

Dear Member

AUDIT COMMITTEE - WEDNESDAY, 31ST MAY, 2023

Please find attached, for consideration at the next meeting of the Audit Committee, taking place on Wednesday, 31st May, 2023, the following report that was unavailable when the agenda was published.

Agenda No Item

10. **Draft Annual Financial Report 2022/23 (Pages 3 - 16)**

To consider the Draft Annual Financial Report 2022/23.

Yours sincerely

Democratic Services

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AUDIT COMMITTEE – 31 MAY 2023

DRAFT ANNUAL FINANCIAL REPORT 2022/23

1. Recommendations

- 1.1 That Members note the draft Accounting Statements set out in Appendices 1-6 which are a summary of the Annual Financial Report that will be certified by the Responsible Financial (S151) Officer for the submission to the external auditor by the deadline of 31 May.

2. Introduction

- 2.1 The Council's statutory Annual Financial Report, which includes 6 Statements of Account, will be presented to this Committee after completion of the external audit (taking place from November). Prior to submission for audit, it will be signed by the certified Responsible Financial (S151) Officer as complete and presenting the position of the Council, as at 31 March 2023.
- 2.2 The extensions to the statutory timetable for publication of the draft accounts which were agreed for the 2020/21 and 2021/22 accounts have not been extended to 2022/23. This means that the timetable reverts to that set out in the Accounts and Audit Regulations 2015. This requires that the draft statement of accounts is authorised for issue by the 31 May 2023 and the 30 day period for the exercise of public rights must commence by 1 June 2023. The Annual Governance Statement (AGS) must also be approved by 31 May 2023 and published alongside the draft accounts for the period for the exercise of public rights.
- 2.3 The Accounts and Audit Regulations (Amended) 2022 established a deadline of 31 September for the publication of audited accounts for six years from 2022/23, extended from 31 July.
- 2.4 The Council's External Auditor has previously explained why their audit timings do not fit with the revised dates as per the (Amended) regulations.

3. Purpose of the Report

- 3.1 This report updates Members on progress to achieve the required timetable, to advise Members of key issues in the planned report and to seek Members' approval for any changes to Accounting Policies (if applicable).

4. Statement of Accounts Position 2021/22

- 4.1 Despite good progress being reported to the Audit Committee on the 24th March 2023, a material consideration was raised by the Chartered Institute for Public Finance and Accountancy (CIPFA) in their year-end 2022/23 bulletin released on the 31st March.
- 4.2 It included that:

“We would encourage pension fund accounts preparers to consider their 2022 triennial valuation carefully and consult their actuary on the extent to which the defined benefit liability may differ from the roll-forward of the 2019 valuation. Where there is a material variation, accounts preparers need to consider if an adjustment to the pensions' liability is appropriate”.

- 4.3 As a result, the Hampshire Pension Fund actuary was requested (by the pension fund administrator) to re-run the 2021/22 yearend pension calculations. The resultant updates confirmed a reduction of £6.448 million in the Council's net liability and this has been reflected in restated accounts for the year and in the opening balances for 2022/23.
- 4.4 Upon the completion of the 2022/23 draft set of accounting statements and publication thereof, the team will re-focus efforts with the external auditor on the necessary updates to the 2021/22 accounts (including finalisation of outstanding discussions related to property valuations) with a view to getting these completed soon thereafter.

5. Statement of Accounts Position 2022/23

- 5.1 The Council is required to include the following accounting statements within the Annual Financial Report:
- 1a) Comprehensive Income and Expenditure Statement
 - 1b) Expenditure and Funding Analysis (in NFDC management format)
 - 2) Movement in Reserves
 - 3) Balance Sheet
 - 4) Housing Revenue Account
 - 5a) Collection Fund – Council Tax
 - 5b) Collection Fund – Business Rates
 - 6) Cash Flow Statement
- 5.2 The draft Accounting Statements for 2022/23, prior to external audit, are set out in Appendices 1 – 6. The Expenditure and Funding Analysis Statement included as appendix 1b, is a supporting statement to the Comprehensive Income and Expenditure Statement. The Council is awaiting a revised calculation of its Pension position as initial figures, recently provided, did not include the impact of staff transferred to Freedom Leisure during 2021/22. Changes are not expected to be material.
- 5.3 The full Draft Unaudited Annual Financial Report will be made available on the Council's Website ([Annual budgets and financial report - New Forest District Council](#)) by the statutory deadline of 31 May 2023. Should any member of the Audit Committee wish to raise any queries on the statement before the next Committee meeting, the contact details for the Council's Chief Financial Officer are included at the foot of this report.

