spend for the year totals £147.2 million resulting in an outturn variance of £83.7 million (actual spend in 2021/22 was £144.2 million with a variance of £66.8 million).
- 7.4 The following table summarises the 2022/23 Capital Programme expenditure and its financing:

Capital Expenditure	Budget	Actual Spend	Variation
	£000	£000	£000
Children & Young People's Futures	8,938	3,591	5,347
Climate Change, Environment & Transport	184,612	125,619	58,993
Finance & Public Value	369	286	83
Integrated Adult Social Care	10,815	8,426	2,389
Legal & Democratic Services	51	0	51
Public Health, Communities & Prosperity	15,057	3,966	11,091
Transformation, Performance & Resources	11,073	5,278	5,795
Total	230,915	147,166	83,749

Capital Financing	Budget	Actual Spend	Variation
	£'000	£'000	£'000
Capital Receipts Applied	18,440	9,734	8,706
Internal Borrowing	20,099	6,197	13,902
External Grants and Contributions	190,501	130,205	60,296
Revenue Budgets	1,875	1,030	845
Total	230,915	147,166	83,749

8. Variation between the delivered Capital Programme and Budget

- 8.1 The 2022/23 slippage totalled £83.7 million.
- 8.2 It is recommended that a net of £54.7 million is carried forward into the 2023/24 Capital Programme. This net figure includes £57.1 million in carry forward, less £2.4 million which was added to the 2022/23 budget, as schemes experienced an accelerated delivery.
- 8.3 It is recommended that £13.1 million be carried forward into 2024/25 and future years.
- 8.4 The remaining £15.9 million has been released from the capital programme in 2022/23 as a net underspend. £7.2 million of this balance is in relation to the Sustainable Warmth Phase 1 project, which has been partially replaced by the Department for Energy Security & Net Zero (DESNZ) with Home Upgrade Grant (HUG2) grant funding of £13.3 million.
- 8.5 An analysis of any underspend and the carry forward request is set out in the following table:

Programme Variation	Total Variation 2022/23	Accelerated Delivery 2022/23	Net (Under) / Over spend 2022/23	Total Carry Forward	* Carry forward to 2023/24	Carry forward to 2024/25 and future years
	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People's Futures	5,347	0	(840)	4,507	4,507	0
Climate Change, Environment & Transport	58,993	2,264	(10,936)	50,321	39,730	10,591
Finance & Public Value	83	0	(29)	54	54	0
Integrated Adult Social Care	2,389	0	(1,953)	436	437	0
Legal & Democratic Services	51	0	0	51	51	0
Public Health, Communities & Prosperity	11,091	101	(921)	10,271	7,759	2,511
Transformation, Performance & Resources	5,795	0	(1,240)	4,555	4,555	0
Total	83,749	2,365	(15,919)	70,195	57,093	13,102
Financed By:	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts Applied	8,706	0	(1,814)	6,892	6,228	664
Internal Borrowing	13,902	101	(2,901)	11,102	8,908	2,194
External Grants and Contributions	60,296	2,264	(10,818)	51,742	41,498	10,244
Revenue Budgets	845	0	(386)	459	459	0
Total	83,749	2,365	(15,919)	70,195	57,093	13,102

- 8.6 The delivery of the 2023/24 Capital Programme has been affected increasingly over time, across all services, by the difficulty in sourcing materials, labour, delays in tender and procurement, but also as a delayed response to the pandemic as the UK economy struggles to recover. A summary of the main projects contributing to this year's outturn variance, is explained in more detail for each directorate.

9. 2022/23 Capital Programme Delivery

9.1 Children and Young People's Futures

£3.5 million has been spent in 2022/23 mainly funded by the Devolved Formula Capital (DFC) grant. DFC provides schools capital funding to allow Schools to prioritise the needs of its buildings, grounds and provides investment in capital equipment including ICT.

The £4.5 million of slippage in this directorate is partly due to a lower call on the DFC grant due to works being paused or reprioritised throughout the academic year. In addition, new funding of £2.1 million was awarded to schools in December 2022 from the Department of Education with the aim of improving the energy efficiency of school buildings and reducing energy costs. The late allocation of this funding meant that works are only now beginning to start. However, this important work will continue into 2023/24.

9.2 Climate Change, Environment and Transport - Investment 2022/23

£125.6 million has been invested during 2022/23 under this directorate, of which £118.0 million is funded by external grants and contributions.

