

MEETING:	Audit and Governance Committee
DATE:	Wednesday 26 July 2023
TIME:	2.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

AGENDA

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 3 - 12*)
To receive the minutes of the meeting held on 31 May 2023.
3. Draft Statement of Accounts 2022/23 (*Pages 13 - 154*)
4. Draft Annual Governance Statement 2022/23 (*Pages 155 - 180*)
5. AGS Action Plan Update (*Pages 181 - 190*)
6. Internal Audit Interim Annual Report 2022-23 (*Pages 191 - 214*)
7. Internal Audit Progress Report 2023/24 (*Pages 215 - 226*)
8. Strategic Risk Register (*Pages 227 - 232*)
9. Treasury Management Annual Report (*Pages 233 - 252*)
10. Contract Procedure Rules Update (*Pages 253 - 284*)
11. Draft Committee Annual Report 2022/23 (*Pages 285 - 294*)
12. External Audit Progress Report (*Verbal Report*)
13. Audit Committee Work Plan 2023-24 (*Pages 295 - 302*)
14. Exclusion of the Public and Press

To consider if the public and press should be excluded from this meeting during the consideration of the following items because of the likely disclosure of exempt information.

15. Quarter 4 2022/23: Special Educational Needs and/or Disabilities (SEND) Improvement Programme progress and financial position (*Pages 303 - 318*)

Reason restricted:

Paragraph (2) Information which is likely to reveal the identity of an individual.

16. Annual Fraud Report 2022-23 (*Pages 319 - 328*)

Reason restricted:

Paragraph (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

17. Glassworks Update (*Verbal Report*)

Reason restricted:

Paragraph (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information)

To: Chair and Members of Audit and Governance Committee:-

Councillors Lofts (Chair), Barnard, Richardson and Wray; together with Co-opted members Dr R Adams, Ms K Armitage, Mr G Bandy, Mr P Johnson and Mr S Wragg

Sarah Norman, Chief Executive

All Executive Directors

Wendy Popplewell, Executive Director Core Services

Neil Copley, Director of Finance (S151 Officer)

Rob Winter, Head of Internal Audit, Anti-Fraud and Assurance

Alison Salt, Corporate Governance and Assurance Manager

Sukdave Ghuman, Service Director Law and Governance (Monitoring Officer)

Michael Potter, Service Director Business Improvement, HR and Communications

Council Governance Unit – 3 copies

Please contact Daisy Thorpe on email governance@barnsley.gov.uk

Tuesday 18 July 2023

MEETING:	Audit and Governance Committee
DATE:	Wednesday 31 May 2023
TIME:	2.00 pm
VENUE:	Reception Room - Barnsley Town Hall

MINUTES

Present Councillors Lofts (Chair), Barnard and Richardson and Wray together with Independent Members – Dr R Wray, Adams, Ms K Armitage, Mr P Johnson and Mr S Wragg

1. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of interest from Members in respect of items on the agenda.

2. MINUTES

The minutes of the meeting held on the 15 March 2023 were taken as read and signed by the Chair as a correct record.

3. APPOINTMENT OF VICE CHAIR

RESOLVED that Mr G Bandy be appointed the Chair of this Committee for the ensuing year.

4. DR R ADAMS - INDEPENDENT MEMBER

Dr R Adams, the newly appointed Independent Member, was welcomed to this first meeting of the Committee.

Discussions regarding the independence of co-opted Members ensued. It was confirmed that any Members previous employment would not prove an impediment to becoming a Member of the Audit Committee as set out in the Council's Constitution.

A Harold, Interim Head of Legal Services, agreed to seek a formal response from S Ghuman, Service Director Legal & Governance, in response to the independence queries.

5. EXTERNAL AUDIT ANNUAL REPORT VFM 2021/22

G Mills (representing the External Auditor) presented the External Audit Annual report in respect of Value for Money (VFM) for the financial year ending March 31 2022.

The following key points were highlighted:

- In 2021, the National Audit Office broadened the scope of external audit VFM reporting, with an increased focus on governance arrangements.

- Auditors are required to report their commentary on the Council's arrangements under specified criteria, with 2021-22 being the second year in which this reporting was required.
- External Auditors met with N Copley, Director of Finance, to discuss and agree the report.
- The VFM findings were a positive report for the Council, with only one significant ongoing weakness in arrangements reported regarding the findings from OFSTED/CQC on SEND.
- It was noted that the Council was working under difficult financial circumstances in regard to the national economic position and inflationary pressures. The Council had taken difficult decisions in the past such as service reorganisations which had placed BMBC in a much stronger position than many other similar Local Authorities.
- In regard to Council's governance arrangements, a positive summary was reported with only one key recommendation regarding SEND with the rest of the recommendations being improvement recommendations.
- The improvement recommendations included considering group entities when drafting the Annual Governance Statement and further enhancing arrangements to provide satisfactory remedies to complaints.
- The External Auditors had noted the progress in regard to the findings from the SEND review and would continue to monitor this as part of the 2022-23 VFM work.

In the ensuing discussion, the following key points were highlighted:

- In response to specific questioning regarding SEND, N Copley stated that the Council were not aware when they would be inspected again by OFSTED and CQC. G Mills further added that External Audit would focus on how embedded the actions were in terms of the Council's response rather than waiting for another inspection. Grant Thornton would continue to monitor the Council's progress in this area and would take this recommendation to a panel at the end of the year to see if it could be closed.
- Discussion arose regarding Department of Education funding and whether it was performance dependant. It was confirmed that Department of Education undertake regular checking of an agreed action plan to generate any future funding.
- Members questioned if the cost depreciation of the Council's assets was included in the VFM calculations. It was explained that depreciation was not included in the VFM work but was reported in the annual accounts under income and expenditure.
- Regarding if the 86% occupancy rate referred to just the Glassworks or the town centre as a whole, it was noted that figure referred to the Glassworks only and was by space occupied rather than units. N Copley agreed to provide Members with further detail on unit occupancy rates.
- Regarding the ongoing work with the SAP system, it was noted that this had been postponed until 2030 as the work had become less urgent due to the Council being half the size it was when SAP was first installed. The SAP system is Cloud based however the Council were looking to replace the system in its entirety.

RESOLVED:-

- (i) That the report be noted.
- (ii) That the Director of Finance provide Members with data regarding unit occupancy at the Glassworks.

6. EXTERNAL AUDIT PLAN 2022/23

T De Zoysa (representing the External Auditor) presented to Members the External Audit Plan for the financial year ending 31 March 2023.

The following key points were highlighted:

- The Safety Valve Agreement (SVA) agreed with the Department of Education to eliminate the DSG deficit was an important milestone for the Council.
- The Council had received national recognition such as the Council of the Year nomination from the LGA. The winner would be announced in June 2023.
- It was noted whilst other Local Authorities had experienced delays with audits and preparedness of statements of account, Barnsley MBC had closed the last 4 years audits on time which was a testament to the hard work of the finance team and External Audit.
- The initial risk assessment regarding VFM had identified one potential continuing risk of significance, which was regarding the implementation of SEND reform in Barnsley. External Audit would continue to review this issue as part of the 2022-23 VFM work and would be reported to the Audit Committee at the end of the year in the Auditor's Annual Report.
- One significant area of change was the surplus of the South Yorkshire Pension Fund which would be reflected in the financial statement. Grant Thornton were liaising with the NAO on the auditing reporting for the pension fund.
- The new auditing standards were referenced within the report, which included ISA 315 (identifying and assessing the risk of material misstatement) and ISA 240 (External Audit responsibilities relating to fraud in an audit of financial statements).
- The audit fees for the year had not changed.

In the ensuing discussion, the key points were as follows:

- It was noted that practitioners and auditors had provided feedback to regulators regarding the complexity of the valuation of Council assets, and it had been suggested to CIPFA that account requirements could change to relieve pressure and time for both External Audit and the Council. Different assets had different methodologies, with the Council employing valuers who justify their valuations to the External Audit team, who in turn employ valuers who support the work of challenging the Council's valuers.
- Further to specific questioning regarding the valuation of the Council's assets, it was noted that one of the methodologies used was based on rental value in the commercial market. However, this methodology was mainly used for investment properties, of which the Council only had a small number of.
- Members queried the increased yield of the pension fund and what implications this had for the Council. It was explained that this money was

contained within the unusable reserves and that the pensions authority had an investment strategy that sets out the approach to asset classes to de-risk the portfolio which could lead to a continuing surplus. In response to whether pension fund managers engaged in futures trading to protect the fund, it was explained that this is something that the Council would not do however investment managers were outsourced.

It was agreed that an awareness session on the pension fund should be arranged to take place in the near future.

RESOLVED:-

- (i) That the report be noted.
- (ii) That a Member awareness session regarding the pension fund be arranged.

7. INFORMATION GOVERNANCE/CYBER SECURITY UPDATE

S Marshall, Governance and Compliance Manager, provided Members with a cyber security update presentation regarding the cyber security strategy.

The key points referenced in the presentation were as follows:

- The strategy was produced on the basis of NCSC guidance and the LGA Cyber 360 review.
- The strategy was linked to Council's visions, IT strategy and transformation programme, and followed best practice from multiple sources including NCSC, DHULC, ISO and NIST.
- The draft version of the strategy was nearing completion and would be shared with the Committee at the next scheduled information governance/cyber security update.
- Progress so far included supporting major migration to the Cloud and a focus on using existing tools to give an integrated view.
- The strategy would refer to risk and asset management, with a particular focus on resilient networks and staff training.

In the ensuing discussion, particular reference was made to the following:

- The benefits of using Cloud based systems included resilience and less need to invest in physical hardware. The Cloud based system had the advantage of storage at two separate data centres which meant that if any outages occurred there was a copy of the Council's data stored at another location.
- The Bring your own Device policy (BYOD) created an internalised compartment in the device which the Council could wipe at any time, with security controls such as encryption and the use of pin numbers.
- The Council was currently reliant on one network supplier, which was a potential risk. Alternatives would be investigated when migration to the Cloud was complete.
- The LGA suggested that IT undertake their own risk management processes which then become part of the Council's overall corporate risk management.

- Supply chain management was based on international standards, and the Information Management team would manage Cloud suppliers. The service had dedicated contract managers who would flag any issues with supply chains.
- The service followed UK government and GCHQ advice regarding Huawei, the Council would not purchase Huawei equipment however it could not be guaranteed throughout the supply chain.
- The team had completed Microsoft Azure training during lockdown and had recruited both graduates and apprenticeship into the team.

RESOLVED that the update be noted.

8. DATA PROTECTION OFFICER ASSURANCE REPORT

The Council's Data Protection Officer (DPO) submitted a report highlighting the key areas of his work which provided the Committee with information and assurances regarding the Council's compliance with the Data Protection Act 2018 and UK General Data Protection Regulations.

The report, in outlining the DPO's activities and assurances, gave details of the areas in which he was to undertake or commission independent reviews of various aspects of Information Governance.

The key points were as follows:

- Overall, recent activity and general oversight continued to provide a generally positive picture regarding compliance with UK GDPR. To support that, the Information Governance Board provided a clear focus on compliance and awareness.
- A continued area of assurance was the compliance with the statutory timescales for responding to FOI and SAR requests which remained very high at over 98%. This reflected the work undertaken to support staff and the significant improvements in the system that managed requests and responses.
- Cyber threats continued to be a significant risk, which was echoed by the Senior Management Team.
- The importance of awareness and reminders in regard to cyber security threats was imperative, however there was a risk that staff may experience 'reminder fatigue' and therefore there was a need to look at different ways to engage staff and raise their awareness.

In response to specific questioning, the following points were noted:

- Staff training remained a priority and dashboards were used to track progress.
- There were challenges regarding training of non-networked staff. It was suggested that tiered training could be implemented to ensure training was fit for purpose. It was noted that some Local Authorities disconnected users from the network as a sanction for not completing mandatory training.

RESOLVED that the Committee considered the report and the information and assurances within it and receive a further update in 6 months' time to contribute to wider and continuous assurances as part of the Annual Governance Review process.

9. CONFIDENTIAL REPORTING (WHISTLEBLOWING) ANNUAL REPORT

The Executive Director Core Services submitted an annual report regarding a review of the activities and current issues regarding the Council's Confidential Reporting (Whistleblowing) Policy and supporting procedures.

The Council has had a Corporate Whistleblowing Policy since 2000. It had undergone a number of reviews to ensure it remained fit for purpose and met best practice that may have emerged and changed over the years. The title of the policy was changed to Confidential Reporting when it was last reviewed and approved by Cabinet in January 2020.

The following key points were noted:

- An updated list of incidents that occurred in the period 2022-23 were included in the report. During the last 12 months there have been 9 instances of contact, all received via either email or letter. Of the concerns raised, 6 were made anonymously.
- It was noted that the concern relating to a safeguarding matter as detailed in the report had now been closed with no further action undertaken.
- The Whistleblowing Policy was a fundamental part of the Council's ethical framework and the Council had prioritised making more people aware of the policy.
- The increase in the anonymous reporting of concerns had made the ensuing investigations more difficult to undertake.

In response to Member questioning, particular reference was made to the following:

- If anonymous concerns were received via an anonymous email address, then the investigator was able to email back, however if received via letter then it was not possible to send feedback.
- It was made clear to those reporting a whistleblowing concern that every effort was made to uphold confidentiality but if the complaint triggered a further investigation this cannot be guaranteed. It was noted that there were some exceptions in GDPR legislation in reference to withholding information.

RESOLVED that the Committee considered the report and the assurances it provided and committed to continue to support the Council's overall counter fraud culture and the work of Internal Audit and the Corporate Anti-Fraud Team.

10. STRATEGIC CONCERNS/RISK REGISTER

J Burrows, Executive Director of Public Health and Communities, attended to present the strategic risk concerning Health Protection Emergency.

It was explained that robust arrangements were required to deal with health protection emergencies - both those already known and those that may arise in the future. Such arrangements were flexible and responsive to deal with emerging threats as well as being able to immediately respond to emergency unforeseen issues.

Action 1 was rated as green, and Action 2 and Action 3 were rated as amber.

In the ensuing discussion the following key points were noted:

- In regard to Action 1, all Health Protection Plans were reviewed and tested and reflected health protection issues.
- The response to Action 2 was underway, with a multi-agency health protection board in place to deal with any potential health emergencies in vulnerable populations.
- Action 3 was ongoing with lessons learned debriefing which would be shared as necessary with South Yorkshire and Bassetlaw Health Resilience Partnership and South Yorkshire Local Resilience Forum.
- It was noted that Barnsley benefits from a strong multi-agency response to health emergencies and that learning from the Covid-19 pandemic was becoming embedded.
- Members passed on their thanks to J Burrows and her team for the strong leadership and response during the Covid-19 pandemic.

RESOLVED that the report be noted.

11. ANNUAL RISK MANAGEMENT REPORT

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report providing a summary of the risk management activity over the last 12 months which contributed to the assurances the Committee required as part of the Annual Governance Statement process. The report also took a forward look at the work planned for the current financial year.

The new risk management system went “live” on 7th May 2021 and had now been operational for 2 years. Throughout the last year further support had been given by the Corporate Governance and Assurance Manager and Officer to colleagues across the Council.

The following key points were discussed:

- The new risk management system was designed and operated by Service areas which has created less dependency on a central team.
- All BUs have added their risk registers onto the Risk Management System and were encouraged to review and proactively update these in their management teams on a quarterly basis.
- Strategic Risks were reviewed on a quarterly basis by SMT. SMT also determined whether there are any other issues, concerns or areas of focus that need to be added or removed from the register.

- Strategic risks would continue to be reported via the Audit and Governance Committee.
- Revised risk management training materials would be developed on the POD system. This training would include information about the Council's approach to risk management and the Risk Management System.
- A corporate assessment of the Council's risk maturity would be undertaken in the next year. This would provide another level of assurance on the Council's risk management approach.

RESOLVED that the Committee considered the report as a contribution to the Committee's assurances regarding the Council's governance arrangements.

12. INTERNAL AUDIT CHARTER 2021-24

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report prefacing the Internal Audit Charter 2021-2024 which had been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) and these require that the Charter is reported to the Audit & Governance Committee annually. It provides a reminder of the key aspects of the Internal Audit Function and gave assurance regarding how the Internal Audit Function was resourced, managed, organised and delivered its work. It also sets out the Internal Audit and Senior Management responsibilities.

It was reported that the Charter, once approved, would be presented to the Audit Committees of the other client organisations.

The following key points were noted:

- The Charter was considered by the external assessor as part of the External Quality Assessment reported to the Committee in September 2021. As part of that the process, the Charter was held up as an exemplar, particularly for an Internal Audit function supporting numerous clients.
- The Charter has been reviewed and no amendments were required.
- The service is currently under-going a review as part of the Council's Transformation Programme which is looking at revised operating models. The Charter will be re-visited following the conclusion of that review, and an updated version presented to Members for their review and approval.

RESOLVED that the Committee considered and approved the Internal Audit Charter and consequently be assured that the Internal Audit function operates in accordance with the relevant standards.

13. GLOBAL IA STANDARDS

The Head of Internal Audit, Anti-Fraud and Assurance provided the Committee with a verbal update regarding Global Internal Audit Standards.

In the ensuing discussion, the following key points were noted:

- All internal audit activity was guided by the Global Institute of Auditors.
- It was noted that the first draft of the new standards had received extensive feedback from various bodies such as CIPFA, and a second draft would now be undertaken following this period of consultation.
- Internal audit would be bound by the new standards once approved globally, which would then be interpreted by CIPFA who would produce revised Public Sector Internal Audit Standards and a Local Government Application Note.
- The Head of Internal Audit, Anti-Fraud and Assurance would continue to update the Committee periodically on the progress of the global IA standards.

RESOLVED that the update be noted.

14. AUDIT COMMITTEE WORK PLAN 2023/24

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings to 25 May 2024.

Members attention was drawn to the Contract Procedure Rules item, which had been deferred to the 26th July 2023 meeting.

It was also noted that the draft Annual Accounts and draft Annual Governance Statement had been published on the Barnsley Council website on 31 May 2023. There is no specific requirement for the draft accounts and AGS to be approved by the Audit and Governance Committee prior to publication. It is however good practice to have both key statutory documents reviewed and considered by the Committee, therefore the draft accounts and draft AGS would be presented to the Committee at the meeting on 26th July 2023.

RESOLVED that the updated work plan be noted.

.....
Chair

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BARNSLEY MBC DRAFT STATEMENT OF ACCOUNTS

2022/23



STATEMENT OF ACCOUNTS 2022/23

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SECTION 1

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**Barnsley
Metropolitan
Borough
Council**

**2022/23
Narrative
Report**

Introduction and Contents

This narrative report aims to outline the Council's corporate performance for the 2022/23 financial year, summarising the key messages for the reader of these accounts.

The report will cover:

Introduction & Contents

Introducing Barnsley:

[Where is Barnsley?](#)

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Introducing Barnsley Metropolitan Borough Council:

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[2022/23 Treasury Management Overview](#)

[The Council's Summarised Balance Sheet](#)

[Summary of the Council's Pension Liabilities as at 31st March 2023](#)

[Key Projects](#)

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Our 2022/23 Statement of Accounts:

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Introducing Barnsley

Where is Barnsley?

Barnsley is a large town in **South Yorkshire**, located approximately halfway between Leeds and Sheffield. The **town centre** lies on the west bank of the Dearne Valley. **Barnsley** is surrounded by several smaller settlements which together form the **Metropolitan Borough of Barnsley**. The **borough** is dissected by the M1 motorway.



Barnsley shown within South Yorkshire

OS grid reference	SE3406
• London	175 mi (281 km) SSE
Metropolitan borough	Barnsley
Metropolitan county	South Yorkshire
Region	Yorkshire and the Humber
Country	England
Sovereign state	United Kingdom
Post town	BARNSELY
Postcode district	S70-S75
Dialling code	01226
Police	South Yorkshire
Fire	South Yorkshire
Ambulance	Yorkshire
UK Parliament	Barnsley Central

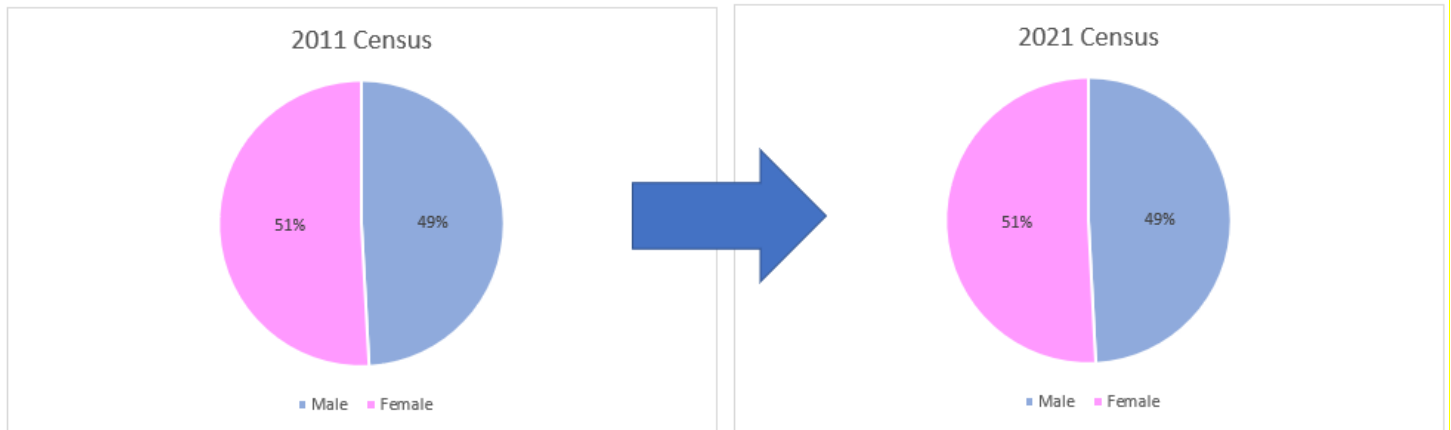
What is Barnsley's Profile?

The National Census for England and Wales was conducted in March 2021 and has started to be published by the Office of National Statistics in June 2022, with the initial population / demographic data released. The information below provides an initial analysis of the changes for the Borough on this initial data release, comparing to the 2011 Census.

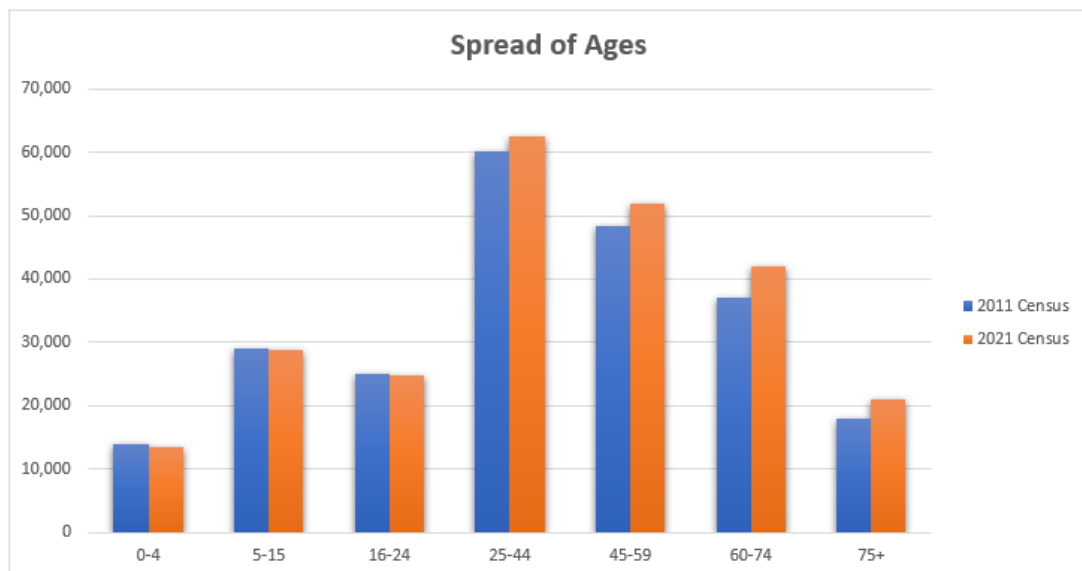
STATEMENT OF ACCOUNTS 2022/23

Barnsley MBC					Yorks & Humber	England
Measure	2011 Census	2021 Census	Change	% Change	% Change	% Change
Total Population	231,221	244,600	+13,379	+5.8%	+3.7%	+6.6%
<u>Gender:</u>						
Male	113,634	120,300	+6,666	+5.9%	+3.5%	+6.1%
Female	117,587	124,300	+6,713	+5.7%	+4.0%	+7.0%
<u>Age:</u>						
0-4	13,957	13,500	-457	-3.3%	-9.1%	-7.3%
5-15	28,929	28,800	-129	-0.4%	-1.6%	+0.9%
16-24	24,934	24,700	-234	-0.9%	+0.8%	+5.5%
25-44	60,171	62,400	+2,229	+3.7%	+0.2%	+3.1%
45-59	48,377	52,000	+3,623	+7.5%	+6.0%	+10.1%
60-74	36,923	42,100	+5,177	+14.0%	+13.1%	+14.2%
75+	17,930	21,100	+3,170	+17.7%	+15.8%	+17.7%

Gender Split



Spread of Ages



The second and third phases, that relate to more detailed data is expected in mid 2023.

STATEMENT OF ACCOUNTS 2022/23

Interactive Maps of the Borough



These interactive maps give key information about both the Borough in general and more specifically about the Council's functions. The interactive maps that can be viewed from the link below include:

- | | | | |
|---|--|---|---|
| <ul style="list-style-type: none"> Administration <ul style="list-style-type: none"> Area Councils Safer Neighbourhood Teams Parishes Polling Districts Wards Education <ul style="list-style-type: none"> Advanced Learning Centres Nursery Pre School Primary Schools Secondary Schools Special Schools Childcare <ul style="list-style-type: none"> Breakfast Clubs Childrens Centre Out of School Clubs Services <ul style="list-style-type: none"> Customer Service Centres Bring It Recycling Household Waste Recycling Transport <ul style="list-style-type: none"> Bus Stops Car Parks Train Stations Variable Message Signs Healthcare <ul style="list-style-type: none"> Dentist GP Surgery Hospital Opticians Pharmacy | <ul style="list-style-type: none"> Leisure <ul style="list-style-type: none"> Leisure Centre Library Winter Maintenance <ul style="list-style-type: none"> Primary Gritting Route Grit Bins English Heritage <ul style="list-style-type: none"> Listed Buildings Historic Parks & Gardens Residential <ul style="list-style-type: none"> Area to Remain Free From Development Due To Impact On Historic Environment Housing Allocation Site for Travellers Commercial / Retail <ul style="list-style-type: none"> District or Local Centre Primary Shopping Area Primary Shopping Frontage Retail Park Secondary Shopping Frontage Employment <ul style="list-style-type: none"> Employment Allocation Land Reserved for Employment Land Proposed for Mixed Use Proposed School Site | <ul style="list-style-type: none"> Resources <ul style="list-style-type: none"> Area of Search for New Minerals Site Safeguarded for Mineral Extraction Site with Planning Permission for Mineral Extraction Town Centre <ul style="list-style-type: none"> Town Centre: Landmark Building Town Centre: Gateway Town Centre: The Green Sprint Town Centre: Junction Improvement Town Centre: Primary Shopping Area Town Centre: Shopping Frontages Town Centre: Proposed Cycle Route Town Centre: Development Site Town Centre: Priority Site Public Space Improvement Town Centre: Other Public Space Improvement Town Centre: Gateway Site for Public Open Space Improvement Water <ul style="list-style-type: none"> Canal - Historic Route Canal - Safeguarded Route Functional Floodplain (Floodzone 3b) Area of Search (Wind Turbines) <ul style="list-style-type: none"> Industrial / Business Parks Moorland Fringes / Upland Pastures Rolling Wooded Farmland Settled Arable Slopes | <ul style="list-style-type: none"> Green Belt, Greenspace & Conservation <ul style="list-style-type: none"> Greenspace Allotment Biodiversity or Geological Interest Site Conservation Area Green Belt Green Way Nature Improvement Area Park and Garden of Historic Interest Scheduled Ancient Monument Peak District National Park School Grounds Safeguarded Strategic Waste Management Site Settlement Town Centre Urban Fabric Approved Planning Applications Undetermined Planning Applications Refused Planning Applications Planning Applications (All) Planning Constraints Public Rights of Way <ul style="list-style-type: none"> Bridleway Footpath Restricted byway |
|---|--|---|---|

The link to all the above maps can be found here:

<https://www.barnsley.gov.uk/barnsley-maps/>

Introducing Barnsley Metropolitan Borough Council

Who Are We?

Barnsley Metropolitan Borough Council, created on **1 April 1974**, is the local authority of the Metropolitan Borough of Barnsley in **South Yorkshire**, England. It is a **Metropolitan District Council**, one of four in South Yorkshire and one of 36 in the metropolitan counties of England and provides the majority of **local government services** in Barnsley.

Further information on the Council's **Constitution** can be found on the Council's website and via the link below:

[Council's Constitution](#)

Local Councillors (The Council)

Local Councillors are elected by the community to decide how the **Council** should carry out its various activities. They represent **public interest** as well as individuals living within the ward in which he or she has been **elected** to serve a term of office.


They have regular contact with the **general public** through council meetings, telephone calls or surgeries. **Surgeries** provide an opportunity for any ward resident to go and talk to their **Councillor** face to face and these take place on a regular basis.

A list of current **Councillors** can be found on the Council's website and via the link below:


[Councillors](#)

Barnsley Metropolitan Borough Council

Third of council elected three years out of four



Type	
Type	Metropolitan district
History	
Founded	1 April 1974
Structure	
Seats	63 councillors
Meeting place	



annual budget and **capital programme** are passed to the Council for consideration and **approval**.

Details of **Council, Cabinet** and **other committees**, including decisions / reports can be found on the Council's website and via the link below:

[Committee Details](#)

Council Structure & Senior Management Team

Following a change to the Council's responsibilities, specifically a new joint role in respect of the South Yorkshire Integrated Care Board (SYICB), a restructure took place as of 1st June 2022 with the Council and Cabinet portfolios being structured into four main service directorates:

Place Health and Adults, Growth & Sustainability, Children's Services & Public Health which are supported by a central suite of **Core Services** including:

- > Business Improvement, HR & Communications;
- > Governance & Business Support;
- > Financial Services;
- > Legal Services; and
- > Customer, Information & Digital Services.

The 2022/23 **management structure** can be found on the Council's website and via the link below:

The Cabinet

The Cabinet is composed of the **Leader** and seven other **Councillors**, who are all members of the **biggest political group** of the Council. It has overall responsibility for the services that the Council provides and works within the **agreed policies** and **approved budget** of the Council.

Recommendations on major items of **policy** and on the

Our Council Plan

Our Council Plan for 2021 to 2024 sets out what we aim to achieve over three years. Our plan gives us a clear direction to recover from the COVID-19 pandemic and build our borough back better and more resilient. It focuses on how we collectively deliver our services across the Council to best support residents, communities, partners and business. It explains what we want to do, how we plan to do it, and how we'll measure whether we're on track to achieve it.

OUR COUNCIL PLAN

<https://www.barnsley.gov.uk/services/our-council/council-plan/our-council-plan/>

Our Key Strategies

To help us deliver the priorities in the Council plan, we have a number of key strategies that set out the detail of the work we need to do.

OUR KEY STRATEGIES

<https://www.barnsley.gov.uk/services/our-council/our-strategies/key-strategies/>

Our Vision & Priorities

Our Be Even Better Strategy will provide the focus for all our staff to work together as our ambition to be even better never stops. Now it's time to look forward and move into a new phase of our organisation's improvement journey where we strive to be even better. We have already set out our new priorities based upon the engagement with our communities, residents, businesses and employees from the Barnsley 2030 project and they are:

Barnsley - the place of possibilities

**Healthy
Barnsley**

**Learning
Barnsley**

**Growing
Barnsley**

**Sustainable
Barnsley**

**Enabling
Barnsley**

We are a modern, inclusive, efficient, productive and high-performing council

Our Corporate Priorities

Across these new priorities, we have set out the outcomes that describe our intentions for the next three years, to ensure that we focus on Barnsley as a place of possibilities.

Barnsley - the place of possibilities

Healthy Barnsley	Learning Barnsley	Growing Barnsley	Sustainable Barnsley
People are safe and feel safe.	People have the opportunities for lifelong learning and developing new skills including access to apprenticeships.	Business start ups and existing local businesses are supported to grow and attract new investment, providing opportunities for all.	People live in great places, are recycling more and wasting less, feel connected and valued in their community.
People live independently with good physical and mental health for as long as possible.	Children and young people achieve the best outcomes through improved educational achievement and attainment.	People have a welcoming, safe and enjoyable town centre and principal towns as destinations for work, shopping, leisure and culture.	Our heritage and green spaces are promoted for all people to enjoy.
We have reduced inequalities in health and income across the borough.	People have access to early help and support.	People are supported to have safe, warm, sustainable homes.	Fossil fuels are being replaced by affordable and sustainable energy and people are able to enjoy more cycling and walking.

Enabling Barnsley We are a modern, inclusive, efficient, productive and high-performing council

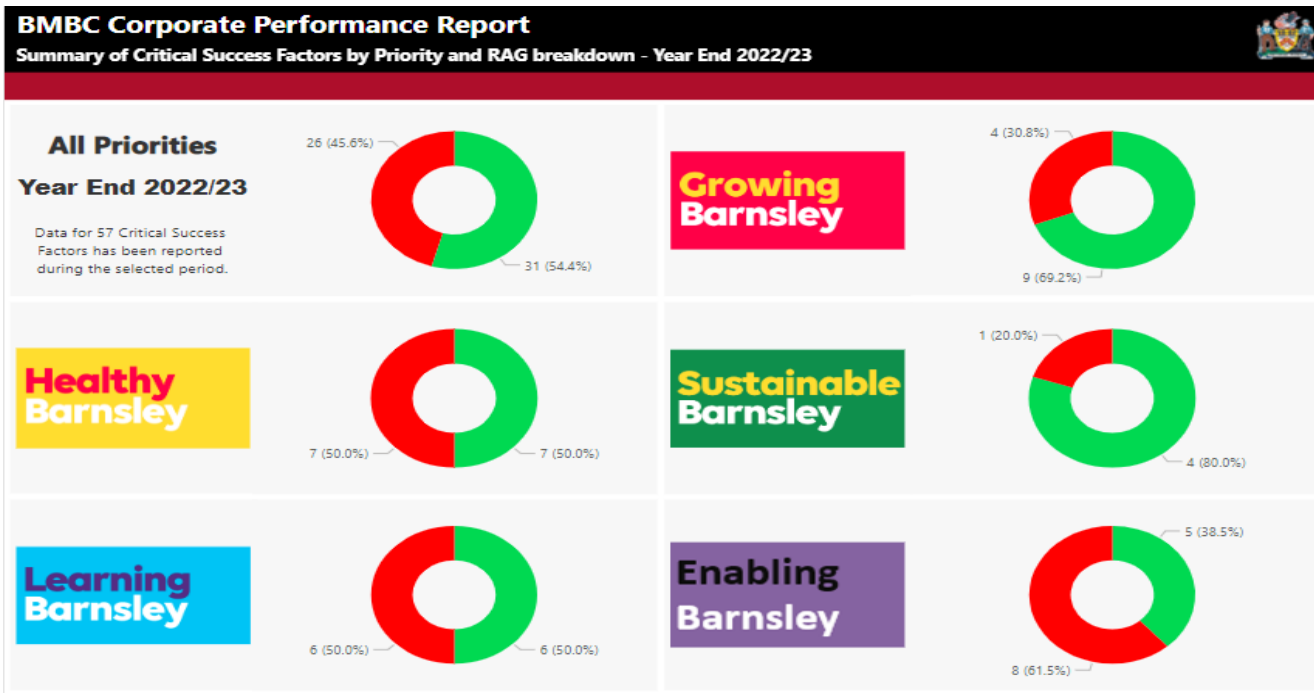
In working towards meeting these priorities our employees continue to use the values that are deeply embedded within the culture of the organisation

We always say what we mean. Most of all we're reliable, fair and true.	We all work together towards the same goal - to make Barnsley a better place for the people.	We work hard to provide the best quality and value for money for the people of Barnsley. Only our best is good enough.	We're dedicated to making Barnsley a better place. We take pride in our work.

STATEMENT OF ACCOUNTS 2022/23

Key Performance Against Priorities

The Council continues to work progressively to meet its Corporate Priorities. The charts and tables below show the progress during 2022/23



	Outcome	Red	Green	Total
Healthy Barnsley	1. People are safe and feel safe	1	4	5
	2. People live independently with good physical and mental health for as long as possible	4		4
	3. We have reduced inequalities in health and income across the borough	2	3	5
Learning Barnsley	4. People have the opportunities for lifelong learning and developing new skills including access to apprenticeships	3		3
	5. Children & young people achieve the best outcomes through improved educational achievement & attainment	3	5	8
Growing Barnsley	6. People have access to Early help and support		1	1
	7. Business Start ups & existing local businesses are supported to grow and attract new investment providing opportunities for all	1	5	6
	8. People have a welcoming safe and enjoyable town centre and principal towns as a destination for work, shopping, leisure and culture	2	1	3
Sustainable Barnsley	9. People are supported to have safe warm and welcoming homes	1	3	4
	10. People live in great places, are recycling more and wasting less, feel connected and valued in their community	1	2	3
	11. Our Heritage and green spaces are promoted for all people to enjoy		1	1
	12. Fossil fuels are being replaced by affordable and sustainable energy & people are able to enjoy more cycling and walking		1	1
Enabling Barnsley	13. Enabling Barnsley	8	5	13
	Total	26	31	57

Individual quarterly performance reports for 2022/23 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	21st September 2022	Cab.21.9.2022/6	Quarter 1 Cabinet
2	14th December 2022	Cab.14.12.2022/9	Quarter 2 Cabinet
3	8th March 2023	Cab.8.3.2023/7	Quarter 3 Cabinet
4	14th June 2023		

STATEMENT OF ACCOUNTS 2022/23

Our 2022/23 Financial Performance

What The Council Spent in 2022/23 – Day to Day (Revenue)

General Fund Executive Overview:

When the Council approved the 2022/23 budget on 24th February 2022, it did so with the anticipation that the COVID Pandemic was behind us although the budget highlighted the risks attached to the long-term effects of the pandemic, together with wider macro-economic factors which have driven the cost of living crisis. However, no one could have predicted the impact these factors would have on the cost of providing council services.

The Council's approved budget for 2022/23 totalled **£211.4M** (see below). During the year, the Council used reserves of **£19.0M**, increasing the final year end budget to **£230.4M**. Against this, the Council spent **£240.9M**, resulting in an overspend against resources of **£10.5M**. This position is after £32.1M of resources have been earmarked for slippage of schemes and specific expenditure commitments which are required to be resourced in 2023/24, **leaving a movement in reserves of £2.6M**.

This position is in line with what has been reported consistently throughout the financial year with a slight improvement being reported at the end of the year compared to the forecast position (£12.1M) reported at Quarter 3 (31st December 2022). The £10.5M overspend has been funded via the drawdown of reserves previously earmarked for this purpose.

The table below provides a breakdown of the total costs during 2022/23 by key service (directorate) areas, as reported to the Council's Cabinet.

Directorate	Approved Net Budget 2022/23	Projected Net Outturn 2022/23	Variance*
	£'000	£'000	£'000
Children's	50,806	57,782	6,976
Growth & Sustainability	50,408	55,884	5,476
Place Health and Adults	54,411	49,243	(5,168)
Public Health & Communities	13,443	12,854	(589)
Core Services	24,308	24,295	(13)
Service Totals	193,376	200,058	6,682
Corporate / General Items	18,019	21,825	3,806
Total	211,395	221,883	10,488*
HRA	3,044	3,709	665

* after approved earmarked reserves

The management accounts for 2022/23 presented to Cabinet, outlines the overall position in line with quarterly reports. In line with accounting requirements, the earmarking's are not presented within the accounts in this manner.

2022/23 Approved Budget

The Council set a net revenue expenditure budget of **£211.4M** for 2022/23 which was funded from grants from Central Government including Revenue Support Grant (RSG) and Business Rate Top-Up Grant, the locally retained element of the business rates retention scheme, Section 31 Grants and income from Council Tax payers, Adult

STATEMENT OF ACCOUNTS 2022/23

Social Care and Public Health Grant. In addition, some **£19.0M** of specific earmarked revenue reserves from 2021/22 were drawn down, increasing the overall 2022/23 in year net budget to **£230.4M**.

The table below analyses the **proportion** of income received by the Council from these sources during the year. The level of RSG is determined by Central Government whereas income from Business Rates and Council Tax is determined locally.

2022/23 Revenue Budget – Corporate Funding:	£M	%
Revenue Support Grant	13.4	5.8
Business Rates Retained Share including Collection Fund Surplus	25.4	11.0
Business Rates Top Up	32.7	14.2
Council Tax including Collection Fund Surplus	112.5	48.8
Section 31 Grants	6.6	2.9
Adult Social Care Grant	13.7	6.0
Public Health Grant	0.3	0.1
Core Services Grant	3.9	1.7
Market Sustainability Grant	0.8	0.4
Improved Better Care Fund (22/23 increase only)	2.1	0.9
Earmarked Reserves	19.0	8.2
Total Net Revenue Expenditure Budget	230.4	100.0%

Housing Revenue Account (HRA) Executive Overview:

The Council's overall Housing Revenue Account position, which relates specifically to the costs of providing Council houses within the Borough was an overspend of **£0.7M**. Cabinet have approved the use of reserves previously earmarked to fund this position.

Budget Head	Original Budget £M	Actual £M	Variation from Original Budget £M
Income:			
Rental Income	(73.618)	(73.738)	(0.120)
Other Income	(2.064)	(2.359)	(0.295)
Total Income	(75.682)	(76.097)	(0.415)
Expenditure:			
Repairs & Maintenance	20.457	20.846	0.389
Supervision & Management	20.068	20.513	0.445
Bad Debt Provision	0.990	0.990	0.000
Interest Payable & Investment Income	9.431	9.431	0.000
Contribution to Capital Funding	24.386	24.386	0.000
Use of Reserves	3.045	3.045	0.000
Other Expenditure	0.349	0.595	0.246
Total Expenditure	78.726	79.806	1.080
Total Net Position	3.044	3.709	0.665
Proposed Earmarkings			0.000
In Year (Surplus) / Deficit			0.665

Individual quarterly monitoring reports for 2022/23 can be accessed via the links above.