6. Accounting Policy Changes and Other Key Matters

- 6.1 There has been no requirement to change any Accounting Policies for 2022/23.
- 6.2 For 2022/23, the National Non-Domestic Rate (NNDR or Business Rates) collection fund shows a deficit of £4.4 million. This has primarily come about as a result of reliefs announced by the Government in response to the pandemic. The cost of the reliefs has been fully funded by the Government through additional Section 31 grant. In accordance with collection fund accounting, the 2022/23 collection fund doesn't recognise the

additional section 31 grant, and instead this is brought into consideration in 2023/24. The Council's share of the deficit is 40%. The Council's share of the additional Section 31 grant is also 40%. The 2 items therefore largely cancel each other out. The Council's share of the additional Section 31 grant has been placed into a reserve entitled 'Business Rates Reserve' to use in covering the significant proportion of the Council's share of the collection fund deficit in 2023/24.

- 6.3 Previous years' reports highlighted changes to the Business Rates Retention scheme that took place in April 2013 and the need for the Council to hold a provision for anticipated successful appeals against rating assessments. As at 1 April 2022 the total provision was £8.499 million, of which the Council's share totalled £3.400 million (40%). Table 1 confirms the movements in the provision during 2022/23, and the revised balances as at 31 March 2023:

Table 1	Total	NFDC
	£'000	£'000
Appeal Provision 1 April 2022	(8,499)	(3,400)
Additional Provisions Made 2022/23	(3,848)	(1,539)
Amounts Used 2022/23	2,155	862
Appeal Provision 31 March 2023	(10,192)	(4,077)

- 6.4 In producing the accounts for 2022/23, the Council's wholly owned group of companies (Appletree Property Group) have been consolidated as 'Group Accounts'. This means that transactions that took place within the Company accounts need bringing into NFDC accounts, with transactions that took place between NFDC and Appletree being largely cancelled out. The statements produced within this Agenda are the NFDC accounting statements, pre-consolidation. The consolidated accounting statements from part of the overall annual financial report to be signed, audited and published.

7. Summary of Financial Position

- 7.1 The Comprehensive Income and Expenditure Statement and Balance Sheet show the value of the Council's net worth to have increased by £102.450 million during 2022/23. The value of net assets held by the Council now totals £440 million. The principal reasons and the breakdown of this year-on-year increase between the various reserves are summarised as follows:

Description	Class	£'000		
Net Increase in PPE Assets	Asset	42,663	}	37,004 Council Dwellings
Assets Under Construction	Asset	2,044		5,143 Other Land and Buildings
Increase in Investment Property	Asset	12,222		778 Vehicles, Plant and Equipment
Decrease in Long-Term Investments	Asset	(2,215)		(262) Infrastructure
Decrease in Short-Term Investments	Asset	(43,524)		42,663
Increase in Long Term Debtors	Asset	1,166		
Increase in Short-Term Debtors	Asset	1,039		
Decrease in Cash and Cash Equivalents	Asset	(8,945)		
Decrease in Short-Term Creditors	Liability	31,454		
Decrease in Long-Term Borrowing	Liability	4,301		
Increase in Provisions	Liability	(507)		
Decrease in Pensions Liability	Liability	63,572		
Increase in Capital Grants - Receipts in Advance	Liability	(943)		
Net Other	Asset	123		
		102,450		
	Usable Reserves		Unusable Reserves	
Business Rates Reserve	(4,577)		34,139 Revaluation Reserve	
Capital Programme Reserve	(2,196)		11,090 Capital Adjustment Account	
HRA Dev & Qcq. Reserve	(3,451)		(1,665) Financial Instruments Revaluation Reserve	
Other Earmarked Reserves	271		27 Deferred Capital Receipts Reserve	
Capital Receipts Reserve	290		63,572 Pensions Reserve	
Community Infrastructure Levy Unapplied	1,009		4,431 Collection Fund Adjustment Account	
Developers' Contributions Unapplied	(547)		57 Accumulating Absences Adjustment Account	
	(9,201)		111,651	