£4.0 million has been spent on the capital maintenance of around 90 Schools and £8.0 million in School expansions aimed at providing sufficient capacity, as well as £13.0 million spent specifically on providing SEND places.

During the financial year, the Okehampton Special School was accelerated from future year budgets resulting in practical completion on 20th April 2023. This will provide one hundred new school places. Projects at ACE Tiverton and the expansion of Bidwell Brook were completed in year, providing an additional thirty places at each school. Work continues towards the delivery of expanded provision at Orchard Manor Special School, with minor slippage to 2023/24, but the school was operational in December 2022, providing an additional twenty-four places. Additional accommodation at Marland Day School completed in April 2023 with the provision of forty new places.

The construction of Marsh Barton Station was all but completed in 2022/23 and is now following the rail industry technical authorisation processes and safety checks, which are necessary for the station to enter into service.

The Bridges and Structures team completed the extensive repairs to the Rock Park bridge in Barnstaple. This 140-year-old ex-railway bridge is a significant part of Devon's heritage, and the large footbridge is used by a major school for access over the River Taw. It was necessary to use a large jack up barge which resembles an oil rig platform to support the structure whilst the defective piers were strengthened.

£55.0 million has been spent on the capital maintenance of Devon's road network, which is the longest in England at over 8,000 miles. A further £1.6 million has been invested in the conversion of street lamps to LED which is expected to deliver revenue and energy savings.

£35.0 million has been invested in Devon's transport and highways infrastructure which includes the North Devon Link Road and South West Exeter Highways Infrastructure Fund (SWEHIF) projects. This investment includes projects aimed at improving our cycle network, footpaths and road safety measures.

£4.5 million spent on the Long Lane scheme, nr Exeter Airport will unlock a 19-acre Power Park site, creating 1,000 jobs as part of the Exeter and East Devon Enterprise Zone. The scheme also delivers improved cycle links and a new bus route with 20min service to Exeter College's Future Skills Centre, Hampton by Hilton hotel and Exeter Airport Business Park.

£250,000 spent at the Pinhoe Station interchange on the Exeter to Waterloo mainline will offer secure cycle lockers, e-bike hire, car club and shuttle bus service for a wider choice of onward travel to Exeter Science Park, SkyPark, Exeter Logistics Park and Exeter Airport. The scheme also delivers limited off-street parking to relieve parking pressures around the station, with electric vehicle charging also available.

£4.5m has been invested at the Houghton Barton Link Road, Newton Abbot. This is the first phase of linking the A382 to A383 corridors, which will facilitate 1,000 homes on the west side of the town.

Almost £8.0 million has been invested in other projects aimed at improving or enhancing our environment whilst contributing to our net zero carbon commitments. £1.4 million has been invested in flood defences and £6.6 million in carbon reduction initiatives. These initiatives include £5.6 million investment in retrofitting our own buildings to deliver carbon and or energy cost savings.

9.3 Climate Change, Environment and Transport - Carried forward to 2023/24

The majority of slippage in the capital programme, just over £50 million, falls within this Directorate. £15.3 million is due to late funding announcements which have been carried forward to 2023/24. The remaining slippage of £35.2 million is not unusual considering the size of the capital programme in this area, and the scale and complexity of major projects.

The North Devon Link Road project reports a £12.0 million variance. The pandemic caused issues relating to labour and staffing resources, deliverability and availability of materials, which has affected the general progress of works. The war in Ukraine has affected the availability of steel across Europe, making procurement even more challenging. A section of the main works and the remaining minor junctions have therefore been descoped. The main contract has been varied to reflect this change and anticipated completion is now March 2024, rather than December 2023. The two remaining minor junctions have been rescheduled to the end of the project to enable the main works to complete on time.

The South West Exeter Housing Infrastructure Fund reports a variance of £4.0 million. The 2022/23 original profiled budget comprised of fourteen different elements. Two elements are now expected to be delivered directly by the developer, rather than DCC and the electricity substation was delayed due to agreeing an acceptable location with Western Power and then obtaining planning permission. Works were completed on the A379 at the eastern junction and school access junction.

Projects aimed at maintaining or expanding our schools were equally affected by delays in tenders and availability of materials and labour. £1.8 million in Schools Capital Maintenance Contingency was not called upon in 2022/23 and around £1.6 million in schools maintenance works have been rescheduled to complete in 2023/24. £2.3 million will be invested in the South West Devon Special school which is expected to complete in 2023/24 along with slippage in other school expansions totalling around £4.3 million.