STATEMENT OF ACCOUNTS 2022/23

The Council's Reserves Position

Executive Summary

Where the Council generates a surplus against its budget, the cumulative amount is held within reserves until required in the future. The Council's total reserves at the end of 2022/23 totalled **£244.8M** split between general reserves of **£219.7M** and housing reserves of **£25.1M**. These reserves are earmarked for specific, one off projects/initiatives. A detailed breakdown can be found in [Note 4](#) to the accounts.

General Fund Reserves

The level of general fund reserves increased from **£217.1M** at the start of 2021/22 to **£219.7M** at the end of the financial year, a net increase of **£2.6M** which is outlined in the table below:

General Fund:	£M
Reserves at 1st April 2022	217.1
Reserves Used in 2022/23	(29.5)
Reserves Earmarked into Future Years	26.8
Statutory Transfer of in Year SEND Deficit	(3.9)
SEND/DSG Safety Valve	9.2
Total Movement	2.6
Reserves at 31st March 2023	219.7

The movement includes **£26.8M** of resources earmarked to fund current and future spend commitments in addition to slippage to schemes and programmes and therefore, those reserves are committed, but unspent at the end of the financial year.

The position also includes the statutory transfer of the SEND deficit (**£3.9M**) together with earmarking **£9.2M** being the first instalment of the funding received via the DfE Safety Valve Programme (see below).

However, the Council did use **£29.5M** of reserves during the year to fund the year end position on the general fund.

The table below breaks down the 2022/23 General Fund Reserves:

Reserve Type Description		1 st April 2022 £M	Used £M	Earmarked £M	31 st March 2023 £M
Specific Service Earmarkings	Resources held / committed for service specific purposes, including unspent grants and funding relating to projects that have been slipped into future periods	68.3	(32.6)	19.1	54.8
Capital Programme Earmarkings	Resources held / committed for the Council's capital investment programme	42.6	(11.8)	6.5	37.3
Glassworks Earmarkings	Resources held / committed for the Council's Glassworks Project	23.6	(5.2)	10.9	29.3
Revenue Investment Earmarkings	Resources held / committed for specific revenue investments as set out in the 2020/21 budget process	2.5	(1.6)	-	0.9
Other Corporate Earmarkings	Resources held / committed for corporate / Council wide priorities, including Be Even Better Strategy, Insurance Fund, Future Redundancy and the MRP policy	60.1	(19.7)	37.0	77.4
Minimum Working Balance	Resources held as a contingency for unforeseen events	20.0	-	-	20.0
TOTAL		217.1	(70.9)	73.5	219.7

STATEMENT OF ACCOUNTS 2022/23

DSG Safety Valve Agreement: Barnsley

During 2022/23 Barnsley Council was successful in gaining financial support from the DfE as part of the Safety Valve Programme. This resulted in an additional payment of £9.160m of DSG on the 31 March 2023, which reduced the cumulative deficit amount to be carried forward into 2023/24. This additional DSG funding represents the first payment under the 5 year Safety Valve agreement, which commits the local authority to managing the DSG into an in-year balanced position by 2025/26 and in each subsequent year. Further instalment payments are conditional on the local authority (1) reaching a positive in-year balance by the end of 2025-26; (2) implementing the actions as set out in the DSG Management Plan, and (3) reporting annually to the DfE on progress towards the plan. The total additional payments from the DfE, under this agreement (£22.9m), would result in the elimination of the accumulated deficit in full by 2026/27.

Housing Revenue Account Reserves

The level of Housing Revenue Account reserves decreased from **£28.8M** at the start of 2022/23 to **£25.1M** at the end of the financial year, a net decrease of **£3.7M** which is outlined in the table below:

Housing Revenue Account:	£M
Reserves at 1st April 2022	28.8
Reserves Used in 2022/23	(3.0)
In Year Deficit	(0.7)
Total Movement	(3.7)
Reserves at 31st March 2023	25.1

The main reason for this overall decrease is due to utilising specific reserves totalling **£3.0M**, namely housing growth reserves, on specific capital projects during 2022/23, and the drawdown of strategic reserves to fund the in year HRA deficit of **£0.7M** in 2022/23.

The table below breaks down the 2022/23 Housing Revenue Account Reserves:

Reserve Type	Description	1 st April 2022 £M	Used £M	Earmarked £M	31 st March 2023 £M
Housing Growth Investment	Resources held / committed for the approved housing growth capital investment programme	19.0	(3.0)	-	16.0
30 Year Business Plan Earmarking's	Resources held / committed pending the review of the Council's 30 year HRA business plan	0.1	-	-	0.1
Other Revenue Earmarking's	Resources held / committed for service specific purposes including mitigation of the impact of welfare reform	2.5	-	-	2.5
Other Capital Earmarking's	Resources held / committed for known capital commitments	-	-	-	-
Minimum Working Balance	Resources held as a contingency for unforeseen events	7.2	(0.7)	-	6.5
TOTAL		28.8	(3.7)	-	25.1

STATEMENT OF ACCOUNTS 2022/23

What The Council Spent in 2022/23 (Capital)

Executive Overview:

In 2022/23, the Council spent **£91.6M** through its capital programme with the majority of the expenditure relating to the Council's property, plant and equipment, such as land and buildings, the road / infrastructure network and council houses.

The **capital expenditure** was funded from **£82.3M** worth of the Council's own resources, such as grants, capital receipts and reserves. The remaining expenditure, totalling **£9.3M**, has been funded by prudential borrowing / leasing.

Capital Expenditure

Capital expenditure during the year amounted to **£91.6M** (**£94.8M** in 2021/22), including Private Finance Initiative and other finance lease purchases. The table and chart below analyse the capital expenditure against the Council's asset categories.

<u>Asset Categories</u>	2022/23 £M
Council Dwellings	21.5
Property, Plant & Equipment	24.3
Vehicles, Plant, Furniture & Equipment	1.6
Assets Under Construction	18.2
Infrastructure Assets	16.7
Intangible Assets	-
Heritage Assets	0.1
Long Term Debtors	-
Non BMBC Assets	9.2
Total	91.6

The most significant scheme included within the table above is the Glassworks project which spent £7.8M during the year, included above within Property, Plant & Equipment. Other significant schemes to note are the Barnsley Homes Standard scheme relating to the Council's houses and empty homes acquisitions and works to the highway network, including the scheme in relation to construction works around J37 of the M1.

Capital Financing

The table below shows the major sources of **financing** capital expenditure:

<u>Funding Source</u>	2022/23 £M
Capital Grants	40.9
Third Party Contributions (Inc. S106)	7.2
Capital Receipts	5.9
Revenue / Reserves	10.2
Major Repairs Reserve	18.1
Sub Total – Own Resources	82.3
Prudential Borrowing	9.3
Leasing	-
Sub Total – Borrowing/ Leasing	9.3
Total	91.6

Details of Material Assets Disposals

The Council disposed of a number of assets during 2022/23. The **material disposals** are shown in the table below.

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Asset	Description	£M
Council House Sales	Council Dwellings Sold	7.7
Priory Campus	Community asset previously leased to Barnsley Community Voluntary Sector	1.1

Individual quarterly monitoring reports for 2022/23 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	21st September 2022	Cab.21.9.2022/7	Quarter 1 Cabinet
2	14th December 2022	Cab.14.12.2022/10	Quarter 2 Cabinet
3	8th March 2023	Cab.8.3.2023/8	Quarter 3 Cabinet
4	14th June 2023		

2022/23 Treasury Management Overview

Executive Overview:

Facing continued economic uncertainty, the focus of the Council's Treasury Management Strategy for 2022/23 was on **managing risk**:

- The focus of the Council's borrowing strategy was on reducing its exposure to **interest rate** and **refinancing risk**, whilst maintaining a small under-borrowed position to keep its financing costs to a minimum.
- The purpose of the Council's investment strategy was to ensure that its cash balances were **invested prudently** and were **available when needed** to meet the Council's spending commitments. This reflects the recommended investment priorities of **security, liquidity** and **yield** (in that order).

Borrowing Overview:

The Council's borrowing strategy is to actively reduce its exposure to interest rate risk, whilst maintaining an under-borrowed position. There was no new long-term borrowing undertaken during the year resulting in a net decrease of £32.7M on the Council's borrowing portfolio during the 2022/23 financial year (shown in the table below). This decrease consisted of scheduled principal repayments of £22.7M and the repayment of £10.0M local authority borrowing.

The Council has delivered to the approved interest rate exposure targets for 2022/23 earlier than planned during 2021/22 and created significant savings by taking advantage of low interest rates at that time. This means that 70% of the Council's overall borrowing requirement is being financed by long term, fixed rate borrowing. The decision to undertake any further borrowing has been delayed while interest rates remain at elevated levels and the Council has the option to utilise cash balances and reserves in lieu of long-term external borrowing.

The exposure targets are kept under review and reflect the medium term forecasts for interest rates and the current uncertainties within the economy. Fixing out 70% of the Council's Capital Financing Requirement (CFR) is considered prudent and affordable whilst leaving sufficient flexibility to maximise the use of internal balances and less expensive short-term/temporary borrowing.

	Balance on 01/04/2022 £M	New Borrowing £M	Principal Redeemed £M	Balance on 31/03/2023 £M	Net Movement £M
PWLB Borrowing	575.3	-	(21.3)	554.0	(21.3)
Other Long-Term Loans	92.1	-	(1.4)	90.7	(1.4)
Temporary Loans	-	40.0	(40.0)	-	-
Longer Term Local Authority Loans	16.8	-	(10.0)	6.8	(10.0)
Total External Borrowing	684.2	40.0	(72.7)	651.5	(32.7)

The Council reports its in year debt costs as a proportion of its net revenue stream [budget]. For 2022/23, the estimate at the start of the year was 9.50%, with the actual measure being some 8.90%, well within the target.

STATEMENT OF ACCOUNTS 2022/23

This was predominantly as a result of the temporary increase in investment returns in line with the rising interest rates throughout the year which has offset the Council's debt costs in 2022/23.

Investment Overview:

The Council's investment strategy is to ensure that its cash balances are invested prudently and are available when needed to meet its spending commitments.

The majority of transactions during the financial year related to short term fixed deposits with high rated financial institutions that met the Authority's approved counterparty list. To maintain sufficient liquidity, an appropriate balance of cash was deposited in the Council's Money Market Funds and instant access accounts. In terms of presentation in the [Balance Sheet](#), the instant access investment balances are accounted for as "Cash and Cash Equivalents".

The Council's investment balances decreased by £35.1M during the year primarily as a result of the repayment of borrowing as detailed above.

	Balance on 01/04/2022 £M	New Investments £M	Principal Redeemed £M	Balance on 31/03/2023 £M	Net Movement £M
Short Term Deposits	134.5	264.3	(273.5)	125.3	(9.2)
Money Market Funds / Instant Access Accounts	54.5	420.8	(446.7)	28.6	(25.9)
Total Investments	189.0	685.1	(720.2)	153.9	(35.1)

Treasury Reporting

Individual quarterly monitoring reports for 2022/23 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	21st September 2022	Cab.21.9.2022/7	Quarter 1 Cabinet
2	14th December 2022	Cab.14.12.2022/10	Quarter 2 Cabinet
3	8th March 2023	Cab.8.3.2023/8	Quarter 3 Cabinet
4	14th June 2023		

STATEMENT OF ACCOUNTS 2022/23

Summary of the Council's Balance Sheet

The Council's summarised [Balance Sheet](#) is shown below, together with an explanation detailing what the categories represent:

1 st April 2022	Category	31 st March 2023	Explanation	Movement
£M		£M		£M
1,358.0	Non-Current Assets	1,517.8	Assets owned or owed to the Council, that are expected to be used / received in more than 1 year	Increased by 159.8
246.5	Current Assets	202.0	Assets owned or owed to the Council, that are expected to be used / received in the next year	Decreased by 44.5
(159.6)	Current Liabilities	(133.3)	Amounts that the Council owes, due within the next year	Decreased by 26.3
(1,170.3)	Long Term Liabilities	(815.4)	Amounts that the Council owes, due in more than 1 year	Decreased by 354.9
274.6	NET ASSETS / (LIABILITIES)	771.1		Increased by 496.5
308.7	USEABLE RESERVES	319.0	Reserves held that can be used by the Council on spending	Increased by 10.3
(34.1)	UNUSABLE RESERVES	452.1	Reserves held that are for specific purposes, ordinarily statutory accounting adjustments	Increased by 486.2
274.6	TOTAL RESERVES	771.1		Increased by 496.5

The table below provides a high-level explanation of the Council's [Balance Sheet](#) from 1st April 2022 to 31st March 2023:

Category	Movement £M	Explanation
Non-Current Assets	Increased by 159.8	Net revaluations of assets upwards of +£155M, enhancing capital spend of +£42M, (7M) disposals, (£37M) consumption of assets in the year (depreciation) and other increases of +£6M.
Current Assets	Decreased by 44.5	Decrease in investment balances (£8M) and cash balance decrease (£28M). Total decrease of £36M in investment balances due to utilising cash balances in lieu of external borrowing; comprising the repayment of some long-term PWLB loans that had reached maturity and local authority short-term loans that were not replaced with further borrowing. Short term debtors decrease (6M) and other decreases of (2M).
Current Liabilities	Decreased by 26.3	A decrease in short term borrowing of (£15M) due to the repayment of maturing debt, offset partly by the movement between long term and short term borrowing to reflect the due date of debt on the Authority's balance sheet, (5M) decrease in creditors and (7M) decrease in other areas.
Long Term Liabilities	Decreased by 354.9	Pension liabilities decreased by (327M) due to the triannual review roll forward, a decrease in borrowing of (£18M) due to the repayment of maturing debt, offset partly by the movement between long term and short term borrowing to reflect the due date of debt on the Authority's balance sheet, (9M) decrease in Long term liabilities relating to PFI and BSF
NET ASSETS / (LIABILITIES)	Increased by 496.5	
USEABLE RESERVES	Increased by 10.2	GF / HRA Reserves decreased by (1M), unspent capital receipts increased by +£3M, unspent capital grants increased by +£2M, Major repairs reserve increased by +6M.
UNUSABLE RESERVES	Increased by 486.2	Betterment of Pensions Reserve +327M, revaluation reserve increased by +£169M mainly relating to increase in council house values offset by other decreases of (10M)
TOTAL RESERVES	Increased by 496.4	

STATEMENT OF ACCOUNTS 2022/23

Summary of the Council's Pension Fund Position as at 31st March 2023

Accounting Basis

The Council accounts for its Pension Fund position in accordance with IAS 19, which means that it accounts for the costs of retirement benefits when entitlement to those benefits has been earned rather than when they are actually paid to employees, which may be many years into the future. These future liabilities are to be met by fund assets which are acquired from employer and employee contributions and subsequently invested for a return. As at 31st March 2023, fund assets **exceeded** fund liabilities by **£91.1M** [(£327.5M) as at 31st March 2022], however IFRIC 14 places a minimum funding requirement to the measurement of the asset. This means we have a requirement to revalue the asset to nil within the accounts.

Funding Basis

The Pension Fund position, when assessed **on a funding basis**, is calculated in a different way to the accounting methodology and ultimately reflects the actual performance of the Council's Pension Fund. It is the pension fund position on a funding basis that informs the Council's ongoing contribution rate and the employees' contribution rate. Any pension deficit on this funding basis must be made good over time. A triennial actuarial review assesses key assumptions and agrees any changes, including any increase in employer contributions, for a subsequent 3 year period with the aim of having a **100% funded scheme** over the longer term. The latest review [in 2019] applies to the period 1st April 2020 to 31st March 2023.

The Council's Approach to Risk Management

Executive Overview:

The new risk management approach continues to be embedded across all management levels of the Council. The management of threats and concerns and the assurances needed regarding the achievement of the Council's objectives is considered a fundamental part of the normal business process and is crucial to the delivery of effective risk management and the implementation of good governance arrangements.

A robust and dynamic Strategic Risk Register (SRR) sets the culture and tone for the management of threats, concerns and assurances across and throughout the Council. The proactive engagement of the Senior Management Team (SMT) in the Risk Management process through their ownership and review of the SRR demonstrates a strong commitment to lead and champion Risk Management 'from the top' and to further reinforce the continuing development of a Risk Management culture.

The risks in the SRR are owned by SMT, with the management of individual risks being allocated to a Risk Manager (a member of SMT) and measures to mitigate risks allocated to Action Owners (being those senior managers best placed to take responsibility to drive the implementation of those actions).

SMT is also responsible for ensuring that the SRR continues to express those high-level concerns, issues and areas of strategic focus which have a significant bearing upon the overall achievement of corporate objectives and that they are being appropriately managed.

The Audit and Governance Committee provides assurances to the Council on the adequacy and effectiveness of the risk management framework, ensuring it is fit for purpose. The Audit and Governance Committee receives regular reports on the Council's risk management arrangements and on the management of key strategic risks; these include detailed presentations "a deep dive review" from the relevant Executive Director on strategic risks in their area. Executive Directors will attend the Audit and Governance Committee to present an update on their strategic

STATEMENT OF ACCOUNTS 2022/23

risk(s) and answer questions raised by committee members. Oversight of the risk management framework is a key responsibility of the Audit and Governance Committee. Cabinet also receives six-monthly updates on strategic risks.

Future Spending Plans & Assessment of the Future Economic Climate

Key Documents

Title	Description	Date Presented Cabinet/Council	Cabinet Reference	Link to Cabinet Meeting
Service & Financial Planning 2023/24	General Fund Budget Proposals for 2023/24	23rd February 2023	Cab.8.2.2023/6	Budget Council
Housing Revenue Account – 2023/24	HRA Budget Proposals for 2023/24	23rd February 2023	Cab.8.2.2023/7	Budget Council
Treasury Management Policy & Strategy 2023/24	The Council's Strategy with Regards Borrowing & Investing	23rd February 2023	Cab.8.2.2023/6	Budget Council
Capital Investment Strategy 2023/24	The Council's Strategy with Regards Capital Investment	23rd February 2023	Cab.8.2.2023/6	Budget Council
Council Tax Base Report 2023/24	The Council's Approved Council Tax Base	11th January 2023	Cab.11.1.2023/7	Cabinet Meeting
Business Rates – Calculation of Local Share 2023/24	The Council's Approved Business Rate Tax Base	11th January 2023	Cab.11.1.2023/8	Cabinet Meeting

Our Council Plan for 2021 to 2024 sets out what we aim to achieve over three years. Our plan gives us a clear direction to recover from the COVID-19 pandemic and build our borough back better and fairer. It focuses on how we collectively deliver our services across the council to best support residents, communities, partners and business. It explains what we want to do, how we plan to do it, and how we'll measure whether we're on track to achieve it.

The Council Plan has been developed by the work that has taken place for the Barnsley 2030 project through a series of activities with residents, businesses, employees and other key stakeholders across the borough to build a picture of what Barnsley is like now and want it to be like by 2030.

In February 2023, the Council agreed an updated **Medium Term Financial Strategy (MTFS)** for the period 2023 – 2025. This included presenting balanced budget proposals for 2023/24 (after delivering agreed efficiency of £7.3M) together with a funding gap of £14M through to 2024/25.

The Council agreed a subsequent strategy and 5-point action plan to address and mitigate these gaps, including developing a major all service transformation programme split into 2 phases. Work is progressing against this strategy with updates being provided to Cabinet during 2023/24. However, the approved MTFS also highlighted a number of ongoing significant risks that could impact the current position:

- Front line service pressures do not abate e.g., children's social care.
- Ongoing negotiations over the 2023/24 Employee Pay award
- Inflation remaining at higher levels for longer than anticipated.
- Transformation / savings not delivered.
- New burdens/priorities e.g., Zero 40, CYP enrichment, environment bill etc.
- Future funding reductions/uncertainty.

As a result, an updated MTFS is due to be presented to Cabinet during the summer 2023.

STATEMENT OF ACCOUNTS 2022/23

Our 2022/23 Statement of Accounts

The Form of the Statement of Accounts

The Statement of Accounts is a statutory publication required under the Accounts and Audit Regulations and prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (The Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code specifies the principles and practices of accounting required to give a true and fair view of the Council's financial position at the end of the year and the transactions of the Council during the year.

The information contained in the various statements and notes are of a highly technical nature. To aid readers of the accounts, some of the technical areas around the accounting policies have been provided in [Annex A](#) through [Annex E](#), with links to the individual areas of the accounts that they relate to.

The layout of the 2022/23 Statement of Accounts is comprised of:

- Statement of Responsibilities for the Statement of Accounts;
- The Core Financial Statements;
- The Expenditure & Funding Analysis;
- Notes to the Core Financial Statements;
- The Supplementary Financial Statements and Notes including the Housing Revenue Account and the Collection Fund; and
- The Group Accounts

These are explained in more detail below.

All figures are rounded to the nearest thousand pounds. This may create rounding discrepancies between the disclosure notes which do not reduce the accuracy and understanding of the statement.

[Statement of Responsibilities for the Statement of Accounts](#)

This section explains the respective responsibilities of the Council and the Chief Finance Officer (CFO) in relation to the Statement of Accounts. The Council is responsible for ensuring that there are proper arrangements in place for financial administration, ensuring that value for money is achieved and approving the annual Statement of Accounts. The CFO is responsible for selecting and applying accounting policies, keeping accurate and timely accounting records, taking reasonable steps for the prevention and detection of fraud and complying with proper accounting practice as defined by The Code.

The Core Financial Statements

[The Movement in Reserves Statement \(MIRS\)](#) – This statement shows the movement in the year on the different reserves held by the Council, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The surplus or deficit on the Provision of Services line shows the accounting / economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund balance and Housing Revenue Account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

[The Comprehensive Income and Expenditure Statement \(CI&ES\)](#) – This statement shows the accounting cost in the year, of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this is different to the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

STATEMENT OF ACCOUNTS 2022/23

[The Balance Sheet](#) – The Balance Sheet shows the value of the assets and liabilities recognised by the Council, as at 31st March 2023. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories. The first category of reserves is useable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

[The Cash Flow Statement](#) – The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income, or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Notes to the Core Financial Statements

[The Expenditure and Funding Analysis](#) is designed to demonstrate to council tax and rent payers, how the funding available to the Council (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services, in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

There are a number of disclosure notes that present further detail behind the figures in the Core Financial Statements, categorised by the predominant statement that they support.

- [Notes Relating to the Expenditure & Funding Analysis;](#)
- [Notes Relating to the Movement in Reserves Statement;](#)
- [Notes Relating to the Comprehensive Income & Expenditure Statement;](#)
- [Notes Relating to the Balance Sheet;](#)
- [Notes Relating to the Cash Flow Statement;](#)
- [Notes Relating to Other Disclosures.](#)

The Supplementary Financial Statements

[The Housing Revenue Account Comprehensive Income and Expenditure Statement](#) - Local authorities are required by law to account separately for all transactions relating to the cost of local authority housing by way of the Housing Revenue Account (HRA). This account shows in more detail where the resources are spent in maintaining and managing the Council's council houses, and the sources of income to meet these costs.

[The Collection Fund](#) - The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the Council in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council Tax and Business Rates.

The Group Accounts

STATEMENT OF ACCOUNTS 2022/23

[The Group Accounts](#) – The Group Accounts are a consolidated set of financial statements that represent the overall activities of the companies that the Council has an interest in, where deemed material.

Changes of Accounting Policies in 2022/23

There has been no change to the Council's accounting policies for 2022/23.

Post Balance Sheet Events

The Council has had one school transfer to an academy as at 31st May 2023. The net book value of this school is £2.2m. This is a non-adjusting post Balance Sheet event.

[Note 18](#) details the post balance sheet events in more depth including the potential impact on the Council.



N COPLEY BA (HONS), CPFA.

DATE: 31st May 2023

DIRECTOR OF FINANCE, CHIEF FINANCIAL OFFICER

STATEMENT OF ACCOUNTS 2022/23

SECTION 3 - STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required to:

- ◆ Make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Council, that Officer is the Director of Finance (Chief Finance Officer);
- ◆ Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- ◆ Approve the Statement of Accounts.



COUNCILLOR R Franklin

DATE: 31st May 2023

CABINET SPOKESPERSON FOR CORPORATE SERVICES

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('The Code').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- ◆ Selected suitable accounting policies and then applied them consistently;
- ◆ Made judgements and estimates that were reasonable and prudent;
- ◆ Complied with the Local Authority Code;
- ◆ Kept proper accounting records which were up to date;
- ◆ Taken reasonable steps for the prevention and detection of fraud and other irregularities;
- ◆ Assessed the Council's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- ◆ Used the going concern basis of accounting on the assumption that the functions of the Council and the Group will continue in operational existence for the foreseeable future; and
- ◆ Maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In conclusion, the Chief Finance Officer certifies that this Statement of Accounts presents a true and fair view of the financial position of the Council as at 31st March 2023.



N COPLEY BA (HONS), CPFA.

DATE: 31st May 2023

DIRECTOR OF FINANCE, CHIEF FINANCIAL OFFICER

STATEMENT OF ACCOUNTS 2022/23

SECTION 4 – CORE FINANCIAL STATEMENTS

THE MOVEMENT IN RESERVES STATEMENT

For a description of this statement – click [here](#)

<u>Movement in Reserves During 2022/23</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable Reserves	Total Unusable Reserves	Total Council Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2022	217,132	28,843	25,093	18,119	19,573	308,760	(34,122)	274,638
Total Comprehensive Expenditure & Income	(19,828)	(23,752)	0	0	0	(43,580)	540,019	496,439
Adjustments Between Accounting Basis & Funding Basis Under Regulations	22,366	20,042	3,008	6,269	2,100	53,785	(53,785)	0
Net Increase / (Decrease) in 2022/23	2,538	(3,710)	3,008	6,269	2,100	10,205	486,234	496,439
Balance of Reserves at 31st March 2023	219,670	25,133	28,101	24,388	21,673	318,965	452,112	771,077
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet / Note 5	Balance Sheet

[Balance Sheet](#)

[CI&ES](#)

[Note 3](#)

[Note 4 & HRA](#)

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2022/23
THE MOVEMENT IN RESERVES STATEMENT

<u>Movement in Reserves During 2021/22</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable Reserves	Total Unusable Reserves	Total Council Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2021	195,302	30,952	17,086	19,014	11,062	273,416	(144,898)	128,518
Total Comprehensive Expenditure & Income	(80,605)	(21,231)	-	-	-	(101,836)	247,956	146,120
Adjustments Between Accounting Basis & Funding Basis Under Regulations	102,435	19,122	8,007	(895)	8,511	137,180	(137,180)	-
Net Increase / (Decrease) in 2021/22	21,830	(2,109)	8,007	(895)	8,511	35,344	110,776	146,120
Balance of Reserves at 31st March 2022	217,132	28,843	25,093	18,119	19,573	308,760	(34,122)	274,638

[CI&ES](#)

[Note 3](#)

[Note 4 & HRA](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet / Note 5](#)

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2022/23

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For a description of this statement – click [here](#)

2021/22				2022/23		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			Net Cost of Services:			
159,912	(98,318)	61,594	Children Services	178,583	(115,810)	62,773
211,163	(35,962)	175,201	Growth & Sustainability*	183,740	(71,031)	112,709
81,320	(73,471)	7,849	Housing Revenue Account	83,540	(76,105)	7,435
104,859	(51,123)	53,736	Place Health & Adult Social Care*	97,666	(49,243)	48,423
11,414	(8,944)	2,470	Public Health & Communities*	37,140	(23,442)	13,700
99,749	(99,368)	381	Core Services	106,456	(99,694)	6,763
20,348	(30,877)	(10,529)	Corporate Services	14,336	(21,119)	(6,783)
24,066	(23,217)	849	Exceptional Item – COVID 19	-	-	-
-	-	-	Exceptional Item – HSG	4,395	(4,652)	(257)
712,831	(421,280)	291,551	Net Cost of Services	705,858	(461,096)	244,762
			Other Operating Income & Expenditure:			
468	-	468	Parish Council Precepts	479	-	479
1,666	-	1,666	Payments to Central Government Housing Capital Receipts Pool	-	-	-
12,921	(13,208)	(287)	(Gains) / Losses on The Disposal of Non-Current Assets	7,272	(8,823)	(1,551)
2,920	-	2,920	Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers	-	-	-
17,975	(13,208)	4,767	Total Other Operating Expenditure	7,751	(8,823)	(1,072)
			Financing & Investment Income & Expenditure:			
23,475	-	23,475	Interest Payable on Debt	23,521	-	23,521
57	-	57	Interest Element of Finance Leases	39	-	39
19,621	-	19,621	Interest Payable on PFI Unitary Payments	19,035	-	19,035
9,499	-	9,499	Net Interest on The Defined Benefit Liability / Asset	9,099	-	9,099
-	-	-	Movement in Fair Value of Financial Assets	-	-	-
50	-	50	Expected Credit Loss Model	332	-	332
-	-	-	Premium Incurred on Early Redemption of Debt	-	-	-
-	(631)	(631)	Investment Interest Income	-	(3,067)	(3,067)
-	(446)	(446)	Dividends Receivable	-	(74)	(74)
-	(10)	(10)	Interest Received on Finance Leases	-	(10)	(10)
5,188	(5,985)	(797)	(Surplus) / Deficit of Trading Undertakings or Other Operations	4,247	(4,546)	(299)
57,890	(7,072)	50,818	Total Financing & Investment Income & Expenditure	56,273	(7,697)	48,576

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Continued overleaf.

STATEMENT OF ACCOUNTS 2022/23

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

2021/22				2022/23		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			Taxation & Non-Specific Grant Income:			
-	(46,170)	(46,170)	Recognised Capital Grants & Contributions	-	(50,466)	(50,466)
-	(15,555)	(15,555)	Section 31 Grant	-	(10,240)	(10,240)
-	(8,215)	(8,215)	Exceptional Item – COVID 19 Related General Grants	-	-	-
-	(13,026)	(13,026)	Revenue Support Grant (RSG)	-	(13,429)	(13,429)
-	-	-	Core Spending Power Service Grant	-	(3,925)	(3,925)
-	-	-	Lower Service Grant	-	(327)	(327)
-	(107,693)	(107,693)	Council Tax	-	(110,434)	(110,434)
-	(21,906)	(21,906)	Business Rates Retention Scheme – Locally Retained	-	(26,653)	(26,653)
-	(32,735)	(32,735)	Business Rates Retention Scheme – Top Up Grant	-	(32,735)	(32,735)
-	-	-	Business Rates Retention Scheme – Levy Surplus	-	(477)	(477)
-	(245,300)	(245,300)	Total Taxation & Non Specific Grant Income	-	(248,686)	(248,686)
788,696	(686,860)	101,836	(Surplus) / Deficit on Provision of Services	769,882	(726,302)	43,580
			Other Comprehensive Income & Expenditure:			
5,649	(108,999)	(103,350)	(Gains) / Losses on Revaluation of Property, Plant & Equipment Assets	8,674	(192,496)	(183,822)
-	-	-	(Gains) / Losses on Revaluation of Financial Instruments	-	-	-
-	(144,606)	(144,606)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	(356,197)	-	(356,197)
5,649	(253,605)	(247,956)	Other Comprehensive Income & Expenditure	(347,523)	(192,496)	(540,022)
794,345	(940,465)	(146,120)	Total Comprehensive Income & Expenditure	422,359	(918,798)	(496,439)

STATEMENT OF ACCOUNTS 2022/23

BALANCE SHEET AS AT 31st MARCH 2023

For a description of this statement – click [here](#)

2021/22 £000s		2022/23 £000s	2022/23 £000s	Note / Statement
	NON-CURRENT ASSETS			
	Property Plant and Equipment:			
715,990	- Council Dwellings	850,021		19
303,569	- Other Land & Buildings	304,719		19
8,308	- Vehicles, Plant, Furniture & Equipment	7,841		19
299,733	- Infrastructure Assets	306,244		19
8,592	- Assets Under Construction	26,437		19
2,228	- Surplus Assets	2,876		19
1,338,420			1,498,138	
11,659	Heritage Assets	11,659		21
548	Intangible Assets	304		22
4,254	Long Term Investments	4,201		27
3,140	Long Term Debtors	3,439		27
19,601			19,603	
1,358,021	Total Non-Current Assets		1,517,741	
	CURRENT ASSETS			
4,664	Assets 'Held for Sale'	3,598		23
134,594	Short Term Investments	126,278		27
1,513	Inventories	1,090		29
10,341	Local Taxation Debtors	11,198		30
(10,341)	Impairment of Local Taxation Debtors	(10,433)		30
55,483	Other Short Term Debtors	49,385		31
(6,430)	Impairment of Short Term Debtors	(7,928)		31
56,695	Cash & Cash Equivalents	28,856		Cash Flow
246,519	Total Current Assets		202,044	
1,604,540	TOTAL ASSETS		1,719,785	
	CURRENT LIABILITIES			
(37,307)	Short Term Borrowing	(22,763)		27
(8,428)	Other Short Term Liabilities	(8,939)		27
(71,233)	Short Term Creditors	(66,475)		32
(4,754)	Short Term Provisions	(3,227)		34
(34,528)	Capital Grants Receipts in Advance	(29,790)		33
(3,335)	Revenue Grants Receipts in Advance	(2,108)		33
(159,585)	Total Current Liabilities		(133,302)	
	LONG TERM LIABILITIES			
(653,158)	Long Term Borrowing	(634,708)		27
(185,633)	Other Long Term Liabilities	(176,693)		27
(4,060)	Long Term Provisions	(4,005)		34
(327,466)	Retirement Benefit Obligations	-		37
(1,170,317)	Total Long Term Liabilities		(815,406)	
(1,329,902)	TOTAL LIABILITIES		(948,708)	
274,638	NET ASSETS / (LIABILITIES)		771,077	

Continued overleaf

STATEMENT OF ACCOUNTS 2022/23

BALANCE SHEET AS AT 31st MARCH 2023 (CONTINUED)

2021/22 £000s		2022/23 £000s	2022/23 £000s	Note / Statement
	USEABLE RESERVES:			
217,132	- General Fund	214,369		4 / MIRS
-	- DSG Reserve	5,301		
28,843	- Housing Revenue Account	25,133		4 / MIRS / HRA
25,093	- Useable Capital Receipts Reserve	28,102		MIRS
18,119	- Major Repairs Reserve	24,388		MIRS
19,573	- Capital Grant Unapplied Reserve	21,673		MIRS
308,760	TOTAL USEABLE RESERVES		318,966	
	UNUSABLE RESERVES:			
(133,502)	- Capital Adjustment Account	(145,918)		5
496	- Deferred Capital Receipts Reserve	496		5
(10,889)	- Financial Instruments Adjustment Account	(10,304)		5
(328,247)	- Pensions Reserve	-		5
(431)	- Financial Instrument Revaluation Reserve	(431)		5
442,894	- Revaluation Reserve	612,207		5
(2,548)	- Accumulated Absences Account	(3,159)		5
16,051	- Collection Fund Adjustment Account	17,166		5
(17,946)	- DSG Deficit Adjustment Account *	(17,946)		5
(34,122)	TOTAL UNUSABLE RESERVES		452,111	
274,638	TOTAL RESERVES		771,077	

* The DSG Adjustment account was a new requirement for 2020/21. The [Movement in Reserves Statement](#) shows the adjustment to the opening balances, in accordance with SI The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations) as amended.

STATEMENT OF ACCOUNTS 2022/23

CASH FLOW STATEMENT

For a description of this statement – click [here](#)

2021/22 £000s		2022/23 £000s	2022/23 £000s	Note
101,836	Net (Surplus) / Deficit on Provision of Services		43,580	CI&ES
	Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:			
(167,339)	- Depreciation & Impairment	(100,502)		
(28,674)	- Pension Fund Adjustments	(28,733)		
(15,842)	- Carrying Amount of Non-Current Assets Sold	(7,272)		
2,025	- (Increase) / Decrease in Provisions	1,582		
327	- Increase / (Decrease) in Inventories	(423)		
1,699	- Increase / (Decrease) in Debtors	(7,284)		
(12,337)	- (Increase) / Decrease in Creditors	5,391		
544	- Other Non-Cash Adjustments	28,202		
(219,597)			(109,039)	
	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:			
46,170	- Capital Grants Recognised Through Comprehensive Income & Expenditure Statement	50,466		
	- Net adjustment from the sale of short term and long term investments	(9,314)		
13,444	- Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	8,983		
59,614			50,135	
(58,147)	Net Cash (Inflow) / Outflow From Operating Activities		(15,324)	
90,725	Net Cash (Inflow) / Outflow From Investing Activities		809	39
(36,263)	Net Cash (Inflow) / Outflow From Financing Activities		42,354	40
(3,685)	Net (Increase) / Decrease in Cash & Cash Equivalents		27,839	
53,010	Cash & Cash Equivalents as at 1st April		56,695	
3,685	Net Increase / (Decrease) in Cash & Cash Equivalents		(27,839)	
56,695	Cash & Cash Equivalents as at 31st March		28,856	Balance Sheet
	Made Up Of The Following Elements:			
7	Cash Held By The Council		5	
(3,542)	Cash in Transit *		(3,103)	
5,720	Bank Current Accounts		3,236	
54,510	Short Term Deposits With Financial Institutions		28,718	
56,695	Total Cash & Cash Equivalents		28,856	

* Cash in Transit represents the timing difference between payments being made by the Council to its creditors and receipts received from its debtors, which have been accounted for in the Council's Statement of Accounts and the clearing of those payments in the year end bank balance.

[Accounting Policy 5](#) defines the Council's policy with regards classification of financial instruments as cash equivalents.

STATEMENT OF ACCOUNTS 2022/23

SECTION 5 – NOTES TO THE CORE FINANCIAL STATEMENTS

THE EXPENDITURE AND FUNDING ANALYSIS

For a description of this note – click [here](#)

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2021/22			2022/23			
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000s	£000s	£000s		£000s	£000s	£000s
47,006	14,588	61,594	Children Services	47,240	15,532	62,772
45,033	130,168	175,201	Growth & Sustainability	54,657	58,052	112,709
(15,572)	23,421	7,849	Housing Revenue Account	(14,941)	22,376	7,435
47,774	5,962	53,736	Place Health & Adult social care	41,830	6,592	48,422
1,613	857	2,470	Public Health & Communities	10,988	2,712	13,700
(5,767)	6,148	381	Core Services	421	6,341	6,762
(10,727)	198	(10,529)	Corporate Services	(6,791)	9	(6,782)
	-	849	Exceptional Item – COVID 19	(257)	-	(257)
	-	-	Exceptional Item – HSG			
110,209	181,342	291,551	Net Cost of Services	133,147	111,614	244,761
468	4,299	4,767	Other Operating Income & Expenditure	479	(1,554)	(1,075)
41,319	9,499	50,818	Financing & Investment Income & Expenditure	39,478	9,099	48,577
(191,730)	(53,570)	(245,300)	Taxation & Non Specific Grant Income	(197,104)	(51,582)	(248,686)
(39,734)	141,570	101,836	(Surplus) / Deficit on Provision of Services	(24,000)	67,577	43,577
20,015	(20,015)	-	Items Presented Within The Movement in Reserves Statement	25,169	(25,169)	-
(19,719)	121,555	101,836	TOTAL	1,167	42,411	43,578
Note 1 / MIRS	Split Between:	CI&ES		Note 1 / MIRS	Split Between:	CI&ES
General Fund	102,433			General Fund	22,366	
HRA	19,122			HRA	20,042	
	121,555				42,408	
	Note 2 / Note 3 / MIRS				Note 2 / Note 3 / MIRS	

STATEMENT OF ACCOUNTS 2022/23

THE EXPENDITURE AND FUNDING ANALYSIS (CONTINUED)

2021/22			Movement on Reserves:	2022/23		
General Fund	Housing Revenue Account	Total		General Fund	Housing Revenue Account	Total
£000s	£000s	£000s		£000s	£000s	£000s
195,302	30,952	226,254	Opening Balances as at 1st April	217,132	28,843	245,975
21,830	(2,109)	19,721	Plus/(Less) Surplus or (Deficit) on General Fund & HRA Balances in Year	2,538	(3,710)	(1,168)
217,132	28,843	245,975	Closing Balances as at 31st March	219,670	25,133	244,803
Note 4 / MIRS	Note 4 / MIRS	Note 4 / MIRS		Note 4 / MIRS	Note 4 / MIRS	Note 4 / MIRS

Note A – Prior Period Adjustments

Description:	This note provides explanation of the prior period adjustment applied in the comparative prior year position including the overall impact on the key statements and notes contained therein.
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There have been no significant prior period adjustments since the publication of the 2022/23 financial statements.