- 7.2 Usable reserves have decreased by £9.201 million, with the majority being down to adjustments in the Business Rates Reserve, totalling a net £4.577 million. This net downward adjustment recognises additional reliefs awarded in 2021/22 totalling £6.327 million now being released FROM the reserve, offset by contributions TO the reserve of £1.750 million representing the value of reliefs awarded in 2022/23. In addition, there has been reductions of £2.196 million in the General Fund Capital Programme Reserve, largely to fund the capital programme and £3.451 million in the Housing Acquisitions and Development Reserve to fund its capital programme and in year revenue deficit.
- 7.3 The 2022/23 original net budget requirement for the General Fund was £20.674 million, an increase of £1.383 million from 2021/22. The Council's budget anticipated being funded £13.585 million from the Council Tax precept (including a £5 increase), £6.381 million from retained business rates, and £708,000 of other funding. The original budget for 2022/23 included a £1.75 million contribution to Capital Programme Financing and required no contribution from the Budget Equalisation Reserve.
- 7.4 Income and expenditure variations in services during the year were £56,000. Budget rephasings to future years totalled £964,000 and net transfers from specific earmarked reserves totalled £615,000. Additional interest earnings totalled £893,000 above the original budget reflecting both incomes received from Treasury Management investments and the Appletree Housing Group. The overall transfer from the General Fund to support Capital Programme was £1.675 million (original budget £1.75 million). The balance on the General Fund reserve was maintained at £3 million. A balanced budget has been set for 2023/24.

- 7.5 Housing Revenue Account variations in income and expenditure for 2022/23 totalled £1.199 million. Income was £157,000 less than originally budgeted, and expenditure was £1.016 million higher than originally budgeted. The balance on the account as at 31 March 2021 was retained at £1 million. The original budget for 2023/24 anticipates a break-even position for the year.
- 7.6 The level of approved Capital expenditure is reviewed regularly throughout the year, to ensure that it is achievable within the estimated resources available. The original Capital Programme for 2021/22 (including the gross value of the Coastal Regional Monitoring Programme) was £42.074 million. Actual expenditure was £43.718 million.
- 7.7 The Council retained its investments in a variety of pooled funds in 2022/23. Total treasury management interest earnings were £1.34 million in 2022/23 (£0.63 million in 21/22). The market value of the £13.60 million invested by the Council in Pooled funds was £13.20 million as at 31/3/23, a reduction in £1.665 million from 2021/22. These funds are held as a medium-long term investment, and fluctuations over the last few year-end accounting periods have not been uncommon.
- 7.8 The Council's Balance Sheet shows a net pension liability of £21.000 million; a decrease of £63.572 million from 31 March 2022. The discount factor used by the actuary has increased from 2.7% to 4.7%, this, alongside a reduction in CPI assumption from 3.0% to 2.7% has reduced liabilities significantly. Statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy, as the liabilities under the scheme will be made good by contributions over the working lives of employees. The Pension Fund actuary completed their 3 yearly actuarial review during 2022, which resulted in a new individual primary rate contribution percentage for each scheme member (at organisation level) and confirmed the overall net fund position. This triennial review has set contribution rates for 2023/24 – 2025/26.