Around £9.0 million in slippage is made up of slippage in other smaller schemes, and £1.1 million in slippage relates to the purchase of fleet and winter maintenance vehicles where delays in supply across the UK have meant that delivery is not now expected until 2023/24.

It is proposed that £15.3 million is carried forward which is due to late funding announcements or where grant funded projects are being extended into 2023/24. This includes £1.3 million for the Active Travel Fund Tranche 3, £1.0 million in Sustainable Warmth grant and £13.0 million in the newly awarded Home Upgrade Grant (HUG) phase 2 projects. The HUG funding will enable the energy efficient retrofit of low income homes, to continue over the next 2 years.

9.4 Finance and Public Value

There is a small capital programme for this directorate which included investment in IT software and hardware in 2022/23 of £286,000 with a small carry forward to 2023/24 of £51,000 for software upgrades, which are underway and will complete early 2023/24.

9.5 Integrated Adult Social Care

The capital programme for this directorate is mainly attributable to the Disabled Facilities Grant (DFG) of £8.2 million. This grant is paid to Devon County Council for onward allocation to the County's Districts and Unitary Authorities to award to individuals who require changes to the accessibility of their homes.

9.6 Legal and Democratic Services

The small budget in this area relates to the Daw Room ICT upgrade. Research is ongoing into the options for upgrading the Full Council Chamber as well as the Daw Room ICT equipment. This project was placed on hold pending those investigations and is expected to recommence in 2023/24.

9.7 Public Health, Communities and Prosperity

£3.9 million has been invested in projects across the Public Health, Communities and Prosperity directorate in 2022/23. This includes £2.0 million completing the North Devon Enterprise Centre (NODE) Phase 2 project. The building provides 564 square metres of flexible office space and an extra 48 car parking spaces to serve North Devon.

The redevelopment and modernisation of Bideford Art Centre has progressed well, with spend of £1.3 million in 2022/23. The work has transformed the old arts centre building into a community 'hub,' which will house both Learn Devon and Bideford's library service. The new building will provide the town with a modern library which will make better use of the building and one that is fully accessible to the whole of the community as a result of the installation of a new passenger lift. Works will be concluded in 2023/24 with just under £0.5 million carried forward.

Delays or complications in procurement have slowed projects during 2022/23 with around £1.6 million being carried forward for libraries and for our business park projects, as well as £2.3 million for the Devon & Somerset, Superfast Broadband programme which is expected to complete over the next two years.

The Strategic Land transactions of £5.9 million are still in negotiation but is expected to complete in full in 2023/24.

9.8 Transformation, Performance and Resources

£5.3 million has been invested in 2022/23 in our corporate estate, which includes £1.0 million enhancing our County Farms Estate and £1.9 million in the DCC ICT Replacement and Renewal programme and Scomis ICT updates. £2.4 million has been invested in the capital maintenance of our existing corporate estate as well as strategic land purchases and other property upgrades.

The main elements of the DCC ICT Replacement and Renewal Programme were paused during the 2023/24 budget setting process to ensure best value and more detailed options appraisal were undertaken. Funding of £3.9 million has therefore been carried forward to 2023/24, when work is expected to recommence. £650,000 in other smaller project budgets has been carried forward to 2023/24 to enable the payment of retentions or take smaller schemes to completion.

10. Capital Financing

- 10.1 Internal borrowing was lower than originally budgeted which will result in a reduction in the capital financing requirement, specifically Minimum Revenue Provision (MRP), for 2023/24.
- 10.2 There was also a decrease in the requirement for funding from Revenue budgets; this is mainly attributable to slippage in projects funded from school's revenue budget share.
- 10.3 External funding will need to be carried forward as unspent funds; this is mainly attributable to major schemes within Climate Change, Environment and Transport which reflects the complex nature of projects in these service areas, as well as the impact of the challenging economic climate on scheme deliverability.
- 10.4 Capital receipts of £14.2 million were delivered during 2022/23 through surplus asset disposal. The Capital Receipts Reserve has covered the financing requirement for 2022/23 of £9.7 million, as shown in the following table:

Capital Receipts	General Receipts	Investing in Devon	Total
	£'000	£'000	£'000
Opening Balance 1st April 2022	5,011	350	5,361
Received in year	14,221	0	14,221
Applied to finance spend	(9,734)	0	(9,734)
Closing Balance 31st March 2023	9,498	350	9,848