STATEMENT OF ACCOUNTS 2022/23

NOTES PRIMARILY RELATING TO THE EXPENDITURE & FUNDING ANALYSIS

Note 1 – Reconciliation Between Management Accounts and Expenditure & Funding Analysis

Description:	This note provides a reconciliation between the Council’s Management Accounts and the first column of the Expenditure & Funding Analysis which represents the actual movement on the Council’s useable reserves for the year. The respective adjustments are outlined in the explanatory notes in the pages overleaf.
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Adjustments from Management Accounts to Financial Reporting Format	2022/23					
	Management Accounts as Per Final Accounts Report (Note 1A)	Presentational Adjustments from Management Accounts to Financial Accounts (Note 1B)	Items Not Included in Net Cost of Services (Note 1C)	Items Not Included Within The CI&ES (Note 1D)	Corporate Funding / Expenditure (Note 1E)	Net Expenditure Chargeable to the General Fund and HRA Balances (Note 1F)
	£000s	£000s	£000s	£000s	£000s	£000s
Children Services	50,806	(3,565)	-	-	-	47,241
Growth & Sustainability*	50,408	3,599	650	-	-	54,657
Housing Revenue Account	76,346	(76,346)	(9,534)	(5,407)	-	(14,941)
Place Health & Adult social care*	54,411	(9,631)	-	-	(2,949)	41,832
Public Health & Communities*	13,443	(2,160)	-	-	(295)	10,988
Core Services	24,308	(24,165)	293	(15)	-	421
Corporate Services	18,019	33,177	(28,260)	(16,037)	(13,692)	(6,793)
Exceptional Item – HSG	-	(257)	-	-	-	(257)
Net Cost of Services	287,741	(79,348)	(36,851)	(21,459)	(16,936)	133,145
Other Operating Income & Expenditure	-	-	-	-	479	479
Financing & Investment Income & Expenditure	-	-	39,478	-	-	39,478
Taxation & Non Specific Grant Income	-	-	(2,627)	-	(194,477)	(197,104)
(Surplus) / Deficit on Provision of Services	287,741	(79,348)	(0)	(21,459)	(210,934)	(24,000)
Items Presented Within The Movement in Reserves Statement (Note 1G)	-	-	-	21,459	3,710	25,169
TOTAL NET EXPENDITURE	287,741	(79,348)	(0)	-	(207,224)	1,169

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* A report approved by Cabinet in May 2022 agreed a revised management structure for the Council

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Adjustments from Management Accounts to Financial Reporting Format	2021/22					
	Management Accounts as Per Final Accounts Report (Note 1A)	Presentational Adjustments from Management Accounts to Financial Accounts (Note 1B)	Items Not Included in Net Cost of Services (Note 1C)	Items Not Included Within The CI&ES (Note 1D)	Corporate Funding / Expenditure (Note 1E)	Net Expenditure Chargeable to the General Fund and HRA Balances (Note 1F)
	£000s	£000s	£000s	£000s	£000s	£000s
Children Services	46,964	42	-	-	-	47,006
Growth & Sustainability	50,795	(6,667)	905	-	-	45,033
Housing Revenue Account	73,095	(73,095)	(10,237)	(5,335)	-	(15,572)
Place Health & Adult Social Care	76,434	(28,660)	-	-	-	47,774
Public Health & Communities	6,433	(4,520)	-	-	(300)	1,613
Core Services	(4,957)	(1,588)	793	(15)	-	(5,767)
Corporate Services	32,000	3,827	(20,005)	(18,749)	(7,800)	(10,727)
Exceptional Item – COVID 19	(26,036)	26,885	-	-	-	849
Net Cost of Services	254,728	(83,776)	(28,544)	(24,099)	(8,100)	110,209
Other Operating Income & Expenditure	-	-	-	-	468	468
Financing & Investment Income & Expenditure	-	-	41,319	-	-	41,319
Taxation & Non-Specific Grant Income	-	-	(12,775)	-	(178,955)	(191,730)
(Surplus) / Deficit on Provision of Services	254,728	(83,776)	-	(24,099)	(186,587)	(39,734)
Items Presented Within the Movement in Reserves Statement (Note 1G)	-	-	-	17,906	2,109	20,015
FINAL NET EXPENDITURE	254,728	(83,776)	-	(6,193)	(184,478)	(19,719)

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Adjustments From Management Accounts to Financial Reporting Format – Explanatory Notes

Note 1A: Management Accounts as Per Final Accounts Report

This column represents the net revenue expenditure (management accounts) of the Council's Directorates, as reported to Cabinet throughout the financial year.

Note 1B: Presentational Adjustments from Management Accounts to Financial Accounts

This column represents the presentational adjustments from the management accounts to align to the financial statements. Such adjustments include the treatment and presentation of reserves and earmarkings, separate reporting of exceptional items and to reflect differences in reporting for specific corporate items, e.g. COVID 19.

Note 1C: Items Not Included in Net Cost of Services

Adjustments for items that are not deemed, as per the Accounting Code of Practice, as service specific income and expenditure but which represent other corporate items:

- **Other Operating Income & Expenditure** – generally relates to precepts / levies that are accounted for within service budgets from a management accounts perspective but a corporate cost as per the financial reporting requirements;

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- **Financing & Investment Income & Expenditure** – generally relates to corporate income and expenditure such as interest payments servicing the Council’s debt and interest receivable from its financial investments and dividends from its interests in companies. Also included within this are the external element of services that are accounted for as trading undertakings;
- **Taxation & Non-Specific Grant Income & Expenditure** – relates to non-specific grant received and accounted for within service budgets from a management accounts perspective.

Note 1D: Items Not Included Within The CI&ES

Adjustments that, under the Accounting Code of Practice, are not reported from a financial reporting point of view within the Comprehensive Income & Expenditure Statement but as a movement in reserves:

- These adjustments generally relate to capital items such as the statutory charges for capital financing i.e. Minimum Revenue Provision and capital funded by revenue / reserves and the statutory accounting for the treatment of the Council’s DSG Deficit. Also included is the accounting recognition of the element of the pension deficit payment and the adjustment in relation to financial instruments.

Note 1E: Corporate Funding / Expenditure

This column brings in the Council’s corporate, non-specific funding for the year together with other corporate items of expenditure:

- **Other Operating Income & Expenditure** – generally relates to the precept payments collected by the Council and paid over to the parish councils;
- **Taxation & Non-Specific Grant Income & Expenditure** – relates to the non-specific income that the Council receives in year to fund its net expenditure, including Revenue Support Grant (RSG), Council Tax, Business Rates and S31 Grants.

Note 1F: Net Expenditure Chargeable to the General Fund and HRA Balances

This column shows the Council’s financial position in terms of its in-year movement in general fund and housing revenue account reserve positions. These can be seen in terms of both types of reserves in [Note 4](#).

Note 1G: Items Presented Within The Movement in Reserves Statement

The items captured within this row are such items that, in accordance with the Code of Practice, are not to be included within the Comprehensive Income & Expenditure Statement (Accounting Basis) but are chargeable to the General Fund Balance under statutory provisions. These are duly deducted or added to the General Fund Balance via the Movement in Reserves Statement (Funding Basis). This row therefore purely represents presentational adjustments to allow reconciliation between the accounting basis and funding basis.

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Note 2 - Adjustments between Funding and Accounting Basis per Directorate

Description:	This note provides an analysis of the adjustments between the accounting basis as stipulated by the Code of Practice and the funding basis as stipulated by Legislation, per directorate. The respective adjustments are outlined in the explanatory notes in the pages overleaf.
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Adjustments from General Fund / HRA to Arrive at the Comprehensive Income and Expenditure Statement Amounts	2022/23			
	Adjustments for Capital Purposes (Note 2A)	Net Change for the Pensions Adjustments (Note 2B)	Other Differences (Note 2C)	Total Adjustments
	£000s	£000s	£000s	£000s
Children Services	5,659	9,196	677	15,532
Growth & Sustainability	53,722	4,317	13	58,052
Housing Revenue Account	22,376	-	-	22,376
Place Health & Adult social care	5,262	1,454	(124)	6,592
Public Health & Communities	759	1,861	91	2,711
Core Services	3,594	2,787	(40)	6,341
Corporate Services	-	15	(6)	9
Net Cost of Services	91,372	19,631	611	111,614
Other Operating Income & Expenditure	(1,554)	-	-	(1,551)
Financing & Investment Income & Expenditure	-	9,099	-	9,099
Taxation & Non Specific Grant Income	(50,466)	-	(1,116)	(51,582)
Difference Between General Fund /HRA Surplus or Deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	39,355	28,730	(505)	67,577
Items resented Within the Movement in Reserves Statement	(23,803)	(781)	(585)	(25,169)
TOTAL NET EXPENDITURE	15,552	27,949	(1,090)	42,411

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Adjustments from General Fund / HRA to Arrive at the Comprehensive Income and Expenditure Statement Amounts	2021/22			
	Adjustments for Capital Purposes (Note 2A)	Net Change for the Pensions Adjustments (Note 2B)	Other Differences (Note 2C)	Total Adjustments
	£000s	£000s	£000s	£000s
Children's Services	5,581	8,954	53	14,588
Place	126,155	4,000	13	130,168
Housing Revenue Account	23,421	-	-	23,421
Adults & Communities	3,672	2,246	44	5,962
Public Health	-	858	(1)	857
Core Services	3,272	2,918	(42)	6,148
Corporate Services	-	199	(1)	198
Net Cost of Services	162,101	19,175	66	181,342
Other Operating Income & Expenditure	4,299	-	-	4,299
Financing & Investment Income & Expenditure	-	9,499	-	9,499
Taxation & Non Specific Grant Income	(46,170)	-	(7,400)	(53,570)
Difference Between General Fund /HRA Surplus or Deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	120,230	28,674	(7,334)	141,570
Items Presented Within The Movement in Reserves Statement	(24,839)	(781)	5,605	(20,015)
TOTAL NET EXPENDITURE	95,391	27,893	(1,729)	121,555

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Adjustments between Funding and Accounting Basis per Directorate – Explanatory Notes

Note 2A: Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:

- **Other Operating Income & Expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Taxation & Non-Specific Grant Income & Expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- **Items Presented Within The Movement in Reserves Statement** – generally relate to capital items such as the statutory charges for capital financing i.e. Minimum Revenue Provision and capital funded by revenue / reserves.

Note 2B: Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

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- For **Net Cost of Services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs. The change also includes the recognition of the pension deficit payment, relating to the year.
- For **Financing & Investment Income & Expenditure** – the net interest on the defined benefit liability is charged to the CIES.
- For **Items Presented Within The Movement in Reserves Statement** – the pension deficit element recognised against the general fund.

Note 2C: Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Financing & Investment Income & Expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation & Non-Specific Grant Income & Expenditure** represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in The Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
- For **Items Presented Within The Movement in Reserves Statement** – these adjustments relate to the entries relating to the financial instrument adjustment account and the Council's DSG deficit.

STATEMENT OF ACCOUNTS 2022/23

NOTES PRIMARILY RELATING TO THE MOVEMENT IN RESERVES STATEMENT

Note 3 – Adjustments Between Accounting Basis and Funding Basis Under Regulations	
Description:	This note details the adjustments that are made to the Comprehensive Income and Expenditure Statement, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against:

General Fund Balances

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available to be applied to fund HRA Services.

There are two types of General Fund balances as detailed below:

- Non-Specific Reserves – these reserves are general in nature and are not earmarked for a specific use in the future. Included within this balance are the Minimum Working Balance which is retained for unforeseen circumstances and Strategic Reserves that are held with consideration towards the Council's Medium Term Financial Strategy; and
- Earmarked Reserves – these reserves have a specific use on a particular activity / scheme.

[Note 4](#) identifies the movement between the two types of General Fund Reserves.

Housing Revenue Account (HRA) Balances

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part IV of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or, where in deficit, that is required to be recovered from tenants in future years.

The services provided by the HRA include; Council house management, rent collection, letting, tenant participation, repairs and maintenance, estate management, caretaking and other tenant related services.

Useable Capital Receipts Reserve

The Useable Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at year end.

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls the application of the notional Major Repairs Allowance (MRA). The MRA is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the notional MRA that has yet to be applied at year end.

Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

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Note 3

	Useable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Movement in Unusable Reserves
2022/23 Adjustments	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments to Revenue Resources						
Amounts by which Income and Expenditure Included in the Comprehensive Income and Expenditure Statement are different from Revenue for the Year Calculated in Accordance with Statutory Requirements:						
Pensions Costs <i>(Transferred to (or from) the Pensions Reserve)</i>	27,949	-	-	-	-	(27,949)
Financial Instruments <i>(Transferred to the Financial Instruments Adjustments Account)</i>	(547)	(38)	-	-	-	585
Dedicated Schools Grant Deficit <i>(Transfers to or from DSG Adjustment Account)</i>	-	-	-	-	-	-
Council Tax and NDR <i>(Transfers to or from Collection Fund Adjustment Account)</i>	(1,116)	-	-	-	-	1,116
Holiday Pay <i>(Transferred to the Accumulated Absences Reserve)</i>	611	-	-	-	-	(611)
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure <i>(These Items are Charged to the Capital Adjustment Account)</i>	69,484	29,159	-	18,352	-	(116,995)
Sub Total – Adjustments to Revenue Resources	96,381	29,121	-	18,352	-	(143,854)
Adjustments Between Revenue and Capital Resources						
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(8,983)	-	8,983	-	-	-
Administrative Costs of Non-Current Asset Disposals <i>(Funded by a Contribution from the Capital Receipts Reserve)</i>	160	-	(160)	-	-	-
Payments to the Government Housing Receipts Pool <i>(Funded by a Transfer from the Capital Receipts Reserve)</i>	-	-	-	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(6,034)	-	6,034	-	-
Statutory Provision for the Repayment of Debt <i>(Transfer from the Capital Adjustment Account)</i>	(7,552)	-	-	-	-	7,552
Capital Expenditure Financed from Revenue Balances <i>(Transfer to the Capital Adjustment Account)</i>	(7,172)	(3,045)	-	-	-	10,217
Sub Total – Adjustments Between Revenue & Capital Resources	(23,547)	(9,079)	8,823	6,034	-	17,769
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to Finance Capital Expenditure	-	-	(5,814)	-	-	5,814
Use of the Major Repairs Reserve to Finance Capital Expenditure	-	-	-	(18,117)	-	18,117
Application of Capital Grants to Finance Capital Expenditure / Write Down Debt	(42,416)	-	-	-	(5,954)	48,370
Capital Grants Recognised, Not Yet Applied	(8,054)	-	-	-	8,054	-
Use of Resources to Write Down Debt	-	-	-	-	-	-
Receipts Received Relating to Loans/Investments Repaid in Year, Originally Funded From Capital Resources	-	-	-	-	-	-
Cash Payments in Relation to Deferred Capital Receipts	-	-	-	-	-	-
Sub Total – Adjustments to Capital Resources	(50,470)	-	(5,815)	(18,118)	2,100	72,301
Total Adjustments	22,364	20,042	3,009	6,269	2,100	(53,784)
	<u>MIRS / EFA</u>	<u>MIRS / EFA</u>	<u>MIRS</u>	<u>MIRS</u>	<u>MIRS</u>	<u>MIRS</u>

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Note 3

	Useable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Movement in Unusable Reserves
2021/22 Adjustments	£000s	£000s	£000s	£000s	£000s	£000s
Adjustments to Revenue Resources						
Amounts by which Income and Expenditure Included in the Comprehensive Income and Expenditure Statement are Different from Revenue for the Year Calculated in Accordance with Statutory Requirements:						
Pensions Costs <i>(Transferred to (or from) the Pensions Reserve)</i>	27,893	-	-	-	-	(27,893)
Financial Instruments <i>(Transferred to the Financial Instruments Adjustments Account)</i>	(546)	(38)	-	-	-	584
Dedicated Schools Grant Deficit <i>(Transfers to or from DSG Adjustment Account)</i>	6,189	-	-	-	-	(6,189)
Council Tax and NDR <i>(Transfers to or from Collection Fund Adjustment Account)</i>	(7,400)	-	-	-	-	7,400
Holiday Pay <i>(Transferred to the Accumulated Absences Reserve)</i>	66	-	-	-	-	(66)
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure <i>(These Items are Charged to the Capital Adjustment Account)</i>	146,796	31,150	-	16,580	-	(194,526)
Sub Total – Adjustments to Revenue Resources	172,998	31,112	-	16,580	-	(220,690)
Adjustments Between Revenue and Capital Resources						
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(8,860)	(4,584)	13,444	-	-	-
Administrative Costs of Non-Current Asset Disposals <i>(Funded by a Contribution from the Capital Receipts Reserve)</i>	238	-	(238)	-	-	-
Payments to the Government Housing Receipts Pool <i>(Funded by a Transfer from the Capital Receipts Reserve)</i>	1,666	-	(1,666)	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(3,690)	-	3,690	-	-
Statutory Provision for the Repayment of Debt <i>(Transfer from the Capital Adjustment Account)</i>	(7,165)	-	-	-	-	7,165
Capital Expenditure Financed from Revenue Balances <i>(Transfer to the Capital Adjustment Account)</i>	(10,272)	(3,716)	-	-	-	13,988
Sub Total – Adjustments Between Revenue & Capital Resources	(24,393)	(11,990)	11,540	3,690	-	21,153
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to Finance Capital Expenditure	-	-	(1,910)	-	-	1,910
Use of the Major Repairs Reserve to Finance Capital Expenditure	-	-	-	(21,165)	-	21,165
Application of Capital Grants to Finance Capital Expenditure / Write Down Debt	(36,124)	-	-	-	(1,535)	37,659
Capital Grants Recognised, Not Yet Applied	(10,046)	-	-	-	10,046	-
Use of Resources to Write Down Debt	-	-	(1,704)	-	-	1,704
Receipts Received Relating to Loans/Investments Repaid in Year, Originally Funded From Capital Resources	-	-	80	-	-	(80)
Cash Payments in Relation to Deferred Capital Receipts	-	-	1	-	-	(1)
Sub Total – Adjustments to Capital Resources	(46,170)	-	(3,533)	(21,165)	8,511	62,357
Total Adjustments	102,435	19,122	8,007	(895)	8,511	(137,180)
	MIRS / EFA	MIRS / EFA	MIRS	MIRS	MIRS	MIRS

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Note 4 – General Fund and Housing Revenue Account Reserves	
Description:	This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans.
Relevant Accounting Policies:	Accounting Policy 26

	Balance at 31 st March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 st March 2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31 st March 2023
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
General Fund :							
<u>Service Earmarked Reserves :</u>							
<u>Children’s Directorate:</u>							
School Balances	5,267	(5,267)	4,844	4,844	(4,844)	3,637	3,637
Centrally Retained DSG Budgets	-	-	-	-	-	5,301	5,301
Future Demography / Social Care Pressures	16,000	-	4,000	20,000	(10,000)	-	10,000
Other Children’s Directorate Earmarkings	942	(881)	975	1,036	(783)	1,602	1,855
<u>Growth & Sustainability Directorate:</u>							
Adult Learning - Grants	1,167	(95)	-	1,072	(797)	1,004	1,279
Other Growth & Sustainability Directorate Earmarkings	2,947	(857)	2,193	4,283	(2,652)	914	2,545
<u>Place Health and Adult Social Care Directorate:</u>							
CCG Funding	-	-	7,870	7,870	(5,318)	2,542	5,094
Other Place Health and Adults SC Directorate Earmarkings	16,126	(11,647)	5,077	9,556	(3,872)	3,492	9,176
<u>Public Health and Communities Directorate:</u>							
Public Health Earmarking’s	1,454	(602)	1,504	2,356	(79)	-	2,277
Area Council Funding	1,127	-	-	1,127	(300)	-	827
<u>Core Services Directorate:</u>							
PFI / BSF Programme	7,279	(42)	1,154	8,391	(2,451)	-	5,940
Other Core Services Directorate Earmarkings	5,439	(236)	2,508	7,711	570	(1,475)	6,806
<u>Corporate Earmarked Reserves:</u>							
<u>Capital Programme Earmarkings:</u>							
Future Council Priorities	52,471	(10,469)	34,141	76,143	(17,140)	17,431	76,434
<u>Corporate Earmarkings</u>							
Revenue Investments – 20/21 Budgets	4,581	(2,116)	-	2,465	(1,565)	-	900
Future Council – Downsizing Costs / KLOE Mitigation	6,906	(1,168)	4,262	10,000	-	-	10,000
Insurance Fund Reserve	6,149	-	49	6,198	-	-	6,198
Invest to Grow	526	(77)	-	449	(207)	-	242
Commercial Fund	648	(94)	-	554	(486)	-	68
MRP Future Years	7,636	-	3,071	10,707	-	6,625	17,332
MTFS 22/23 & 23/24 Mitigation	-	-	5,700	5,700	(14,397)	27,211	18,514
COVID 19 - Recovery Strategy	1,909	(956)	-	953	(132)	5,719	6,540
S31 Grant for Business Rates Relief	31,156	(31,156)	11,388	11,388	(6,087)	-	5,301
Other Corporate Earmarkings	5,572	(3,424)	2,181	4,329	(991)	66	3,404
Sub Total – G/F Earmarked Reserves	175,302	(69,087)	90,917	197,132	(71,531)	74,069	199,670

STATEMENT OF ACCOUNTS 2022/23

Non-Earmarked Reserves:						
Minimum Working Balances (Contingency for Unforeseen Events)	20,000	-	-	20,000	-	-
In Year Surplus / (Deficit)	-	-	-	-	-	-
Sub Total – G/F Non-Earmarked Reserves	20,000	-	-	20,000	-	-
Total – General Fund Reserves	195,302	(69,087)	90,917	217,132	(71,531)	74,069
Total General Fund Movement		21,830			2,538	-

* The DSG Adjustment account was a new requirement for 2020/21. The [Movement in Reserves Statement](#) shows the adjustment to the opening balances, in accordance with SI The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations) as amended.

	Balance at 31 st March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 st March 2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31 st March 2023
Housing Revenue Account:	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Earmarked Reserves:							
Housing Growth	17,656	(2,461)	3,362	19,027	(3,045)	-	15,982
Welfare Reform	2,000	-	-	2,000	-	-	2,000
New Build Bungalows	354	(354)	-	-	-	-	-
Held Pending Review of 30 Year Business Plan	3,143	(3,008)	-	135	-	-	135
COVID 19 Financial Recovery	-	-	-	-	-	-	-
Electrical Testing	396	-	-	396	-	-	396
Repairs & Maintenance Slippage	273	(273)	-	-	-	-	-
Investment in Council HRA System	100	-	-	100	-	-	100
Legal Fees	30	-	-	30	-	-	30
Sub Total – HRA Earmarked Reserves	23,952	(6,096)	3,832	21,688	(3,045)	-	18,643
Non-Earmarked Reserves:							
Minimum Working Balances (Contingency for Unforeseen Events)	7,000	-	-	7,000	-	-	7,000
In Year Surplus	-	-	155	155	(665)	-	(510)
Sub Total – HRA Non-Earmarked Reserves	7,000	-	-	7,155	(665)	-	6,490
Total – HRA Reserves	30,952	(6,096)	3,987	28,843	(3,710)	-	25,133
Total HRA Movement		(865)		Balance Sheet / HRA	(3,710)		Balance Sheet / HRA
		EFA / MIRS			EFA / MIRS		

STATEMENT OF ACCOUNTS 2022/23

Note 5 – Unusable Reserves

Description: This note provides an analysis of the Council's unusable reserves. These reserves cannot be used to reduce Council Tax or Rents and ordinarily represent statutory accounting requirements.

31 st March 2021 £000s	31 st March 2022 £000s		31 st March 2023 £000s
(35,182)	(133,502)	Capital Adjustment Account	(145,918)
497	496	Deferred Capital Receipts Reserve	496
(11,473)	(10,889)	Financial Instruments Adjustment Account	(10,304)
(444,961)	(328,247)	Pensions Reserve	-
(431)	(431)	Financial Instruments Revaluation Reserve	(431)
352,241	442,894	Revaluation Reserve	612,207
(2,482)	(2,548)	Accumulated Absences Account	(3,159)
8,650	16,051	Collection Fund Adjustment Account	17,166
(11,757)	(17,946)	DSG Deficit Adjustment Account	(17,946)
(144,898)	(34,122)	Total Unusable Reserves	452,111

[Balance Sheet](#)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as charges for depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

Where applicable, the Account will contain accumulated gains and losses on Investment Properties and gains on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains.

[Note 3](#) provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

2021/22		2022/23	
£000s		£000s	£000s
-35,182	Balance at 1st April		-133,502
	Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income & Expenditure Statement:		
-167,071	- Charges for Depreciation & Impairment of Non-Current Assets	-100,259	
-267	- Amortisation of Intangible Assets	-244	
-11,346	- Revenue Expenditure Funded From Capital Under Statute	-9,220	
-15,842	- Amounts of Non-Current Assets Written Off on Disposal or Sale as Part of Gain / Loss on Disposal to the Comprehensive Income & Expenditure Statement	-7,271	
-194,526			-116,995
12,697	Adjusting Amount Written Out to the Revaluation Reserve		14,510
-181,829	Net Written Out Amount of the Cost of Non-Current Assets Consumed in Year		-102,484
	Capital Financing Applied in Year:		
1,910	- Use of the Capital Receipts Reserve to Finance New Expenditure	5,815	
1,703	- Use of the Capital Receipts Reserve to Write Down Debt Requirement	108	
36,123	- Capital Grants & Contributions Credited to the Comprehensive Income & Expenditure Statement That Have Been Applied to Capital Financing / Write Down Debt	48,366	
21,166	- Use of Major Repairs Reserve to Finance New Capital Expenditure	18,118	
1,535	- Application of Grants to Capital Financing From Capital Grants Unapplied Account	-	
7,165	- Statutory Provision for the Financing of Capital Investment Charged Against the General Fund & HRA Balances	7,552	
13,987	- Capital Expenditure Charged Against the General Fund & HRA Balances	10,217	
83,589			90,176

STATEMENT OF ACCOUNTS 2022/23

-	Movement in the Market Value of Investment Properties Debited / Credited to the Comprehensive Income & Expenditure Statement		
-80	Receipts Received Relating to Loans, Advances & Investments Made By The Council, Originally Funded From Capital Resources, Thus Reducing The Ongoing Requirement to Borrow	-108	
-80			-108
-133,502	Balance at 31st March		-145,918

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are received. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2021/22		2022/23
£000s		£000s
497	Balance at 1st April	496
-	Transfer of Deferred Sale Proceeds Credited as Part of the Gain / Loss on Disposal to the Comprehensive Income & Expenditure Statement	-
(1)	Transfer to the Capital Receipts Reserve Upon Receipt of Cash	-
496	Balance at 31st March	496

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Tax. The balance on the Account as at 31st March 2020 will be charged to the General Fund over the next 37 years.

2021/22		2022/23	
£000s		£000s	£000s
(11,473)	Balance at 1st April		(10,889)
-	Premiums Incurred in the Year & Charged to the Comprehensive Income & Expenditure Statement	-	
584	Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance With Statutory Requirements	585	
584	Amount by Which Finance Costs Charged to the Comprehensive Income & Expenditure Statement are Different from Finance Costs Chargeable in the Year in Accordance with Statutory Requirements		585
(10,889)	Balance at 31st March		(10,304)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service. The liabilities recognised are updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed, as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension's Reserve therefore shows a substantial shortfall in benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

STATEMENT OF ACCOUNTS 2022/23

2021/22 £000s		2022/23 £000s	
(444,961)	Balance at 1st April	(328,247)	
144,607	Actuarial Gains or (Losses) on Pensions Assets & Liabilities	356,197	CI&ES
(47,612)	Reversal of Items Relating to Retirement Benefits Debited or Credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	(48,844)	
19,720	Employer's Pensions Contributions	20,894	
(328,247)	Balance at 31st March	-	

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income and expenditure. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost; and
- disposed of and the gains are realised.

2021/22 £000s		2022/23	
(431)	Balance at 1st April	£000s	£000s
-	Upward Revaluation of Investments	-	
-	Downward Revaluation of Investments	-	
-	Change in Impairment Loss Allowance	-	
-			-
-	Accumulated Gains or Losses on Assets Sold and Maturing Assets Written Out to the Comprehensive Income & Expenditure Statement as Part of Other Investment Income	-	
-	Accumulated Gains or Losses on Assets Sold and Maturing Assets Written Out to the General Fund Balance for Financial Assets Designated to Fair Value Through Other Comprehensive Income	-	
-			-
(431)	Balance at 31st March		(431)

STATEMENT OF ACCOUNTS 2022/23

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation or;
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22		2022/23	
£000s		£000s	£000s
352,241	Balance at 1st April		442,894
113,225	Upward Revaluation of Assets	193,340	
(5,649)	Downward Revaluation of Assets & Impairment Losses Not Charged to the Surplus / Deficit on the Provision of Services	(8,673)	
(4,226)	Reversal Of Revaluation Loss (Net of Depreciation)	(842)	
103,350	Surplus or Deficit on Revaluation of Non-Current Assets Not Posted to The Surplus or Deficit on the Provision of Services		183,825
(8,520)	Difference Between Fair Value Depreciation & Historical Cost Depreciation	(10,831)	
-	Revaluation Reserve Balances of Investment Properties Written Out on Transfer of Asset Category		
(4,177)	Accumulated Gains on Assets Sold or Scrapped	(3,681)	
(12,697)	Amount Written Off to the Capital Adjustment Account		(14,512)
442,894	Balance at 31st March		612,207

[CI&ES](#)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31st March 2022. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfer to or from the Account.

2021/22		2022/23	
£000s		£000s	£000s
(2,482)	Balance at 1st April		(2,548)
2,428	Settlement or Cancellation of Accrual Made at the End of the Preceding Year	2,548	
(2,548)	Amounts Accrued at the End of the Current Year	(3,159)	
(66)	Amount By Which Officer Remuneration Charged to the Comprehensive Income & Expenditure Statement on an Accruals Basis is Different from Remuneration Chargeable in the Year in Accordance With Statutory Requirements		(611)
(2,548)	Balance at 31st March		(3,159)

STATEMENT OF ACCOUNTS 2022/23

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement, as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2021/22		2022/23
£000s		£000s
8,650	Balance at 1st April	16,051
7,401	Amount by which council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	1,115
16,051	Balance at 31st March	17,166

[Collection Fund](#)

Dedicated Schools Grant Deficit Adjustment Account

The Dedicated Schools Grant Deficit Adjustment Account is a statutory account where the Council must hold its DSG schools deficit, in accordance with amended statutory instrument, The Local Authorities (Capital Finance and Accounting) Regulations 2003, as amended.

2021/22		2022/23
£000s		£000s
(11,757)	Balance at 1st April	(17,946)
(6,189)	Deficit Charged in Year	-
(17,946)	Balance at 31st March	(17,946)

STATEMENT OF ACCOUNTS 2022/23
NOTES PRIMARILY RELATING TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

Note 6 – Expenditure & Income Analysed By Nature

Description:	This note shows the Surplus or Deficit on the Provision of Services within the CI&ES on both a subjective and segmental basis.
Relevant Accounting Policies:	Accounting Policy 2

The Council's expenditure and income is analysed as follows:

Expenditure / Income	2021/22	2022/23
	£000s	£000s
Expenditure:		
Employee Benefits Expenses	193,850	206,459
Other Services Expenses	345,532	394,254
Support Service Recharges	-	-
Depreciation, Amortisation, Impairment *	178,687	109,724
Interest Payments	52,652	51,694
Precepts & Levies	468	479
Payments to Housing Capital Receipts Pool	1,666	-
Write Out NBV Relating to the Disposal of Assets	15,841	7,272
Total Expenditure	788,696	769,882
Income:		
Fees, Charges & Other Service Income	(143,033)	(176,231)
Interest & Investment Income	(1,086)	(3,151)
Income From Council Tax & Non-Domestic Rates	(129,599)	(137,087)
Government Grants & Contributions	(399,934)	(401,012)
Sale Proceeds Relating to the Disposal of Assets	(13,208)	(8,823)
Total Income	(686,860)	(726,304)
Surplus or Deficit on the Provision of Services	101,836	43,578

[CI&ES](#)

[CI&ES](#)

[Note 15](#)

Segmental Expenditure & Income

The table above has been analysed between reporting segments of the Council (e.g Directorates) and the non-directorate specific entries which predominately relates to the adjustments of a corporate nature, not included within the Net Cost of Services.

TOTAL EXPENDITURE	2022/23							
	Employee Benefits Expenses	Other Services Expenses	Depreciation, Amortisation Impairment	Interest Payments	Precepts & Levies	Payments to Housing Capital Receipts Pool	Write Out NBV Relating to the Disposal of Assets	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Children Services	87,370	85,554	5,655	-	-	-	-	178,579
Growth & Sustainability	46,468	86,263	53,726	-	-	-	-	186,457
HRA	345	42,467	40,728	10,000	-	-	-	93,540
Place Health & Adult social care	15,323	77,082	5,262	-	-	-	-	97,667
Public Health & Communities	19,527	16,854	759	-	-	-	-	37,140
Core Services	31,730	72,668	3,594	-	-	-	-	107,992
Corporate Services	5,696	8,971	-	32,595	-	-	-	47,262
Exceptional Item – HSG	-	4,395	-	-	-	-	-	4,395
Non Directorate	-	-	-	9,099	479	-	7,272	16,850
Total	206,459	394,254	109,724	51,694	479	-	7,272	769,882

STATEMENT OF ACCOUNTS 2022/23

TOTAL INCOME	2022/23					TOTAL
	Fees, Charges & Other Service Income	Interest & Investment Income	Income From Council Tax & Non-Domestic Rates	Government Grants & Contributions	Sale Proceeds Relating to the Disposal of Assets	
	£000s	£000s	£000s	£000s	£000s	£000s
Children Services	(1,341)	-	-	(114,466)	-	(115,807)
Growth & Sustainability	(55,022)	(113)	-	(19,262)	-	(74,397)
HRA	(75,538)	(466)	-	(567)	-	(76,571)
Place Health & Adult social care	(15,842)	-	-	(30,453)	-	(46,295)
Public Health & Communities	(1,525)	-	-	(21,622)	-	(23,147)
Core Services	(22,543)	(532)	-	(78,447)	-	(101,522)
Corporate Services	(4,421)	(2,040)	2,401	(8,036)	-	(12,096)
Exceptional Item – COVID 19	-	-	-	(4,652)	-	(4,652)
Non Directorate	-	-	(139,487)	(123,507)	(8,823)	(271,817)
Total	(176,232)	(3,151)	(137,086)	(401,012)	(8,823)	(726,303)

TOTAL EXPENDITURE (Prior Year Comparator)	2021/22							TOTAL
	Employee Benefits Expenses	Other Services Expenses	Depreciation, Amortisation, Impairment	Interest Payments	Precepts & Levies	Payments to Housing Capital Receipts Pool	Write Out NBV Relating to the Disposal of Assets	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Children's Services	78,926	75,404	5,581	-	-	-	-	159,911
Place	41,892	45,606	126,161	-	-	-	-	213,659
HRA	345	40,974	40,001	10,267	-	-	-	91,587
Adults & Communities	23,709	77,479	3,672	-	-	-	-	104,860
Public Health	8,539	2,874	-	-	-	-	-	11,413
Core Services	31,688	67,483	3,272	-	-	-	-	102,443
Corporate Services	8,751	11,646	-	32,886	-	-	-	53,283
Exceptional Item – COVID 19	-	24,066	-	-	-	-	-	24,066
Non Directorate	-	-	-	9,499	468	1,666	15,841	27,474
Total	193,850	345,532	178,687	52,652	468	1,666	15,841	788,696

TOTAL INCOME (Prior Year Comparator)	2021/22					TOTAL
	Fees, Charges & Other Service Income	Interest & Investment Income	Income From Council Tax & Non-Domestic Rates	Government Grants & Contributions	Sale Proceeds Relating to the Disposal of Assets	
	£000s	£000s	£000s	£000s	£000s	£000s
Children's Services	(1,578)	-	-	(96,739)	-	(98,317)
Place	(23,128)	(52)	-	(16,183)	-	(39,363)
HRA	(72,817)	(30)	-	(654)	-	(73,501)
Adults & Communities	(16,821)	-	-	(34,302)	-	(51,123)
Public Health	(378)	-	-	(8,265)	-	(8,643)
Core Services	(22,500)	(848)	-	(79,507)	-	(102,855)
Corporate Services	(5,811)	(156)	7,284	(37,325)	-	(36,008)
Exceptional Item – COVID 19	-	-	-	(23,217)	-	(23,217)
Non Directorate	-	-	(136,883)	(103,742)	(13,208)	(253,833)
Total	(143,033)	(1,086)	(129,599)	(399,934)	(13,208)	(686,860)

STATEMENT OF ACCOUNTS 2022/23

Note 7 – Revenue From Contracts With Service Recipients

Description:	This note shows the level of revenue received by the Council from its contractual arrangements.
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Amounts included in the Comprehensive Income & Expenditure Statement for contracts with service recipients are as follows:

2021/22 £000s		2022/23 £000s
(127,438)	Revenue From Contracts With Service Recipients	(142,401)
(127,438)	Total Included in Comprehensive Income & Expenditure Statement	(142,401)

There are no amounts included in the Balance Sheet for contracts with service recipients as the material contractual arrangements relate to the specific financial year.

Note 8 – Material Items of Income and Expense & Exceptional Items

Description:	<p>The first part of this note identifies any material items of income or expense that occurred during 2022/23, defined as any material individual transaction to or from a single vendor or customer.</p> <p>The second part of the note identifies any exceptional items which are items of income or expenditure which are material in net terms, in respect of the Council's overall expenditure and are not expected to recur frequently or regularly.</p>
Relevant Accounting Policies:	Accounting Policy 6

Material Items of Income & Expense

The following items are deemed material to the accounts and are explained below:

Household Support Grant

During 2022/23, the Council accessed the Government's Household Support Fund to provide support to low-income households with energy and food costs. Almost £4.7m was paid out to Barnsley residents.

COVID

During 2021/22, the Council incurred significant expenditure as a result of the COVID-19 global pandemic, along with a number of significant grants provided by the Government, to fund such expenditure. There was no significant spend as a result of the pandemic in 2022/23.

These items, which are also classed as exceptional items, are shown on the face of the [Comprehensive Income & Expenditure Statement](#) and explained in further detail below.

Exceptional Items

These exceptional items are exceptional under the definition and had a material net effect on the Council's statements in 2021/22. However, no exceptional items have been identified in 2022/23.

COVID Expenditure and Specific COVID Related Grants

As a result of the COVID-19 pandemic, the Government announced multiple support packages to fund the financial challenges presented to local authorities during the latter part of 2019/20 and both the full 2020/21 and 2021/22 financial years respectively. Where grants were provided for a specific purpose, these are accounted for, in accordance with the Code of Practice, in the Net Cost of Services within the [Comprehensive Income & Expenditure Statement](#), together with the associated expenditure.

The Council incurred COVID related costs totalling £24.2M during 2021/22. No related spend was incurred during 2022/23.

No new specific COVID-19 related grants were received during 2022/23. The Council accounted for specific grants and income totalling £23.217M during 2021/22. This includes other contributions / income that are not accounted for as grants, totalling £0.985M. A breakdown of the grants, totalling £23.232M is provided in [Note 15](#) to these accounts.

STATEMENT OF ACCOUNTS 2022/23

General COVID Related Grants

The Council received no general COVID-19 related grants during 2022/23. The Council accounted for £8.215M during 2021/22. A breakdown of these grants is provided in [Note 15](#) to these accounts. Such grants have no restrictions and are therefore deemed as general grants. These grants were accounted for within the Taxation and Non Specific Grant Income section of the [Comprehensive Income & Expenditure Statement](#).

The Council Acting as an Agent on Behalf of The Government

In addition to the above, where the Council has been deemed to be acting as an agent on behalf of the Government, where the Council facilitates the payments but has no discretion in terms of what the payments should be and who they are to be made to, these payments and associated grant funding are accounted for as non-Council spend and income, in accordance with the Code. The balance of payments / receipts is shown as a creditor / debtor to The Government on the Council's Balance Sheet representing monies owed back to the Government (creditor) or monies owed to the Council (debtor).

The Council recognised a creditor totalling £16.050M and a debtor totalling £1.806M in 2021/22. In 2022/23, no new grants were received and all payments to third parties were made. The table shows the composition of these positions.

As At 31 st March 2022					As At 31 st March 2023			
Payments Made	Grant Received	Net Debtor	Net (Creditor)		Payments Made	Grant Received	Net Debtor	Net (Creditor)
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
-	-	-	-	BEIS Business Support Grant	-	-	-	-
376	(453)	-	(77)	Local Restrictions Grant	77	-	-	-
992	(814)	178	-	Test and Trace Payments	-	(178)	-	-
1,125	(1,295)	-	(170)	Additional Restrictions Grant	170	-	-	-
11,648	(10,020)	1,628	-	Restart Grant	-	(1,628)	-	-
-	(15,803)	-	(15,803)	Council Tax Rebate 22/23	15,803	-	-	-
14,141	(28,385)	1,806	(16,050)	Total	16,050	(1,806)	-	-

School Academy Conversions

Where a maintained school transfers to Academy status, the Council's assets are leased to the respective academy trust. In accounting terms, the academy trust controls these assets; therefore, the transfer is accounted for as a disposal (see arrangements at [Note 25](#)). In 2022/23, no maintained schools transferred to Academy status. The amounts written out of the Council's Balance Sheet in 2021/22 are as follows:

2021/22	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Total
Assets Relating To:	£000s	£000s	£000s
Milefield Primary	2,920	-	2,920
Total	2,920	-	2,920

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These exceptional items are presented within the 'Other Operating Income & Expenditure' section of the [Comprehensive Income & Expenditure Statement](#).