For Further Information Please Contact:

Alan Bethune

Strategic Director Corporate Resource & Transformation

Chief Financial Officer - Section 151 Officer

Telephone: 023 8028 5001

E-mail: Alan.Bethune@nfdc.gov.uk

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2021/22				2022/23		
Gross Expend £000	Gross Income £000	Net Expend £000	Note	Gross Expend £000	Gross Income £000	Net Expend £000
342	(3)	339	Business, Tourism and High Streets	379	(2)	377
10,414	(6,108)	4,306	Environment and Coastal Services	11,965	(6,896)	5,069
34,679	(31,562)	3,117	Finance, Investment and Corporate Services	35,592	(30,437)	5,155
7,857	(5,296)	2,561	Housing and Homelessness Services	10,138	(6,354)	3,784
482	(5)	477	Leader	698	(135)	563
18,512	(2,171)	16,341	Partnering and Wellbeing	4,137	(1,827)	2,310
8,520	(4,914)	3,606	People and Places	7,567	(1,804)	5,763
5,172	(2,043)	3,129	Planning, Regeneration and Infrastructure	5,744	(1,996)	3,748
85,978	(52,102)	33,876	General Fund	76,220	(49,451)	26,769
21,037	(28,742)	(7,705)	Housing Revenue Account	29,402	(29,863)	(461)
107,015	(80,844)	26,171	Cost of Services	105,622	(79,314)	26,308
			Other Operating Expenditure			
6,667			Town and Parish Council Precepts	6,987		
575			Payments to the Government Housing Capital Receipts Pool	0		
	(2,723)		(Gains)/Losses on the disposal of Non-Current Assets		(2,078)	
		4,519	Total Other Operating Expenditure			4,909
			Financing and Investment Income and Expenditure			
			Interest Payable and Similar Charges:			
14			- General Fund	10		
4,158			- HRA	4,099		
	(1)		Expected Credit (Gain)/Loss on Investments		(3)	
152	(1,530)		Changes in the fair value of Investments	1,699	(30)	
	(768)		Other Investment Income		(1,867)	
2,407			Net interest on the net defined benefit liability/(asset)	2,227		
	(937)		Income, expenditure and changes in the fair value of Investment Properties		(413)	
		3,495	Total Financing and Investment Income and Expenditure			5,722
			Taxation and Non-Specific Grant Income			
	(20,036)		Council Tax Income (incl. Parish precepts)		(20,678)	
	(5,095)		Non-Domestic Rates Income and Expenditure		(5,802)	
	(1,619)		Unringfenced Government Grants		(833)	
	(2,103)		Capital Grants and Contributions		(4,823)	
		(28,853)	Total Taxation and Non-Specific Grant Income			(32,136)
120,988	(115,656)	5,332	(Surplus)/Deficit on the Provision of Services	5	120,644	(115,841)
	(35,179)		(Surplus)/Deficit arising from the revaluation of Property, Plant and Equipment Assets			(34,355)
	(40,575)		Re-measurement of the defined benefit liability/(asset)	35		(72,898)
		(75,754)	Other Comprehensive Income and Expenditure			(107,253)
		(70,422)	Total Comprehensive Income and Expenditure			(102,450)

Total Comprehensive Income and Expenditure has moved by £32.028 million between 2021/22 and 2022/23.

EXPENDITURE AND FUNDING ANALYSIS
(supporting note to the Comprehensive Income and Expenditure Statement)