11. Prudential Indicators

- 11.1 The prudential indicators are produced in line with the national code of practice that was drawn up by the Chartered Institute of Public Finance and Accountancy. This requires local authorities to monitor its overall debt level via a set of "prudential indicators," in order to form a judgement about affordable, prudent and sustainable levels of debt. The definition of debt for the Prudential Indicators that were calculated and agreed within the Capital Programme for 2022/23 includes both borrowing and other long-term liabilities such as PFI schemes.
- 11.2 The indicators are set annually when the budget is agreed, and we report the final position of the indicators against the estimate within the outturn report. The indicators are adjusted after

the budget is agreed for technical accounting changes. In 2022/23 no prudential indicators were breached.

11.3 Capital Financing Requirement (CFR)

The Capital Financing Requirement reflects the cumulative capital expenditure that the authority has yet to finance. It is alternatively known as the underlying need to borrow.

ACTUAL 2021/22 £000		ACTUAL 2022/23 £000
697,564	Opening Capital Financing Requirement	686,653
697,564		686,653
	Capital Investment	
121,698	Property, Plant and Equipment	122,860
0	Heritage Assets	0
1,280	Intangible Assets	649
20,455	Revenue Expenditure Funded from Capital under Statute	23,657
750	Share Capital	0
	Sources of Finance	
(9,598)	Capital Receipts	(9,735)
(130,805)	Government Grants and other contributions	(132,905)
	Sums set aside from revenue:	
(991)	Direct revenue contributions	(1,030)
(59)	External contribution - debt repayments	(8)
(13,870)	Statutory provision for the financing of capital investment	(14,149)
	Capital provision	
4,766	Creation of Long Term Provision	4,537
(4,537)	Provision remaining at year end	(4,314)
686,653	Closing Capital Financing Requirement	676,215
	Explanation of Movements in Year	
	Increase in underlying need to Borrow (unsupported by	
5,596	government financial assistance)	6,197
230	Decrease in Capital Provision	223
(2,054)	(Reduction)/ Increase in PFI liability	(2,590)
(14,683)	Increase in the provision for repayment of debt	(14,268)
(10,911)	Increase/(decrease) in Capital Financing Requirement	(10,438)

11.4 Authorised Limit and the Operational Boundary for External Debt

External borrowing totals £507.9 million and other Long Term Liabilities total £114.6 million. The actual external debt for 2022/23 was therefore £622.5 million.

The authorised limit for external debt of £780.9 million was not breached.

The operational boundary for external debt of £755.9 million was not breached.

11.5 Ratio of Financing Cost to Net Revenue Stream

This key ratio shows the percentage of the net revenue budget which is used to finance debt. The long term commitment is that the capital finance charges excluding the capital financing costs included within the PFI and other PFI type of arrangements do not go above 12%. On

an annual basis the authority, when assessing the affordability of the programme, estimates the relevant percentage, and the following tables shows the year end variance against original estimates. The Actual outturn was lower than original variances which is a good outcome for the Authority.

	<u>Including PFI Charges</u>	<u>Excluding PFI Charges</u>
Total Financing Costs	47.649 millions	34.097 millions
Net Revenue Stream	560.065 millions	560.065 millions
Actual	8.51%	6.09%
Original Estimates	9.60%	6.92%
Variance	-1.09%	-0.83%

12. Determination of Capital Finance

12.1 The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance sources, as outlined in the table shown on page 27 [section 7.7] is proposed.

- That internal borrowing totalling £6.2 million is used as authorisation to finance capital expenditure.
- That expenditure of £130.2 million is funded from government grants and external contributions to meet expenditure in 2022/23 for capital purposes.
- That useable capital receipts of £9.7 million are applied to meet expenditure in 2022/23 for capital purposes.
- That the remaining capital expenditure of £1.0 million is met from revenue budgets.