Note 9 – Trading Operations

Description:	This note outlines the Council's trading units which operates in a commercial environment by charging service users or internal customers.
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Details of those units are as follows:

2021/22		<u>Trading Service</u>	2022/23		
£000s	£000s		£000s	£000s	
(1,458)	869	Waste & Recycling	Turnover	(1,528)	(524)
	(589)		Expenditure	1,004	
			(Surplus)/Deficit		
(14,639)	11,001	Engineering Services	Turnover	(15,254)	(3,577)
	(3,638)		Expenditure	11,677	
			(Surplus)/Deficit		
(9,569)	15,236	Building Services	Turnover	(8,113)	7,286
	5,667		Expenditure	15,399	
			(Surplus)/Deficit		
(3,802)	5,637	Fleet Services	Turnover	(3,671)	2,240
	1,835		Expenditure	5,911	
			(Surplus)/Deficit		
(2,933)	3,023	Schools Catering	Turnover	(2,826)	521
	90		Expenditure	3,347	
			(Surplus)/Deficit		
(3,214)	1,770	Cemetery, Crem, Mortuary	Turnover	(3,084)	(1,151)
	(1,444)		Expenditure	1,933	
			(Surplus)/Deficit		
(822)	958	Markets	Turnover	(1,046)	265
	136		Expenditure	1,311	
			(Surplus)/Deficit		
(2,112)	4,220	Neighbourhood Services	Turnover	(2,180)	2,656
	2,108		Expenditure	4,836	
			(Surplus)/Deficit		
(4,793)	5,561	The Consolidated Results of the Other Trading Units	Turnover	(4,095)	698
	768		Expenditure	4,793	
			(Surplus)/Deficit		
(43,342)	48,275	TOTALS	Turnover	(41,797)	
	4,933	Net (Surplus) / Deficit on Trading Operations	Expenditure	50,211	8,414

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. Some are an integral part of the Council's services to the public (e.g. refuse collection), whilst others are support services to those services (e.g. Information Services). The internal expenditure of these operations is allocated or recharged to headings in the Net Cost of Services. Only a residual amount of the net surplus / deficit on trading operations is charged as Financing and Investment Income and Expenditure (see [Comprehensive Income & Expenditure Statement](#)) relating to trading with external organisations:

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2021/22 £000s		2022/23 £000s	
4,933	Net Deficit on Trading Operations	8,498	
2,746	Services to the Public Included in the Net Cost of Services	1,468	
(8,476)	Support Services Reported in the Net Cost of Services	(10,265)	
(797)	Net Deficit / (Surplus) Posted to Financing & Investment Income & Expenditure	(299)	CI&ES

Note 10 – Impairment / Revaluation Losses

Description:	The Comprehensive Income & Expenditure Statement is charged with any revaluation / impairment losses, over and above the balance on the revaluation reserve. These charges are reversed out and have no impact on the Council Tax payer as per statute.
Relevant Accounting Policies:	Accounting Policy 8

During 2022/23, the Council has recognised impairment / revaluation losses of £62.372M (£130.324M in 2021/22) through the Comprehensive Income & Expenditure Statement as shown below:

2021/22 £000s	Asset Categories:	2022/23 £000s
22,724	Charged to Net Cost of Services:	21,519
107,647	Council Dwellings	40,739
(14)	Other Land & Buildings	-
(33)	Surplus Assets	114
130,324	Total Charged to Net Cost of Services	62,372
-	Charged to Financing & Investment Income & Expenditure:	-
-	Investment Properties	-
-	Total Charged to Financing & Investment Income & Expenditure	-
130,324	Total Charged to Comprehensive Income & Expenditure Statement	62,372

Note 11 – Pooled Budgets

Description:	Pooled Budgets are non-entity arrangements where two or more bodies contribute towards achieving a joint set of outcomes. This note describes the arrangements that the Council is party to in respect of pooled budgets.
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Children & Young People Service Aligned Budget Arrangement

The Council has continued with the Children & Young People (CYP) aligned budget arrangement with the former Barnsley Clinical Commissioning Group (1 April to 30 June 2023) and its replacement from July 2023 – Barnsley Place Integrated Care Board (ICB). Barnsley ICB was legally established from July 2023. It is a statutory NHS body responsible for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in a geographical area.

The CYP aligned budget arrangement, which is constituted under Section 75 of the NHS Act, is underpinned by a formal partnership agreement. The aligned budget arrangement has been subsumed within the Children's Trust arrangement and is managed by the Executive Commissioning Group (ECG), which is a sub-body of the Trust Executive Group (TEG). The ECG, on behalf of the TEG, agrees the respective aligned budgets of both organisations and the funding allocations for the provision of integrated social & community health care services.

STATEMENT OF ACCOUNTS 2022/23

2021/22 £000s		People Directorate £000s	Revenue Account £000s	2022/23 £000s
	Value of Aligned Budgets:			
(3,120)	Opening Balance at 1 st April			(3,028)
(34,409)	BCCG / ICB	(3,028)	-	(3,028)
(37,529)	Barnsley MBC	(35,483)	-	(35,483)
	Total	(38,511)	-	(38,511)
	Value of Commissioned Services:			
411	BCCG / ICB	269	-	269
35,422	BMBC	36,448	-	36,448
1,696	SWYPFT*	1,794	-	1,794
4,006	Balance on Revenue Account	-	7,320	7,320
	Total	38,511	7,320	45,831
	Balance as at 31st March	-	7,320	7,320

*SWYPFT – South & West Yorkshire Partnership Foundation Trust.

2021/22 £000s		2022/23 £000s
	Distribution of Over / (Under) Spend:	
(35)	BCCG / ICB	(87)
4,041	Barnsley MBC	7,407
4,006	Total	7,320

Income & Expenditure Account

2021/22 £000s		2022/23 £000s
	Income from Pooled Budget:	
-	Balance Brought Forward	-
37,529	Aligned Budgets	38,511
-	Other Funding	-
37,529	Total	38,511
	Provider Expenditure:	
376	Barnsley CCG	182
39,578	Barnsley MBC (CYP&F / PH)	44,022
1,581	SWYPFT	1,627
41,535	Total	45,831
4,006	Over / (Under) Spend	7,320
-	Ring-Fenced & Carried Forward	-
4,006	NET EXPENDITURE	7,320

Governance Arrangements

The budget alignment arrangement with the ICB does not pose any significant financial risk to the Council as the funding / budget arrangement (with associated risks) is clearly separated and reflects the statutory functions of both organisations. The following explain the current contractual arrangements in respect to health services:

1. BMBC will continue to act as the lead commissioner for all community health services (on behalf of the NHS Barnsley Clinical Commissioning Group (CCG)).
2. Children's community health services are delivered by South West Yorkshire Partnership NHS Foundation Trust (SWYPFT) under contract with clear accountability (in terms of performance and clinical risk) to the ICB for delivering improved outcomes. These health services include Children and Adolescent Mental Health Services (CAMHS), Children's Therapy (including physiotherapy, occupational and speech & language therapies), etc.

The Better Care Fund Pooled Arrangement

The Council and the NHS have been operating a 'pooled' budget arrangement with respect to the Better Care Fund (BCF) since April 2015. The aims of the BCF are to improve outcomes for the population of Barnsley through increased integration of health and social care services. The BCF pooling arrangement is underpinned by a Section 75 agreement between the Council and Integrated Care Board

STATEMENT OF ACCOUNTS 2022/23

(which replaced the Barnsley Clinical Commissioning Group from July 2023). Governance arrangements are in place through the Barnsley Health and Wellbeing Board. The ICB (previously the CCG) is the host organisation of the BCF 'pooled budget' during the 2022/23 financial year.

A summary of the pooled budget is shown below:

2021/22 £000s	<u>BCF Pooled Account</u>	2022/23 £000s
-	Balance as at 1st April	
	Contribution to the BCF Pool:	
(22,844)	Barnsley CCG / ICB	(24,600)
(16,432)	Barnsley MBC	(17,860)
(39,276)	Total	(42,460)
	Value of Commissioned Services:	
10,068	Barnsley CCG / ICB	12,158
29,208	Barnsley MBC	30,302
39,276	Total	42,460
-	Balance as at 31st March	-

Explanation of Above Tables

- **Value of Aligned Budgets** – Represents the resources made available and aligned by both organisations to the arrangement from which services are commissioned.
- **Value of Commissioned Services** – Represents the value of the various services commissioned from the pool / aligned resources. It forms the budget figures against the individual service areas / client groups in the Income and Expenditure Account. This table also brings in any over or under-spends from the Income and Expenditure Account.
- **Balance at 31st March** – Represents the balance of funding across the pool, based on actual expenditure incurred against the resources made available by both organisations.
- **Distribution of Overspend** – Represents the additional contribution required from both organisations in order to fund the over-spend and hence balance the pool.
- **Income and Expenditure Account** – Represents the value of services commissioned from the pool (budget) and the actual costs incurred by the providers in delivering those services, resulting in a net over / underspend across the pool. This net over / underspend is reflected in the Services Commissioned from Pooled Budget table.

South Yorkshire Regional Adoption Agency

The Children's Act 2002 (s3) requires each Council to maintain within its area an adoption service designed to meet the needs of children who may be adopted, their parents, natural parents and former guardians. In June 2015, the Department for Education (DfE) published their plans for 'Regionalising Adoption services' with the expectation for all authorities to be part of a Regional Adoption Agency by 2020.

The South Yorkshire Regional Adoption Agency (SYRAA) was legally established (underpinned by a legal partnership agreement) on 1 January 2021 and consist of the following contributing authorities - Rotherham MBC, Barnsley MBC, Sheffield CC and City of Doncaster Council. The financial model for the SYRAA is based on each Local Authority transferring their operational budget (2020/21 baseline) for Adoption into the SYRAA. The City of Doncaster Council is the Lead Authority and maintain central expenditure incurred in the provision of adoption service by the SYRAA. Subject to the decision by the SYRAA Partnership Board, year-end surpluses or deficits are redistributed across all contributing authorities. This represents the net position or liability for the Council and is included in the CI&ES.

STATEMENT OF ACCOUNTS 2022/23

2021/22 £000s		2022/23 £000s
	Budget contribution from each LA*:	
(825)	Barnsley MBC	(887)
(1,048)	Rotherham MBC	(1,123)
(993)	City of Doncaster Council	(1,063)
(1,375)	Sheffield CC	(1,478)
(4,241)	Total Gross income	(4,551)
	Expenditure:	
3,971	Revenue Expenditure	4,484
3,971	Total Gross Expenditure	4,484
(270)	Over / (Under) Spend	(67)
-	Carry Forward from Previous Year	(270)
-	Use of Balances	20
(270)	Net Balance as at 31 March held by Doncaster Council	(317)

* The budget contribution for each local authority shown above is net of any redistribution of year-end surpluses (or underspends) as agreed by the SYRAA Partnership Board.

Note 12 – Members' Allowances

Description: This note shows the cost to the Council of its elected Members.

The Council paid the following amounts to members of the Council during the year:

2021/22 £000s		2022/23 £000s
744	Basic Allowances	719
267	Special Responsibility Allowances	257
12	Expenses	10
1,023	Total	986

Note 13 – Officers' Remuneration & Exit Packages

Description: This note shows:

- The Senior Executive Officers remuneration;
- An analysis of other Council employees with remuneration of greater than £50k;
- The cost to the Council of exit packages given.

Relevant Accounting Policies:

The table below sets out the remuneration disclosures for Senior Executive Officers of the Council (as defined in Local Authority Accounting Panel Bulletin 85):

Post	2022/23				
	Remuneration £000s	Redundancy / Severance £000s	Expenses / Allowances £000s	Total Direct Remuneration £000s	Pension Contributions * £000s
Sarah Norman - Chief Executive	185	-	-	185	30
Executive Director – Childrens Services A	16	-	-	16	2
Executive Director – Childrens Services B	92	-	-	92	15
Executive Director – Growth & Sustainability C	113	-	-	113	17
Executive Director – Place Health & Care	144	-	-	144	24
Executive Director – Public Health	129	-	-	129	13
Executive Director – Core Services D	116	-	-	116	18
Director of Finance – Chief Financial Officer (S151 Officer)	105	-	-	105	17
	900	-	-	900	136

^ the post holder left the position in Feb 2023

* Pension contributions are paid on behalf of the officer, as opposed to paid directly to the officer.

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Explanatory Notes:

- A** Post holder left their post on 31st May 2022
B Post holder started their post on 21st July 2022
C Post holder started their post on 24st May 2022
D Post holder left the post on 5th February 2023

Post	2021/22				
	Remuneration	Redundancy / Severance	Expenses / Allowances	Total Direct Remuneration	Pension Contributions *
	£000s	£000s	£000s	£000s	£000s
Sarah Norman - Chief Executive	183	-	-	183	30
Executive Director – Childrens Services	131	-	-	131	21
Executive Director – Place A	106	-	-	106	17
Executive Director – Place Health & Care	131	-	-	131	21
Executive Director – Public Health	121	-	-	121	5
Executive Director – Core Services	135	-	-	135	22
Service Director – Finance – Chief Financial Officer (S151 Officer)	99	-	-	99	13
	906	-	-	906	129

* Pension contributions are paid on behalf of the officer, as opposed to paid directly to the officer.

Explanatory Notes:

- A** Post holder left their post on 31st January 2022

The number of other employees whose remuneration, excluding pension contributions, was £50,000 or more, in bands of £5,000, is shown in the table below. The total number of employees falling within the various bands is affected by termination / redundancy payments made to certain employees who left the Council during the year (in accordance with the Authority and Pension Authority's retirement schemes). Senior Officers disclose in the remuneration table above are excluded from below.

Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.)		Remuneration Only		Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.)		Remuneration Only
2021/22 Council Officers Total	2021/22 Schools Total	2021/22 Council Officers Total	Remuneration Band	2022/23 Council Officers Total	2022/23 Schools Total	2022/23 Council Officers Total
49	25	49	£50,000 - £54,999	79	29	77
17	13	16	£55,000 - £59,999	33	21	33
20	9	20	£60,000 - £64,999	17	8	17
14	12	14	£65,000 - £69,999	18	7	18
6	11	7	£70,000 - £74,999	9	9	9
14	3	13	£75,000 - £79,999	10	8	11
10	-	10	£80,000 - £84,999	13	3	13
1	-	1	£85,000 - £89,999	4	1	4
2	-	2	£90,000 - £94,999	-	-	-
7	-	7	£95,000 - £99,999	3	-	2
5	1	5	£100,000 - £104,999	9	-	9
-	-	-	£105,000 - £109,999	1	1	1
1	-	2	£110,000 - £114,999	-	-	-
-	-	-	£115,000 - £119,999	-	-	-
-	-	-	£120,000 - £124,999	-	-	-
-	-	-	£125,000 - £129,999	-	-	-
-	-	-	£130,000 - £134,999	-	-	-
1	-	-	£175,000 - £179,999	-	-	-
147	74	146		196	87	194

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The numbers of exit packages with total cost per band and total cost of the redundancies and other departures are set out in the table below:

Exit Package Cost Band	Number of Redundancies		Number of Other Departures		Total Number of Exit Packages		Total Cost of Exit Packages	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	£000s	£000s
£0 - £20,000	8	36	7	17	15	53	180	472
£20,001 - £40,000	2	7	1	2	3	9	68	245
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	1	0	1	0	66	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
Total Number of Exit Packages	10	43	9	19	19	62		
Total Cost Included In Bandings							314	717
Add: Amounts Provided For in CI&ES Not Included In Bandings							-	-
Total Cost Included In The CI&ES							314	717

The exit packages relating to Senior Officers are not included in the exit packages table above as they are shown in the Senior Officers table.

Note 14 – External Audit Costs

Description: This note shows the cost to the Council of services provided by external audit.

2021/22 £000s		2022/23 £000s
180	Fees Payable for External Audit Services Carried Out by the Appointed Auditor for the Year (Year End Accounts / VfM)	180
-	Additional Fees Payable for External Audit Services Carried Out by the Appointed Auditor for the Year - Agreed by PSAA	-
37	Fees Payable for the Certification of Grant Claims and Returns carried out by the Appointed Auditor for the Year	57
217	Total	237

The Council's appointed external auditor for 2021/22 and 2022/23 was Grant Thornton UK LLP. The above table shows the cost of the audit services in respect of external audit work relating to both financial years. In practice, due to when the work is undertaken by the auditors, these costs can be charged in different financial years to the one in which their work relates.

Note 15 – Grant Income Recognised Through The Comprehensive Income & Expenditure Statement

Description: Grants are recognised through the Comprehensive Income & Expenditure Statement when the specific conditions of the grants are satisfied. This note details these grants in respect of the Council.

Relevant Accounting Policies: [Accounting Policy 12](#)

All specific income relating to grants, contributions and donations that are significant in value are listed individually in the table below:

2021/22 £000s		2022/23 £000s
	Credited to Taxation & Non-Specific Grant Income	
(13,026)	Revenue Support Grant	(13,429)
-	Core Spending Power Services Grant	(3,925)
-	Lower Tier Services Grant	(327)
(32,735)	Business Rates Retention Scheme – Top Up Grant	(32,735)
-	Levy Account Surplus Grant	(477)
(15,555)	Section 31 Grant	(10,240)
(8,215)	COVID 19 – General Grants	-
(39,498)	Capital Grants	(44,726)
(6,672)	Capital Contributions	(5,740)
(115,701)	Total Credited to Taxation & Non-Specific Grant Income	(111,599)
	Credited to Services	
(43,689)	Housing Benefit Subsidy	(42,330)
(88,824)	Dedicated Schools Grant	(103,591)
(32,195)	PFI Grant	(32,195)

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2021/22 £000s		2022/23 £000s
(2,410)	New Homes Bonus	(2,176)
(18,237)	Public Health Grant	(18,381)
(11,776)	Better Care Fund	(12,442)
(13,055)	Improved Better Care Fund	(13,451)
(10,130)	Adult Social Care Support Grant	(13,692)
(23,232)	COVID-19 – Specific Grants (See Table Below)	-
(26,590)	Other Grants	(37,206)
(14,095)	Other Contributions	(13,941)
(284,233)	Total Credited to Services	(289,405)
(399,934)	Total Credited to The Comprehensive Income & Expenditure Statement	(401,004)

2021/22 £000s	<u>COVID Related Grants</u>	2022/23 £000s
	Credited to Taxation & Non-Specific Grant Income	
(7,835)	Local Authority Support Grant	-
-	Taxation Losses Compensation Grant	-
(380)	Fee & Charges Income Losses Compensation Grant	-
(8,215)	Total Credited to Taxation & Non-Specific Grant Income	-
	Credited to Services	
(3,930)	Additional Relief Fund	-
(3,596)	Contain Outbreak Control Management	-
(2,731)	Infection & Prevention Control	-
(2,387)	Workforce Recruitment & Retention	-
(2,351)	DWP Household Support Grant	-
(1,626)	Lateral Testing	-
(1,449)	Test & Trace Payments - Discretionary Element	-
(1,113)	DWP Local Support Grant	-
(1,094)	Outbreak Control	-
(741)	Practical Support	-
(360)	Test & Trace Administration	-
(310)	Omicron Support	-
(309)	ERDF Re-opening High Streets	-
(307)	Add/New Burden Funding	-
(306)	SCR Additional Restrictions Grant – Discretionary Element	-
(286)	ERDF Restart & Recovery Grants	-
(194)	Community Testing	-
(96)	Community Champion	-
(30)	Clinically Extremely Vulnerable	-
(16)	Hardship Fund	-
(23,232)	Total Credited to Services	-
(31,447)	Total Credited to The Comprehensive Income & Expenditure Statement	-

Note 16 – Dedicated Schools Grant (DSG)

Description:	The Dedicated Schools Grant is a grant given to local education authorities from the Department for Education. This note details the level of Dedicated Schools Grant that the Council is in receipt of and how it has been applied or allocated in the year.
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DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools' Budget. The Schools' Budget comprised the element delegated (in the form of budget shares) to maintained schools to meet the provision of education to pupils and the element centrally retained and managed by the Council to meet a range of educational services provided on a Council-wide basis to all schools / sometimes academies. Over and under spends on the two DSG elements are required to be accounted for separately.

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Details of the deployment of DSG funding received by the Council for the year are as follows:

2021/22		2022/23		
Total		Central Expenditure	Individual Schools' Budget (ISB)	Total
£000s		£000s	£000s	£000s
(221,090)	Final DSG for Year Before Academy Recoupment			(233,884)
132,008	Academy Figure Recouped for Year			138,369
(89,082)	Total DSG After Academy Recoupment			(95,515)
142	In Year Adjustments*	(9,227)	(62,718)	(9,227)
(88,940)	Final Budgeted Distribution For Year	(42,024)	(62,718)	(104,742)
33,036	Less: Actual Central Expenditure	36,723	-	36,723
62,093	Less: Actual ISB Deployed To Schools	-	62,718	62,718
-	Plus: Council Contribution For Year	-	-	-
6,189	In Year Carry Forward To Following Year	(5,301)	-	(5,301)
-	Plus/Minus: Carry-forward agreed in advance			-
-	Carry Forward (useable reserve)			(5,301)
17,946	Total of DSG unusable reserve brought forward			17,946
6,189	Addition to DSG unusable reserve			-
17,946	Total of DSG unusable reserve carry forward			17,946
17,946	Net DSG position at the end of March			12,645

*Central Expenditure in-year adjustments includes a £9.160m Safety Valve grant received from the Government in March 2023.

The safety valve programme targets those local authorities with the highest DSG deficits and requires the Council to set out (via the DSG Management Plan) how it will control the DSG deficit (relating to Special Education Needs & Disabilities) and reach an in-year balance. The Council was successful in entering into a Safety Valve Agreement with the DfE in 2022/23. Under this agreement the DfE has committed to meeting the accumulated DSG deficit (held in the DSG unusable reserve). Safety Valve payments would be made in instalments over 5 years and is subject to continued satisfactory progress in delivering the actions to achieve a sustainable SEND system.

Note 17 – Related Parties

Description:	This note explains the relationships that the Council is party to including companies that the Council has an interest in.
Relevant Accounting Policies:	Accounting Policy 15 / Accounting Policy 18

The Council is required to disclose material transactions with related parties which are defined as bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have been able to limit another party's ability to bargain freely with the Council.

The Public Sector

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions with other parties (e.g. Council Tax bills, housing benefits). Grants received from Government Departments are set out in the subjective analysis in [Note 6](#). Grant receipts outstanding at 31st March 2023 are shown in [Note 33](#) and Grants recognised through the Comprehensive Income & Expenditure statement during the year are shown in [Note 15](#).

Local Authorities

All local authorities are subject to common control by Central Government. They often work in partnership with each other to provide services to the public. The Council has several specific relationships / partnerships with different local authorities including where it is a member of a City Region and other joint authorities such as South Yorkshire Fire & Rescue Authority, South Yorkshire Police & Crime Commissioner, and South Yorkshire Pensions Authority.

NHS Bodies

The Council has pooled / aligned budget arrangements with NHS Barnsley Integrated Care Board (ICB), formerly referred to as the Clinical Commissioning Group (CCG), for both the provision of Children Services within Barnsley and the Better Care Fund (BCF). Transactions and balances outstanding specifically related to the pooling arrangements are detailed in [Note 11](#).

STATEMENT OF ACCOUNTS 2022/23

Related Individuals

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2022/23 is shown in [Note 12](#).

During 2022/23, no material works, or services were commissioned from companies with which a Member had an interest.

Senior Officers

Senior Officers within the Council's Senior Management Team (SMT) are responsible for ensuring that policies approved, and decisions made by members are implemented effectively. The remuneration of senior officers is shown in [Note 13](#).

During 2022/23, no senior officers of the Council have declared a material interest in any companies.

Subsidiaries

The Council has interests in a number of wholly owned subsidiaries, details of which are shown below:

Berneslai Homes Ltd

Berneslai Homes Ltd is an Arm's Length Management Organisation responsible for managing homes on behalf of the Council. Specifically, it is responsible for managing all the landlord services for the Council's 17,979 homes including rent collection, arrears recovery, repairs and maintenance, dealing with empty properties and all tenancy matters.

Berneslai Homes Ltd is an independent company committed to working in partnership with the Council and the communities in which it works to deliver high quality housing services to local people. The company came into existence in December 2002 and is a wholly owned subsidiary of the Council but overseen by a Board of Directors rather than a Committee of the Council.

The Council guarantees the full amount of any pension fund deficit of Berneslai Homes. The actuary has assessed a net surplus at £24.352M as at 31st March 2023 (£25.716M deficit as at 31st March 2022).

The Council's [group accounts](#) consolidate Berneslai Homes' financial position into the overall group position.

Berneslai Homes' accounting year is the same as the Council's (April – March).

The latest two sets of Berneslai Homes' financial statements are summarised below:

Profit / Loss Account:	2021/22 £000s	2022/23 £000s
Income	(39,285)	(39,863)
Expenditure	44,665	48,003
(Profit) / Loss	5,380	8,140
Actuarial (Gain) / Loss on Pension Scheme	(18,921)	(54,847)
Total Comprehensive (Income) / Expenditure for the Year	(13,541)	(46,707)

Balance Sheet:	2021/22 £000s	2022/23 £000s
Assets	15,794	13,580
Liabilities	(30,059)	(5,019)
Net Assets	(14,265)	8,561
Retained Surplus / (Deficit)	11,451	8,561
Pension (Deficit) / Surplus	(25,716)	
Net Reserves	(14,265)	8,561

STATEMENT OF ACCOUNTS 2022/23

An analysis of both Berneslai Homes' income and expenditure for the accounting periods above and asset and liability balances at the end of those accounting periods is shown in the table below, specifically showing:

- Of the income and expenditure amounts above, the amounts that relate to the Council; and
- Of the assets and liabilities position above, the amounts that relate to the Council.

<u>Related Party Transactions:</u>	2021/22 £000s	2022/23 £000s
Income	(39,495)	(37,839)
Expenditure	1,022	1,023
Assets	3,290	4,446
Liabilities	(652)	(1,653)

STATEMENT OF ACCOUNTS 2022/23

Joint Ventures

The Council holds shareholdings in several joint ventures but does not hold overall control of those entities. The tables below show the individual entities, their financial performance and the relationship with the Council. The figures represent the latest two sets of accounts lodged with Companies House.

Organisation	Oakwell Community Assets Ltd (OCAL)		Burleigh Court (Barnsley) Management Ltd		Barnsley Estates Partnership Ltd	
Incorporation Date	30 th September 2003		20 th May 1992		23 rd June 2003	
Council Share	50% of the share capital of the company		Ownership of shares – More than 25% but not more than 50%		10% of the share capital of the company	
Nature of the Activities	The purchase of land and buildings at Oakwell which are subsequently leased to Barnsley Football Club 2002 Ltd		Residents' property management		To provide management services to its subsidiaries, Barnsley Community Solutions Limited (Tranches 1, 2 and 3)	
Financials (P&L):	2020/21	2021/22	2020	2021	2020	2021
Income	(150)	(150)	(4)	(1)	(1,204)	(1,700)
Expenditure	34	65	4	1	1,082	1,704
(Profit) / Loss	(116)	(85)	0	0	(122)	4
Financials (Bal. Sheet):	2020/21	2021/22	2020	2021	2020	2021
Assets	5,509	5,659	64	64	5,386	5,205
Liabilities	(1,074)	(1,140)	(64)	(64)	(5,023)	(4,846)
Net Assets	4,435	4,519	-	-	363	359
Reserves	4,435	4,519	-	-	363	359
Total Reserves	4,435	4,519	-	-	363	359

Organisation	Barnsley Local Education Partnership Ltd		Modern Schools Barnsley		BDR (Property) Limited		Municipal Bonds Agency	
Incorporation Date	11 th March 2009		14 th October 2004		3 rd May 1998		3 rd June 2014	
Council Share	10% of the share capital of the company		Has significant influence on the company		6.66% of the share capital of the company		£0.010M shareholding	
Nature of the Activities	The construction and operations of 3 schools in the Barnsley area and ICT services on 11 schools		Finance, design, develop, construct and then maintain and part operate thirteen schools		Management of the joint Waste disposal at Manvers		To provide the Local Government bodies an alternative for borrowing	
Financials (P&L):	2021	2022	2021	2022	2020	2021	2020	2021
Income	(3,404)	(4,166)	(7,965)	(6,127)	(2,004)	(887)	(207)	(340)
Expenditure	3,386	4,182	7,319	4,882	677	216	809	774
(Profit) / Loss	(18)	16	(646)	(1,245)	(1,327)	(671)	602	434
Financials (Bal. Sheet):	2021	2022	2021	2022	2020	2021	2020	2021
Assets	4,596	4,820	23,752	21,517	1,892	732	781	152
Liabilities	(4,125)	(4,365)	(26,461)	(22,981)	(1,224)	(1,167)	(1,500)	(1,305)
Net Assets	471	455	(2,709)	(1,464)	668	(435)	(719)	(1,153)
Reserves	471	455	(2,709)	(1,464)	668	(435)	(719)	(1,153)
Total Reserves	471	455	(2,709)	(1,464)	668	(435)	(719)	(1,153)

STATEMENT OF ACCOUNTS 2022/23

Arrangements where the Council is a Trustee

Barnsley Business and Innovation Centre Limited

The company began trading in 1987. The main activities of the company are to offer flexible managed work space to businesses together with targeted business support. The private company is jointly owned by the Council and GLE Enterprise Partners Ltd and is limited by guarantee without share capital.

Enquiries regarding obtaining copies of the accounts should be made to BBIC, Innovation Way, Wilthorpe Road, Barnsley, South Yorkshire, S75 1JL

Barnsley Premier Leisure

The charity began trading in 1999. The main activities of the charity are to provide or assist in the provision of facilities for recreation or other leisure time occupation for the general public. The charitable company has a board of trustees made up of 15 members of which the Council is one.

Enquiries regarding obtaining copies of the accounts should be made to The Metrodome Leisure Complex, Queens Road, Queens Ground, Barnsley, South Yorkshire, S71 1AN

Penistone Grammar School Foundation Trust

The charity was originally incorporated in 1957 but started operating on 24th August 1965. The main objective of the charity is to give grants to individuals or organisations for the further education of the pupils at Penistone Grammar School. The Council is the only trustee of the charity with 7 volunteers making up the rest of the board.

The accounts of Penistone Grammar School Foundation Trust are incorporated in the Council's [Group Accounts](#).

Enquiries regarding obtaining copies of the accounts should be made to Barnsley MBC, Financial Services, PO Box 14, Level 3, Westgate Plaza, Barnsley, S70 2AQ

Joint Arrangements:

Waste Private Finance Initiative (PFI)

BDR is a partnership of Barnsley, Doncaster and Rotherham councils that jointly manage waste generated in the three boroughs. The Partnership secured PFI funding from Central Government towards a new facility to deal with treatment of leftover household waste, turning it into a valuable resource rather than sending to landfill. The facility at Bolton Road, Manvers, Rotherham is part of a further partnership of BDR, Renewi and Scottish Southern Energy (3SE) which became operational in July 2015. This arrangement is explained further in [Note 26](#).

Other Arrangements:

Agency Arrangements

The Council also acts as an agent for other Government departments, local precepting authorities and Local Parish Councils, in the collection of Council Tax and National Non-Domestic Rates. The expenditure incurred and income received in relation to these arrangements is shown within the [Collection Fund Statement](#).

NOTES PRIMARILY RELATING TO THE BALANCE SHEET

Note 18 – Events After The Balance Sheet Date	
Description:	This note explains any significant event that occurs following the balance sheet date.
Relevant Accounting Policies:	Accounting Policy 10

The Statement of Accounts was submitted to the Council's External Auditors by the Section 151 Officer, the Director of Finance, on 31st May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March 2023, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

The Council has had one school transfer to an academy as at 31st May 2023. The net book value of this school is £2.2m. This is a non-adjusting post Balance Sheet event.

STATEMENT OF ACCOUNTS 2022/23

Note 19 – Property, Plant and Equipment

Description:	Property, Plant & Equipment are assets that the Council uses to provide services to the public. This note shows the value and movement in those assets together with the valuation methodology.
Relevant Accounting Policies:	Accounting Policy 21

2022/23	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total	PFI Assets included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation:							
At 1st April 2022	715,992	321,430	14,892	8,591	2,233	1,063,138	38,523
Additions / Enhancements	1	5,750	1,596	18,230	126	25,703	-
Additions / Enhancements – Non-Value Adding	21,519	18,426	-	-	-	39,945	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve	138,875	19,668	-	-	(280)	158,263	(345)
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services	-	(22,313)	-	-	-	(22,313)	(74)
Impairments – Non-Value Adding Expenditure	(21,519)	(18,426)	-	-	-	(39,945)	-
De-recognition – Disposals	(6,771)	(165)	-	-	-	(7,460)	-
Assets Reclassified (To) / From Held for Sale	-	4,314	-	-	(3,712)	602	-
Transfer	1,926	(6,063)	-	(385)	4,522	-	-
At 31st March 2023	850,023	322,621	16,488	26,436	2,889	1,218,457	38,104
Accumulated Depreciation:							
At 1st April 2022	(3)	(17,862)	(6,585)	-	(5)	(24,275)	(3,716)
Depreciation Charge	(17,805)	(7,809)	(2,062)	-	(12)	(27,688)	(619)
Depreciation Written Out to the Revaluation Reserve	17,831	7,715	-	-	15	25,561	1,553
De-recognition – Disposals	-	14	-	-	-	14	-
Transfers	(27)	38	-	-	(11)	-	-
At 31st March 2023	(4)	(17,904)	(8,647)	-	(13)	(26,568)	(2,782)
Net Book Value:							
At 1st April 2022	715,989	303,568	8,307	8,591	2,228	1,038,683	34,807
At 31st March 2023	850,019	304,717	7,841	26,436	2,876	1,191,889	35,322
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	

STATEMENT OF ACCOUNTS 2022/23

Comparative Movements in 2021/22	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total	PFI Assets included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
At 1st April 2021	663,395	303,183	15,924	107,118	1,773	1,091,393	38,752
Additions / Enhancements	51	13,893	1,327	5,610	-	20,877	-
Additions / Enhancements – Non-Value Adding	22,680	16,059	-	-	-	38,739	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve	56,445	2,623	-	-	491	59,559	(197)
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services	-	(91,588)	-	-	14	(91,574)	(32)
Impairments – Non-Value Adding Expenditure	(22,680)	(16,059)	-	-	-	(38,739)	-
De-recognition – Disposals	(7,684)	(3,739)	(2,358)	-	(36)	(13,817)	-
Assets Reclassified (To) / From Held for Sale	-	10	-	-	(150)	(140)	-
Transfer	3,786	97,049	-	(104,136)	141	(3,160)	-
At 31st March 2022	715,992	321,430	14,892	8,591	2,233	1,063,138	38,523
Accumulated Depreciation							
At 1st April 2021	(15,932)	(20,500)	(7,061)	-	(4)	(43,497)	(4,042)
Depreciation Charge	(16,031)	(8,727)	(1,882)	-	(7)	(26,647)	(644)
Depreciation Written Out to the Revaluation Reserve	32,000	11,012	-	-	6	43,018	970
De-recognition – Disposals	-	313	2,358	-	-	2,671	-
Transfers	(40)	40	-	-	-	-	-
At 31st March 2022	(3)	(17,862)	(6,585)	-	(5)	(24,455)	(3,716)
Net Book Value							
At 1st April 2021	647,463	282,683	8,863	107,118	1,769	1,047,896	34,710
At 31st March 2022	715,992	303,569	8,308	8,591	2,228	1,038,683	34,807
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	

Statutory Instrument 2022 No. 1232 came into effect from 25th December 2022. This provides that where a component of an infrastructure asset is replaced, the council has a choice how to identify the carrying amount to be derecognised in respect of that component. In accordance with the temporary relief offered by this update to the Code on infrastructure assets, the amount to be derecognised is nil. This Temporary Relief allows for this note not to include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council has taken the temporary relief offered by the update to the code, not to report gross cost and accumulated depreciation for infrastructure assets but this information is maintained in the permanent records of the Council.

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

STATEMENT OF ACCOUNTS 2022/23

	2021/22 £000s	2022/23 £000s
Net Book Value		
At 1st April 2021	283,291	299,733
Additions	23,546	16,712
Derecognition	-	
Depreciation	(9,664)	(10,201)
Impairment	(481)	
Other movements in cost	3,041	
Net book value at 31st March	299,733	306,244

Reconciliation of note 19 to PPE on the face of the Balance Sheet

	2021/22 £000s	2022/23 £000s
Infrastructure Assets	299,733	306,244
Other PPE Assets	1,038,688	1,191,862
Total PPE Assets	1,338,421	1,498,106

The Council has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil

Depreciation:

Please see [Annex A](#), the Statement of Accounting Policies for details regarding depreciation methods and the useful lives of each asset type.

Capital Commitments:

As at 31st March 2023, the Council had contractually committed to £20.8M of capital works within its capital programme. The corresponding amount contractually committed as at 31st March 2022 was £58.8M. The major commitments are:

- Worsborough & Elsecar Reservoirs - £3.0M
- M1 Junction 37 Phase 2 - £2.6M
- Market Gate Bridge - £2.4M
- Goldthorpe Market - £2.0M
- Birkwood Primary School Extension - £1.8M
- Others - £9.0M

Effects of Changes in Estimates:

There have been no changes to the depreciation methodologies used in 2022/23.

Revaluations:

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value, is revalued at least every five years. All valuations are completed by an MRICS Registered valuer and the valuation programme certified by Paul Allison MRICS Registered valuer (Strategic Asset Manager), an employee of the Council.

STATEMENT OF ACCOUNTS 2022/23

The basis for valuation is set out in [Annex A](#) – Statement of Accounting Policies.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Assets Under Construction	Surplus Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Carried at Historical Cost	-	-	16,489	440,670	26,437	-	483,596
Valued at Fair Value:							
2022/23	850,025	289,195	-	-	-	2,889	1,142,107
2021/22	-	13,189	-	-	-	-	13,189
2020/21	-	4,664	-	-	-	-	4,664
2019/20	-	6,389	-	-	-	-	6,389
2018/19	-	9,184	-	-	-	-	9,184
Gross Book Value	850,025	322,621	16,489	440,670	26,437	2,889	1,659,131

Fair Value Measurement of Surplus Assets:

Details of the Council's Surplus Assets and information about the fair value hierarchy are as follows:

Recurring Fair Value Measurements Using:	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value as at 31 st March 2023 £000s	Accumulated Depreciation £000s	Net Book Value as at 31 st March 2023 £000s
Surplus Buildings	-	167	-	167	(12)	155
Surplus Land – Amenity Land	-	-	-	-	-	-
Surplus Land – Garden Land	-	95	-	95	-	95
Surplus Land – Grazing Land	-	240	-	240	-	240
Surplus Land – Residential	-	2,387	-	2,387	(1)	2,386
Surplus Land - Commercial	-	-	-	-	-	-
Net Book Value	-	2,889	-	2,889	(13)	2,876

[Balance Sheet](#)

Prior Year Comparator:

Recurring Fair Value Measurements Using:	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value as at 31 st March 2022 £000s	Accumulated Depreciation £000s	Net Book Value as at 31 st March 2022 £000s
Surplus Buildings	-	177	-	177	(5)	172
Surplus Land – Amenity Land	-	-	-	-	-	-
Surplus Land – Garden Land	-	-	-	-	-	-
Surplus Land – Grazing Land	-	-	-	-	-	-
Surplus Land – Residential	-	2,012	-	2,012	-	2,012
Surplus Land - Commercial	-	44	-	44	-	44
Net Book Value	-	2,233	-	2,233	(5)	2,228

[Balance Sheet](#)

Valuation Techniques used to Determine Level 2 Fair Values for Surplus Assets

Significant Observable Inputs – Level 2 – Market Approach

The fair value for the areas of land or buildings, both Commercial and Residential, have been based on the market approach using current market conditions and recent sales evidence and other relevant information for similar assets in the local authority area. Market conditions are such that similar areas of land or buildings are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

STATEMENT OF ACCOUNTS 2022/23

Significant Observable Inputs – Level 2 – Income Approach

Where the income approach has been adopted the fair value has been based on observable rental evidence and then capitalised based on observable yields derived from market transactions.

Note 20 – Investment Properties	
Description:	Investment Properties are Council assets that are held purely for return and capital appreciation. This note shows the value and movement in those assets.
Relevant Accounting Policies:	Accounting Policy 17

A fundamental review was undertaken during 2015/16 around the definition and criteria for investment properties against the Council's asset base, with consideration given towards the Council's revised operating model of 'Future Council'. The outcome of this review was that the assets that were previously held as investment properties no longer met the definition, thus they have been transferred to operational Property, Plant & Equipment as these assets were now contributing to the Council's overall vision of a Better Barnsley and assisting in achieving the Corporate Outcomes of the Council.

Note 21 – Heritage Assets	
Description:	Heritage Assets are Council assets that have historical, artistic, scientific, technological, geophysical or environmental qualities. This note shows the value and movement in those assets.
Relevant Accounting Policies:	Accounting Policy 13

Reconciliation of the Carrying Value of Heritage Assets Held by the Council:

	Ceramics £000s	Art Collections £000s	Other £000s	Total Assets £000s
<u>Cost or Valuation</u>				
At 31st March 2021	594	9,143	1,478	11,215
Additions / Enhancements	-	-	325	325
Disposals	-	-	-	-
Revaluations	-	-	-	-
Transfers	-	-	119	119
At 31st March 2022	594	9,143	1,922	11,659
Additions / Enhancements	-	-	-	-
Disposals	-	-	-	-
Revaluations	-	-	-	-
Transfers	-	-	-	-
At 31st March 2023	594	9,143	1,922	11,659
<u>Net Book Value</u>				
At 31st March 2022	594	9,143	1,922	11,659
At 31st March 2023	594	9,143	1,922	11,659

[Balance Sheet](#)

[Balance Sheet](#)

Detail of Movements in Heritage Assets: Additions / Enhancements

During 2022/23, the Council spent nil on Heritage Assets (£325k in 2021/22).

Detail of Movements in Heritage Assets: Disposals

There were no disposals of heritage assets during 2022/23 (nil in 2021/22).

Detail of Movements in Heritage Assets: Revaluations

There was no revaluation of heritage assets during 2022/23 (nil in 2021/22).

Intangible Heritage Assets

There are no intangible heritage assets held by the Council as at 31st March 2023 (nil as at 31st March 2022).

Further Details of Heritage Assets

Ceramics, Porcelain Work and Figurines

STATEMENT OF ACCOUNTS 2022/23

The collection of ceramics, porcelain work and figurines include some 766 pieces held on display by the Cannon Hall Museum and the Town Hall, dating back to the late 17th century. Most of the collection was acquired in the 18th and 19th centuries from local benefactors. This is a diverse collection of figurines, decorated porcelain vases and dinner service pieces.

The Council's collection of ceramics, porcelain work and figurines at Cannon Hall totals £0.443M and Civic Regalia totals £0.151M. The Cannon Hall pieces were valued by Bonhams in August 2009 and the Civic Regalia pieces were valued by Douglas Brill Associates in October 2006. The assets were valued, based on insurance valuations as a proxy for open market valuations.

Art Collection

The collection consists of 479 paintings dating from over the last 500 years. Approximately £1.838M of the collection was provided by Cooper Bequest and £0.912M by Sadler Gifts. The arts collection is housed in the Council's Cannon Hall and Cooper Gallery Museums. The collection also contains a landscape painting by Giovanni Antonio Canaletto.

The Council's art collection consists of paintings held at Cooper Gallery totalling £4.449M and Cannon Hall totalling £4.694M. The Cooper Gallery paintings were valued by Bonhams in April 2016 and the Cannon Hall pieces were valued by Bonhams in August 2009. The assets have been valued, based on insurance valuations as a proxy for open market valuations.

Other

The remaining Heritage Assets held by the Council totals £1.922M mainly relating to the Mining Artwork sculpture, The Newcomen Beam Engine, Civic Regalia pieces, furniture. Covid Memorial and metal work pieces. The assets have been valued, based on insurance valuations as a proxy for open market valuations, except for the Covid Memorial which is currently valued at cost.

