

News Release

Communications and Media Team



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One Council Proposal: Debt and Liabilities explained

Last week there was some incorrect information printed in the local press about the One Council proposal and levels of debt at West Devon. There were claims in the paper that West Devon is £32m in debt and other people on social media have been quoting different figures. This is not the case. Debt is being confused with liabilities.

It is not correct to say that West Devon has £32 million of debt. The debt that West Devon currently has is £2.1 million which is shown on the Council's Balance Sheet, which has been audited. This is external borrowing (a loan) that was taken out with the Public Works Loan Board for their headquarters at Kilworthy Park. The repayments for this loan are already budgeted for within West Devon's finances and are repaid on an annual basis.

Pensions Accounting in Local Authority Accounts is a complex area and every Council will show a Pensions Liability on their Balance Sheet.

This is a 'notional and theoretical' accounting pension liability and it is not a real cash liability or a cash debt that a Council has to pay off all at once.

The Pension Liability for West Devon Borough Council is shown on the Balance Sheet as £26 million. The Pension Liability of South Hams District Council is £53 million.

The Pension Liability is a theoretical liability that calculates an estimate of the value of all future pensions payable to employees, if they were to all fall due for payment at the Balance Sheet date (e.g. 31 March 2017). Obviously this would not happen in practice, as pensions are only paid once an employee becomes eligible to take their pension.

Both the employee and the employer pay contributions into the Pension Fund on an annual basis to pay for the cost of future pensions. These annual payments finance the pension liability. Debt is being confused with liabilities.

For more information on the proposal to create one council visit:

www.onecouncil.org.uk

www.southhams.gov.uk

www.westdevon.gov.uk

Please be aware that telephone calls to and from the Council may be recorded for training and monitoring purposes.

 Follow @SouthHams_DC

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One council - FAQ's

South Hams District and West Devon Borough Councils have now launched their public consultation on a proposal to create one new council for South Hams and West Devon.

Both councils have now begun issuing short videos on frequently asked questions. There are 17 in total.

The videos will be released over the next few weeks and can all be found on YouTube here:

[South Hams District Council](#)

[West Devon Borough Council](#)

Or on the [One Council proposal website](#)

The first 8 questions and answers have now been issued:

First questions from South Hams Councillors

Question 1: <https://youtu.be/6JUeFwJY-Zo> - Why change?

Question 2: <https://youtu.be/MMW8Z8WtOjE> - How much will it cost?

Question 3: <https://youtu.be/xqb9BTkP15s> - How much will it save?

Question 4: <https://youtu.be/RJuoBfxD45g> - Would I pay more council tax?

Question 5 - <https://youtu.be/Tovwho95CME> - What will happen to the extra council tax money raised?

Question 6 - https://youtu.be/Om_15wciMws - Why do SH residents have to pay more than WD?

Question 7 - <https://youtu.be/qNfFUSfpNaU> - It is true that this proposal is to bail out WD?

Question 8 - <https://youtu.be/CUgQOEXjnIE> - Does West Devon have high debts?

First questions from West Devon Councillors:

Question 1: - <https://youtu.be/MWbMava07MU> - Why change?

Question 2: - <https://youtu.be/1fcl0L8xk3s> - How much will it cost?

Question 3: - <https://youtu.be/iETNC4Phqes> - How much will it save?

Question 4: - <https://youtu.be/XafoSHIVcZs> - Would I pay more council tax?

Question 5 - <https://youtu.be/5QDFA9S15gk> - What will happen to the extra council tax money raised?

Question 6 - <https://youtu.be/LEIjwsXGjtM> - Why do SH residents have to pay more than WD?

Question 7 – https://youtu.be/tLU4-Fkt_Rg - It is true that this proposal is to bail out WD?

Questions 8 - <https://youtu.be/e-MJRUSqS8I> - Does West Devon have high debt?

Anyone who wishes to read all FAQ's can do so here

: <https://www.onecouncil.org.uk/further-information/>

www.southhams.gov.uk

www.westdevon.gov.uk

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Attachments

- One council - FAQ's [One council - FAQ's](#)

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One Council Proposal: Drop-in events

Come and talk to your local councillors about the proposal to create a new council for South Hams and West Devon.

Have you got a question? Not quite sure what the proposal might mean for you? Or would you like more information before you fill in the consultation survey?

Please come along to these locations during these times and have a chat:

SOUTH HAMS

Location	Date	Time	Venue
Totnes	Wednesday 30 August	6.30-8pm	Cary Room, Follaton
Rattery	Tuesday 5 September	9.30-11am	Village Hall Market
Holne	Thursday 7 September	11-1pm	Community Shop
Yealmpton	Thursday 7 September	4-7pm	Parish Rooms
Totnes	Friday 8 September	9-12noon	Weekly Market
South Brent	Saturday 9 September	10-12noon	The Old School Centre
Salcombe	Saturday 9 September	10-12noon	Whitestrاند
Ivybridge	Sunday 10 September	10-4pm	Active Ivybridge
Kingsbridge	Monday 11 September	3-6pm	Kingsbridge Library
Woolwell	Tuesday 12 September	3-7pm	Woolwell Centre
Ivybridge	Thursday 14 September	3-6pm	Watermark Library
Modbury	Tuesday 19 September	3-7pm	Memorial Hall

Dartmouth	Wednesday 20 September	4-7pm	Flavel Centre
Dartmouth	Tuesday 26 September	4-7pm	Flavel Centre

WEST DEVON

Location	Date	Time	Venue
Okehampton	Wednesday 6 September	3-7pm	Waitrose
Bere Alston	Saturday 9 September	10.30-2pm	Saturday Market
Tavistock	Saturday 9 September	9-2pm	Farmers' Market
Yelverton	Saturday 9 September	9-12.30pm	St Paul's Church Hall
Chagford	Monday 11 September	4-8pm	Endecott Hall
Lifton	Thursday 14 September	2-6pm	Arundell Arms
Hatherleigh	Saturday 16 September	10-1pm	Community Centre
Lamerton	Sunday 17 September	10.30-4pm	Tractor Fair

For more information visit: www.onecouncil.org.uk

www.southhams.gov.uk

www.westdevon.gov.uk

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Attachments

- South Hams Events [South Hams Events](#)
- West Devon Events [West Devon Events](#)

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