DEBT (MONIES OWED TO THE COUNCIL) as at 31st March 2023

13. Recommendation: that the position relating to debt be noted.

- 13.1 The Council collects income from a wide range of sources to fund its services. Large elements of income are received automatically from Government and District Councils in respect of Revenue Support Grant, share of National Non-Domestic Rates and Council Tax.
- 13.2 Technology is also used to receive income via the telephone and the internet. Debt recovery agents continue to be used where non-sensitive debt has proved difficult to collect.
- 13.3 Income is also received from the raising of invoices to users of a service. Accounts are credited with the income value with immediate effect. However, it is often the case that debtors take time to settle accounts and there is a time delay between accounting transactions and cash income.
- 13.4 The Council has a number of debtor systems which encompass Adult Care functions, Devon Pensions Fund items and Corporate services.
- 13.5 The following table sets out the debt position as at 31st March 2023. Figures in brackets show the position as at 31st March 2022:

	Corporate Services	Adult Care Functions	Devon Pension Fund	Total
Total Invoiced Income for 2022/23	£240.1 million (£228.3 million)	£63.3 million (£61.6 million)	£8.8 million (£6.7 million)	£312.2 million (£296.5 million)
Outstanding debt older than 3 months	£4.1 million (£2.6 million)	£27.7 million (£22.7 million)	£0.3 million (£0.1 million)	£32.1 million (£25.4 million)
Percentage of Debt which is older than 3 months relative to whole year value	1.73% (1.13%)	43.67% (36.82%)	2.94% (2.22%)	10.27% (8.57%)

- 13.6 In terms of Corporate debt, staffing shortages and technical issues with the debt recovery system have resulted in an increase the aged debt position. A system upgrade and increased resourcing will improve the position over the forthcoming financial year.
- 13.7 Within the Adult Care Functions, significant elements of Residential Care debt and smaller elements of Non-Residential Care debt are underwritten by legal charges. At the year end, the level of debts over 3 months old which are unsecured by a legal charge total £18,514,265 (£12,389,000 as at 31st March 2022). When considering only unsecured debt older than 3 months reduces from 43.67% to 29.24%.
- 13.8 The On-Street Parking system records monies owed for this service area. The nature of the individual debt is low value. At the year-end, gross debt totalled £1,063,437, with a bad debt provision of £576,109. The net debt was £484,328. Enforcement agents are used to recover related debt where appropriate.
- 13.9 The level of debt in respect of invoiced income for the Devon Pension Fund is comparatively low in percentage terms and relates to a small number of debtors. Total invoiced income for 2022/23 is higher than in 2021/22, despite reduced pension strain costs, due to a notable increase in cessation charges and relevant debtors.
- 13.10 To mitigate the effect of non-recovery of debt, general provisions have been established to write-off items which prove non-recoverable. At the year-end, these total £1,906,744. The 2021/22 provision for COVID has been removed and fully integrated within the base risk factors for Corporate Services and partially integrated within the provision for Adult Care Functions for 2022/23.

ABBREVIATIONS

Abbreviations used within the outturn report:

BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in April 2015.
C/F	Carry Forward
CFR	Capital Financing Requirement
COVID-19	Coronavirus Disease
DCC	Devon County Council
DfT	Department for Transport
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG - Ministry of Housing, Communities and Local Government)
DSG	Dedicated Schools Grant
EDDC	East Devon District Council
EU	European Union
HR	Human Resources
HRMS	Human Resources Management System
ICB	Integrated Care Board
ICT	Information & Communications Technology
LED	Light Emitting Diode
LTP	Local Transport Plan
MRP	Minimum Revenue Provision
NHS	National Health Service
NNDR1	National Non-Domestic Rates Return budget
NNDR3	National Non-Domestic Rates Return outturn
PFI	Private Finance Initiative
PTE	Part-time Equivalent (15 hours)
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
ScoMIS	Schools Management Information Service
SEND	Special Education Needs and Disability
VELP	Vehicle Equipment Loan Pool

GLOSSARY OF TERMS

Some of these terms are not used within the Outturn report but have been included as background information.

BUDGET

A budget is approved annually by the Council and sets out the council tax requirement for the next financial year. This council tax precept funds the planned spending programme which is presented net of income from grants, fees and charges and other sources. The budget does not include any of the adjustments needed to comply with financial reporting standards and, as such, is not truly comparable with the results as shown in the statement of accounts for the same period.

CAPITAL EXPENDITURE

Capital expenditure is expenditure on the construction, acquisition, development or improvement of property, plant and equipment and of intangible assets (principally, software licenses). Under legislation it may be financed from capital sources or from funds set aside from revenue. It is to be distinguished, however, from revenue expenditure funded from capital under statute (REFCUS) which is charged as revenue expenditure in the comprehensive income and expenditure account and only matched with its capital funding by transfer in the movement in reserves statement.