	Income and Expenditure chargeable to the General Fund and HRA	Adjustments between the Funding and Accounting Basis	Net Expenditure for the equivalent amounts in the Comprehensive Income and Expenditure State
	£000	£000	£000
2022/23:			
Business, Tourism and High Streets	297	80	377
Environment and Coastal Services	4,207	862	5,069
Finance, Investment and Corporate Services	3,860	1,295	5,155
Housing and Homelessness Services	3,045	739	3,784
Leader	460	103	563
Partnering and Wellbeing	2,977	(667)	2,310
People and Places	3,868	1,895	5,763
Planning, Regeneration and Infrastructure	2,402	1,346	3,748
General Fund	21,116	5,653	26,769
Housing Revenue Account	(6,048)	5,587	(461)
Cost of Services	15,068	11,240	26,308
Total Other Operating Expenditure	6,987	(2,078)	4,909
Total Financing and Investment Income and Expenditure	1,287	4,435	5,722
Total Taxation and Non-Specific Grant Income	(27,314)	(4,822)	(32,136)
(Surplus)/Deficit on the Provision of Services	(3,972)	8,775	4,803
Other Comprehensive Income and Expenditure	14,364	(121,617)	(107,253)
Total Comprehensive Income and Expenditure	10,392	(112,842)	(102,450)
Opening General Fund and HRA Balances	(4,000)		
Less Deficit/(Surplus) on General Fund and HRA in Year	10,392		
Transfer to/ (from) Earmarked Reserves	(10,392)		
Closing General Fund and HRA Balances	(4,000)		
2021/22:			
Business, Tourism and High Streets	276	63	339
Environment and Coastal Services	3,578	728	4,306
Finance, Investment and Corporate Services	2,384	733	3,117
Housing and Homelessness Services	2,001	560	2,561
Leader	401	76	477
Partnering and Wellbeing	5,757	10,584	16,341
People and Places	3,116	490	3,606
Planning, Regeneration and Infrastructure	2,084	1,045	3,129
General Fund	19,597	14,279	33,876
Housing Revenue Account	(7,841)	136	(7,705)
Cost of Services	11,756	14,415	26,171
Total Other Operating Expenditure	6,667	(2,148)	4,519
Total Financing and Investment Income and Expenditure	2,750	745	3,495
Total Taxation and Non-Specific Grant Income	(26,750)	(2,103)	(28,853)
(Surplus)/Deficit on the Provision of Services	(5,577)	10,909	5,332
Other Comprehensive Income and Expenditure	12,338	(88,093)	(75,754)
Total Comprehensive Income and Expenditure	6,761	(77,184)	(70,422)
Opening General Fund and HRA Balances	(4,000)		
Less Deficit/(Surplus) on General Fund and HRA in Year	6,761		
Transfer to/ (from) Earmarked Reserves	(6,761)		
Closing General Fund and HRA Balances	(4,000)		

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Earmarked General Fund / HRA Reserves	Housing Revenue Account	Capital Receipts Reserve	Community Infrastructure Levy Unapplied	Developers' Contributions Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	(3,000)	(43,829)	(1,000)	(3,571)	(5,998)	(4,608)	(62,006)	(204,853)	(266,859)
<i>Movement in reserves during 2021/22</i>									
(Surplus)/deficit on the provision of services	11,580	0	(6,248)	0	0	0	5,332	0	5,332
Other comprehensive income and expenditure	0	0	0	0	0	0	0	(75,754)	(75,754)
Total Comprehensive Income and Expenditure	11,580	0	(6,248)	0	0	0	5,332	(75,754)	(70,422)
Adjustments between accounting basis and funding basis under regulations (note 7)	(6,210)	0	7,639	(2,324)	(1,025)	(182)	(2,102)	2,102	0
Net (Increase)/Decrease Before Transfers to Earmarked Reserves	5,370	0	1,391	(2,324)	(1,025)	(182)	3,230	(73,652)	(70,422)
Transfers to/(from) earmarked reserves (note 8)	(5,370)	6,761	(1,391)	0	0	0	0	0	0
(Increase) / Decrease in Year	0	6,761	0	(2,324)	(1,025)	(182)	3,230	(73,652)	(70,422)
Balance at 31 March 2022	(3,000)	(37,068)	(1,000)	(5,895)	(7,023)	(4,790)	(58,776)	(278,505)	(337,281)
<i>Movement in reserves during 2022/23</i>									
(Surplus)/deficit on the provision of services	5,081	0	(278)	0	0	0	4,803	0	4,803
Other comprehensive income and expenditure	0	0	0	0	0	0	0	(107,253)	(107,253)
Total Comprehensive Income and Expenditure	5,081	0	(278)	0	0	0	4,803	(107,253)	(102,450)
Adjustments between accounting basis and funding basis under regulations (note 7)	1,836	0	3,753	(291)	(1,447)	547	4,398	(4,398)	0
Net (Increase)/Decrease Before Transfers to Earmarked Reserves	6,917	0	3,475	(291)	(1,447)	547	9,201	(111,651)	(102,450)
Transfers to/(from) earmarked reserves (note 8)	(6,917)	9,954	(3,475)	0	438	0	0	0	0
(Increase) / Decrease in Year	0	9,954	0	(291)	(1,009)	547	9,201	(111,651)	(102,450)
Balance at 31 March 2023	(3,000)	(27,114)	(1,000)	(6,186)	(8,032)	(4,243)	(49,575)	(390,156)	(439,731)