Details in respect of the records held by the Council on its Heritage Assets, together with information relating to access of those assets can be obtained by contacting the Council.

Note 22 – Intangible Assets	
Description:	Intangible Assets are non-physical assets, used by the Council. This note shows the value and movement in those assets.
Relevant Accounting Policies:	Accounting Policy 14

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system, in which case it would be accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The economic useful life assigned to the major software suites is ordinarily 7 years.

The carrying amount of intangible assets are amortised on a straight-line basis. The amortisation of £0.244M has been charged to the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

STATEMENT OF ACCOUNTS 2022/23

The movement of Intangible Asset balances during the year are as follows:

2021/22 Purchased Software £000s		2022/23 Purchased Software £000s
	Balance at 1st April:	
1,872	- Gross Carrying Amounts	1,872
(1,057)	- Accumulated Amortisation	(1,324)
815	Net Carrying Amount at 1st April	548
	Additions:	
-	Purchases	-
	Disposals:	
-	Other Disposals – Gross Carrying Amounts	(250)
-	Other Disposals – Accumulated Amortisation	250
(267)	Amortisation: Amortisation for the Period	(244)
548	Net Carrying Amount at 31st March	304
	Comprising:	
1,872	Gross Carrying Amounts	1,622
(1,324)	Accumulated Amortisation	(1,318)
548		304

[Balance Sheet](#)

Note 23 – Assets Held for Sale

Description:	Assets Held for Sale are Council assets that are: <ul style="list-style-type: none"> <input type="checkbox"/> Being actively marketed for sale; <input type="checkbox"/> Expected to sell in the next 12 months. This note shows the value and movement in those assets.
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2021/22 £000s	Current Assets	2022/23 £000s
8,413	Balance Outstanding at 1st April	4,664
150	Assets Newly Classified as Held for Sale: - Surplus Assets	3,712
807	Revaluation Gains	-
-	Revaluation Losses	(114)
(10)	Assets Declassified as Held for Sale: - Surplus Assets	(4,314)
(4,696)	Assets Sold	(350)
4,664	Balance Outstanding at 31st March	3,598

[Balance Sheet](#)

Fair Value Measurement of Assets Held for Sale:

Details of the Council's Assets Held for Sale and information about the fair value hierarchy are as follows:

Recurring Fair Value Measurements Using:	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value / Net Book Value as at 31 st March 2023 £000s
Surplus Buildings	-	2,346	-	2,346
Surplus Land – Commercial	-	-	-	-
Surplus Land – Garden Land	-	1,252	-	1,252
Surplus Land – Residential	-	-	-	-
Net Book Value	-	3,598	-	3,598

[Balance Sheet](#)

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Prior Year Comparator:

Recurring Fair Value Measurements Using:	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value / Net Book Value as at 31 st March 2022 £000s
Surplus Buildings	-	-	-	-
Surplus Land – Commercial	-	3,564	-	3,564
Surplus Land – Garden Land	-	-	-	-
Surplus Land – Residential	-	1,100	-	1,100
Net Book Value	-	4,664	-	4,664

[Balance Sheet](#)

Valuation Techniques used to Determine Level 2 Fair Values for Assets Held for Sale

Significant Observable Inputs – Level 2 – Market Approach

The fair value for the areas of land or buildings, both Commercial and Residential, have been based on the market approach using current market conditions and recent sales evidence and other relevant information for similar assets in the local authority area. Market conditions are such that similar areas of land or buildings are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Observable Inputs – Level 2 – Income Approach

Where the income approach has been adopted the fair value has been based on observable rental evidence and then capitalised based on observable yields derived from market transactions.

Note 24 – Capital Expenditure and Capital Financing

Description:	This note shows the Council's capital financing requirement (CFR), which is the underlying requirement to borrow, and how that has changed during the year.
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The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI / PPP Contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2021/22				2022/23		
General Fund	HRA	Total		General Fund	HRA	Total
£000s	£000s	£000s		£000s	£000s	£000s
751,555	271,734	1,023,289	Opening Capital Financing Requirement	801,670	271,734	1,073,404
			<i>Capital Investment:</i>			
-	22,731	22,731	Council Dwellings	-	21,520	21,520
28,489	1,462	29,951	Other Land & Buildings	23,800	502	24,302
1,326	-	1,326	Vehicles, Plant, Furniture & Equipment	1,596	-	1,596
23,546	-	23,546	Infrastructure Assets	16,712	-	16,712
3,708	1,901	5,609	Assets Under Construction	12,745	5,485	18,230
325	-	325	Heritage Assets	1	-	1
-	-	-	Intangible Assets	-	-	-
-	-	-	Long Term Investment	-	-	-
-	-	-	Long Term Debtors	-	-	-
10,657	689	11,346	Revenue Expenditure Funded from Capital Under Statute	8,458	762	9,220
68,051	26,783	94,834	Total Capital Investment	63,311	28,269	91,581
			<i>Sources of Finance – For Capital Expenditure Purposes:</i>			
(743)	(1,167)	(1,910)	Capital Receipts	(3,697)	(2,118)	(5,815)
(35,998)	(759)	(36,757)	Government Grants & Other Contributions	(43,002)	(5,093)	(48,095)
(10,295)	(24,857)	(35,152)	Other Revenue Funding	(7,277)	(21,058)	(28,335)
(47,036)	(26,783)	(73,819)	Total Resources Utilised to Fund In Year Capital Expenditure	(53,976)	(28,269)	(82,245)
21,015	-	21,015	Increase in Capital Financing Requirement as a Result of In Year Capital Expenditure	9,334	-	9,3354

STATEMENT OF ACCOUNTS 2022/23

2021/22				2022/23		
General Fund	HRA	Total		General Fund	HRA	Total
£000s	£000s	£000s		£000s	£000s	£000s
			<i>Sources of Finance – Set Aside to Repay Debt:</i>			
(1,623)	-	(1,623)	Capital Receipts	-	-	-
-	-	-	Other Revenue Funding	-	-	-
(902)	-	(902)	Other	(271)	-	(271)
(80)	-	(80)	Repayment of Long Term Debtors / Investments	(108)	-	(108)
(7,165)	-	(7,165)	MRP	(7,552)	-	(7,552)
(9,770)	-	(9,770)	Total Set Aside to Repay Debt	(7,931)	-	(7,931)
801,670	271,734	1,073,404	Closing Capital Financing Requirement	803,074	271,734	1,074,808

An explanation of the movement in the Council's capital financing requirement is summarised in the table below:

2021/22				2022/23		
General Fund	Housing Revenue Account	Total		General Fund	Housing Revenue Account	Total
£000s	£000s	£000s		£000s	£000s	£000s
			Explanation of Movements in Year			
20,915	-	20,915	Increase / (Decrease) in Underlying Need to Borrow (Funded from Council's Own Base Resources)	9,335	-	9,335
100	-	100	Assets Acquired Under Finance Leases	-	-	-
-	-	-	Assets Acquired Under PFI / PPP Contracts	-	-	-
(7,165)	-	(7,165)	Amounts Set Aside to Repay Debt – Statutory	(7,552)	-	(7,552)
(2,605)	-	(2,605)	Amounts Set Aside to Repay Debt – Voluntary	(379)	-	(379)
11,245	-	11,245	Increase / (Decrease) in Capital Financing Requirement	1,404	-	1,404

Note 25 – Leases

Description:	A lease is a contractual arrangement that allows the lessee the use of an asset, in exchange for consideration to the lessor. This note details the arrangements that the Council is party to which are classed as leases
Relevant Accounting Policies:	Accounting Policy 19

Council as Lessee

Finance Leases

Other Land and Buildings – There are currently 6 buildings recognised within the Council's Balance Sheet acquired via finance lease. The first relates to a 15 year lease in respect of a residential bungalow. The rentals payable in 2022/23 were £0.030M (£0.030M in 2021/22) - accounted for as £0.026M principal payment and £0.004M finance costs.

The second relates to a 999 year lease in respect of the town centre museum, The Cooper Art Gallery. The rentals payable for the duration of the term are nil.

During 2013/14, the Council entered into two further leases that were accounted for as finance leases. The leases of both Royston Meadstead Children's Centre and Hoyland Common Children's Centre are both for 125 years with the rentals payable for the duration of the term being nil. Both properties relate to Council maintained community schools that transferred to Academy status during 2013/14. Thus, these leases represent the Council leasing back the children's centre element of those respective assets. Each respective asset was recognised as an acquisition at £1 and then subsequently revalued during the year.

In 2019/20, Wentworth Castle & Gardens was accounted for as a finance lease and recognised at an acquisition cost of £0 on the basis that the Council assumed the existing lease between Wentworth Castle Trust. The lease was for 99 years at inception in 2007, with rentals payable for the duration of the term being nil. Subsequently, several sub-leases of specific buildings on the site have also been assumed by the Council, with the Council as lessor. These leases, which have a 25 year lease term, have been accounted for as operating leases.

In 2021/22, the Council acquired the Hoyland Co-op Building via a finance lease. The asset was recognised at £0.100M with the associated liability. During 2021/22, the Council 'repaid' the £0.100M via MRP, therefore no liability remains. The rentals payable for the duration of the term are nil.

STATEMENT OF ACCOUNTS 2022/23

Vehicle, Plant, Furniture and Equipment – The Council has 4 agreements in place in 2022/23 for various types of asset including wheeled bins and vehicles, accounted for as finance leases. The rentals payable in 2022/23 were £0.557M (£0.599M in 2021/22) – accounted for as £0.521M principal payment and £0.036M finance costs

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

31 st March 2022 £000s		31 st March 2023 £000s
3,466	Other Land & Buildings	3,501
1,749	Vehicles, Plant, Furniture & Equipment	1,170
5,215	Total	4,671

The Council is committed to making minimum payments under these leases, comprising settlement of the long term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years, while the liability remains outstanding.

The minimum lease payments are made up of the following amounts:

31 st March 2022 £000s		31 st March 2023 £000s
547	Finance Lease Liabilities (Net Present Value of Minimum Lease Payments):	
1,488	- Current	508
	- Non-Current	981
64	Finance Costs Payable in Future Years	25
2,099	Minimum Lease Payments	1,514

The minimum lease payments will be payable over the following periods:

31 st March 2022			31 st March 2023	
Minimum Lease Payments £000s	Finance Lease Liabilities £000s		Minimum Lease Payments £000s	Finance Lease Liabilities £000s
587	547	Not later than one year	531	508
1,512	1,488	Later than one year and not later than five years	983	981
0	0	Later than five years	0	0
2,099	2,035		1,514	1,489

The above minimum lease payments did not include any rents that are contingent on events taking place after the lease was entered into.

Operating Leases

Other Land and Buildings – The Council leases 38 properties, which have been accounted for as operating leases. The length of each lease varies with the maximum lease being 125 years. Total amounts paid under these leases in 2022/23 was £1.696M (£1.771M in 2021/22)

Vehicles, Plant, Furniture and Equipment – The Council uses cars and wheeled waste bins financed under the terms of an operating lease. The amount paid under these arrangements in 2022/23 was £1.171M (£0.932M in 2021/22). The Code requires charges to be made evenly throughout the period of the lease.

Commitments Under Operating Leases – The Council was committed at 31st March 2023 to making payments of £30.606M under operating leases (£30.807M as at 31st March 2022), comprising of the following elements:

The future minimum lease payments due under non-cancellable leases in future years are:

STATEMENT OF ACCOUNTS 2022/23

31 st March 2022 £000s		31 st March 2023 £000s
2,532	Not Later Than One Year	2,702
8,520	Later Than One Year & Not Later Than Five Years	9,188
19,755	Later Than Five Years	18,716
30,807		30,606

The expenditure charged to the Net Cost of Services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2021/22 £000s		2022/23 £000s
2,703	Minimum Lease Payments	2,867
-	Contingent Rents	-
-	Sub-Lease Payments Receivable	-
2,703		2,867

Council as Lessor

Finance Leases

The Council leases a number of properties to Housing Associations over long periods (50 to 99 years). These leases meet the finance lease criteria of IAS 17 but are not accounted for fully in accordance with the standard.

At the commencement of the lease, the assets have been de-recognised within the Council's Balance Sheet with a corresponding debtor recognised representing the sale proceeds due from the asset.

The minimum lease payments expected to be received comprise of settlement of the long-term debtor for the interest in the property acquired and finance income to be received over the life of the lease. In the majority of cases, a premium payment is received at commencement of the lease which is used to immediately write down the debtor recognised. In addition to this premium payment, an annual peppercorn rent is often receivable for the property let. However, due to the immateriality of these payments (total undiscounted) of £0.294M due over their remaining lives as at 31st March 2023 and the length over which they are payable, no debtor is recognised in respect of these residual lease payments and the full amount received is accounted for as trade income in the year in which it is received.

The Council also leases an outdoor activity centre which has been identified as a finance lease. The lease element relating to the land is accounted for as an operating lease (see section below) and the lease of the buildings is accounted for as a finance lease. At the commencement of the lease the building was de-recognised from within the Council's Balance Sheet with a corresponding debtor recognised totalling £0.066M representing the sale proceeds due from the asset. The agreement of the lease states that the property will be let rent free for a period of 5 years. 2012/13 represented the first year where income had been received (£0.013M). The rentals received in 2022/23 were £0.025M. This income is split between the land and buildings element of the lease and then for the building's element, split between principal and interest paid. The amount relating to the building element equates to £0.011M with the principal element being £0.001M. Therefore, the debtor is reduced to £0.058M

In 2020/21, the Council entered into a Development Agreement Lease with Keepmoat Homes to build out the site at St Helens Boulevard for residential development. This has been accounted for as a finance lease. At the commencement of the lease, the land was de-recognised from the Council's Balance Sheet with a corresponding long-term debtor recognised, totalling £0.437M, representing the sale premium for the site as a whole. Over time, as individual plots are sold to the end purchaser of those properties, those receipts will be transferred into the Council's useable capital receipts reserve.

In 2020/21, the Council entered into a Development Agreement Lease with Keepmoat Homes to build out the site at Seasons Phase 3, Thurnscoe for residential development. This has been accounted for as a finance lease. At the commencement of the lease the land was de-recognised from within the Council's Balance Sheet with an upfront premium of £0.159M transferred to the useable capital receipts reserve in 2020/21.

Operating Leases

The Council leases out a number of properties to Community Organisations, Public Bodies and Housing Associations for an ongoing rental. Included within these leases are a number of properties that are classified as Investment Properties on the Council's Balance Sheet.

Total amounts received under these leases in 2022/23 was £4.739M (£3.594M in 2021/22).

The future minimum lease payments receivable under non-cancellable lease in future years are:

STATEMENT OF ACCOUNTS 2022/23

31 st March 2022 £000s		31 st March 2023 £000s
3,355	Not Later Than One Year	4,531
11,437	Later Than One Year & Not Later Than Five Years	16,194
35,048	Later Than Five Years	48,380
49,840		69,105

None of the above minimum lease payments are contingent on events taking place after the lease was entered into.

In addition to the operating leases above, the Council has entered into a number of arrangements with housing associations for periods ranging from 60 years to 999 years, which are premium operating leases. Premium leases are where the lessee makes an upfront payment for the full term of the lease rather than paying an annual rental. Accounting rules dictate that those leases should be accounted for as a receipt in advance on the Balance Sheet and should be spread equally across the full term of the lease, recognising an amount into the revenue account each year.

Premium leases that were entered into prior to the conversion to IFRS, pre 2010/11, were treated under the UK GAAP compliant SORP and accounted for in the year of receipt, which was permitted at that time. Leases entered into since then have also been accounted for in the year of receipt due to the materiality of the amounts involved.

The amount released to the Comprehensive Income & Expenditure Account in 2022/23 was £0.003M.

The release of the lease premiums to the Comprehensive Income & Expenditure Account in future years are as follows:

31 st March 2022 £000s		31 st March 2023 £000s
3	Not Later Than One Year	3
12	Later Than One Year & Not Later Than Five Years	12
671	Later Than Five Years	668
686		683

Academies

Community Schools

The Council also leases a number of schools to charitable trusts (e.g Academies). No schools became Academies during 2022/23. In comparison during 2021/22 using powers derived from the Academies Act 2010, one Primary School (Milefield) converted to Academy status during 2021/22. As part of those agreements, the school and associated land is leased from the Council to the Academy Trust, over a period of 125 years. The lease of the school buildings has been treated as a finance lease whereas the lease of the school land has been treated as an operating lease.

In 2008, the Council granted a 125-year lease of a land asset to a charitable trust to allow Barnsley Academy to be built. This arrangement has been treated as an operating lease in the Council's accounts since this time.

The building assets relating to the schools outlined above have been de-recognised from within the Council's Balance Sheet as a disposal for nil consideration in the year of transfer. Due to the nature of the agreements, no rental payments are due and therefore no long-term debtor is recognised. The land assets in respect of the schools outlined above are treated as operating leases and remain on the Council's Balance Sheet.

Voluntary Aided (VA) / Voluntary Controlled (VC) Schools

No Voluntary Aided Primary Schools have converted during 2022/23.

Prior to conversion to Academy status, VA / VC school building assets were already held by the respective dioceses, therefore no lease exists for the building element. The Council does still hold some land in respect of some of these schools, usually in the form of playing fields. Again, the individual arrangements are dictated by the respective circumstances. Where such arrangements exist, the lease of the land is treated as an operating lease and remains on the Council's Balance Sheet.

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Academy Summary

The tables below summarise the Council's academy conversions thus far:

School	Conversion Year	Lease Arrangements
<u>Community Schools:</u>		
Barnsley Academy	2008/09	Lease of Land Only
Oakhill Primary	2011/12	Lease of Land & Buildings
Dearne Carrfield Primary	2012/13	Lease of Land & Buildings
Gooseacre Primary	2012/13	Lease of Land & Buildings
The Hill Primary	2012/13	Lease of Land & Buildings
Darfield Upperwood Primary	2012/13	Lease of Land & Buildings
Dearne Highgate Primary	2012/13	Lease of Land & Buildings
St Helen's Primary	2012/13	Lease of Land & Buildings
Shafton Primary	2012/13	Lease of Land & Buildings
Darton Primary	2013/14	Lease of Land & Buildings
West Meadows Primary	2013/14	Lease of Land & Buildings
Littleworth Grange Primary	2013/14	Lease of Land & Buildings
Kendray Primary	2013/14	Lease of Land & Buildings
Royston Meadstead Primary	2013/14	Lease of Land & Buildings
Hoyland Common Primary	2013/14	Lease of Land & Buildings
Piper's Grove Primary	2013/14	Lease of Land & Buildings
Darfield Valley Primary	2013/14	Lease of Land & Buildings
Heather Garth Primary	2013/14	Lease of Land & Buildings
Kirk Balk Community College	2014/15	Lease of Land & Buildings
Shafton ALC	2014/15	Lease of Land & Buildings
Springwell Special School / PRU	2014/15	Lease of Land & Buildings
The Edmunds Primary	2014/15	Lease of Land & Buildings
Carlton Community College	2015/16	Lease of Land & Buildings
Greenacre Special School	2015/16	Lease of Land & Buildings
Richard Newman Primary	2015/16	Lease of Land & Buildings
Hoyland Springwood Primary	2015/16	Lease of Land & Buildings
High View Primary	2015/16	Lease of Land & Buildings
Wombwell Park Street	2015/16	Lease of Land & Buildings
Sandhill Primary	2015/16	Lease of Land & Buildings
Ward Green Primary	2016/17	Lease of Land & Buildings
Doncaster Road Primary	2016/17	Lease of Land & Buildings
Kexborough Primary	2016/17	Lease of Land & Buildings
Wellgate Primary	2016/17	Lease of Land & Buildings
Worsborough Bank End Primary	2017/18	Lease of Land & Buildings
Hunningley Primary	2017/18	Lease of Land & Buildings
Netherwood ALC	2017/18	Lease of Land & Buildings
Dearne ALC	2018/19	Lease of Land & Buildings
Darton College	2018/19	Lease of Land & Buildings
Worsbrough Common Primary	2019/20	Lease of Land & Buildings
Mapplewell Primary	2019/20	Lease of Land & Buildings
Cudworth Churchfield Primary	2019/20	Lease of Land & Buildings
Athersley South Primary	2020/21	Lease of Land & Buildings
Dearne Goldthorpe Primary	2020/21	Lease of Land & Buildings
Milefield Primary	2021/22	Lease of Land & Buildings

School	Conversion Year	Lease Arrangements
<u>VA / VC Schools:</u>		
St Mary's Primary	2011/12	Lease of Land Only
Darfield All Saints Primary	2012/13	Lease of Land Only
Carlton Primary	2012/13	No Lease – Freehold Transfer to Diocese
Royston Parkside Primary	2012/13	No Lease – Freehold Transfer to Diocese
Royston Summerfields Primary	2012/13	No Lease – Freehold Transfer to Diocese
Dodworth St John's Primary	2013/14	Lease of Land & Caretaker's Bungalow
Elsocar Trinity C of E Primary	2015/16	Lease of Land Only
Royston St John The Baptist C of E Primary	2015/16	Lease of Land Only

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Note 26 – Private Finance Initiatives and Similar Contracts

Description:	PFI arrangements are contractual arrangements which utilise the use of private financing for major capital projects. This note details the arrangements that the Council is party to.
Relevant Accounting Policies:	Accounting Policy 22

The Council has recognised assets on its Balance Sheet relating to three arrangements that constitute a PFI arrangement or similar contract which are outlined below.

Primary Schools PFI

The contract binds the contractor to design, build, maintain and operate thirteen primary schools across the Borough, for a concession period of 25 years. At the end of the concession, the legal ownership of the assets transfers to the Council, without consideration. The table below shows the PFI Primary schools and their respective operational dates:

PFI Primary Schools	Opened
High View Primary Learning Centre *	2006/07
Kings Oak Primary Learning Centre	2006/07
Littleworth Grange Primary *	2006/07
Wombwell Park Street Primary *	2006/07
Darfield Valley Primary *	2006/07
Hoyland Common Primary *	2006/07
Springvale Primary	2006/07
Lacewood Primary	2006/07
Darton Primary *	2007/08
Joseph Locke Primary	2007/08
Sandhill Primary *	2007/08
Cherry Dale Primary	2007/08
Piper's Grove Primary *	2007/08

* These schools have since converted to Academy status and have been de-recognised from the Council's balance sheet in the year of conversion. A further explanation can be found in [Note 25](#).

Local Improvement Financial Trusts (LIFT) Schemes

The contract binds the contractor to design, build, maintain and operate an asset where healthcare and Council services can be provided to the public, for a concession period of 25 years. The schemes are joint arrangements between the Council and Barnsley ICB. At the end of the concession, the Council holds an option to purchase the assets.

LIFT Buildings	Opened
Cudworth LIFT	2008/09
Darton LIFT	2011/12

Building Schools for the Future (BSF) Programme

The overall BSF contract binds the contractor to design, build, maintain and operate eleven secondary schools / advanced learning centres across the Borough, over three phases. The concession period of the respective phases is 25 years, at the end of which, the legal ownership of the assets transfers to the Council without consideration. Eight of the eleven schools were procured by way of Private Finance Initiative. The table below shows the BSF schools, their respective operational dates and the pre-existing schools that they replaced:

BSF School	Pre-Existing School(s)	Procurement Vehicle	Opened
Darton College ****	Darton High	PFI	2010/11
Dearne ALC ****	The Dearne High	Design & Build	2010/11
Carlton Community College ****	Edward Sheerien, Royston High	Design & Build	2010/11
Kirk Balk Community College ****	Kirk Balk High	PFI	2011/12
Penistone Grammar ALC **	Penistone Grammar	PFI	2011/12
Shafton ALC ****	Priory School & Sports College, Willowgarth High	PFI	2011/12
Greenacre Special School ****	Greenacre School	Design & Build	2011/12
Springwell Community Special School ****	Springwell School	PFI	2011/12
Netherwood ALC ****	Darfield Foulstone, Wombwell High	PFI	2012/13
Horizon Community College ***	Holgate & Kingstone	PFI	2012/13
Holy Trinity ALC *	St Michael's High, St Dominic's Primary, Holy Cross Catholic Primary	PFI	2012/13

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* Holy Trinity ALC is a voluntary aided school and consequently sits with the Diocese of the respective areas. Therefore, the school was transferred to the Diocese during 2012/13 and has been subsequently de-recognised from the Council's Balance Sheet.

** The old Penistone Grammar School, which was replaced by the Penistone Grammar ALC when it became operational in 2011/12, was originally held in trust by Penistone Grammar School Foundation Trust, as part of an agreement that has existed since 1957. This agreement still legally stands and therefore during 2011/12, the new Penistone Grammar ALC was transferred to the Trust and was subsequently de-recognised from the Council's Balance Sheet.

*** Horizon Community College, which replaced Kingstone Secondary and Holgate Secondary schools, was transferred into Horizon Archbishop Holgate Foundation Trust during 2017/18 and has been subsequently de-recognised from the Council's Balance Sheet.

**** These schools have since converted to Academy status and have been de-recognised from the Council's balance sheet in the year of conversion. A further explanation can be found in [Note 25](#).

Waste PFI

The Council's Waste PFI facility became fully operational on the 3rd July 2015. This scheme involves a joint arrangement with the Council, Doncaster Metropolitan Borough Council and Rotherham Metropolitan Borough Council which will see operation of new Waste facilities to deal with the treatment of leftover waste rather than send it to landfill.

The contract is with 3SE (Barnsley, Doncaster & Rotherham) Limited which is owned 75% by Renew PFI Investments Limited and 25% by SSE Generation Limited. It is for 25 years from the service commencement date and the local authorities have the option to extend the service element of the contract by a further 5 years, to the end of the new facility's design life of 30 years. If this option is not exercised, the facility reverts to the ownership of the local authorities at the end of the 25 year contract at nil consideration; otherwise it will revert after 30 years.

The assets in respect of the Council's share of the facility, which equates to 30% of the total value, are recognised on the Council's balance sheet.

Property, Plant and Equipment

The assets used to provide services at the primary schools, LIFT buildings, the secondary schools and the Waste facility are recognised on the Council's Balance Sheet, with the exception of Penistone Grammar ALC and Holy Trinity ALC. Movements in their value over the year are detailed in the analysis of the movement on Property, Plant and Equipment in [Note 19](#).

Payments

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. Payments remaining to be made under the PFI and similar contracts at 31st March 2023 (excluding any estimation of inflation and availability / performance deductions) are as follows:

	Payment for Services £000s	Reimbursement of Capital Expenditure £000s	Interest £000s	Total £000s
Payable in 2023/24	22,418	8,429	17,533	48,380
Payable Within Two to Five Years	98,092	39,561	62,974	200,627
Payable Within Six to Ten Years	137,426	64,847	55,891	258,164
Payable Within Eleven to Fifteen Years	101,980	67,109	26,194	195,283
Payable Within Sixteen to Twenty Years	21,814	3,514	326	25,654
Payable Within Twenty One to Twenty Five Years	0	0	0	0
Total	381,730	183,460	162,918	728,108

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

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The liability outstanding to pay to the contractor for capital expenditure incurred is as follows:

2021/22 £000s		2022/23 £000s
199,562	Balance As At 1st April	191,339
(8,223) -	Payments During the Year Capital Expenditure Incurred in the Year	(7,879) -
191,339	Balance As At 31st March	183,460

Note 27 – Financial Instruments

Description:55	Financial Instruments are any contract that gives rise to a financial asset of one entity and a financial liability of another entity. This note explains the Council's financial instruments and the impact on the accounts.
Relevant Accounting Policies:	Accounting Policy 5 / Accounting Policy 11

The following categories of financial instrument are carried in the Balance Sheet:

31 st March 2022			31 st March 2023		
Long Term £000s	Short Term £000s		Long Term £000s	Short Term £000s	
		Investments:			
2,254	134,594	Amortised Cost	2,201	126,278	
2,000	-	Fair Value through Other Comprehensive Income - Designated Equity Instruments	2,000	-	
4,254	134,594	Total Investments	4,201	126,278	Balance Sheet
		Debtors:			
2,527	-	Loan and Finance Lease Receivables at Amortised Cost	3,439	-	
-	42,731	Other Debtors at Amortised Cost	-	37,694	
2,527	42,731	Total Debtors *	3,439	37,694	Balance Sheet
		Cash Equivalents:			
-	54,510	Amortised Cost	-	28,718	Cash Flow
6,781	54,510	Total Cash Equivalents **	7,640	28,718	Balance Sheet
6,781	231,835	Total Financial Assets	7,640	192,690	
		Borrowing:			
(653,158)	(37,307)	Amortised Cost	(634,708)	(22,763)	
(653,158)	(37,307)	Total Borrowing	(634,708)	(22,763)	Balance Sheet
		Creditors:			
-	(46,189)	Creditors at Amortised Cost	-	(41,480)	
(46,189)	(46,189)	Total Creditors *	-	(41,480)	
		Other Liabilities:			
(185,633)	(8,428)	Amortised Cost	(176,693)	(8,939)	
(185,633)	(8,428)	Total Other Liabilities	(176,693)	(50,419)	Balance Sheet
(838,791)	(91,924)	Total Financial Liabilities	(811,401)	(73,182)	Balance Sheet

* It should be noted that within the Balance Sheet totals for debtors and creditors, there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. These include:

- Debtors - £11.748M (£12.752M in 2021/22) comprising local taxation debtors, prepayments and amounts owed in respect of VAT; and
- Creditors - £24.995M (£25.044M in 2021/22) comprising receipts in advance, payroll creditors, NNDR, Council Tax and other amounts payable in relation to VAT and other social security.

The full Balance Sheet values are analysed in [Note 30](#), [Note 31](#) and [Note 32](#) respectively.

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** It should also be noted that within the Balance Sheet totals for cash and cash equivalents, there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. The full Balance Sheet values are analysed in the [Cash Flow](#) statement.

Reclassifications:

A number of financial assets were reclassified following the initial application of IFRS 9 Financial Instruments. This is reflected in the above table.

Impairment:

Also reflected in the above table is the loss allowance recognised of £0.332M (£0.050M in 2021/22) - following the transition from an incurred losses model to an expected losses model for impairment calculations – there was no reduction in fair value of financial assets (£0M in 2020/21) following remeasurement. These amounts are shown separately in the table below:

Income, Expense, Gains and Losses:

2021/22					2022/23			
Financial Liabilities: Measured at Amortised Cost	Financial Assets: Loans and Receivables at Amortised Cost	Financial Assets: Fair Value Through Other Comprehensive Income	Total		Financial Liabilities: Measured at Amortised Cost	Financial Assets: Loans and Receivables at Amortised Cost	Financial Assets: Fair Value Through Other Comprehensive Income	Total
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
23,475	-	-	23,475	Interest Expense	23,521	-	-	23,521
38	-	-	38	Fee Expenses	6	-	-	6
50	-	-	50	Expected Credit Losses	332	-	-	332
23,563	-	-	23,563	Total Expense in Surplus or Deficit on the Provision of Services	23,859	-	-	23,859
-	(631)	(446)	(1,077)	Interest / Dividend Income	-	(3,067)	(74)	(3,141)
-	(631)	(446)	(1,077)	Total Income in Surplus or Deficit on the Provision of Services	-	(3,067)	(74)	(3,141)
-	-	-	-	(Surplus) / Deficit Arising on Revaluation of Financial Assets in Other Comprehensive Income & Expenditure	-	-	-	-
23,563	(631)	(446)	22,486	Net (Gain) / Loss for the Year	23,859	(3,067)	(74)	20,718

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Fair Values of Assets: Assets Carried at Fair Value:

Some of the Council's financial assets have been designated at Fair Value through Other Comprehensive Income following the application of IFRS9, a breakdown of which is included in the table below:

Recurring Fair Value Measurements Using:	2022/23			
	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value as at 31 st March 2023 £000s
<u>Designated Equity Investments:</u>				
Oakwell Community Assets Limited	-	2,000	-	2,000
Carrying Value		2,000		2,000
BDR Property Limited (formerly known as Arpley Gas Ltd)	-	405	-	405
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(405)	-	(405)
Carrying Value		-		-
BSF Programme (Building Schools for the Future)	-	16	-	16
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(16)	-	(16)
Carrying Value	-	-	-	-
UK Municipal Bonds Agency	-	10	-	10
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(10)	-	(10)
Carrying Value	-	-	-	-
Total Carrying Value	-	2,000	-	2,000

Prior Year Comparator:

Recurring Fair Value Measurements Using:	2021/22			
	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value as at 31 st March 2022 £000s
<u>Designated Equity Investments:</u>				
Oakwell Community Assets Limited	-	2,000	-	2,000
Carrying Value		2,000		2,000
BDR Property Limited (formerly known as Arpley Gas Ltd)	-	405	-	405
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(405)	-	(405)
Carrying Value		-		-
BSF Programme (Building Schools for the Future)	-	16	-	16
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(16)	-	(16)
Carrying Value	-	-	-	-
UK Municipal Bonds Agency	-	10	-	10
<i>Less Reduction in Fair Value Following Remeasurement</i>	-	(10)	-	(10)
Carrying Value	-	-	-	-
Total Carrying Value	-	2,000	-	2,000

Valuation Techniques used to Determine Level 2 Fair Values for Financial Assets

Shares in the above organisations are not traded in an active market and as such, the fair values have been assessed using valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the assets and liabilities in the company's latest audited accounts.

There were no transfers between input levels 1 and 2 or changes in the valuation technique used during the year.

The current level of uncertainty in the future path of economic growth, unemployment, fiscal and monetary policy makes it very difficult to accurately assess the impact on the investments held by the Council. We will continue to closely monitor the situation and where

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required any expected credit loss provision and/or movement in fair value will be reported and recognised during the 2023/24 financial year.

Fair Values of Assets: Assets Not Measured at Fair Value

Except for financial assets carried at fair value (see above), all other financial assets held by the Council are classified as short term receivables, short term investments and long term debtors are carried in the balance sheet at amortised cost. A breakdown of these assets has been provided in the table below:

	Carrying Value as at 31st March 2023 £000s
Fixed Term Local Authority Deposits	126,278
Fixed Term Bank Deposits	-
Money Market Funds	22,504
Call and Notice Bank Accounts	6,215
Other Loans and Receivables	5,640
Total Valuation	160,637

[Balance Sheet](#)

Prior Year Comparator:

	Carrying Value as at 31st March 2022 £000s
Fixed Term Local Authority Deposits	124,584
Fixed Term Bank Deposits	10,010
Money Market Funds	48,510
Call and Notice Bank Accounts	6,000
Other Loans and Receivables	4,781
Total Valuation	193,885

[Balance Sheet](#)

Debtors and creditors are measured at amortised cost which is typically the transactional value or invoiced amount. They are low risk in nature and largely comprise of amounts owed by and to the Council as a result of its day to day business.

Fair Values of Liabilities: Liabilities Not Measured at Fair Value

All financial liabilities are carried in the balance sheet at amortised cost. The fair values of such liabilities are disclosed for comparison purposes. Fair value is the amount for which a liability could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. There were no transfers between input levels 1 and 2 or changes in the valuation technique used during the year.

Financial liabilities represented by loans are carried in the Balance Sheet at amortised cost. The fair values are calculated as follows:

Recurring Fair Value Measurements Using:	Carrying Value as at 31st March 2023 £000s	Quoted Prices in Active Markets for Identical Assets (Level 1) £000s	Other Significant Observable Inputs (Level 2) £000s	Significant Unobservable Inputs (Level 3) £000s	Fair Value as at 31st March 2023 £000s
PWLB Borrowings	(558,135)	-	(433,683)	-	(433,683)
LOBOs	(56,636)	-	(55,387)	-	(55,387)
Temporary Loans	(40,943)	-	(34,994)	-	(34,994)
Other	(1,758)	-	(1,259)	-	(1,259)
Total Borrowing	(657,472)	-	(525,323)	-	(525,323)

[Balance Sheet](#)

Within the Council's total borrowings are three LOBO (Lender Option, Borrower Option) loans, where the lender has the option to increase the interest rate at any 6 month interval. Should this option be triggered, the Council has the option to repay the loan without penalty. However, this would mean having to borrow an additional £55.000M within the next few years to replace the principal repaid. The Council continues to closely monitor the 'call dates' on the LOBO loans with the rate on these loans (4.75%) currently comparable to today's PWLB rates.

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Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 st March 2023
	£000s	£000s	£000s	£000s	£000s
PFI Liabilities	(183,460)	-	(251,950)	-	(251,950)
Finance Lease Liabilities	(1,488)	-	(1,488)	-	(1,488)
Other Local Authority Debt	-	-	-	-	-
Other Liabilities	(683)	-	(683)	-	(683)
Total Other Liabilities	(185,631)	-	(254,121)	-	(254,121)

[Balance Sheet](#)

The fair value of financial liabilities is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

Prior Year Comparator:

Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 st March 2022
	£000s	£000s	£000s	£000s	£000s
PWLB Borrowings	(579,616)	-	(648,237)	-	(648,237)
LOBOs	(56,651)	-	(30,813)	-	(30,813)
Temporary Loans	(52,440)	-	(52,287)	-	(52,287)
Other	(1,758)	-	(1,419)	-	(1,419)
Total Valuation	(690,465)	-	(732,756)	-	(732,756)

[Balance Sheet](#)

Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 st March 2022
	£000s	£000s	£000s	£000s	£000s
PFI Liabilities	(191,339)	-	(246,546)	-	(246,546)
Finance Lease Liabilities	(2,036)	-	(2,036)	-	(2,036)
Other Local Authority Debt	-	-	-	-	-
Other Liabilities	(686)	-	(686)	-	(686)
Total Other Liabilities	(194,061)	-	(249,268)	-	(249,268)

[Balance Sheet](#)

Valuation Techniques used to Determine Level 2 Fair Values for Financial Liabilities

The financial liabilities' fair value can be assessed by calculating the present value of cash flows that take place over the remaining life of the instruments using the following assumptions:

- The Council's Treasury Management Advisors, Link Asset Services, have provided the Council with Fair Value amounts in relation to its loan portfolio. Link Asset Services have assessed the Fair Values by discounting the contractual cash flows over the life of the loan based on the PWLB New Loan Rate at the Balance Sheet date;
- Market loan fair value calculations have been provided by the Council's Treasury Advisors, Link Asset Services and have been calculated by discounting the contractual cash flows over the life of the loan based on the PWLB New Loan Rate at the Balance Sheet date;
- No early repayment or impairment is recognised for any financial instrument; and
- The fair value of short term investments, including trade payables and receivables is assumed to be approximate to the carrying amount.

There were no transfers between input levels 1 and 2 or changes in the valuation technique used during the year.

STATEMENT OF ACCOUNTS 2022/23

Note 28 – Nature and Extent of Risks Arising From Financial Instruments

Description:	This note explains the risk of the financial instruments detailed in Note 27 in respect of credit risk, liquidity risk and market risk.
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Financial Instruments – Risks

The Council's treasury activities expose it to a variety of financial risks. The key risks are:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market Risk – the possibility that financial loss might arise for the Council as a result of interest rate movements.

Overall Procedures for Managing Risk

The Council has adopted CIPFA's Treasury Management Code which provides a framework for effective treasury management in public sector organisations, including the effective control of risk.

In accordance with the Treasury Management Code, the Council produces an annual Treasury Management Strategy (approved by Full Council prior to each financial year) which sets out the high level parameters for managing these risks. The Council also maintains a suite of Treasury Management Practice (TMP) documents which specify the practical arrangements to be followed in each risk area.

The Council has strong arrangements around the governance and scrutiny of Treasury Management activities, over and above those prescribed in the Treasury Management Code. The Treasury Management Panel, comprising of Elected Members and Senior Officers from within the Council, meets on a quarterly basis to oversee operations and to make decisions on strategy.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The effective management of credit risk and safeguarding the security of the Council's investments was a key Treasury Management priority in 2022/23.

Regular Treasury Investments

The Treasury Management Strategy includes an Annual Investment Strategy (AIS) in compliance with the DLUHC's Investment Guidance. The AIS aims to reduce credit risk by requiring that deposits are not made with financial institutions unless they meet specified criteria. During 2022/23 the **minimum** criteria for investments has remained as a long term Fitch rating of A-, or the equivalent rating from other agencies.

Whilst credit ratings remain a key source of information, the Council bases investment decisions on a range of credit indicators and takes account of the following market information:

- GDP;
- Net Debt as a Percentage of GDP;
- Sovereign Support Mechanisms / potential support from parent institution;
- Share Price; and
- Credit Default Swaps.

In accordance with the Council's AIS, investments were made with the following institution types, none of which were considered to pose an immediate credit risk (further details are available in the Council's Treasury Final Accounts Report):

- Local Authorities;
- Banks; and
- AAA Rated Money Market Funds.

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. Since the Council only invests in high quality institutions and products, its regular treasury investments have been measured on a 12-month basis. Based on the historic risk of default data provided by Link Asset Services (the Council's treasury management advisors), the loss allowance required is immaterial.

From a credit risk perspective, the Council is not anticipating any significant issues with its treasury investments despite the currently uncertain economic climate. For instance, the majority of the Council's investments are placed with high quality Money Market Funds designed to provide security and liquidity. The parameters in which these funds are managed have been tightened (e.g. shorter investment durations) to further reduce the risk of default. It is also worth noting that officers closely monitor changes in the credit ratings/CDS prices of Link Asset Services' suggested counterparties. On that basis we have no evidence to suggest that the expected credit loss calculations need revising.

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Trade Debtors

In addition to its regular treasury investments, the Council had £10.766M of trade debt outstanding at the year end. The Council does not generally allow credit for its trade debtors, such that £5,221M of the outstanding balance is past its due date for payment (£5.434M of £11.716M in 2021/22). The past due amount can be analysed by age as follows:

31 st March 2022 £000s	Aged Debt Analysis:	31 st March 2023 £000s
2,755	Less Than Three Months	2,053
782	Three to Six Months	1,043
729	Six Months to One Year	673
1,168	More Than One Year	1,452
5,434		5,221

The Council also recognises expected credit losses on its trade debtors on a lifetime basis. Trade debtors are not subject to internal credit rating and have been collectively assessed using provision matrices - based on historical data for defaults adjusted for current and forecast economic conditions. Debt write-off is considered when normal recovery procedures have been unable to secure payment. Prior to write-off, all possible action will have been taken to secure the debt, however the extent to which it is pursued is dependent on the amount of the debt and the financial circumstances of the debtor. Further details are disclosed in [Note 27](#).