CAPITAL RECEIPTS

Capital receipts are income received from the sale of property, plant and equipment or intangible assets. They are available only to finance new capital expenditure or to repay debt. Until this occurs they are held on the capital receipts reserve.

CIPFA

CIPFA (The Chartered Institute of Public Finance and Accountancy) is the lead body for setting standards in public sector accounting practice.

CONTRIBUTIONS

Contributions are receivable from health authorities, other local authorities and other non-governmental bodies in respect of the Council's functions carried out independently. They are distinguishable from fees and charges income, which is received under a contract of supply. The same distinction applies to contributions paid by the Council. Contributions receivable are distinguished from grant income only in that grants are received from UK or EU governments (or their agencies).

DEBT

External debt consists of borrowing and other long-term liabilities (such as Private Finance Initiatives and other similar contracts). The **Authorised Limit** to debt represents the level at which the Council is able to borrow and enter into other long-term liabilities. Additional borrowing beyond this level is prohibited unless the limit is revised by the Council.

The **Operational Boundary** is based on the anticipated level of external debt needed during the year. Variations in cash flow may lead to occasional short term breaches of the Operational Boundary that are acceptable.

DEDICATED SCHOOLS GRANT (DSG) ADJUSTMENT ACCOUNT

This is a new unusable reserve which holds negative (deficit) balances from the expenditure against the Dedicated Schools Grant. It has been established as a result of new statutory regulations which came into force from November 2020, whereby a local council must not charge any deficit in respect of its schools' budget to its revenue account. Instead any such deficit should be charged to a

separate account - the DSG Adjustment Account - in effect removing it from the General Fund and earmarked reserves. These regulations are in force for three years 2020/21, 2021/22 and 2022/23 and do not set out what will happen after March 2023.

GENERAL FUND

The general fund is the usable revenue reserve which finances the Council's working capital. It represents the cumulative net budget surplus after appropriations to or from earmarked reserves and consists of two elements: the county fund and reserves held by schools under delegated management. The county fund balance is evaluated under the Council's risk management strategy as the amount required to fund operations without borrowing before the first precept payments are received.

GOVERNMENT GRANTS

These are sums of money paid UK or EU governments, or their agencies, in order to fund the activities of the Council. Grants in support of local government services may be for general application or, where restricted to specified services, ring-fenced. The amount of grant income credited to the comprehensive income and expenditure account for the year represents the value received (or due to be received) in the year less any such amounts which are repayable by virtue of a condition which has not been satisfied. Outstanding conditions are normally satisfied in the following year in which case the liability is transferred to income at that stage.

The following bodies (shown together with their common abbreviations) award grants to the Council and are the sources of income in the analysis of government grants:

CSPN	= County Sports Partnership Network
CWDC	= Children's Workforce Development Council
DBERR	= Department for Business, Enterprise and Regulatory Reform
DCMS	= Department for Culture, Media & Sport
DEFRA	= Department for Environment, Food & Rural Affairs
DfE	= Department for Education
DfT	= Department for Transport
DHSC	= Department of Health and Social Care, formerly DH - Department of Health, now with Social Care responsibilities
DIUS	= Department for Innovation, Universities and Skills
DLUHC	= Department for Levelling Up, Housing and Communities (formerly Ministry of Housing, Communities and Local Government)
DTI	= Department of Trade & Industry
DWP	= Department for Work & Pensions
ESFA	= Education and Skills Funding Agency - combination of EFA - Education Funding Agency and SFA Skills Funding Agency
EU	= European Union
HEFCE	= Higher Education Funding Council for England
HLF	= Heritage Lottery Fund
HO	= Home Office
MoD	= Ministry of Defence
NE	= Natural England

P4S	= Partnership for Schools
PSA	= Public Service Agreement
SCITT	= School Centred Initial Teacher Training
SDF	= Sustainable Development Fund
TDA	= Training and Development Agency
YJB	= Youth Justice Board

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These standards are issued by the International Accounting Standards Board. They are adapted under the auspices of CIPFA so as to apply to local authorities and consolidated in the Code of Practice on Local Authority Accounting (The Code).

MINIMUM REVENUE PROVISION (MRP)

MRP represents the minimum amount that, under government regulations, must be appropriated from the general fund each year in order to fund the repayment of existing debt.