BALANCE SHEET AS AT 31 MARCH

2021/22			2022/23	
£000	£000	Notes	£000	£000
		Long-Term Assets		
		Property, Plant and Equipment:		
418,832		Council Dwellings	9	455,836
61,911		Other Land and Buildings	9	67,054
4,508		Vehicles, Plant and Equipment	9	5,286
2,771		Infrastructure	9	2,509
537		Community Assets	9	537
3,986	492,545	Assets Under Construction	9	6,030
	18,463	Investment Property	10	30,685
	16,824	Long-Term Investments	11	14,609
	3,449	Long-Term Debtors	12	4,615
	531,281	Total Long-Term Assets		587,161
		Current Assets		
46,530		Short-Term Investments	13	3,006
283		Inventories		353
11,165		Short-Term Debtors	14	12,204
(2,718)		Bad Debt Provision	14	(2,866)
24,572		Cash and Cash Equivalents	15	15,627
	79,832	Total Current Assets		28,324
	611,113	Total Assets		615,485
		Current Liabilities		
(4,345)		Short-Term Borrowing	16	(4,344)
(60,024)		Short-Term Creditors	17	(28,570)
	(64,369)	Total Current Liabilities		(32,914)
		Long-Term Liabilities		
(118,305)		Long-Term Borrowing	16	(114,004)
(4,020)		Provisions	18	(4,527)
(2,001)		Capital Grants - Receipts in Advance	19	(2,944)
(565)		Developers' Contributions - Receipts in Advance	19	(365)
(84,572)		Net Pensions Liability	35	(21,000)
	(209,463)	Total Long-Term Liabilities		(142,840)
	337,281	Net Assets		439,731
		Usable Reserves		
3,000		General Fund Balance		3,000
37,068		Earmarked Reserves	8	27,114
1,000		Housing Revenue Account Balance		1,000
5,895		Capital Receipts Reserve	20	6,186
7,023		Community Infrastructure Levy Unapplied	21	8,032
4,790	58,776	Developers' Contributions Unapplied	21	4,243
		Unusable Reserves		
81,324		Revaluation Reserve	22	115,463
286,419		Capital Adjustment Account	23	297,509
1,288		Financial Instruments Revaluation Reserve	24	(377)
476		Deferred Capital Receipts Reserve	25	503
(84,572)		Pensions Reserve	26	(21,000)
(5,906)		Collection Fund Adjustment Account	27	(1,475)
(524)	278,505	Accumulating Absences Adjustment Account		(467)
	337,281	Total Reserves		439,731

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

2021/22		Notes	2022/23
£000			£000
	Income		
(26,993)	Dwelling rents		(28,084)
(659)	Non-dwelling rents		(645)
(695)	Charges for services and facilities		(764)
(395)	Contributions towards expenditure		(370)
(28,742)			(29,863)
	Expenditure		
5,426	Repairs and maintenance	3	5,542
7,690	Supervision and management		9,693
169	Rents, rates, taxes and other charges		142
7,544	Depreciation, impairment and revaluation of non-current assets	4	13,607
12	Debt Management Costs		12
50	Movement in the allowance for bad debts		260
20,891			29,256
(7,851)	Net (Income) / Expenditure of HRA Services as included in the Comprehensive Income and Expenditure Statement		(607)
146	HRA services' share of Corporate and Democratic Core		146
(7,705)	Net (Income) / Expenditure for HRA Services		(461)
	HRA share of the Operating Income and Expenditure included in the whole authority Comprehensive Income and Expenditure Statement		
(2,525)	(Gain) / Loss on sale of HRA non-current assets		(1,969)
4,158	Interest payable and similar charges		4,100
(23)	Interest and investment income		(193)
521	Net interest on the net defined benefit liability / (asset)	5	563
(9)	Income and expenditure in relation to investment properties and changes in their fair value		(13)
(665)	Capital Grants and Contributions Receivable		(2,305)
(6,248)	(Surplus) or Deficit for the year on HRA services		(278)

COLLECTION FUND

The Collection Fund is an agent's statement that shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates from taxpayers and the distribution of the income to local authorities and the Government. While there is only one Collection Fund, separate statements are shown for council tax and non-domestic rates due to the complexity of non-domestic rates transactions.