Third Party Loans

The Council also holds a number of third party loans on its balance sheet, which are assessed on an individual instrument basis. Loss allowances have been assessed using a range of factors such as the purpose of the loan, any amounts past due, any rescheduling that has taken place and whether or not the loan is secured. Where the risk of loss has increased since the loan was made, expected credit losses have been assessed on a lifetime basis. All other loans have been assessed on a 12-month basis. Further details are disclosed in [Note 27](#).

Liquidity Risk

The Council continues to maintain a short maturity duration for investments, primarily using instant access Call Accounts and Money Market Funds to manage liquidity requirements. Additionally, the Barclays Flexible Interest Bearing Current Account (FIBCA) continued to be used to move funds between accounts and manage day to day cash requirements.

To protect itself in the current economic climate, the Council kept other fixed-term investments short-term to cover cash flow needs, but also sought out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach. In addition, the Council has ready access to borrowings from the Money Markets and the Public Works Loan Board. As such there is no perceived risk that the Council will be unable to raise finance to meet its commitments.

The maturity of investments made with banks and financial institutions is as follows:

2021/22 Carrying Value £000s	2021/22 Percentage %	Years	2022/23 Carrying Value £000s	2022/23 Percentage %
189,104	100	Less Than One Year	154,996	100
-	-	Between One & Two Years	-	-
-	-	Between Two & Three Years	-	-
-	-	More Than Three Years	-	-
-	-	Uncertain Date	-	-
189,104	100	Carrying Value	154,996	100

Refinancing Risk

The Council maintains a significant debt portfolio and has to ensure that it will not be exposed to refinancing a significant proportion of its borrowing at a time of unfavourable interest rates. The approved prudential indicator for the maturity structure of debt is a key control in managing this risk.

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The maturity analysis of the carrying amount of the Council's borrowing as at 31st March 2023 is as follows:

2021/22 Carrying Value	2021/22 Percentage	Years	2022/23 Carrying Value	2022/23 Percentage
£000s	%		£000s	%
(32,739)	5	Less Than 1 Year	(18,436)	3
(18,435)	3	Between One & Two Years	(12,385)	2
(24,703)	4	Between Two & Five Years	(19,784)	3
(29,420)	4	Between Five & Ten Years	(38,413)	6
(29,500)	4	Between Ten & Twenty Years	(14,971)	2
(91,061)	13	Between Twenty & Thirty Years	(89,132)	14
(173,930)	26	Between Thirty & Forty Years	(193,930)	30
(227,700)	33	More Than Forty Years	(207,700)	32
(56,757)	8	Uncertain Date *	(56,757)	8
(684,245)	100	Total	(651,508)	100

A maturity analysis of the Council's PFI and finance lease liabilities is provided [Note 25](#) and [Note 26](#).

* The Council has £55M of "Lender's Option, Borrower's Option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to rising interest rates, the lender may exercise the option to propose a rate increase and the maturity date is therefore uncertain.

In addition, the Council has a loan arrangement with the West Yorkshire Combined Authority (£1.757M). Repayment of the loan is directly connected to Business Rate levels and the maturity date is therefore uncertain.

Market Risk

Interest Rate Risk: The Council is exposed to risks arising from movements in interest rates. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowing at variable levels – the interest expense will rise;
- borrowing at fixed rates – the fair value of the liabilities will fall;
- investments at variable rates – the interest income will rise; and
- investments at fixed rates – the fair value of the assets will fall.

The Council has a number of strategies for managing interest rate risk which are set out in the Annual Treasury Management Strategy. The main control is to set an upper limit on variable interest rate exposures, measured against the Council's **overall borrowing requirement** (including temporary loans, where the rate available is dependent on market conditions at the time and LOBO loans, where the lender has the option to propose an increase in the rate payable. It also includes the Council's under-borrowed position). As illustrated in the table below, the Council was within the limit set as at 31st March 2023.

Limit on Variable Rate Borrowing / Unfinanced CFR	Actual (%)	Limit (%)
Measured against the Council's overall borrowing requirement	30	30

Borrowings and investments classed as 'Loans and Receivables' are not carried at fair value so any nominal changes to their fair value will not have an impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

This is illustrated in the table below. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000s
Impact on the Provision of Services (Surplus) / Deficit:	
Increase in Interest Payable on Variable Rate Borrowings	-
Decrease in Interest Payable on Variable Rate Investments	(287)
Impact on the Provision of Services (Surplus) / Deficit	(287)
Share of Overall Impact Debited / Credited to HRA	
Share of Overall Impact Debited / Credited to General Fund	(287)
	(287)
Impact on Other Comprehensive Income & Expenditure:	
Decrease in Fair Value of Fixed Rate Investment Assets	-
Impact on Other Comprehensive Income & Expenditure	-
Decrease in Fair Value of Fixed Rate Borrowings (Premature Repayment Rate)	(92,288)
Decrease in Fair Value of Fixed Rate Borrowings (New Loan Rate)	(71,943)
Decrease in Fair Value of Loans & Receivables	-

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The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

A 1% change in interest rates has a significant impact on the revenue account, and is an area of risk that is closely monitored by officers.

Price Risk: The Council does not generally invest in equity shares but does have shareholdings to the value of £2.000M in a number of joint ventures and in local industry. The Council is consequently exposed to losses arising from movements in the prices of the shares. These equity investments have been designated as fair value through other comprehensive income on the basis that:

- They're not quoted in an active market; and
- They're not held for trading.

Foreign Exchange Risk: The Council has no financial assets or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

Note 29 – Inventories

Description:	Inventories are assets held by the Council for consumption on rendering services. This note details the level and movement of these assets.
Relevant Accounting Policies:	Accounting Policy 16

2021/22					2022/23			
Consumable Stores	Maintenance Materials	Client Services – Work in Progress	Total		Consumable Stores	Maintenance Materials	Client Services – Work in Progress	Total
£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s
120	1,066	-	1,186	Balance Outstanding at 1 st April	182	1,331	-	1,513
1,067	1,865		2,932	Purchases	1,356	1,690		3,046
(1,005)	(1,599)		(2,604)	Recognised as an Expense in the Year	(1,347)	(2,131)		(3,478)
			-	Transfers		-		-
	(1)		(1)	Written on/off Balance		9		9
182	1,331	-	1,513	Balance Outstanding 31 st March	191	899	-	1,090

[Balance Sheet](#)

[Balance Sheet](#)

Note 30 – Local Taxation Debtors

Description:	Local Taxation Debtors are assets representing the amounts owed to the Council in respect of local taxation (NNDR and Council Tax).
Relevant Accounting Policies:	Accounting Policy 2 / Accounting Policy 3

31 st March 2022				31 st March 2023		
Debtors £000s	Impairment for Bad Debts £000s	Net £000s		Debtors £000s	Impairment for Bad Debts £000s	Net £000s
553	(553)	-	Business Rates	524	(669)	(145)
9,788	(9,788)	-	Council Tax	10,674	(9,764)	910
10,341	(10,341)	-	Local Taxation Debtors	11,198	(10,443)	765

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

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Note 31 – Other Short Term Debtors

Description:	Other Short-Term Debtors are assets representing the amounts owed to the Council in respect of other debts.
Relevant Accounting Policies:	Accounting Policy 2

31 st March 2022				31 st March 2023		
Total Debtors	Impairment for Bad Debts	Total		Total Debtors	Impairment For Bad Debts	Total
£000s	£000s	£000s		£000s	£000s	£000s
11,718	(6,430)	5,288	Trade Receivables	10,766	(7,928)	2,838
16,330	-	16,330	Prepayments & Accrued Grant Income	14,541	-	14,541
27,435	-	27,435	Other Receivable Amounts	24,135	-	24,135
55,483	(6,430)	49,053	Total	49,442	(7,928)	41,514

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

[Balance Sheet](#)

Note 32 – Short Term Creditors

Description:	Short Term Creditors are financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied and have been invoiced or formally agreed with the supplier.
Relevant Accounting Policies:	Accounting Policy 2 / Accounting Policy 3

31 st March 2022 £000s		31 st March 2023 £000s
(11,022)	Trade Creditors	(11,922)
(28,313)	Other Creditors	(18,723)
(6,792)	Capital Creditors	(9,041)
(3,945)	Receipts in Advance	(3,750)
(6,230)	Payroll Creditors	(6,601)
(7,432)	NNDR	(8,390)
(4,581)	Council Tax	(5,795)
(2,918)	Other Tax & Social Security	(2,253)
(71,233)	Total	(66,475)

[Balance Sheet](#)

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2022/23

Note 33 – Grants & Contributions Receipts in Advance

Description:	Grants and Contributions Receipts in Advance are held on the balance sheet until the specific conditions are satisfied. This note outlines the level of receipts in advance held by the Council.
Relevant Accounting Policies:	Accounting Policy 12

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the transferor if the conditions are not met. All specific income relating to grants, contributions and donations that are significant in value are listed individually in the table below:

31 st March 2022 £000s	Current Liabilities - Capital	31 st March 2023 £000s
	Capital Grants Receipts in Advance:	
(4,791)	Growth & Sustainability - Sustainable Warmth - LAD	(4,791)
(1,214)	Growth & Sustainability - BEIS Public Sector Decarbonisation Grant	(1,214)
(1,104)	Growth & Sustainability - A628 Safer Roads	(1,023)
(522)	Growth & Sustainability - Sustainable Warmth - HUG	(522)
(1,674)	Growth & Sustainability - Social Housing Decarb Fund	(414)
(134)	Growth & Sustainability - Highways England Grant	(134)
(5,502)	Growth & Sustainability - J37 Phase 2	(106)
(1,055)	Growth & Sustainability - Market Gate Bridge	-
(507)	People – Devolved Formula Capital (DFC)	(929)
(5,839)	Place Health & Adult Social Care – Disabled Facilities Grant (DFG)	(4,082)
(1,844)	Other Grants	(3,439)
(24,186)	Total Capital Grants Receipts in Advance	(16,654)
	Capital Contributions Receipts in Advance:	
(9,150)	Section 106 Contributions	(11,951)
(1,192)	Other Contributions	(1,185)
(10,342)	Total Capital Contributions Receipts in Advance	(13,136)
(34,528)	Total Capital Grants & Contributions Receipts in Advance	(29,790)

[Balance Sheet](#)

31 st March 2022 £000s	Current Liabilities - Revenue	31 st March 2023 £000s
	Revenue Grants Receipts in Advance:	
(43)	People - Adoption Support Fund	-
-	Growth & Sustainability - Business Energy & Industrial Strategy Grant	-
(582)	Growth & Sustainability – Community Renewal Fund	-
(72)	Various – COVID Grants	-
(698)	Other	(215)
(1,395)	Total Revenue Grants Receipts in Advance	(215)
	Revenue Contributions Receipts in Advance:	
(1,537)	Growth & Sustainability – Section 278 Contributions	(1,582)
(341)	Growth & Sustainability – Maintenance Agreements	(278)
(62)	People – Children’s Social Work Matters	(33)
(1,940)	Total Revenue Contributions Receipts in Advance	(1,893)
(3,335)	Total Revenue Grants & Contributions Receipts in Advance	(2,108)

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2022/23

Note 34 – Provisions

Description:	A provision is a liability of uncertain timing or amount. This note details the provisions that the Council has set aside for future obligations.
Relevant Accounting Policies:	Accounting Policy 23

	Insurance Fund	Municipal Mutual Insurance	Trading Standards Legal Case	Rating List / NNDR Appeals	LGYH	Other	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31st March 2021	(4,380)	(141)	(388)	(5,867)	(100)	(13)	(10,889)
Additional Provisions Made in 2021/22	(2,605)	-	-	-	-	-	(2,605)
Amounts Used in 2021/22	957	-	-	460	-	-	1,417
Unused Amounts Reversed in 2021/22	2,016	93	-	1,154	-	-	3,263
Balance at 31st March 2022	(4,012)	(48)	(388)	(4,253)	(100)	(13)	(8,814)
Additional Provisions Made in 2022/23	(963)	(6)	-	-	-	-	(969)
Amounts Used in 2022/23	207	-	-	2,091	-	-	2,298
Unused Amounts Reversed in 2022/23	817	-	-	(564)	-	-	253
Balance at 31st March 2023	(3,951)	(54)	(388)	(2,726)	(100)	(13)	(7,232)
Short Term Provisions	-	-	(388)	(2,726)	(100)	(13)	(3,227)
Long Term Provisions	(3,951)	(54)	-	-	-	-	(4,005)

[Balance Sheet](#)

Insurance Fund

The Council self-insures part of its insurable financial risk by holding excesses on the various insurance policies that it has in place. These excesses apply to various categories of cover including property, public liability and employer's liability. As such, any claim that falls below the policy excess will be a cost to the Council.

In order to fund the cost of these claims, a provision has been made by the Council. The provision included in the 2022/23 accounts is £3.950M (£4.012M in 2021/22) and is based upon 80% of total identified outstanding claims. This level of provision is considered appropriate to fund the cost of claims on the basis of past experience and timescales in resolving outstanding claims.

The Council also continues to monitor claims experience and has identified an appropriate reserve to meet other potential insurance claims.

Municipal Mutual Insurance (MMI)

Municipal Mutual Insurance was the Council's insurer until their demise in 1992. A Scheme of Arrangement was set up with its creditors under which MMI continued to settle all outstanding claims whilst they had sufficient funds to do so. In the eventuality that the company became insolvent, a clawback clause would be triggered with the Council liable to repay MMI in full or part. This Scheme of Arrangement was triggered in November 2012 and as such the Council set aside an amount totalling £1.689M in the 2012/13 accounts. This was based on an estimate of its maximum liability at that time.

The remaining provision as at 31st March 2023 is £0.054M.

South Yorkshire Trading Standards

The Council carries a provision for the anticipated losses relating to the alleged financial irregularities in the South Yorkshire Trading Standards Service. As at 31st March 2014, this provision remained at £2.300M. In May 2014, the Council received further information regarding a provisional settlement figure to be paid during 2014/15, equating to £1.912M for its share of the losses. The remaining provision stands at £0.388M.

STATEMENT OF ACCOUNTS 2022/23

Provision for Amendments to The Rating List / NNDR Appeals

On 1st April 2013, The Local Government Finance Act 2012 introduced the business rates retention scheme enabling local authorities to retain a proportion of the business rates generated in their area. Under the scheme, billing authorities are required to make provisions for refunding ratepayers who have appealed against the rateable value of their properties on the rating list.

The total provision on the Collection Fund as at 31st March 2023 has been set at £5.563M, based on a combination of information provided by Analyse Local (a system developed to calculate the value of outstanding appeals using an extensive range of property and historical rating information, used by a number of local authorities across the country) and local knowledge. The total decrease in provision is £3.117M, taking into account settled appeals and including the respective preceptors' share, which is shown within the [Collection Fund Statement](#). The Council's share of this provision as at 31st March 2023 equated to £2.726M.

Local Government Yorkshire & Humber

Local Government Yorkshire and Humber (LGYH) was the partnership of local authorities, including police and crime commissioners, fire and national park authorities. It brought local authorities together on key issues, supported the improvement of service delivery, lobbied Government on the future of local government, promoted good employment practices, and worked with local authorities to improve the public perception of local government.

The decision was made by member authorities to dissolve LGYH with effect from 31st March 2015 and terminate the LGYH Admission Body Agreement with the West Yorkshire Pension Fund (WYPF).

The respective authorities decided that the exit payment due to WYPF as a result of the termination would be apportioned between each organisation. The estimate of the full exit payment is £2.4M of which £0.1M relates to Barnsley MBC's share.

Other Provisions – Section 117 Provision

On the 28th July 1999, the High Court ruled that local authorities may not charge for services provided under Section 117 of the Mental Health Act 1983. This provision relates to the possible reimbursement of charges where these have previously been levied.

Note 35 – Contingent Liabilities

Description:	This note outlines the areas by which the Council may incur a potential liability, depending on the outcome of an uncertain future event.
Relevant Accounting Policies:	Accounting Policy 24

Municipal Mutual Insurance

As highlighted above, the Council has set aside a provision relating to a liability for the outstanding insurance claims placed with Municipal Mutual Insurance (MMI) Limited. The amount set aside is higher than the recommended amount set by MMI Ltd's insolvency scheme administrator and is therefore considered prudent to sufficiently settle the Council's potential liability.

Business Rate Appeals

As highlighted above, the Council has included a provision of £2.726M in relation to business rates appeals outstanding as at 31st March 2023. It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal and the Council has therefore made no provision in the accounts in relation to un-lodged appeals.

Term Time Holiday Pay

The Council may be subject to a legal challenge from its part time employees over the calculation of their holiday entitlement as a result of the ongoing legal case - *Brazel v The Harper Trust*. As at the 31st March 2023, the case was still ongoing where the defendant was given the right to appeal in the Supreme Court.

Note 36 – Defined Contribution Pension Schemes

Description:	A Defined Contribution Pension Scheme is a pension scheme where the Council pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets.
Relevant Accounting Policies:	Accounting Policy 9

Teachers' Pensions Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita Business Services Ltd on behalf of the Department for Education (DfE). The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

STATEMENT OF ACCOUNTS 2022/23

The Scheme is a multi-employer defined benefit scheme. The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The Scheme has in excess of 3,700 participating employers and consequently the Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2022/23, the council paid £5.434M to teachers' Pensions in respect of teachers' retirement benefits representing 23.68% of pensionable pay. 2021/22, payments were £5.252M representing 23.68% of pensionable pay. There were no contributions remaining payable at the year end.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in [Note 37](#) below.

NHS Pensions Scheme

As at 1st April 2013, the Council took full responsibility for the Public Health function from the NHS as per The Health and Social Care Act 2012. Public Health employees were transferred to the Council at this time under The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). In addition, from the 1st April 2016, the 0-19's group transferred to the Council.

Public Health employees employed by the Council are members of the NHS Pension Scheme, administered by the NHS Business Service Authority. The scheme provides employees with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The Public Health employees that were transferred on the 1st April 2014 will remain in the NHS Pension Scheme. All new employees will be enrolled into the Local Government Pension Scheme.

The Scheme is a multi-employer defined benefit scheme. The NHS Pension Scheme, is an unfunded occupational scheme backed by the Exchequer. In 2022/23, the Council paid £0.276M to NHS Pensions in respect of Public Health employees' retirement benefits, representing 14.38% of pensionable pay, with 0.08% of this being a levy cost. The comparative figures for 2021/22 were £0.254M representing 14.38% of pensionable pay.

Note 37 – Defined Benefit Pension Schemes	
Description:	A Defined Benefit Pension Scheme is one that is not classed as a Defined Contribution Scheme. This note explains such schemes that the Council has.
Relevant Accounting Policies:	Accounting Policy 9

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the South Yorkshire Pension Fund. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In addition to the funded element of the scheme, the Council also accounts for an unfunded element in relation to discretionary benefits. These amounts have been shown as a separate column in the tables below for information.

Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the reported Net Cost of Services in the Comprehensive Income and Expenditure Statement when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement on Reserves Statement during the year:

STATEMENT OF ACCOUNTS 2022/23

2021/22 £000s		2022/23 £000s
	Comprehensive Income & Expenditure Statement:	
	<i>Cost of Services:</i>	
38,448	- Current Service Cost	38,248
292	- Past Service Costs	1,497
(626)	- Settlements & Curtailments	-
-	- Administration Expenses	-
	<i>Financing & Investment Income & Expenditure:</i>	
9,499	- Net Interest Cost	9,099
47,613	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	48,844
	<i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement:</i>	
	<i>Re-measurement of The Net Benefit Liability Comprising:</i>	
(86,081)	- Return on Plan Assets (Excluding The Amount Included In Net Interest Expense)	72,909
3,739	- Experience (Gains) / Losses	91,134
3,739	- IFRIC 14 Asset Valuation adjustment**	88,725
-	- Actuarial (Gains) and Losses On Changes in Demographic Assumptions	(24,185)
(62,264)	- Actuarial (Gains) and Losses On Changes in Financial Assumptions	(584,780)
-	- Business Combinations	-
(144,606)	Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure *	(356,197)
(96,993)	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(307,353)

* The remeasurement of the net benefit liability is a result of the change in assumptions made by the Actuary over the period. A table of these assumptions used and how they have changed over time can be found within this Note. Relatively small changes in these assumptions can sometimes result in significant (gains) / losses within the year as they are all interdependent with each other.

**IAS 19 limits the measurement of the defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. IFRIC 14 provides guidance on the interaction of the IAS 19 limit and any minimum funding requirements. Due to IFRIC 14 a minimum funding requirement is included within the accounts to place onerous obligation on the obligation recognised under IAS19.

2021/22 £000s		2022/23 £000s
	Movement in Reserves Statement:	
(47,613)	- Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with The Code	(48,844)
	Actual Amount Charged Against the General Fund Balance for Pensions for the Year:	
19,720	Employers' Contributions Payable to Scheme	17,804
-	Retirement Benefits Payable to Pensioners	-
(27,893)	Net Adjustment to Surplus or Deficit for the Provision of Services	(31,040)

[Note 3](#)

[Note 3](#)

Pension Assets and Liabilities Recognised in the Balance Sheet

2021/22 £000s		2022/23 £000s
(1,569,445)	Present Value of The Defined Benefit Obligation	(1,108,333)
1,241,979	Fair Value of Plan Assets	1,108,333
(327,466)	Net Liability Arising From Defined Benefit Obligation	(-)

[Balance Sheet](#)

[Balance Sheet](#)

The defined benefit obligation includes £28.820M which relates to unfunded obligations as at 31st March 2023 (£37.030M as at 31st March 2021).

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Reconciliation of Fair Value of the Scheme (Plan) Assets

2021/22		2022/23
£000s		£000s
1,148,649	Opening Balance at 1st April	1,241,979
23,924	Interest Income	33,307
	<i>Re-measurement Gains and (Losses):</i>	
86,081	- The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense	(72,909)
-	- IFRIC 14 Adjustment	(91,134)
-	- Business Combinations	-
-	- Experience Gains/Losses	12,214
(639)	Settlements	-
18,939	Employer Contributions	20,113
6,436	Contributions by Scheme Participants	6,864
(41,411)	Benefits Paid	(42,101)
1,241,979	Closing Balance at 31st March	1,108,333

Local Government Pension Scheme Assets Comprised:

Asset Type	2022/23			
	Quoted £000s	Unquoted £000s	Total £000s	Percentage of Total %
Cash & Cash Equivalents	11,430	-	11,430	0.95
Total Cash & Cash Equivalents	11,430	-	11,430	0.95
Equity Securities	80	12	92	0.01
Total Equity Securities	80	12	92	0.01
<u>Debt Securities:</u>				
Corporate Bonds (Non-Investment Grade)	-	24	24	0.00
UK Government	-	4,462	4,462	0.37
Other	3,628	66,224	69,852	5.82
Total Debt Securities	3,628	70,710	74,338	6.19
Private Equity	2,100	125,342	127,442	10.62
Total Private Equity	2,100	125,342	127,442	10.62
<u>Real Estate:</u>				
UK	1,628	98,432	100,060	8.34
Overseas	-	1,504	1,504	0.15
Total Real Estate	1,628	99,936	101,564	8.49
<u>Investment Funds & Unit Trusts:</u>				
Equities	-	541,827	541,827	45.17
Bonds	-	200,434	200,434	16.71
Infrastructure	12,702	107,641	120,343	10.03
Other	-	21,997	21,997	1.83
Total Investment Funds & Unit Trust	12,702	871,899	884,601	73.74
Total Scheme Assets*	31,568	1,167,899	1,199,467	100.00

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Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2021/22		2022/23
£000s		£000s
(1,592,047)	Opening Balance at 1st April	(1,569,445)
(38,448)	Current Service Cost	(38,248)
(292)	Past Service Cost	(1,497)
(33,423)	Interest Cost	(42,406)
(6,436)	Contributions by Scheme Participants	(6,864)
	<i>Re-measurement Gains and (Losses):</i>	
(3,739)	- Experience Gains / (Losses)	(100,939)
-	- Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions	24,185
62,264	- Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions	584,780
-	- Gains / (Losses) Curtailments	-
41,411	Benefits Paid	42,101
1,265	Liabilities Extinguished on Settlements	-
-	Business Combinations	-
(1,569,445)	Closing Balance at 31st March	(1,108,333)

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit cost method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Hyman Robertson LLP, an independent firm of actuaries with estimates for the Council fund being based on the latest full valuation of the scheme which took place on 31st March 2020 for the period 1st April 2020 to 31st March 2023.

The principal assumptions used by the actuary have been:

2021/22			2022/23	
1 st April	31 st March		1 st April	31 st March
Years	Years	Mortality Assumptions:	Years	Years
22.5	22.6	Longevity at 65 for Current Pensioners (Male)	22.6	20.5
25.3	25.4	Longevity at 65 for Current Pensioners (Female)	25.4	23.7
24.0	24.1	Longevity at 65 for Future Pensioners (Male)	24.1	21.5
27.2	27.3	Longevity at 65 for Future Pensioners (Female)	27.3	25.2
%	%	Other:	%	%
2.8	3.2	Rate of CPI	3.2	2.95
3.95	4.2	Rate of Increase in Salaries	4.2	3.55
2.8	3.2	Rate of Increase in Pensions	3.2	2.95
2.1	2.7	Discount Rate	2.7	4.75

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme I.E. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

2021/22		2022/23
Increase in Assumption £000s	Impact on the Defined Benefit Obligation in the Scheme *	Increase in Assumption £000s
(62,748)	- Longevity (Increase or Decrease in 1 Year)	(44,333)
(23,535)	- Rate of Inflation (Increase or Decrease by 0.1%)	(16,593)
(3,659)	- Rate of Increase in Salaries (Increase or Decrease by 0.1%)	(1,986)
27,430	- Rate of Discounting Scheme Liabilities (Increase or Decrease by 0.1%)	18,307

* A negative figure represents an increase to the obligation whereas a positive figure represents a decrease to the obligation.

Other Considerations

There are currently a number of cases that are in the process of being presented from a legal perspective, that may or may not have an impact on the Council's ongoing obligations in terms of its net pension liability.

STATEMENT OF ACCOUNTS 2022/23

McCloud Case – This case relates to an age discrimination issue and is currently in the judicial process. The estimated impact on the Council's pension fund net liability is included within these accounts.

Goodwin Case – This case relates to a gender discrimination issue in relation to widower's pensions and is currently also in the judicial system. The estimated impact on the Council's pension fund net liability is not included within these accounts as is expected to be not material.

Impact on the Council's Cash Flows

Funding levels are monitored on an annual basis. The latest triennial valuation that the 2022/23 figures are based was completed on 31st March 2020 in respect of the 3 year period 2020/21 – through 2022/23.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earning schemes to pay pensions and other benefits to certain public servants.

The Council anticipates paying £17.629M expected contributions to the scheme in 2022/23.

The weighted average duration of the defined benefit obligation for scheme members is 18 years during 2022/23.

NOTES PRIMARILY RELATING TO THE CASHFLOW STATEMENT

Note 38 – Cash Flow Statement – Operating Activities

Description:	Operating activities are the activities of the Council that are not investing or financing activities.
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Included within the cash flows for operating activities include the following items:

2021/22 £000s		2022/23 £000s
43,014	Interest Paid	47,851
(805)	Interest Received	(2,193)
(113)	Dividends Received	(74)

Note 39 – Cash Flow Statement – Investing Activities

Description:	Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
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2021/22 £000s		2022/23 £000s
81,206	Purchase of Property, Plant & Equipment, Investment Property & Intangible Assets	85,802
-	Other Payments for Investing Activities	490
(13,445)	Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	(8,983)
75,013	Net (Receipts) / Payments From Short Term & Long Term Investments	(25,809)
(52,049)	Other Receipts From Investing Activities	(50,691)
90,725	Net Cash (Inflows) / Outflows From Investing Activities	809

[Cash Flow](#)

Note 40 – Cash Flow Statement – Financing Activities

Description:	Financing activities are activities that result in changes in the size and composition of the principal, received from or repaid to external providers of finance.
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2021/22 £000s		2022/23 £000s
(37,758)	Net (Receipts) / Payments From Short Term & Long Term Borrowing	27,738
(7,400)	Council Tax & NNDR Adjustment / Collection Fund	6,189
8,895	Cash Payments for the Reduction of the Outstanding Liabilities Relating to Finance Leases & On-Balance Sheet PFI Contracts	8,427
(36,263)	Net Cash (Inflows) / Outflows From Financing Activities	42,354

[Cash Flow](#)

STATEMENT OF ACCOUNTS 2022/23

Note 41 – Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

Description: This note provides reconciliation of outstanding liabilities which have arisen from financing activities.

	2022/23				
	Long Term Borrowing	Short Term Borrowing	Finance Lease Liabilities	On Balance Sheet PFI Liabilities	Total Liabilities from Financing Activities
	£000s	£000s	£000s	£000s	£000s
Opening Balance at 1st April	(653,158)	(37,306)	(2,036)	(191,339)	(883,839)
Financing Cash Flows	18,450	9,333	548	7,879	36,154
Non Cash Changes:					
- Acquisition	-	-	-	-	-
- Other Non-Cash Changes	-	5,256	-	-	5,256
Closing Balance at 31st March	(634,708)	(22,763)	(1,488)	(183,460)	(842,419)

	2021/22				
	Long Term Borrowing	Short Term Borrowing	Finance Lease Liabilities	On Balance Sheet PFI Liabilities	Total Liabilities from Financing Activities
	£000s	£000s	£000s	£000s	£000s
Opening Balance at 1st April	(628,230)	(21,788)	(2,608)	(199,562)	(852,188)
Financing Cash Flows	(24,928)	(12,830)	672	8,223	(28,863)
Non Cash Changes:					
- Acquisition	-	-	(100)	-	(100)
- Other Non-Cash Changes	-	(2,688)	-	-	(2,688)
Closing Balance at 31st March	(653,158)	(37,306)	(2,036)	(191,339)	(883,839)

NOTES RELATING TO OTHER DISCLOSURES

Note 42– Trust Funds & Other Third-Party Funds

Description: Trust Funds are charity funds that the Council is trustee for. This note explains the purpose of those major funds.

The Council acts as sole or custodian trustee for 13 trust funds and as one of several trustees for a further 24 funds. In neither case do the funds represent assets of the Council and they have not been included in the Council's Balance Sheet.

2021/22 £000s	Trust Funds / Charities	Details	2022/23 £000s
161	Sole / Custodian Trustees: Hoyland Nether Recreation Ground	Land left in trust to benefit the residents of Hoyland	168
297	Captain Allots	Assist groups / clubs in Hemmingfield & Jump	300
47	Amenity Funds	Monies for residents of Social Services Residential Homes	47
10	Cutlers Charity	Relief of financial hardship within the Barnsley Borough	-
32,770	Penistone Grammar School – Foundation Fund	Provide special benefits not normally provided by the LEA for Penistone Grammar School	33,643
-	Others	Various Other Funds	
33,285			34,158
123	Other Funds: Prisoner of War Fund	Grants / Loans for the benefit of ex-service personnel	119
59	Goldthorpe Recreation Ground	Benefits the community of Goldthorpe	65
110	Others	Other Funds	48
292			232
33,577	Total Capital Value of Funds		34,390

STATEMENT OF ACCOUNTS 2022/23

The assets shown below represent the above fund balances:

2021/22		2022/23
£000s	Balance Sheet at 31 st March	£000s
	Assets:	
32,310	Fixed Assets	33,179
630	Investments	626
495	Cash	445
142	Other Net Assets	140
33,577		34,390
	Represented by:	
33,577	Fund Balances	34,390

In respect of Penistone Grammar Trust, as the Council is sole trustee and the value is deemed material, the accounts of the Trust are recognised within the Council's [Group Accounts](#).

STATEMENT OF ACCOUNTS 2022/23

SECTION 6 – ACCOMPANYING FINANCIAL STATEMENTS

THE HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT – COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

The HRA Comprehensive Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and Central Government grants. Authorities charge rent to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2021/22 £000s		2022/23 £000s	
	Income		
(71,133)	Dwelling Rents (Gross)	(73,431)	
(297)	Non-Dwelling Rents (Gross)	(307)	
(1,031)	Charges for Services and Facilities	(1,028)	
(1,010)	Contributions Towards Expenditure	(1,339)	
(73,471)	Total Income	(76,105)	CI&ES
	Expenditure		
21,551	Repairs & Maintenance	20,839	
18,433	Supervision & Management	20,274	
240	HRA Share of Corporate & Democratic Core	241	
295	Rents, Rates, Taxes & Other Charges	454	
16,580	Depreciation	18,352	Note E
800	Impairment of Bad Debts	990	
22,732	Impairment / (Reversal of Previous Years' Impairments) of Non-Current Assets	21,614	Note F
689	Revenue Expenditure Funded By Capital Under Statute	762	Note G
81,320	Total Expenditure	83,540	CI&ES
7,849	Net Cost of HRA Services as Included in the Comprehensive Income & Expenditure Statement	7,435	CI&ES
	HRA Share of Other Operating Income & Expenditure in The CI&ES		
3,145	(Gain) / Loss on Disposal of HRA Fixed Assets	6,783	
3,145	HRA Share of Financing & Investment Income & Expenditure in The CI&ES		
10,267	Interest Payable & Similar Charges	10,000	
-	Premium Incurred on Early Redemption of Debt	-	
(30)	Interest & Investment Income	(466)	
10,237		9,534	
21,231	(Surplus) / Deficit for the Year on HRA Services	23,752	MIRS

MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

2021/22 £000s		2022/23 £000s	
30,952	Balance on the HRA at the End of the Previous Year	28,843	
(21,231)	Surplus or (Deficit) for the Year on the HRA Income & Expenditure Statement	(23,752)	MIRS
19,122	Adjustments Between Accounting Basis and Funding Basis Under Statute	20,042	Note 3 / MIRS
(2,109)	Increase / (Decrease) in the Housing Revenue Account Balance	(3,710)	
28,843	Balance on the HRA at the End of the Current Year	25,133	EFA / Note 4

STATEMENT OF ACCOUNTS 2022/23 NOTES TO THE HOUSING REVENUE ACCOUNT

Note A – Analysis of Housing Stock as at 31st March

Description:	This note gives an analysis of the Council's housing stock in terms of both types of dwellings within the portfolio and valuation information.
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The number of council house dwellings held at the year-end can be analysed as follows:

31 st March 2022	Analysis of Housing Stock	31 st March 2023
8,430	Detached/Semi Detached Houses	8,338
1,887	Terraced House	1,870
4	House/Shop	4
3,117	Flats / Bedsits	3,110
4,638	Bungalows	4,639
19	Maisonette	18
18,095	Total	17,979

HRA Balance Sheet Information:

2021/22	Asset Category	2022/23
Value as at 31st March £000s		Value as at 31st March £000s
715,990	Dwellings	850,021
20,941	Other Land & Buildings	19,803
204	Vehicles, Plant, Furniture & Equipment	115
110	Infrastructure Assets	101
2,026	Assets Under Construction	7,511
692	Surplus Assets	715
20	Intangible Assets	6
-	Assets Held for Sale	-
739,983	Total	878,272

Note B – Vacant Possession Value of Council Housing Stock

Description:	This note explains the valuation methodology of the Council's dwellings in respect of the discount factor applied.
--------------	--

The vacant possession value of dwellings within the HRA as at 31st March 2023 was £2.073 Billion (31st March 2022 value: £1.746 Billion).

To arrive at the Balance Sheet value of dwellings, the vacant possession value is reduced to reflect the fact that there are sitting tenants enjoying sub-market rents and tenants' rights including the Right to Buy. The adjustment factor (41% of the vacant possession value) measures the difference between market rents and sub-market rents. It shows the economic cost to Central Government of providing council housing at less than market rents.

Note C – Analysis of the Movement on the Major Repairs Reserve

Description:	This note shows the movement on the Council's major repairs reserve.
--------------	--

2021/22 £000s	Major Repairs Reserve	2022/23 £000s
(19,014)	Balance Brought Forward	(18,119)
	Credits:	
(16,580)	In Year Depreciation Charge	(18,352)
(3,690)	Additional Contribution to Major Repairs Reserve	(6,034)
(20,270)		(24,386)
	Debits:	
21,165	Capital Expenditure for HRA Purposes	18,117
21,165		18,118
(18,119)	Balance to Carry Forward	(24,388)

[Note E](#)

STATEMENT OF ACCOUNTS 2022/23

Note D – HRA Capital Expenditure and Capital Receipts

Description:	This note shows the total capital expenditure within the HRA and the amount of receipts received during the period.
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An analysis of capital expenditure within the HRA and sources of finance:

2021/22 £000s	Capital Financing	2022/23 £000s
-	Borrowing	-
1,167	Capital Receipts	2,118
1,255	Revenue Contributions	-
2,437	Reserves	3,045
21,165	Major Repairs Reserve	18,118
759	Grants and Contributions	2,574
26,783	Total Capital Expenditure Within the HRA	25,855

A summary of total capital receipts within the Council's HRA:

2021/22 £000s	Capital Receipts	2022/23 £000s
4,585	Council House Sales (Net)	7,490
-	Other Land	-
-	Other Buildings	-
-	Non Disposals	-
-	Mortgages and Housing Act Advances	-
4,585	Total	7,490

Note E – HRA Depreciation

Description:	This note outlines the Council's depreciation methodology in respect of its Council Dwelling stock together with the actual charge for the period.
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Authorities are required to charge depreciation on all HRA properties calculated in accordance with proper practices. The Service Director – Finance (S151 Officer) has determined a componentised approach to depreciation of Council Dwellings.

The straight line depreciation method has also been used for non-dwelling properties in accordance with proper practices including IAS 16 principles. The table below details the depreciation charge made to the HRA.

2021/22 £000s	Depreciation	2022/23 £000s
16,031	Council Dwellings	17,805
436	Other Land & Buildings	436
90	Vehicle, Plant, Furniture & Equipment	89
9	Infrastructure Assets	9
-	Surplus Assets Not Held for Sale	-
14	Intangible Assets	14
16,580	Total	18,352

Note F – HRA Impairments / Revaluation Losses

Description:	This note shows the charges to the HRA in respect of revaluation losses on assets.
--------------	--

2021/22 £000s	Impairments / Revaluation Losses	2022/23 £000s
22,680	Impairments / Revaluations Losses – Non-Value Adding Expenditure	21,519
80	Impairments / Revaluations Losses	158
(28)	Reversal of Previous Revaluation Losses	(63)
22,732	Total	21,614

STATEMENT OF ACCOUNTS 2022/23

Note G – HRA Revenue Expenditure Funded from Capital Under Statute

Description:	This note explains any HRA expenditure that is defined as revenue but under statute, can be treated as capital.
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During 2022/23, the Council's HRA incurred capital expenditure totalling £0.762M that relates to assets not controlled by the Council. The related assets are a new housing repairs system that is controlled by Berneslai Homes, on the Council's behalf.

The total expenditure incurred in 2021/22 was £0.689M

Note H – HRA Rent Arrears

Description:	This note explains the level of outstanding rent arrears together with the debts provided for, that are potentially uncollectable.
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Housing rent arrears total £3.860M as at 31st March 2023 (£3.477M as at 31st March 2022).

A bad debts provision has been made in the accounts in respect of potentially uncollectable rent. The value of the provision at 31st March 2023 is £3.860M (£3.477M as at 31st March 2022).

Note I – Income / Expenditure in the HRA directed by the Secretary of State

Description:	This note explains any HRA income or expenditure that has been directed by the Secretary of State.
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There has not been any income or expenditure incurred by the HRA that required the Secretary of State's approval.

Note J – Exceptional Items

Description:	This note details any material, exceptional items within the HRA.
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There have not been any material exceptional items within the HRA in 2022/23.

STATEMENT OF ACCOUNTS 2022/23

COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority, in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council Tax and Non-Domestic Rates.

2021/22			COLLECTION FUND ACCOUNT	2022/23		
COUNCIL TAX	BUSINESS RATES	TOTAL		COUNCIL TAX	BUSINESS RATES	TOTAL
£000s	£000s	£000s		£000s	£000s	£000s
			INCOME:			
(128,276)	-	(128,276)	Council Tax	(132,456)	-	(132,456)
-	(44,326)	(44,326)	Non-Domestic Rates (Note A)	-	(57,273)	(57,273)
(128,276)	(44,326)	(172,602)	Total Income	(132,456)	(57,273)	(189,729)
			EXPENDITURE:			
			<i>Precepts and Demands on Collection Fund by Major Preceptors & the Council:</i>			
103,888	22,959	126,847	BMBC (Including Parish Council Precepts) (Note C)	109,750	26,105	135,855
-	803	803	Transitional Protection Payments	-	-	-
13,896	-	13,896	South Yorkshire Police Authority (Note C)	14,851	-	14,851
4,962	455	5,417	South Yorkshire Fire & Civil Defence Authority (Note A / Note C)	5,166	518	5,684
122,746	24,217	146,963		129,767	26,623	156,390
			<i>Non-Domestic Rates:</i>			
-	22,769	22,769	Payment to Central Government (Note A)	-	25,881	25,881
-	313	313	Cost of Collection Allowance (to BMBC) (Note A)	-	313	313
-	23,082	23,082		-	26,194	26,194
893	555	1,448	Bad Debts Written Off	2,075	584	2,659
361	(240)	121	Increase / (Reduction) in Provision for Non-Payment of Council Tax / Business Rates	(27)	146	119
-	(2,355)	(2,355)	Provision for Business Rate Appeals		1,151	1,151
1,254	(2,040)	(786)		2,048	1,881	3,929
			<i>Estimated Surplus on Collection Fund:</i>			
3,200	(7,284)	(4,084)	Transfer to General Fund	3,200	(2,401)	799
233	-	233	Transfer to South Yorkshire Police Authority	243	-	243
151	(149)	2	Transfer to South Yorkshire Fire & Civil Defence Authority	148	(49)	99
-	(7,433)	(7,433)	Central Government	-	(2,450)	(2,450)
3,584	(14,866)	(11,282)		3,591	(4,900)	(1,309)
127,584	30,393	157,977	Total Expenditure	135,406	49,798	185,204
(692)	(13,933)	(14,625)	(Surplus) / Deficit for Year	2,950	(7,475)	(4,525)
			COLLECTION FUND BALANCE:			
(18,076)	13,551	(4,525)	(Surplus) / Deficit Brought Forward	(18,768)	(382)	(19,150)
(692)	(13,933)	(14,625)	(Surplus) / Deficit for Year	2,949	(7,476)	(4,527)
(18,768)	(382)	(19,150)	(Surplus) / Deficit Carried Forward	(15,819)	(7,858)	(23,677)
			SHARE OF (SURPLUS) / DEFICIT BALANCE:			
(15,863)	(191)	(16,054)	Barnsley MBC	(13,316)	(3,850)	(17,166)
(2,905)	(4)	(2,909)	Precepting Authorities	(2,503)	(79)	(2,582)
-	(187)	(187)	Central Government	-	(3,929)	(3,929)
(18,768)	(382)	(19,150)	Total	(15,819)	(7,858)	(23,677)

STATEMENT OF ACCOUNTS 2022/23

NOTES TO THE COLLECTION FUND

Note A – National Non-Domestic Rates

Description:	This note explains how the NDR charges are levied and applied to the Borough's businesses.
--------------	--

Non-Domestic Rates are calculated on the basis of a property's rateable value (as determined by the Valuation Office Agency) and the annual multipliers set by Central Government. The amount payable may then be subject to transitional arrangements and various reliefs (both mandatory and discretionary).