OUTTURN

Outturn represents the annual results of the revenue and capital programmes which the Council reports in order to account for its use of public funds under government legislation. It is reported in the same terms as the budget under which council tax funding was originally raised. The outturn report is not subject to external audit and does not apply the Code, nor does it include a balance sheet. As such it is not truly comparable with the statement of accounts.

PRECEPTS & LEVIES

A levy is a charge made by one statutory body on another in order to meet the net cost of its services. A precept is a charge made by a statutory body upon the council tax collection fund of a billing authority.

PRIVATE FINANCE INITIATIVE (PFI)

PFI contracts, and also public-private partnerships (PPP), typically involve a private sector operator constructing or enhancing assets used in the provision of a public service, and operating and maintaining those assets for a specified period of time on behalf of the authority after which the assets pass to the authority for little or no incremental consideration. Under the Code, contractual charges made by the operator on the authority fall under two headings, finance lease (to finance construction or enhancement) and service provision (to finance operation and maintenance), and each heading is accounted for accordingly over the period of each contract. In cases where no asset is to pass to the Balance Sheet, all charges are made annually to the comprehensive income and expenditure account. Under the finance lease model, the liability remains with the Authority even where assets subsequently vest in schools on a change of status.

PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are included in the balance sheet under the heading of property, plant and equipment. Such assets are carried at current value and are regularly revalued in order to ensure that this remains the value at which they are reported annually. Where there is no market-based evidence of current value (because of the specialist nature of an asset), depreciated replacement cost is used as an estimate of current value. Depreciation is charged annually by reference to the

remaining useful life of an asset or of each class of component making up that asset. Surplus assets are valued at fair value.

PROVISIONS

A provision is a liability of uncertain timing or amount. It is recognised when there is a present obligation (whether legal or constructive) as a result of a past event where a transfer of economic benefit is likely to result and a reliable estimate of this transfer can be made.

RELATED PARTIES

Parties are considered to be related if one party has the ability either to control the other party or to exercise significant influence over it in making financial or operating decisions. Parties are also related if they are subject to common control. Related parties include subsidiaries, associates, joint ventures, and possibly other entities or individuals. Central government is a related party by this definition. Related parties attract additional disclosure requirements in order to identify the extent to which the authority may exercise or be subject to influence or control. The statement of accounts includes the following in this respect:

- Details of significant government grants and the awarding bodies;
- Transactions with subsidiary and associated companies;
- Transactions with the pension fund.
- Transactions with related individuals not applicable to other members of the community (for example, members and chief officers)

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

REFCUS is revenue expenditure that is funded from capital either because it is capital in nature (but does not result in an asset) or because capital financing has been allowed by specific regulation. REFCUS is included accordingly in the comprehensive income and expenditure account and appropriated from general fund to capital adjustment account in the movement in reserves statement.

SECTION 151 OFFICER

The section 151 officer is the council officer designated under that section of the Local Government Act 1972 to take overall control of the financial affairs of the Council and to take personal responsibility for its financial administration. At Devon County Council the Section 151 Officer is the Director of Finance.

SUBSIDIARY

A subsidiary is an entity which is under the control of the authority. This means that investment by the authority is such that it has decisive power over the entity, has the ability to direct all its substantial activities and enjoys rights (or suffers exposure) to variable returns. Investment takes account of contractual connections, participation in governance and executive interchange as well as the level of financial investment.

UNUSABLE RESERVES

Unusable reserves are reserves that the authority is not able to utilise to provide services. These reserves fall into two categories, namely: revaluation balances and adjustment accounts. Revaluation gains held under the first category only become available for use when the assets to which they relate are disposed of and the gain realised as a capital receipt. In the second category, each reserve

is named after the adjustment variously required to report the comprehensive income and expenditure account under the accounting basis. These adjustments are realised only by reversal and thus constitute timing differences. By these adjustments, the general fund continues to be stated under the funding basis required by regulation.

USABLE RESERVES

Usable reserves are reserves available to the authority for the provision of services although there may be statutory limitations on the type of use in each case. Reserves usable for capital expenditure consist of the capital receipts reserve (which may also be applied in the repayment of borrowings) and capital grants unapplied. Usable revenue reserves consist of the general fund together with any earmarked reserves set aside from general fund for specified future expenditure.

VIREMENT

The process of transferring money from one budget heading/line to another.

Angie Sinclair

Director of Finance and Public Value

Electoral Divisions: All

Local Government Act 2003

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