COLLECTION FUND – COUNCIL TAX

The Council collects council tax for its own spending needs and on behalf of Hampshire County Council, Police and Crime Commissioner for Hampshire, Hampshire and Isle of Wight Fire and Rescue Service and local town and parish councils.

2021/22			2022/23	
£000	£000		£000	£000
	(139,629)	Income		
		Income from Council Tax		(144,538)
		Transfers to / (from) General Fund:		
(37)		Hardship Relief	0	
(92)		Family Annex Relief	(110)	
1	(128)	Transitional Relief	0	(110)
	(139,757)	Total Income		(144,648)
		Expenditure		
		Precepts:		
96,609		Hampshire County Council	100,312	
16,201		Police and Crime Commissioner for Hampshire	17,054	
5,038		Hampshire and Isle of Wight Fire And Rescue Service	5,440	
19,785		New Forest District Council (including town and parish council requirements)	20,572	
	137,633			143,378
		Bad and Doubtful Debts		
273		Write-offs	180	
95	368	Increase / (decrease) in provisions	346	526
		Contributions:		
	(639)	Previous year's estimated council tax surplus / (deficit)		1,774
	137,362	Total Expenditure		145,678
	(2,395)	Movement on fund balance		1,030
	(566)	(Surplus) / Deficit at 1 April		(2,961)
	(2,395)	Movement on fund balance for year		1,030
	(2,961)	(Surplus) / Deficit at 31 March		(1,931)

COLLECTION FUND

COLLECTION FUND – BUSINESS RATES

The Council collects business rates for its own spending needs and on behalf of the Government, Hampshire County Council and Hampshire and Isle of Wight Fire and Rescue Service.

2021/22			2022/23	
£000	£000		£000	£000
		Income		
	(55,299)	Income collectable from Business Ratepayers Current System		(61,065)
	258	Transitional Protection Payments		208
	(55,041)	Total Income		(60,857)
		Expenditure		
34,692		Payments to Government - Business Rates Retention	32,334	
27,754		New Forest District Council	25,867	
6,245		Hampshire County Council	5,820	
694		Hampshire and Isle of Wight Fire And Rescue Service	647	
276		Costs of Collection	280	
12		NFDC - Renewable Energy Schemes	9	
	69,673			64,957
		Bad and Doubtful Debts		
174		Write-offs	117	
(403)		Increase / (decrease) in provisions	71	
1,259		Appeals Provision	1,693	
	1,030			1,881
	(28,237)	Contributions: Previous year's estimated business rates surplus / (deficit)		(17,424)
	42,466	Total Expenditure		49,414
	(12,575)	Movement on fund balance		(11,443)
	28,393	(Surplus) / Deficit at 1 April		15,818
	(12,575)	Movement on fund balance for year		(11,443)
	15,818	(Surplus) / Deficit at 31 March		4,375

The significant deficit on the Collection Fund for the 2021/22 and 2022/23 years are reflective of the business rate reliefs awarded by the Government, funded by new S31 grant, as a measure to help provide financial assistance to certain rate paying businesses significantly impacted by the pandemic and the ongoing economic climate.

CASH FLOW STATEMENT

2021/22			2022/23
£000		Notes	£000
5,332	Net (surplus) or deficit on the provision of services		4,803
(42,606)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	28	(10,808)
5,580	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	28	4,053
(31,694)	Net cash flows from Operating Activities		(1,952)
34,015	Investing Activities	29	(11,444)
(18,015)	Financing Activities	30	22,341
(15,694)	Net (increase) or decrease in cash and cash equivalents		8,945
(8,878)	Cash and cash equivalents at the beginning of the reporting period		(24,572)
(24,572)	Cash and cash equivalents at the end of the reporting period	15	(15,627)