The income presented in the collection fund statement is based on the total rateable value of the local 'rating list' (adjusted for transitional arrangements and reliefs), and is based on the following values:

	2021/22	2022/23
Total Rateable Value as at 31st March	£142,023	£145,481
Standard Multiplier	0.512	0.512
Small Business Multiplier	0.499	0.499

Non-Domestic rates are collected locally and distributed between authorities in the following proportions:

	%
Central Government	50
Barnsley MBC	49
South Yorkshire Fire & Rescue Authority	1

Note B – Calculation of the Council Tax Base

Description:	This note explains how the Council's Council Tax Base is calculated.
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Council Tax is calculated on the basis of local (residential) property values and the estimated income required by the Council and its preceptors for the forthcoming year.

Each property is classified into one of nine valuation bands (A- to H) based on its estimated value at the 1st April 1991, and adjusted to reflect any discounts, reliefs or exemptions that apply. The number of properties in each valuation band is then multiplied by a specified fraction to arrive at a band D equivalent figure.

The basic charge is calculated by dividing the total Council Tax Requirement (the Council Tax demand on the Collection Fund) for the forthcoming year, by the total number of band D equivalent properties (also referred to as the Council's tax base). This amount is then multiplied by a specified fraction to arrive at the basic charge for each valuation band. The amount payable may then be subject to various discounts, reliefs or exemptions and Parish Council precepts.

The basic amount of Council Tax for a band D property in 2022/23 was £1,942.17 (£1,875.15 for 2021/22), and was based on the tax base in the table below (65,226.24 for 2021/22):

Band	Total No of Dwellings*	Proportion of Band D Charge	Band D Equivalent	Adjusted for Estimated Collectable Band D Equivalent (95%)
A-	170	5/9	94.50	89.775
A	44,174	6/9	29,449.20	27,976.740
B	15,571	7/9	12,110.90	11,505.355
C	12,290	8/9	10,924.10	10,378.180
D	9,694	9/9	9,694.10	9,209.395
E	3,693	11/9	4,513.50	4,287.825
F	1,487	13/9	2,148.30	2,040.885
G	656	15/9	1,093.70	1,039.015
H	30	18/9	60.50	57.475
	87,765		70,089.10	66,584.645

* Total number of chargeable dwellings (adjusted for discounts), rounded to nearest whole property.

STATEMENT OF ACCOUNTS 2022/23

Note C – Precepts and Demands on the Collection Fund

Description: This note shows the demands on the collection fund from the respective organisations

2021/22 £000s	Demand per Collection Fund	2022/23 £000s
101,763	BMBC	109,302
437	Parish Precepts	448
13,896	Police Authority	14,851
4,962	Fire & Civil Defence Authority	5,166
121,058	Total Precepts	129,767

STATEMENT OF ACCOUNTS 2022/23
SECTION 7 - GROUP ACCOUNTS

THE GROUP MOVEMENT IN RESERVES STATEMENT

<u>Movement in Reserves During 2022/23</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable BMBC Reserves	Unusable BMBC Reserves	Total BMBC Reserves	Authority's Share of Reserves of Subsidiaries, Associates and Joint Ventures	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2022	217,132	28,843	25,093	18,119	19,573	308,760	(34,122)	274,638	18,475	293,113
Total Comprehensive Expenditure & Income	16,988	(23,752)	-	-	-	(6,764)	540,019	533,255	5,589	538,844
Adjustments Between Council and Group Reserves	(36,816)	-	-	-	-	(36,816)	-	(36,816)	36,816	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations	22,366	20,042	3,008	6,269	2,100	53,785	(53,785)	-	-	-
Net Increase / (Decrease) in 2022/23	2,538	(3,710)	3,008	6,269	2,100	10,205	486,234	496,439	42,405	538,844
Balance of Reserves at 31st March 2023	219,670	25,133	28,101	24,388	21,673	318,965	452,112	771,077	60,880	831,957

STATEMENT OF ACCOUNTS 2022/23

THE GROUP MOVEMENT IN RESERVES STATEMENT (CONTINUED)

<u>Movement in Reserves During 2021/22</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable BMBC Reserves	Unusable BMBC Reserves	Total BMBC Reserves	Authority's Share of Reserves of Subsidiaries, Associates and Joint Ventures	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2021	195,302	30,952	17,086	19,014	11,062	273,416	(144,898)	195,302	30,952	17,086
Total Comprehensive Expenditure & Income	(42,132)	(21,231)	-	-	-	(63,363)	247,956	184,593	(28,450)	156,143
Adjustments Between Council and Group Reserves	(38,473)	-	-	-	-	(38,473)	-	(38,473)	38,473	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations	102,435	19,122	8,007	(895)	8,511	137,180	(137,180)	-	-	-
Net Increase / (Decrease) in 2021/22	21,830	(2,109)	8,007	(895)	8,511	35,344	110,776	146,120	10,023	156,143
Balance of Reserves at 31st March 2022	217,132	28,843	25,093	18,119	19,573	308,760	(34,122)	274,638	18,475	293,113

STATEMENT OF ACCOUNTS 2022/23

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2021/22				2022/23		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			Net Cost of Services:			
159,912	(98,318)	61,594	Children's Services	178,583	(115,810)	62,773
211,160	(35,962)	175,198	Place	183,740	(71,031)	112,709
41,825	(73,471)	(31,646)	Housing Revenue Account	45,701	(76,105)	(30,404)
104,859	(51,123)	53,736	Adults & Communities	97,666	(49,242)	48,424
11,414	(8,944)	2,470	Public Health	37,140	(23,442)	13,698
99,749	(98,346)	1,403	Core Services	106,457	(98,671)	7,786
20,348	(30,877)	(10,529)	Corporate Services	14,337	(21,122)	(6,785)
24,066	(23,217)	849	Exceptional Item – COVID 19	-	-	-
-	-	-	Exceptional Item – HSG	4,395	(4,652)	(257)
42,806	218	43,024	Berneslai Homes	46,232	(1,843)	44,389
585	(65)	520	Penistone Grammar Trust	665	(70)	595
716,724	(420,105)	296,619	Net Cost of Services	714,916	(461,988)	252,928
			Other Operating Income & Expenditure:			
468	-	468	Parish Council Precepts	479	-	479
1,666	-	1,666	Payments to Central Government Housing Capital Receipts Pool	-	-	-
12,921	(13,208)	(287)	(Gains) / Losses on The Disposal of Non-Current Assets	7,272	(8,823)	(1,551)
2,920	-	2,920	Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers	-	-	-
17,975	(13,208)	4,767	Total Other Operating Expenditure	7,751	(8,823)	(1,072)
			Financing & Investment Income & Expenditure:			
23,475	-	23,475	Interest Payable on Debt	23,521	-	23,521
57	-	57	Interest Element of Finance Leases	39	-	39
19,621	-	19,621	Interest Payable on PFI Unitary Payments	19,035	-	19,035
10,374	-	10,374	Net Interest on The Defined Benefit Liability / Asset	9,847	-	9,847
-	-	-	Movement in Fair Value of Financial Assets	-	-	-
50	-	50	Expected Credit Loss Model	332	-	332
-	-	-	Premium Incurred on Early Redemption of Debt	-	-	-
-	(639)	(639)	Investment Interest Income	-	(3,248)	(3,248)
-	(446)	(446)	Dividends Receivable	-	(74)	(74)
-	(10)	(10)	Interest Received on Finance Leases	-	(10)	(10)
5,188	(5,985)	(797)	(Surplus) / Deficit of Trading Undertakings or Other Operations	4,247	(4,546)	(299)
-	-	-	Subsidiary Taxation	-	-	-
58,765	(7,080)	51,685	Total Financing & Investment Income & Expenditure	57,021	(7,878)	49,143

STATEMENT OF ACCOUNTS 2022/23

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

2021/22				2022/23		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			<u>Taxation & Non Specific Grant Income:</u>			
-	(46,170)	(46,170)	Recognised Capital Grants & Contributions	-	(50,466)	(50,466)
-	(15,555)	(15,555)	Exceptional Item – COVID 19 Related General Grants	-	(10,240)	(10,240)
-	(8,215)	(8,215)	Section 31 Grant	-	-	-
-	(13,026)	(13,026)	Revenue Support Grant (RSG)	-	(17,681)	(17,681)
-	(107,693)	(107,693)	Council Tax	-	(110,434)	(110,434)
-	(21,906)	(21,906)	Business Rates Retention Scheme – Locally Retained	-	(26,653)	(26,653)
-	(32,735)	(32,735)	Business Rates Retention Scheme – Top Up Grant	-	(33,212)	(33,212)
-	(245,300)	(245,300)	Total Taxation & Non Specific Grant Income	-	(248,686)	(248,686)
793,464	(685,693)	107,771	(Surplus) / Deficit on Provision of Services	779,600	(727,533)	52,067
			<u>Other Comprehensive Income & Expenditure:</u>			
5,649	(106,018)	(100,369)	(Gains) / Losses on Revaluation of Property, Plant & Equipment Assets	8,674	(193,973)	(185,299)
-	(20)	(20)	(Gains) / Losses on Revaluation of Financial Instruments	-	6	6
(163,527)	-	(163,527)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	(405,617)	-	(405,617)
(157,878)	(106,038)	(263,916)	Other Comprehensive Income & Expenditure	(396,943)	(193,967)	(590,910)
635,586	(791,731)	(156,145)	Total Comprehensive Income & Expenditure	382,657	(921,500)	(538,843)

STATEMENT OF ACCOUNTS 2022/23

GROUP BALANCE SHEET AS AT 31st MARCH 2023

2021/22 (Restated) £000s		2022/23 £000s	2022/23 £000s
	NON-CURRENT ASSETS		
	Property Plant and Equipment:		
715,990	- Council Dwellings	850,021	
335,255	- Other Land & Buildings	337,236	
8,308	- Vehicles, Plant, Furniture & Equipment	7,841	
299,733	- Infrastructure Assets	306,244	
-	- Community Assets	-	
8,592	- Assets Under Construction	26,437	
2,228	- Surplus Assets	2,876	
1,370,106			1,530,655
11,659	Heritage Assets	11,659	
759	Investment Properties	770	
548	Intangible Assets	304	
4,487	Long Term Investments	4,428	
3,140	Long Term Debtors	3,439	
20,593			20,600
1,390,699	Total Non-Current Assets		1,551,255
	CURRENT ASSETS		
4,664	Assets 'Held for Sale'	3,598	
134,710	Short Term Investments	126,394	
2,127	Inventories	1,794	
10,341	Local Taxation Debtors	11,198	
(10,424)	Impairment of Local Taxation Debtors	(10,433)	
55,862	Other Short Term Debtors	48,907	
(6,351)	Impairment of Short Term Debtors	(7,929)	
-	Corporation Tax Asset	-	
67,521	Cash & Cash Equivalents	36,157	
258,450	Total Current Assets		209,686
1,649,149	TOTAL GROUP ASSETS		1,760,941
	CURRENT LIABILITIES		
(37,307)	Short Term Borrowing	(22,763)	
(8,430)	Other Short Term Liabilities	(8,940)	
(71,651)	Short Term Creditors	(65,679)	
-	Corporation Tax Liability	-	
(4,754)	Provisions	(3,227)	
(34,528)	Capital Grants Receipts in Advance	(29,790)	
(3,335)	Revenue Grants Receipts in Advance	(2,108)	
-	Bank Overdraft	-	
(160,005)	Total Current Liabilities		(132,507)
	LONG TERM LIABILITIES		
(653,158)	Long Term Borrowing	(634,708)	
(185,633)	Other Long Term Liabilities	(176,693)	
(4,060)	Long Term Provisions	(4,005)	
(353,182)	Retirement Benefit Obligations	18,925	
(1,196,033)	Total Long Term Liabilities		(796,481)
(1,356,038)	TOTAL GROUP LIABILITIES		(928,988)
293,111	GROUP NET ASSETS		831,953

Continued overleaf

STATEMENT OF ACCOUNTS 2022/23

GROUP BALANCE SHEET AS AT 31st MARCH 2023 (CONTINUED)

2021/22 (Restated) £000s		2022/23 £000s	2022/23 £000s
	BMBC USEABLE RESERVES:		
217,132	- General Fund	219,671	
28,843	- Housing Revenue Account	25,133	
25,093	- Useable Capital Receipts Reserve	28,102	
18,119	- Major Repairs Reserve	24,388	
19,573	- Capital Grant Unapplied Reserve	21,673	
308,760	TOTAL BMBC USEABLE RESERVES		318,967
	BMBC UNUSABLE RESERVES:		
(133,502)	- Capital Adjustment Account	(145,918)	
496	- Deferred Capital Receipts Reserve	495	
(10,889)	- Financial Instruments Adjustment Account	(10,304)	
(328,247)	- Pensions Reserve	-	
(431)	- Financial Instrument Revaluation Reserve	(431)	
442,894	- Revaluation Reserve	612,207	
(2,548)	- Accumulated Absences Account	(3,159)	
16,051	- Collection Fund Adjustment Account	17,166	
(17,946)	- DSG Deficit Adjustment Account	(17,946)	
(34,122)	TOTAL BMBC UNUSABLE RESERVES		452,110
274,638	TOTAL BMBC RESERVES		771,077
	OTHER GROUP ENTITY USEABLE RESERVES:		
11,413	- Berneslai Homes Retained Surplus	8,300	
585	- Penistone Grammar Trust – Unrestricted Funds	590	
11,998	TOTAL OTHER GROUP ENTITY USEABLE RESERVES		8,890
	OTHER GROUP ENTITY UNUSABLE RESERVES:		
(25,716)	- Berneslai Homes Pensions Reserve	18,925	
32,191	- Penistone Grammar Trust – Restricted Funds	33,061	
6,475	TOTAL OTHER GROUP ENTITY UNUSABLE RESERVES		51,986
18,473	TOTAL OTHER GROUP ENTITY RESERVES		60,876
293,111	TOTAL GROUP RESERVES		831,953

STATEMENT OF ACCOUNTS 2022/23
GROUP CASH FLOW STATEMENT

2021/22 (Restated) £000s		2022/23 £000s	2022/23 £000s
107,771	Net (Surplus) / Deficit on Provision of Services		52,067
	<u>Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:</u>		
(167,952)	- Depreciation & Impairment	(101,137)	
(32,810)	- Pension Fund Adjustments	(32,764)	
(15,842)	- Carrying Amount of Non-Current Assets Sold	(7,272)	
2,025	- (Increase) / Decrease in Provisions	1,582	
376	- Increase / (Decrease) in Inventories	(333)	
(4,365)	- Increase / (Decrease) in Debtors	(12,080)	
(9,003)	- (Increase) / Decrease in Creditors	10,548	
(323)	- Other Non-Cash Adjustments	27,635	
(227,894)			(113,822)
-	- Taxation Paid		-
	<u>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</u>		
46,170	- Capital Grants Recognised Through Comprehensive Income & Expenditure Statement	50,466	
-	- Net adjustment from the sale of short term and long term investments	(9,314)	
-	- Premiums Paid on Early Settlement of Debt	-	
13,444	- Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	8,983	
59,614			50,135
(60,509)	Net Cash (Inflow) / Outflow From Operating Activities		(11,619)
90,724	Net Cash (Inflow) / Outflow From Investing Activities		628
(36,263)	Net Cash (Inflow) / Outflow From Financing Activities		42,354
(6,048)	Net (Increase) / Decrease in Cash & Cash Equivalents		31,363

Reconciliation and Analysis of Group Cash & Cash Equivalent Balances

2021/22 £000s (Restated)		2022/23 £000s
61,473	Group Cash & Cash Equivalents as at 1st April	67,521
6,048	Net Increase / (Decrease) in Cash & Cash Equivalents	(31,363)
67,521	Group Cash & Cash Equivalents as at 31st March	36,158
	Made Up Of The Following Elements:	
	<u>BMBC Cash & Cash Equivalents:</u>	
7	Cash Held By The Council	5
(3,542)	Cash in Transit	(3,104)
5,720	Bank Current Accounts	3,237
54,510	Short Term Deposits With Financial Institutions	28,718
56,695	Total BMBC Cash & Cash Equivalents	28,856
	<u>Other Group Entity Cash & Cash Equivalents:</u>	
1,526	Bank Current Accounts	1,701
9,300	Short Term Deposits With Financial Institutions	5,601
10,826	Total Other Group Entity Cash & Cash Equivalents	7,302
67,521	Group Cash & Cash Equivalents as at 1st April	36,158

STATEMENT OF ACCOUNTS 2022/23

NOTES TO THE GROUP ACCOUNTS

Note A – Critical Judgements

Description:	This note sets out the Council's approach to consideration of the group accounts.
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The Council has reviewed its relationship and interest with external organisations and concludes that it does have an interest in subsidiaries, associated companies and joint ventures that are material both individually and in aggregate and therefore a set of Group Accounts has been prepared. This consideration has been made under the provisions of IFRS 10 ('Consolidated Financial Statements') and IFRS 11 ('Joint Arrangements') as required by The Code.

Note B – Group Boundary

Description:	This note explains the rationale of the related organisations that have been consolidated into the group accounts and on the basis of consolidation.
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A review has been undertaken by the Council considering all companies in which it has an interest. The interests in these bodies have been analysed to consider whether the Council has the potential to control or influence the bodies' operating and financial policies.

Entities identified to be included within the group's boundary are detailed below:

Berneslai Homes Ltd

Berneslai Homes Ltd is a 100% wholly owned company of the Council and is an Arm's Length Management Organisation responsible for managing homes on behalf of the Council. Specifically, it is responsible for managing all the landlord services for the Council's 18,095 homes including rent collection, arrears recovery, repairs and maintenance, dealing with empty properties and all tenancy matters.

Financial Year End - Berneslai Homes Ltd shares the same financial year as the Council (1st April – 31st March).

Consolidation Method - The accounts of Berneslai Homes Ltd have been consolidated on a line by line basis with intra-group balances and transactions being eliminated in full on consolidation as per The Code. There is no statutory provision for Berneslai Homes' pension liability included with these Group Accounts.

Penistone Grammar Trust

Penistone Grammar Trust is a charity trust that is responsible for the running of Penistone Grammar Advanced Learning Centre (ALC) and associated buildings. The Council is sole trustee in Penistone Grammar Trust.

Financial Year End – Penistone Grammar Trust shares the same financial year as the Council (1st April – 31st March).

Consolidation Method - The accounts of Penistone Grammar Trust have been consolidated on a line by line basis with intra-group balances and transactions being eliminated in full on consolidation as per The Code.

Joint Ventures

The Council also holds shareholdings in a number of other companies that is deemed non-material for group accounts purposes. For information on these entities, [Note 17](#) refers.

STATEMENT OF ACCOUNTS 2022/23

Note C - Expenditure & Income Analysed By Nature

Description:	This note shows the Surplus or Deficit on the Provision of Services within the Group CIES on a subjective basis.
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The Group's expenditure and income is analysed as follows:

<u>Expenditure / Income</u>	2021/22 £000s	2022/23 £000s
Expenditure:		
Employee Benefits Expenses	212,489	226,991
Other Services Expenses	330,170	382,058
Support Service Recharges	-	-
Depreciation, Amortisation, Impairment	179,303	110,359
Interest Payments	53,527	52,442
Precepts & Levies	468	479
Payments to Housing Capital Receipts Pool	1,666	-
Write Out NBV Relating to the Disposal of Assets	15,841	7,272
Total Expenditure	793,464	779,600
Income:		
Fees, Charges & Other Service Income	(140,916)	(175,907)
Interest & Investment Income	(1,103)	(3,343)
Income From Council Tax & Non-Domestic Rates	(129,599)	(137,087)
Government Grants & Contributions	(400,867)	(402,374)
Sale Proceeds Relating to the Disposal of Assets	(13,208)	(8,823)
Total Income	(685,693)	(727,534)
Surplus or Deficit on the Provision of Services	107,771	52,067

Note D – Financial Instruments

Description:	Financial Instruments are any contract that gives rise to a financial asset of one entity and a financial liability of another entity. This note explains the Group's financial instruments and the impact on the accounts.
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The following categories of financial instrument are carried in the Group Balance Sheet:

31 st March 2022			31 st March 2023	
Long Term £000s	Short Term £000s		Long Term £000s	Short Term £000s
		Investments:		
2,254	134,593	Loans & Receivables at Amortised Cost	2,201	126,278
2,233	117	Unquoted Equity Investment at Fair Value through Other Comprehensive Income	2,233	117
4,487	134,710	Total Investments	4,434	126,395
		Debtors:		
2,527	-	Amortised Cost	3,439	0
2,527	-	Total Debtors **	3,439	0
		Cash Equivalents:		
-	63,810	Amortised Cost	0	34,318
-	63,810	Total Cash Equivalents *	0	34,318
7,014	198,520	Total Financial Assets	7,873	160,713
		Borrowings:		
(653,157)	(37,307)	Financial Liabilities at Amortised Cost	(634,708)	(22,763)
(653,157)	(37,307)	Total Borrowings	(634,708)	(22,763)
		Other Liabilities:		
(185,633)	(8,428)	Amortised Cost	(176,693)	(8,939)
(185,633)	(8,428)	Total Other Liabilities	(176,693)	(8,939)
(838,790)	(45,735)	Total Financial Liabilities	(811,401)	(31,702)

STATEMENT OF ACCOUNTS 2022/23

* The total Cash Equivalents figure in the table above is included within the 'Cash & Cash Equivalents' figure in the Balance Sheet, rather than within 'Short Term Investments'.

** The Total Debtors figures in the table above is included within the 'Short Term Debtors' figure in the Balance Sheet.

Note E - Debtors

Description:	Other Short-Term Debtors are assets representing the amounts owed to the Group in respect of other debts.
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31 st March 2022				31 st March 2023		
Total Debtors	Impairment For Bad Debts	Total		Total Debtors	Impairment For Bad Debts	Total
£000s	£000s	£000s		£000s	£000s	£000s
11,536	(6,348)	5,188	Trade Receivables	9,587	(7,929)	1,658
16,394	-	16,394	Prepayments & Accrued Grant Income	14,582	-	14,582
27,930	-	27,930	Other Receivable Amounts	24,795	-	24,795
55,860	(6,348)	49,512	Total	48,964	(7,929)	41,035

Note F - Creditors

Description:	Short Term Creditors are financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied and have been invoiced or formally agreed with the supplier.
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31 st March 2022 £000s		31 st March 2023 £000s
(10,154)	Trade Creditors	(9,209)
(28,202)	Other Creditors	(19,049)
(6,312)	Capital Creditors	(9,041)
(4,777)	Receipts in Advance	(4,119)
(6,230)	Payroll Creditors	(6,601)
(7,432)	NNDR	(8,390)
(4,581)	Council Tax	(5,795)
(3,963)	Other Tax & Social Security	(3,475)
(71,651)	Total	(65,679)

STATEMENT OF ACCOUNTS 2022/23

Note G - Defined Benefit Pension Schemes

Description: A Defined Benefit Pension Scheme is one that is not classed as a defined contribution scheme. This note explains such schemes that the Group is party to.

2021/22 (Restated)				2022/23		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
			<u>Comprehensive Income & Expenditure Statement:</u>			
			<i>Cost of Services:</i>			
38,448	5,837	44,285	- Current Service Cost	38,248	5,916	44,164
292	-	292	- Past Service Costs	1,497	-	1,497
(626)	-	(626)	- Settlements & Curtailments	-	-	-
-	-	-	- Administration Expenses	-	-	-
			<i>Financing & Investment Income & Expenditure:</i>			
9,499	875	10,374	- Net Interest Cost	9,099	748	9,847
47,613	6,712	54,325	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	48,844	6,664	55,508
			<i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement:</i>			
			<i>Re-measurement of The Net Benefit Liability Comprising:</i>			
(86,081)	(10,478)	(96,559)	- Return on Plan Assets (Excluding The Amount Included In Net Interest Expense	72,909	8,978	81,887
			- IFRIC 14 Adjustment	91,134		
3,739	335	4,074	- Experience (Gains) / Losses	88,725	21,742	110,467
-	-	-	- Actuarial (Gains) and Losses On Changes in Demographic Assumptions	(24,185)	1,459	(22,726)
(62,264)	(8,778)	(71,042)	- Actuarial (Gains) and Losses On Changes in Financial Assumptions	(584,780)	(81,599)	(666,379)
-	-	-	Business Combinations	-	-	-
(144,606)	(18,921)	(163,527)	Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure	(356,197)	(49,420)	(496,751)
(96,993)	(12,209)	(109,202)	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(307,353)	(42,756)	(441,243)

2021/22 (Restated)				2022/23		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
			<u>Movement in Reserves Statement:</u>			
(47,613)	-	(47,613)	- Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with The Code	(48,844)	-	(48,844)
			<u>Actual Amount Charged Against the General Fund Balance for Pensions for the Year:</u>			
19,720	-	19,720	Employers' Contributions Payable to Scheme	17,804	-	17,804
-	-	-	Retirement Benefits Payable to Pensioners	-	-	-
(27,893)	-	(27,893)	Net Adjustment to Surplus or Deficit for the Provision of Services	(31,040)	-	(31,040)

STATEMENT OF ACCOUNTS 2022/23

Pension Assets and Liabilities Recognised in the Balance Sheet

2021/22 (Restated)				2022/23		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
(1,569,445)	(177,810)	(1,747,255)	Present Value of The Defined Benefit Obligation	(1,108,333)	(128,953)	(1,237,286)
1,241,979	152,094	1,394,073	Fair Value of Plan Assets	1,108,333	147,878	1,256,211
(327,466)	(25,716)	(353,182)	Net Liability Arising From Defined Benefit Obligation	-	18,925	18,925

Reconciliation of Fair Value of the Scheme (Plan) Assets

2021/22 (Restated)				2022/23		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
1,148,649	138,936	1,287,585	Opening Balance at 1st April	1,241,979	152,094	1,394,073
23,924	2,913	26,837	Interest Income	33,307	4,101	37,408
		-	<i>Re-measurement Gains and (Losses):</i>			-
86,081	10,478	96,559	- The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense	(72,909)	(8,978)	(81,887)
			IFRIC 14 Adjustments	(91,134)		
-	-	-	Administration Expenses	-	-	-
-	-	-	Business Combinations	-	-	-
			Experience (Gains) / Losses	12,214	842	
(639)	-	(639)	Settlements	-	-	-
18,939	1,701	20,640	Employer Contributions	20,113	1,885	21,998
6,436	992	7,428	Contributions by Scheme Participants	6,864	1,081	7,945
(41,411)	(2,926)	(44,337)	Benefits Paid	(42,101)	(3,147)	(45,248)
1,241,979	152,094	1,394,073	Closing Balance at 31st March	1,108,333	147,878	1,334,289

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2021/22 (Restated)				2022/23		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
(1,592,047)	(178,562)	(1,770,609)	Opening Balance at 1st April	(1,569,445)	(177,810)	(1,747,255)
(38,448)	(5,837)	(44,285)	Current Service Cost	(38,248)	(5,916)	(44,164)
(33,423)	-	(33,423)	Past Service Costs	(42,406)	-	(42,406)
(292)	(3,788)	(4,080)	Interest Cost	(1,497)	(4,849)	(6,346)
(6,436)	(992)	(7,428)	Contributions by Scheme Participants	(6,864)	(1,081)	(7,945)
			<i>Re-measurement Gains and (Losses):</i>			
(3,739)	(335)	(4,074)	- Experience Gains / (Losses)	(100,939)	(22,584)	(123,523)
-	-	-	- Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions	24,185	(1,459)	22,726
62,264	8,778	71,042	- Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions	584,780	81,599	666,379
-	-	-	Gains / (Losses) Curtailments	-	-	-
41,411	2,926	44,337	Benefits Paid	42,101	3,147	45,248
1,265	-	1,265	Liabilities Extinguished on Settlements	-	-	-
-	-	-	Business Combinations	-	-	-
(1,569,445)	(177,810)	(1,747,255)	Closing Balance at 31st March	(1,108,333)	(128,953)	(1,237,286)

STATEMENT OF ACCOUNTS 2022/23

TECHNICAL ANNEX A

THE COUNCIL'S ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year-end of 31st March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which those regulations require to be prepared in accordance with proper accounting practice. For local authorities, this proper accounting practice is predominantly contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (The Code), supported by International Financial Reporting Standards and statutory guidance where applicable.

The accounting convention adopted is historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure – General

Activity is accounted for in the year which it takes place, not simply when cash payments are made or received. In particular:

- Income from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date of supply and consumption they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract; and
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to the Comprehensive Income & Expenditure Statement for the income which might not be collected.

3. Accruals of Income and Expenditure – Accounting for Local Taxation

Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and National Non-Domestic Rates (NNDR). The localisation of Business Rates from 1st April 2013 changed the way in which the Council accounts for NNDR. The key features of the fund relevant to accounting for Council Tax and National Non Domestic Rates in the core financial statements are:

- In its capacity as a billing authority, the Council acts as agent; it collects and distributes Council Tax / NNDR income on behalf of the major preceptors and itself;
- Whilst the income from Council Tax and NNDR for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the billing authority or paid out of the Collection Fund to major preceptors;
- The Council Tax and NNDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NNDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income & Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement;
- The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals; and
- Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

STATEMENT OF ACCOUNTS 2022/23

4. Acquired and Discontinued Operations

There was no material acquired or discontinued operations during 2022/23.

5. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable to the Council without notice or penalty (sometimes referred to as 'on call').

6. Material Items of Income and Expense / Exceptional Items

Where items of income or expense are material, their nature and amount are disclosed separately in [Note 8](#). The Council has identified separately, any material transactions to or from a single supplier or customer.

Any exceptional items that are material in net terms are identified on the face of the Comprehensive Income and Expenditure Statement and analysed further in [Note 8](#) to the accounts. The Council has identified separately, items of expense or income which are material in terms of the Council's overall expenditure and are not expected to recur frequently or regularly.

7. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policy or to correct material errors. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position.

Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Any new accounting policies which have been adopted by the Council have been reflected within these accounting policies, together with a quantification of the impact of each accounting policy change on the prior period closing balances and comparative figures shown within this Statement of Accounts.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

8. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue (Minimum Revenue Provision – MRP) to contribute towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

9. Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year end. For the Council, they typically include such benefits as wages and salaries and paid annual, flexi and sick leave. These are recognised in the accounts in the year in which the employee rendered service for the Council. An accrual has been made for the cost of holiday entitlement (including flexi-leave entitlement) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual has been based on wage and salary rates for the 2022/23 financial year, being the period in which the employee earns the

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benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. It is the Council's policy not to offer enhanced termination benefits.

Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

1. The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE);
2. The NHS Pensions Scheme, administered by the NHS Business Services Authority; and
3. The Local Government Pension Scheme administered by the South Yorkshire Pensions Authority.

These respective schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

However, the arrangements for the Teachers' Scheme and the NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The People service line in the Comprehensive Income and Expenditure Statement is charged with contributions payable to Teachers' Pensions Scheme in the year and the Public Health line in the Comprehensive Income and Expenditure Statement is charged with contributions payable to the NHS Pensions Scheme.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

1. The liabilities of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis, using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of future earnings for current employees;
2. Liabilities are discounted to their value at current prices, using a discount rate of 2.6%, based on the weighted average of spot yields on AA rated corporate bonds;
3. The assets of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unitised securities – current bid price; and
 - Property – market value.
4. The change in the net pensions liability is analysed into the following components:
 - Current Service Cost – the increase in liabilities as a result of a year's service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - Net Interest on the Net Defined Benefit Liability / Asset, i.e. Net Interest Expense for the Council – the change during the period in the net defined benefit liability / asset that arises from the passage of time, charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability / asset at the beginning of the period, taking into account any changes in the net defined benefit liability / asset during the period as a result of contribution and benefit payments;

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- Re-measurements comprising:
 - a. The Return on Plan Assets – excluding amounts included in net interest on the net defined benefit liability / asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
 - b. Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the South Yorkshire Pensions Authority – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of such cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. The Council’s current policy is not to award enhancements for non-school Council employees i.e. those who are members of the Local Government Pension Scheme. However, awards are not prohibited and can be made in exceptional circumstances. Where they are made, any liabilities estimated to arise as a result are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

10. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can be identified:

1. Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events, where material; and
2. Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material impact, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

11. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively added to or deducted from the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of either spreading the gain / loss over the remaining term of the loan against which the premium was payable or discount receivable when it was repaid

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or a shorter period where it is deemed to be more prudent to do so. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account (FIAA) in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

- Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

The Council's trade debtors are not subject to internal credit rating and have been collectively assessed using provision matrices - based on historical data for defaults adjusted for current and forecast economic conditions. Debt write-off is considered when normal recovery procedures have been unable to secure payment. Prior to write-off, all possible action will have been taken to secure the debt, however the extent to which it is pursued is dependent on the amount of the debt and the financial circumstances of the debtor.

With the exception of trade debtors where the simplified approach has been adopted, impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Council has a portfolio of loans to local businesses which are assessed on an individual instrument basis. Loss allowances have been assessed using a range of factors such as the purpose of the loan, any amounts past due, any rescheduling that has taken place and whether or not the loan is secured. Where the risk of loss has increased since the loan was made, expected credit losses have been assessed on a lifetime basis. All other loans have been assessed on a 12-month basis. Further details are disclosed in [Note 27](#).

Financial Assets Measured at Fair Value through Profit of Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The Council has a limited number of shareholdings which would typically be measured at FVPL; however, the Council has designated these equity investments as fair value through other comprehensive income on the basis that:

- They are not quoted in an active market; and
- They are not held for trading.

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12. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants, third party contributions and donations are recognised as due to the Council when there is a reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance under liabilities. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Net Cost of Services within the Comprehensive Income and Expenditure Statement (for service specific revenue grants) or to the Taxation and Non-Specific Grant Income line (for all capital grants, non-ring-fenced and general revenue grants).

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

13. Heritage Assets (Tangible and Intangible)

The Council's Heritage Assets are held in various locations across the Borough. These assets are held to increase people's knowledge, understanding and appreciation of the Borough's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policy on Property, Plant and Equipment (see Accounting Policy 21 below). However, some of the rules are relaxed in relation to Heritage Assets as detailed below:

- All of the Heritage Assets are deemed to have an indeterminable life with a high residual value and therefore the Council does not consider it appropriate to charge depreciation on these assets;
- Each category of Heritage Assets is revalued periodically by external valuers for insurance purposes and is carried on the Council's Balance Sheet at this valuation, as a proxy for open market valuations. There is no prescribed minimum period in which these valuations should occur within The Code of Practice;
- The collection of Heritage Assets held by the Council is relatively static with acquisitions and donations being rare. Where acquisitions have been made, these are initially valued at cost and subsequently revalued in accordance with the rest of the collection. Donations are recognised at valuation undertaken by an external valuer as appropriate;
- The carrying value of Heritage Assets is reviewed where there is evidence of impairment (e.g. where there is evidence of physical deterioration or breakage etc.). Any impairment identified is recognised and measured in accordance with the Council's policy on impairment of Property, Plant and Equipment (see Accounting Policy 21 below); and
- Where Heritage Assets have been disposed of, the proceeds are accounted for in accordance with the Council's policy on disposal of Property, Plant and Equipment. Disposal proceeds are accounted for in accordance with the statutory requirements relating to capital expenditure and capital receipts and are disclosed separately in the notes to the accounts.

14. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) is capitalised at cost, when it is expected that future economic benefits or service potential will flow to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the Council will be able to generate future economic benefits or service potential from the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. No intangible asset held by the Council meets these conditions and therefore all such assets are carried at amortised cost.

The depreciable amounts for intangible assets are amortised over their useful lives and debited to the relevant services line in the Comprehensive Income and Expenditure Statement.

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An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement.

The written off value of disposal is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation and impairment losses are not permitted to have an impact on the General Fund balance. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

15. Interest in Companies and Other Entities

The Council has interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures which may require it to prepare Group Accounts, where material. Included within these entities are three Trading Companies recently set up to allow the Council to trade more flexibly, in a commercial environment. Details of these companies are shown within [Note 17](#). Within the Council's own single entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

16. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

17. Investment Properties

Investment Properties are those that are used solely to earn rentals and / or held for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services, production of goods or is held for sale.

Investment Properties are initially measured at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.

The inputs to the measurement techniques are categorised in accordance with Accounting Policy 30 below.

Investment Properties are not depreciated but are revalued annually according to market conditions during the year. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to Investment Properties are credited to the Financing and Investment Income section of the Comprehensive Income and Expenditure Statement and result in a gain in the General Fund balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement on Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Revaluation / Impairment losses on HRA non-dwelling assets are not permitted to be reversed out of the HRA balance following the change to the HRA Self Financing arrangements.

18. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other parties that involve the use of assets and resources of the other parties rather than the establishment of a separate entity. The Council recognises on its Balance Sheet, the assets that it controls and the liabilities it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of Property, Plant and Equipment that are jointly controlled by the Council and other parties. The joint venture does not involve the establishment of a separate entity. The Council accounts only for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of interests in the joint venture and income that it earns from the venture.

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19. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy, where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Items of Property, Plant and Equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- A finance charge (debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement).

Items of Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefiting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease; even if this does not match the pattern of cash payments e.g. there is a rent free period at the commencement of the lease.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure section of the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line within the Comprehensive Income and Expenditure Statement as part of the profit or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal, matched by a long term lease debtor in the Balance Sheet for the capital value outstanding).

Subsequent lease rentals are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the long term debtor; and
- Finance income – credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium is received, this is posted out of the General Fund balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element of the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

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Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the relevant line in the Net Cost of Services in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

20. Overheads and Support Services

The costs of overheads and support services are charged to the service segments in accordance with the Council's arrangement for accountability and its financial performance arrangements.

21. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production 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 classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and that the costs of the item can be measured reliably. Expenditure that maintains but does not add value or increase an asset's potential to deliver future economic benefits or service potential is charged as an expense to the Comprehensive Income and Expenditure Statement.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where an asset is not fully completed and is still under construction at the balance sheet date, the cumulative historic cost at that point will be treated as an Asset Under Construction. Once the asset becomes operational in a subsequent year, the total historic cost is transferred from the Asset Under Construction category to the relevant asset category that the asset falls under. Where material, the asset will be formally revalued in line with the methodology below, in the year it becomes operational. Otherwise, the asset will be formally revalued in the year following its operational status.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure Assets, Intangible Assets and Vehicles, Furniture, Plant and Equipment – depreciated historical cost;
- Assets Under Construction – historical cost;
- Council Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- School Buildings – current value, but due to their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value;
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective; and
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

In respect of the Council's Group Accounts, capital expenditure between the respective organisations, where material, will be recognised on the balance sheet following completion of the project where the asset becomes operational.

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued with sufficient regularity to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every 5 years. The Council's policy is to review all significant assets annually to ensure that the carrying values are materially accurate.

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Where assets are revalued in year, the Council's policy is to use the standard effective date of measurement of 30th September [the midpoint of the financial year] which minimises the risk of any significant changes in the carrying values presenting themselves by the 31st March reporting date. Upon review at the reporting date, where material changes to the valuations have materialised since the 30th September effective date, the Council's policy is to use the more recent valuation and effective date.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains); and
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusting for the depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life (e.g. freehold land and certain community assets) and assets that are not yet available for use i.e. Assets Under Construction.

Depreciation is calculated based on the average net book value using the following bases:

Category	Basis	No. Of Years
Council Dwellings	Straight Line	15 – 50
Other Buildings	Straight Line	15 – 60
Plant & Equipment (Contents)	Straight Line	3 – 24
Vehicles	Straight Line	5 – 8
Surplus Assets	Straight Line	5 – 40
Land	N/A	Infinite
Community Assets	N/A	N/A

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

In respect of the Council's dwellings, the level of depreciation is charged on a material component basis as outlined below:

Depreciation Component	Useful Economic Life
Land	Indefinite
Host / Building	50
Roof	40
Windows / Doors	35
Bathroom	30
Kitchen	20
Boiler / Heating System	15

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Vehicles, Plant, Furniture & Equipment, Infrastructure Assets and Intangible Assets are fully depreciated down to nil based on their economic useful lives but remain on the Council's asset register until the following year. At this time, these assets are written out of the Council's books in terms of gross book value and the accumulated depreciation on the basis of prudence. Individual services may still hold the asset but due to the immaterial nature of the values involved, they are removed accordingly, based on the accounting policy for disposals as outlined below.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisations or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of, demolished or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure section of the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

A proportion of receipts relating to housing disposals are payable to Central Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and then can only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written off value of disposal is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

22. Private Finance Initiative

PFI contracts are agreements to receive services, where the responsibility for making available the Property, Plant or Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the Property, Plant or Equipment assets will pass to the Council at the end of the contracts for no additional charge, the Council carries these assets used in delivering the services on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these fixed assets at fair value (based on the cost to purchase the Property, Plant or Equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets. For the Secondary School Building Schools for the Future contract, the liability was written down by an initial capital contribution of £6.866M in 2010/11, an additional capital contribution of £25.540M in 2011/12 and a final capital contribution of £36.671M in 2012/13.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost – a notional interest charge of 9.49% (BSF Phase 1), 9.28% (BSF Phase 2), 8.08% (BSF Phase 3), 9.01% (Primary Schools PFI), 7.11% (Cudworth LIFT), 3.33% (Darton LIFT) and 7.02% (Waste PFI) on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement;

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- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income section of the Comprehensive Income and Expenditure Statement;
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator; and
- Lifecycle replacement costs – expensed through the Comprehensive Income and Expenditure Statement as this expenditure has been deemed to be of a revenue nature within the contract.

23. **Provisions**

Provisions are made where an event has taken place which gives the Council an obligation that probably requires settlement by a transfer of economic benefits, which can be reliably estimated, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case which could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not be required (or a lower settlement than anticipated is made), the provision (or part thereof) is reversed and credited back to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service line of the Comprehensive Income and Expenditure Statement if it is virtually certain that reimbursement will be received if the obligation is settled.

24. **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

25. **Contingent Assets**

A contingent asset arises when an event has taken place that gives the Council a possible asset, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts, where it is probable that there will be an inflow of economic benefits or service potential.

26. **Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and therefore are not available for use by the Council – these reserves are explained in the notes to the accounts.

27. **Revenue Expenditure Funded from Capital Under Statute**

Expenditure incurred during the year, which may be capitalised under statutory provisions but does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of Council Tax.

STATEMENT OF ACCOUNTS 2022/23

28. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is non-recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

29. Accounting for Schools

Maintained Community Schools

A maintained community school in England and Wales is a type of state-funded school that is run wholly by the Local Council. The Council is responsible for the school's admissions, owns the school's estate and employs the school's staff.

The Council is the freeholder of community school premises and has a significant role in the running of the school (e.g. administration procedures, employment and payroll of staff / management).

Accordingly, the school premises that fall under this category are recognised as Property, Plant & Equipment in the Council's Balance Sheet.

The income and expenditure of such schools is also recognised within the Council's Comprehensive Income & Expenditure Statement.

Voluntary Aided Schools

A voluntary aided school is a state-funded school in England and Wales in which a foundation or trust (usually a religious organisation) owns the school buildings, contributes to building costs and has a substantial influence in the running of the school. Such schools have more autonomy than voluntary controlled schools, which are entirely funded by the state.

Voluntary aided schools are a type of "maintained school", meaning that they receive all their income from Central Government via the Council, and do not charge fees to students. In contrast to other types of maintained school, only up to 90% of the capital costs of a voluntary aided school are met by Central Government. The foundation contributes the rest of the capital costs, owns the school's land and buildings and appoints a majority of the school governors. The governing body runs the school, employs the staff and decides the school's admission arrangements, subject to rules imposed by Central Government. Pupils follow the National Curriculum, except that faith schools may teach Religious Education according to their own faith.

Accordingly, the school premises of such schools have been de-recognised from the Council's Balance Sheet as these are controlled by the charitable organisation / trust. However, the Council does hold the freehold of the land in certain arrangements which thus remain on the Council's Balance Sheet.

The income and expenditure of such schools is recognised within the Council's Comprehensive Income & Expenditure Statement.

Voluntary Controlled Schools

A voluntary controlled school is a state-funded school in England, Wales and Northern Ireland in which a foundation or trust (usually a Christian denomination) has some formal influence in the running of the school. Such schools have less autonomy than voluntary aided schools, in which the foundation pays part of any building costs.

Voluntary controlled schools are a type of "maintained school", meaning that they are funded by Central Government via the Council, and do not charge fees to students. However, the land and buildings are typically owned by a charitable foundation or Trust organisation, which also appoints about a quarter of the school governors. However, the Council employs the school's staff and has primary responsibility for the school's admission arrangements. Pupils follow the National Curriculum.

In a similar way to Voluntary Aided Schools, the school premises of such schools have been de-recognised from the Council's Balance Sheet as these are maintained by the charitable organisation / trust. However, the Council does hold the freehold of the land in certain arrangements which thus remain on the Council's Balance Sheet.

The income and expenditure of such schools is recognised within the Council's Comprehensive Income & Expenditure Statement.

Academy Schools

An academy school in the education system in England is a type of school which is independent of Council control but is publicly funded, with some private sponsorship. The transfer of schools from the Council to an Academy generally takes the form of a 125 year lease.

The accounting for such arrangements follows the accounting policy for leases (see accounting policy 19 above).

Ordinarily, the lease of school premises is accounted for as a finance lease. Therefore, the assets relating to these arrangements are accounted for as disposals and subsequently de-recognised from the Council's Balance Sheet.

STATEMENT OF ACCOUNTS 2022/23

The lease of school land is generally accounted for as an operating lease. Therefore, the assets relating to these arrangements are accounted for under IAS 16 and still remain on the Council's Balance Sheet at nil value.

The income and expenditure of such schools is not recognised within the Council's Comprehensive Income & Expenditure Statement.

30. Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

STATEMENT OF ACCOUNTS 2022/23

TECHNICAL ANNEX B

CRITICAL JUDGEMENTS AND ASSUMPTIONS / ESTIMATIONS MADE WITHIN THE ACCOUNTS

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in [Annex A](#), the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

No	Item	Judgements
1	Leases	<p>The Council is party to a significant number of lease arrangements, both as lessee and lessor. In accounting terms, the Council has to make judgements around the substance of those leases to identify whether it has effective control of the associated assets.</p> <p>The judgement uses a number of factors such as whether the lease is for a major part of the economic life of the asset, whether the lease payments represent a significant proportion of the asset value and whether there's any clauses around the Council gaining ownership at the end of the term.</p> <p>Where the balance of assumed control resides with the Council [as lessee], the assets are accounted for as Council controlled assets, i.e., recognised on the Council's balance sheet.</p>
2	Group Accounts	<p>The Council currently produces a set of Group Accounts alongside its single entity accounts. In order to establish the entities that are included in the Council's group, there are a number of judgements around whether the Council effectively controls a number of organisations. Where the Council is judged to hold effective control, those entities are included in the Council's group boundary. For 2022/23, the Council consolidates two organisations, Penistone Grammar Trust and Berneslai Homes.</p>
3	Schools	<p>In formulating the accounts, the Council assesses each school based on its status as to determine the treatment of both the school assets, and the school's income and expenditure for the year.</p> <ul style="list-style-type: none"> <input type="checkbox"/> All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet. <input type="checkbox"/> Legal ownership of Voluntary Controlled (VC) and Voluntary Aided (VA) school land and buildings usually rests with a charity, normally by a religious body. Similarly, the services provided [education provision] from those assets are controlled by those religious bodies. Therefore, these assets are not included on the Council's Balance Sheet. <input type="checkbox"/> Academies are not considered to be maintained schools in the Council's control. The land and building assets are either, not owned by the Council, or let on a long-term lease (125 years) by the Council and therefore not included on the Council's Balance Sheet.

STATEMENT OF ACCOUNTS 2022/23

Key Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future, or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31st March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

No	Item	Uncertainties	Effect If Actual Results Differ From Assumptions
1	Non-Current Assets - Depreciation	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the total annual depreciation charge for all non-current assets would increase by £2.3M in 2022/23 if the useful lives had been reduced by one year.
2	Non-Current Assets (Non Dwellings) - Valuations	The Council's non-current assets are required to be carried at an up to date valuation. The Council adopts a rolling programme of works that captures all assets within the recommended 5 year period. In addition to this, the Council also reviews the largest 100 assets in terms of valuation, which covers a large proportion of the total asset value.	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties (excluding Council Dwellings) were to reduce by 10%, this would result in a combined reduction to the Revaluation Reserve and a charge to the Comprehensive Income and Expenditure Statement of approximately £19M.
3	Non-Current Assets (Dwellings) - Valuations	The value of the Council's housing dwellings stock is calculated using beacon properties. These valuations are then adjusted for the vacant possession value for the properties and to reflect their occupation by a secure tenant. This adjustment is considered to reflect the additional risk and liability that public sector landlords undertake when compared with private sector investors	The fair value of the Council's housing dwellings stock as at 31 st March 2023 has been determined using MHCLG's Social Housing adjustment factor for Yorkshire and Humber of 41%. A 1% decrease in this adjustment factor would have resulted in reduction in valuation of approximately £20.7%.
4	Provisions	The Council has a number of provisions, the two largest being insurance fund and NNDR business rate appeals / rating list review. These provisions are based on the number of claims received and an average settlement amount. It is not certain that all valid claims have yet been received by the Council, or that precedents set by other authorities in the settlement of claims will be applicable.	Both of the Council's significant provisions are based on assumptions made on potential financial liabilities for the Council. For Business Rates, the Council utilises the Valuation Office's data to assess the potential of any appeals that may present themselves. Should the provision be estimated at 5% higher, then the in-year charge would increase by £0.1M. For the Insurance Fund, a list of outstanding claims is analysed with a percentage of expected rate of settlement of those claims. Should the overall provision be 5% higher, then the in-year charge would increase by £0.2M.
5	Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. See Note 37 for further details.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in a increase in the pension liability of £18.3M. However, the assumptions interact in complex ways. During 2022/23, the Council's actuaries advised that the net pension liability had decreased by £418.6M as a result of estimates relating to fund assets being corrected based on experience. Assets increased by £42.5M attributable to updating of the assumptions around pension liabilities impact of a decreased liability of £461.1M.
6	Provision for Bad Debts	The Council has a balance of sundry debtors that is subject to uncertainty in respect of the overall collectability. To mitigate this uncertainty and risk, the Council undertakes a review each year on the likelihood of the debt outstanding being recovered based on the respective stages of the debt. The Council provides for an element of this debt in the event of default, whilst still proceeding to collect, as long as this is economical viable.	As at 31 st March 2023, the Council had provided for £7.9M in respect of its sundry debtors balance. Should that provision had increased by 10%, then the in-year charge would increase by £0.8M

STATEMENT OF ACCOUNTS 2022/23

TECHNICAL ANNEX C

ACCOUNTING STANDARDS REFERENCED BY THE CODE OF PRACTICE

The Code of Practice is based on approved accounting standards and reflects specific statutory accounting requirements. Compliance with The Code is therefore necessary (except in exceptional circumstances) in order that a Council's accounts give a 'true and fair' view of the financial position, financial performance and cash flows of the Council.

The requirements of International Financial Reporting Standards (IFRS) and other pronouncements by the International Accounting Standards Board in effect for accounting periods commencing on or before 1 January 2015 (as adopted by the EU) apply unless specifically adapted by The Code.

IFRS's are considered a "principles based" set of standards in that they establish broad rules as well as dictating specific treatments.

International Financial Reporting Standards comprise:

- Financial Reporting Standards (FRS);
- International Accounting Standards (IAS);
- International Financial Reporting Standards (IFRS);
- International Financial Reporting Interpretations Committee (IFRIC); and
- Standing Interpretations Committee (SIC).

A further set of interpretations, specifically for the Public Sector, are International Public Sector Accounting Standards (IPSAS).

There are also some UK GAAP accounting standards that remain relevant to Local Authorities as they have no equivalent standard under IFRS and The Code interprets them accordingly.

The paragraphs below give a brief description of the accounting standards that are referred to in CIPFA's Code of Practice. Where relevant, interpretations have been grouped with the standard that they are interpreting.

Financial Reporting Standards (FRS):

Accounting Standard	Link	Accounting Standard	Link
FRS 25 – Financial Instruments: Presentation	FRS 25	FRS 26 – Financial Instruments: Recognition & Measurement	FRS 26
FRS 29 – Financial Instruments: Disclosures	FRS 27	FRS 102 – The Financial Reporting Standard Applicable in the UK	FRS 102

International Accounting Standards (IAS)

Accounting Standard	Link	Accounting Standard	Link
IAS 1 – Presentation of Financial Statements	IAS 1	IAS 2 – Inventories	IAS 2
IAS 7 – Statement of Cash Flows	IAS 7	IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8
IAS 10 – Events After the Reporting Period	IAS 10	IAS 11 – Construction Contracts	IAS 11
IAS 12 – Income Taxes	IAS 12	IAS 16 – Property, Plant and Equipment	IAS 16
IAS 17 – Leases	IAS 17	IAS 18 – Revenue	IAS 18
IAS 19 – Employee Benefits	IAS 19	IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance	IAS 20
IAS 21 – Effects of Changes in Foreign Exchange Rates	IAS 21	IAS 23 – Borrowing Costs	IAS 23
IAS 24 – Related Party Disclosures	IAS 24	IAS 26 – Retirement Benefit Plans	IAS 26
IAS 27 – Consolidated and Separate Financial Statements	IAS 27	IAS 28 – Investments in Associates & Joint Ventures	IAS 28
IAS 29 – Financial Reporting in Hyperinflationary Economies	IAS 29	IAS 32 – Financial Instruments: Presentation	IAS 32
IAS 36 – Impairment of Assets	IAS 36	IAS 37 – Provisions, Contingent Liabilities and Assets	IAS 37
IAS 38 – Intangible Assets	IAS 38	IAS 39 – Financial Instruments: Recognition & Measurement	IAS 39
IAS 40 – Investment Property	IAS 40	IAS 41 – Agriculture	IAS 41

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International Financial Reporting Standards (IFRS)

Accounting Standard	Link	Accounting Standard	Link
IFRS 2 – Share Based Payment	IFRS 2	IFRS 3 – Business Combinations	IFRS 3
IFRS 4 – Insurance Contracts	IFRS 4	IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.	IFRS 5
IFRS 6 – Exploration for and Evaluation of Mineral Resources	IFRS 6	IFRS 7 – Financial Instruments: Disclosures	IFRS 7
IFRS 8 – Operating Segments	IFRS 8	IFRS 9 – Financial Instruments	IFRS 9
IFRS 10 - Consolidated Financial Statements	IFRS 10	IFRS 11 - Joint Arrangements	IFRS 11
IFRS 12 - Disclosure in Other Entities	IFRS 12	IFRS 13 - Fair Value Measurement	IFRS 13
IFRS 15 – Revenue from Contracts with Customers	IFRS 15		

International Financial Reporting Interpretations Committee (IFRIC)

Accounting Standard	Link	Accounting Standard	Link
IFRIC 1 - Changes in Existing Decommissioning, Restoration & Similar Liabilities	IFRIC 1	IFRIC 4 – Determining Whether an Arrangement Contains a Lease.	IFRIC 4
IFRIC 5 - Rights to Interest Arising From Decommissioning, Restoration & Environmental Rehabilitation Funds	IFRIC 5	IFRIC 6 - Liabilities Arising From Participating in a Specific Market-Waste Electrical & Electronic Equipment	IFRIC 6
IFRIC 7 - Applying the Restatement Approach Under IAS 29	IFRIC 7	IFRIC 12 – Service Concession Arrangements	IFRIC 12
IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (IAS 19 - Employee Benefits)	IFRIC 14	IFRIC 21 - Levies	IFRIC 21

Standing Interpretations Committee (SIC)

Accounting Standard	Link	Accounting Standard	Link
SIC 15 - Operating Leases: Incentives	SIC 15	SIC 25 - Income Taxes: Changes in the Tax Status of an Entity or its Shareholders	SIC 25
SIC 27 - Evaluating the Substance of Transactions Involving The Legal Form of a Lease	SIC 27	SIC 29 - Disclosure - Service Concession Arrangements	SIC 29
SIC 32 - Intangible Assets: Web Site Costs	SIC 32		

International Public Sector Accounting Standards (IPSAS)

Accounting Standard	Link	Accounting Standard	Link
IPSAS 1 - Presentation of Financial Statements	IPSAS 1	IPSAS 2 - Cash Flow Statements	IPSAS 2
IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors	IPSAS 3	IPSAS 4 - Effects of Changes in Foreign Exchange Rates	IPSAS 4
IPSAS 5 - Borrowing Costs	IPSAS 5	IPSAS 9 - Revenue From Exchange Transactions	IPSAS 9
IPSAS 10 - Financial Reporting in Hyperinflationary Economies	IPSAS 10	IPSAS 11 - Construction Contracts	IPSAS 11
IPSAS 12 - Inventories	IPSAS 12	IPSAS 13 - Leases	IPSAS 13
IPSAS 14 - Events After the Reporting Period	IPSAS 14	IPSAS 16 - Investment Property	IPSAS 16
IPSAS 17 - Property, Plant and Equipment	IPSAS 17	IPSAS 19 - Provisions, Contingent Liabilities and Assets	IPSAS 19
IPSAS 20 - Related Party Disclosures	IPSAS 20	IPSAS 21 - Impairment of Non-Cash Generating Assets	IPSAS 21
IPSAS 23 – Revenue From Non-Exchange Transactions (Taxes & Transfers)	IPSAS 23	IPSAS 25 - Employee Benefits	IPSAS 25
IPSAS 26 - Impairment of Cash Generating Assets	IPSAS 26	IPSAS 27 - Agriculture	IPSAS 27
IPSAS 28 - Financial Instruments: Presentation	IPSAS 28	IPSAS 29 - Financial Instruments: Recognition & Measurement	IPSAS 29
IPSAS 30 - Financial Instruments: Disclosures	IPSAS 30	IPSAS 31 - Intangible Assets	IPSAS 31
IPSAS 32 - Service Concession Arrangements: Grantor	IPSAS 32	IPSAS 34 - Separate Financial Statements	IPSAS 34
IPSAS 35 - Consolidated Financial Statements	IPSAS 35	IPSAS 36 - Investments in Associates and Joint Ventures	IPSAS 36
IPSAS 37 - Joint Arrangements	IPSAS 37	IPSAS 38 - Disclosure of Interests	IPSAS 38
IPSAS 39 - Employee Benefits	IPSAS 39		

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TECHNICAL ANNEX D

ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

A Council shall disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. A Council shall provide known, or reasonably estimable information, relevant to assessing the possible impact that application of the new IFRS will have on the Council's financial statements, including the group statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2023 for 2023/24).

There were no material changes to the 2022/23 Code resulting in any meaningful alteration in accounting policies.

Looking further ahead;

- Adoption of IFRS16 – Leases. The adoption of this standard was originally scheduled to be from the 1st April 2020 (for the 2020/21 financial year). Due to the impact of the COVID-19 pandemic and external auditor market, it has been subsequently deferred to 1st April 2024 [for 2024/25 accounts]. The Council has yet to quantify the potential impact of this adoption. Under IFRS 16 there will be no distinction between Finance and Operating Leases. All leases-in will come with a 'right of use' assets and corresponding liabilities being recognised on the council's balance sheet for all leases of more than a year's duration. This will bring all such leases within the scope of the statutory capital accounting framework for local authorities and will increase the Capital Financing Requirement. However, regulations will ensure that the total amount chargeable to the General Fund and to the HRA for former operating leases will match the actual payments due under the leases.

TECHNICAL ANNEX E

STATUTORY SOURCES

Great Britain Legislation
1 Local Government and Housing Act 1989 (<i>including HRA in England and Wales</i>)
2 Local Government Finance Act 1992 (<i>Council tax</i>)
3 Waste and Emissions Trading Act 2003 (<i>Landfill allowances</i>)
England & Wales Legislation
1 Local Government Act 1972
2 Superannuation Act 1972 (<i>Pension funds</i>)
3 Local Government Finance Act 1988 (<i>General Fund and Collection Fund</i>)
4 Local Government and Housing Act 1989
5 School Standards and Framework Act 1998 (<i>School balances</i>)
6 Transport Act 2000
7 Education Act 2002 (<i>Dedicated Schools Grant</i>)
8 Local Government Act 2003, Part 1 (<i>Capital finance and accounts</i>)
9 Local Government Act 2003, Part IV (<i>Business Improvement Districts</i>)
10 Waste and Emissions Trading Act 2003
11 Public Audit (Wales) Act 2004
12 National Health Service Act 2006
13 National Health Service (Wales) Act 2006
14 Planning Act 2008 (<i>Community Infrastructure Levy</i>)
15 Business Rate Supplements Act 2009
16 The Local Audit and Accountability Act 2014
17 The Accounts and Audit (Wales) Regulations 2014 (Welsh SI)

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Item 4

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

ANNUAL GOVERNANCE STATEMENT (DRAFT) 2022/23

1. Purpose of the report

- 1.1 This brief covering report presents the Authority's Draft Annual Governance Statement (AGS) 2022/23

2. Recommendations

- 2.1 That the Committee considers and comments on the draft AGS which reflects the governance arrangements in place and the actions arising from the annual governance review process.
- 2.2 The final AGS will be presented to the Committee at the November meeting alongside the consideration of the statutory statement of accounts, and thereafter to Full Council for approval.
- 2.3 The Committee will receive updates on the progress of the actions identified in the AGS action plan at meetings throughout the year.

3. Background

- 3.1 The production of an AGS is a statutory requirement as defined in the Accounts and Audit Regulations 2015. The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance regarding the preparation of the AGS.
- 3.2 The AGS is, by definition, a public document and should be constructed in a style that allows the reader to understand the governance arrangements of the Council and obtain information and assurance that there has been a robust annual review process resulting, where appropriate, in actions to address any improvements required.
- 3.3 The draft AGS 2022/23 has been prepared following an annual governance review process previously outlined to the Committee.
- 3.4 It is important that the AGS is not seen as just an "end of year" process, and that there is constant focus on the actions throughout the year.
- 3.5 The draft AGS is appended to this report.

Contact Officer: Corporate Governance and Assurance Manager

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Date: 6th July 2023

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Barnsley Metropolitan Borough Council

Annual Governance Statement 2022/23



ANNUAL GOVERNANCE STATEMENT 2022/23

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1. Executive Summary

Barnsley Metropolitan Borough Council is committed to improving the lives of all residents and creating opportunity and prosperity for local people and businesses. This commitment is set out in the council's Corporate Plan and describes how the council will meet the challenges ahead and make the most of opportunities.

To be successful the council must have a solid foundation of good governance and sound financial management. Barnsley's Local Code of Corporate Governance sets out how we aspire to and ensure that we are doing the right things, in the right way and in line with our values.

Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements set out in the Local Code have been working. This statement gives assurances on compliance for the year ending 31 March 2023 and up to the date of approval of the 2022/23 statement of accounts. The AGS shows that in many areas the Council has very effective arrangements in place. We will continue to review, streamline, and improve our processes to ensure these arrangements remain effective, now and into the future.

The Leader and Chief Executive confirm they have been advised of the implications of the review of governance arrangements by Senior Management and the Audit and Governance Committee and are satisfied that the steps outlined in this document will address the areas identified for improvement.

Signed on behalf of Barnsley Metropolitan Borough Council

Sir Stephen Houghton CBE
Leader of the Council
Date:

Sarah Norman
Chief Executive
Date:

2. Actions from the Annual Governance Statement 2021/22

The 2021/22 Annual Governance Statement Action Plan identified 4 significant governance issues where improvements were required with 6 actions, 3 of these actions have been completed and the remaining 3 will be carried forward into this year's Action Plan. The 2021/22 Action Plan identified a further 10 areas where enhancements would improve the efficiency of systems and processes across the Council with 11 actions, 4 of these actions have been completed, 1 action is scheduled for completion in April 2024 and the remaining 6 actions will be carried forward into this year's Action Plan.

Regular updates of progress against the Action Plan have been considered by the Audit and Governance Committee.

The Action Plan at Appendix 1 captures the emerging governance matters to be reviewed during 2023/24 and those identified in the 2021/22 AGS that remain in progress.

The Action Plan is a dynamic document and progress against the actions will continue to be reviewed by the Audit and Governance Committee throughout the year.

3. Introduction and Scope of Responsibility

Barnsley Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

The Accounts and Audit Regulations 2015 require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and prepare an Annual Governance Statement that reports on that review alongside the Statement of Accounts.

4. The Principles of Good Governance

The Council regularly reviews its governance arrangements and has adopted a Local Code of Corporate Governance, which is consistent with the seven principles of Corporate Governance as set out in the CIPFA/SOLACE (2016) Framework Delivering Good Governance in Local Government. The Council's Local Code is available here: [Local Code of Corporate Governance](#)

The seven principles within the CIPFA/SOLACE (2016) Framework Delivering Good Governance in Local Government are:

- Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B - Ensuring openness and comprehensive stakeholder engagement
- Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F - Managing risks and performance through robust internal control and strong public financial management
- Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

5. The Purpose of the Annual Governance Statement

The Annual Governance Statement considers the effectiveness of our governance arrangements throughout 2022/23. It is an objective and honest appraisal of the effectiveness of our governance framework. It highlights where we have identified any governance weaknesses but also where we want to further develop and improve them to ensure that we have as effective governance arrangements as possible that enable the organisation to deliver on its commitment to improving the lives of all residents and creating opportunity and prosperity for local people and businesses.

6. Reviewing our Effectiveness and the Governance Framework

The governance framework comprises the systems and processes, culture, and values by which the Council is enabled, directed, and controlled and through which it accounts to, engages with, and leads the community. Part of that framework involves the management of risk. No risk management process can eliminate all risks and can therefore only provide reasonable and not absolute assurance of effectiveness. The Council's risk management approach, which is now embedded across the organisation, is subject to constant review by the Senior Management Team (SMT), at directorate management teams (DMTs) and individual Business Units (BUs) throughout the year. The Audit and Governance Committee review strategic risks at each of their meetings, with Executive Directors attending to provide a "deep dive" into the risks they own to give assurance that strategic risks are being reviewed and managed on a regular basis. Cabinet also reviews strategic risks on a 6 monthly basis.

To support the development of the AGS the following sections reflect the activity undertaken to review the effectiveness of governance across the Council:

- An annual facilitated self-assessment assurance process with all Business Units linked to areas of the governance framework to prompt consideration of the existence and adequacy of governance arrangements during 2022/23 – this approach ensures the engagement of all Executive Directors (ED's) Service Directors (SD's) and Heads of Service (HoS) in the process of assessing governance assurance across the organisation.
- The Strategic Risk Register which sets the culture and tone for the management of threats, concerns, and issues across the Council.
- The Annual Report of the Head of Internal Audit, Anti-Fraud and Assurance which provides an opinion on the adequacy and effectiveness of the Council's risk management, control, and governance processes
- The work of the designated Data Protection Officer (DPO)
- The work of the Audit and Governance Committee which includes responsibility for monitoring the development and operation of corporate governance in the Council (the Audit and Governance Committee Annual Report provides further detail of the work of the committee during 2022/23) *[Note – the Audit and Governance Committee's annual report will be considered at the Committee's July 2023 meeting. The link to this will appear in the final Annual Governance Statement]*
- The Council's internal management processes, such as performance monitoring and reporting; the staff performance and development framework; employee awareness of corporate policies; monitoring of policies such as the corporate complaints and health and safety policies and budget management systems
- The report of the Council's External Auditor
- The consideration of any significant matters arising in the year.
- Recommendations from external review agencies and inspectorates

Specific governance assurance statements are provided from the following statutory officers.

a) Head of Paid Service

As Chief Executive and the Head of Paid Service, I am responsible for the overall corporate and operational management of the council. In yet another challenging year for the council, borough, and country, I am proud of the organisation and how it has risen to the challenge of dealing with the significant economic pressures placed on it and supporting the people of the borough in the face of the cost-of-living crisis.

Although COVID is now largely behind us, we continue to live with the impact it has had and see this reflected in the increasing demand for our services, especially in Children's Services where significant investment was made during the year. As a consequence of this and the impact of inflation, the Council experienced significant pressures on its budget during 2022/23 and this is forecast to continue in the future. A Council wide

transformation programme is being developed to deliver the savings required to balance the budget over the life of the Medium-Term Financial Plan.

This includes challenging the way we deliver services across the Council, ensuring that all our services are effective and efficient, delivering digital solutions which are joined up and easier for our customers to access, and also ensuring that we optimise the use of our physical assets including our significant property portfolio where that is still required.

Our governance arrangements remain strong, but we are never complacent and regularly revisit our processes to reflect the ever-changing needs of the organisation. More specifically the Strategic Risk Register continues to provide a focused and strategic approach which further supports our focus on maintaining efficient and effective corporate governance.

As a council we are outward looking and we have continued to make excellent progress with our partners in our shared vision for 2030 to make Barnsley The Place of Possibilities, a framework which is also reflected in our Corporate Plan.

Externally our performance has also been recognised by our peers and we have been shortlisted as both the Local Government Chronicle and Municipal Journal Council of the Year.

I support the areas for improvement presented in this Annual Governance Statement and look forward to another successful but inevitably challenging year ahead.

b) Section 151 Officer

As the Council's designated S151 Officer, I am responsible for the Council's financial governance, risk and control frameworks which ensure that the Council's financial decision making is both lawful and prudent. I am also responsible, in accordance with the statutory requirements set out in the Local Government Act 1972, for the proper administration of the Council's financial affairs.

I am satisfied that the Council's arrangements are robust in all regards and more than meet the minimum thresholds set out under statute. My view is corroborated from several independent sources including the AGS review process which has again identified financial management as an area of strength across the organisation, a positive self-assessment outcome against CIPFA's statutory Financial Management Code and the External Auditor's continued positive feedback on the Authority's arrangements for securing Value for Money received in May of this year.

That said, the Council is experiencing significant financial challenges as evidenced through material budget shortfalls in 2022/23, 2023/24 and throughout the planning period of the latest Medium Term Financial Strategy (MTFS). The Council will need to maintain its robust financial management and strong track record in both setting and delivering strategic plans aligned to its MTFS to ensure its ongoing financial sustainability.

c) Monitoring Officer

As the Monitoring Officer, I am responsible for ensuring both elected Members and Officers uphold high standards of behaviour and conduct in adherence of the law.

The demands placed on the Council's decision-making processes and the arrangements needed to support virtual meetings proved to be very successful with public engagement increasing during that time. The need to maintain absolute transparency and confidence in our governance arrangements was and remains critical to maintaining public support and confidence.

The areas of improvement set out in this Annual Governance Statement are noted and elected Members and Officers of the Council will work together to ensure we build on the progress made to date. I would like to take the opportunity to thank members of our Audit and Governance Committee in the way they have again carried out their role in such demanding circumstances and continued to provide the rigour expected when seeking assurances on how the Council conducts its governance and control systems and processes.

7. Internal Audit and the Opinion on Internal Control, Risk and Governance 2022/23

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Head of Internal Audit, Anti-Fraud and Assurance is required to provide independent assurance and an annual opinion on the adequacy and effectiveness of the council's internal control, governance, and risk management arrangements. This is achieved through the delivery of an annual programme of risk-based audit activity, including counter fraud and investigation activity. Management actions arising from the audit work are agreed with the aim of improving the internal control, governance, and risk management arrangements of the council.

The Annual Internal Audit Opinion Report will be considered by the Council's Audit and Governance Committee at its meeting in July following which the details of the opinion will be included in the Annual Governance Statement. Based on the work completed to date and taking into account other sources of assurance, an overall positive assurance opinion is expected.

Extract of HoIA annual report to be included in due course

*[Note - Full details of the assurance provided within the Internal Audit Annual Report for 2022/23 will be submitted to the Audit and Governance Committee on the 26th July 2023] - **Link to Head of Internal Audit's Annual Report to be inserted in due course***

It should be noted that the internal audit planning process and in-year management of the audit plan involves discussions with SMT and wider senior management to ensure audit coverage is focussed on managing the key risks and priorities of the Council. Of particular relevance is the approach to risk management and broader governance assurance. There remains a clear culture of openness and engagement with Internal Audit across the Authority that facilitates the work necessary to prepare an overall assurance opinion.

8. Data Protection Officer (DPO)

The Council is required to appoint a DPO under the UK General Data Protection Regulations and Data Protection Act 2018. The key aspect of this role is to provide the Council with independent assurance regarding compliance with the data protection law.

The DPO has regular meetings with officers from the Information Governance Team and the Senior Information Risk Officer (SIRO) and reports to the Information Governance Board. The DPO also undertakes specific assurance reviews to support that independent assurance.

Independent assurance activity and general oversight continue to present a positive picture overall. The remit of the Information Governance Board provides a clear focus on compliance and awareness. Responses to Freedom of Information Requests and Subject Access Requests remain compliant with the statutory timescales. Significant work continues around having good cyber and IT security resilience, with regular phishing and password testing exercises to constantly ensure high levels of awareness and security. Any actions identified in relation to information governance / data protection improvements are monitored by the Information Governance Board and Audit and Governance Committee, and discussed specifically in SMT. One of the key areas of strategic focus for SMT is to be continuously assured that we have all reasonable and practical arrangements in place to protect against cyber threats and IT security weaknesses.

Having effective data protection and information governance arrangements in place is a key priority for the Council. As such, the DPO and Internal Audit will continue to devote time and resource to provide assurances to senior management and monitor management's response to any improvements identified through further independent reviews and audits on a continuous rolling basis. These will be reported to the Information Governance Board and the Audit and Governance Committee.

9. External Audit

The Council's appointed external auditor is Grant Thornton LLP. They are required each year to carry out a statutory audit of the Council's financial statements and give a narrative commentary on the Council's value for money arrangements. As well as having regular meetings with the Director of Finance and Chief Executive, Grant Thornton also attend each Audit and Governance Committee to provide updates on the progress of their work, to answer questions from the Committee and importantly witness the operation of the Committee.

The Auditor's ISA260 Report providing their opinion on the accounts will be presented to the Audit and Governance Committee and to full Council in November. The ISA260 report will therefore be available in due course and included in the final Annual Governance Statement.

10. External Inspection and other Assurance Reports

The Council is subject to various external inspections and also proactively invites support and challenge from regulators and peer reviews. The reports from these bodies provide valuable information and assurance to enable and ensure the maintenance of effective governance arrangements. The bodies that have provided reports and information are listed below.

a) Local Government and Social Care Ombudsman – Referrals Made in 2022/23

Statistics for this section will be available in July 2023.

b) Local Government and Social Care Ombudsman – Annual Review Letter 2022

The Annual Review Letter will be published in July 2023.

c) Children's Services – Ofsted Inspections

Details of all inspections can be found on the Ofsted website – www.ofsted.gov.uk

d) Care Quality Commission (CQC)

Barnsley Metropolitan Borough Council is registered with the CQC to deliver 2 services:

- BMBC 0-19 Children's Service – inspected in Dec 2021 rated as outstanding overall
- Community Enablement Services – the service consists of two distinct service types reablement service and shared live scheme – inspected in 2018 rated as good overall.

Full inspection reports can be found on the CQC website – www.cqc.org.uk

e) Joint Area SEND Inspection (Ofsted and CQC)

The Council along with the Integrated Care Board, education settings and schools are in the implementation and evidencing phase of the Written Statement of Action following the SEND Inspection in 2021. Three formal monitoring visits have been undertaken by the DfE who have reported good progress against the WSOA. There are two further reviews scheduled for the 15th June 2023 and the 11th October 2023.

Progress is reported to the DfE through a combination of a monthly data submission, narrative account and RAG rating. Where there has been slippage on specific actions, detailed rectification actions have been shared to provide assurance that progress will be accelerated. The SEND Oversight Board, ICB Place Based Partnership and Cabinet receive quarterly performance and finance reports. The Council has been accepted on to the DfE's Safety Valve programme following a rigorous process. The DfE will address the cumulative deficit in the Dedicated Schools Grant in 2026/27 on the condition that the Council delivers its DSG Management Action Plan and annual savings targets which will result in a minor in year surplus position in 2026/27.

Successful achievement of the WSOA and wider SEND Improvement work to improve the system in Barnsley is the foundation for the DSG Management Action Plan to ensure a sustainable system in Barnsley in the coming years. A new inspection framework for SEND was launch in January 2023 and Barnsley will be subject to this inspection with indications that this could be in the second half of 2023.

This section will be updated with any actions from the Reviews in October for the final AGS.

f) Planning Regulatory Board

Statistics to inform this section will be published at the end of June 2023.

g) Information Commissioner's Office (ICO)

Statistics for this section will be available in July 2023.

h) Health and Safety Executive

Statistics to inform this section will be available in July 2023

i) Public Health Peer Challenge – Alcohol Use

A Public Health Peer Challenge was undertaken between 21st and 23rd June 2022 to look how effectively people with problematic alcohol use are identified and supported by the Council and key stakeholders. The review included interviews and discussions with councillors, officers and partners, meetings with managers, practitioners, frontline staff, a review of documentation and meeting people with lived experience.

The review team identified many examples of quality provision across the borough. Recommendations in the report included a number of strategic and operational improvements; including that the Alcohol Alliance should create a shared coherent narrative of alcohol use for Barnsley and the consequences for all communities.

The Public Health Team will be developing an action plan and strategy and will work through the Alcohol Alliance to take forward these recommendations.

m) HMIP Inspection of Youth Justice Services

The Council received notification of a HMIP Inspection of Youth Justice Services on 17th March 2023. The pre field work is now underway with inspectors on site week commencing 24th April. The inspection report will be published in July 2023.

The inspection involved statutory partners in police, probation, health and education as well as wider partners who form part of the multi-agency response for youth justice services for Barnsley young people which is governed through the Youth Crime and Anti-Social Behaviour Board.

This will be updated following the findings of the inspection report in July/August and included in the final AGS.

11. Governance Issues Identified from the Annual Governance Review

The annual governance review process comprises a facilitated self-assessment with each Business Unit. This ensures that the entire organisation has considered its understanding and compliance with governance processes and the opportunity to raise any concerns about wider corporate governance arrangements.

A meeting was held with each Business Unit, led by the Service Director, and involved their Heads of Service. The meetings were thorough and robust producing an honest assessment of understanding and compliance across the various areas of governance. The areas identified from the review process were:

Areas of Strength

- Financial Management – high levels of understanding and compliance
- HR recruitment processes and HR processes generally – high levels of understanding and full compliance across Business Units
- Legislative Compliance – good understanding of how and when to access legal advice
- Decision Making - good compliance with decision making and reporting processes
- Health and Safety

Areas of continuing improvement and focus

- Information Governance – continue to work to further reduce the number of data breaches, continually ensure high levels of staff awareness of cyber risks, overall data security across the Council and records management
- Risk Management – support services to ensure consistent use of the risk management approach and system
- Equalities and Inclusion – scope to further improve equalities and inclusion awareness
- Performance Management and Data Quality – continue the development of KPI's, and improve the awareness and use of performance management data (Power BI)

Efficiency / Effectiveness improvements (Actions)

In addition to the identification of areas of the Council's governance arrangements where a specific improvement is identified, the annual review process seeks to identify where efficiencies can be made to make the governance framework even more effective. The sessions with Business

Units sought to identify where there may be a need to further review a corporate process, regardless of any compliance issues but to improve the engagement of Business Units in the general drive to continuously strengthen our governance arrangements whilst ensuring they are efficient and as easy to comply with as possible. The following areas were highlighted:

- HR recruitment processes and HR processes generally – compliance is very good, but the introduction of a major new HR system will help to improve the ease of compliance and make these important processes more efficient.
- Compliance with corporate procurement processes is also high but again there are opportunities to review some procurement stages and processes to improve efficiency.

The actions necessary to address the areas for continuing development and improvement have been captured in a high-level action plan (Appendix 1) which will be monitored during the year by the Audit and Governance Committee.

Internal Audit will undertake a further independent review of the annual governance review process and preparation of the AGS. The outcome of this independent review will be included in the final AGS.

We also acknowledge that it is appropriate to further examine the actual annual governance review process to ensure the process is robust and that we prepare an open and transparent Annual Governance Statement. This will be undertaken over the Autumn to influence the 2023/34 process through the Governance and Ethics Board and SMT.

12. Governance Action Plan

The Governance Action Plan (Appendix 1) comprises the actions from the 2021/22 AGS Action Plan and the issues arising from the 2022/23 process. The action plan has two parts:

- Part One identifies governance issues where improvements are required
- Part Two identifies areas where enhancements would improve the efficiency of systems and processes across the Council.

The Audit and Governance Committee will receive regular update reports on the action plan and can seek assurances that actions are being progressed.

Each identified action or area for further improvement is linked to one of the principles within the CIPFA guidance (see Section 4)

Part One – Governance Issues

- a. **Partnership, Relationship and Collaboration Governance** – CIPFA/SOLACE – Principle B - Ensuring openness and comprehensive stakeholder engagement
 - Develop a defined governance framework with a corporate lead for partnerships and collaborations (2019/20)
- b. **SEND** – CIPFA/SOLACE – Principle B - Ensuring openness and comprehensive stakeholder engagement
 - The engagement of and communication with parents and carers. Local statutory partners need to ensure that the lived experience of families is influencing their strategic plans for services and provision
 - Improving the identification of and provision for, children and young people with SEND but without an Education, Health and Care Plan (EHCP)

Part Two – Improvement Enhancements

- c. **Information Governance** - CIPFA/SOLACE – Principle F - Managing risks and performance through robust internal control and strong public financial management
 - Migration to and the implementation of Success Factors remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure implementation of the project in March 2024
- d. **Personal Development Reviews** – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - PDR processes to be reviewed in line with the relevant performance modules in Success Factors,
- e. **Risk Management** - CIPFA/SOLACE – Principle F - Managing risks and performance through robust internal control and strong public financial management
 - Development of training material for inclusion on the POD system (2019/20)
 - Development of the wider governance assurance process across the Council to integrate with the new risk management approach – to be considered by the Governance and Ethics Board (2020/21)

- f. Anti-Fraud Awareness** – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Continue work to improve staff awareness and the assessment of fraud risks. Develop specific training to promote better general awareness of the Councils policies on fraud and corruption.
- g. Workforce/HR Management** – CIPFA/SOLACE – Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it
- Migration to and the implementation of Success Factors remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure implementation of the project in March 2024
- h. Procurement and Contract Management** – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Through a strategic service review (over 18 – 24 months) explore improvements to procurement systems and processes to improve efficiencies and promote better awareness of the Commercial Toolkit and Strategy (process improvements will be identified during the strategic review)
- i. Equality and Inclusion Action Plan** – CIPFA/SOLACE - Principle B - Ensuring openness and comprehensive stakeholder engagement
- Development of a revised EDI Action Plan for 2023/24 and also a broader 3 Year Plan for 2023/26.
- j. Equality and Inclusion E-Learning** – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement
- Review of current EDI learning packages available on POD
 - Shift to mandatory completion for all employees, including new starters as part of the review of mandatory learning
- k. Inclusivity as part of the People Strategy** – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement
- Improve employee awareness of inclusivity as part of our People Strategy and how inclusivity is central to our ambitions for the Council, linking our inclusivity agenda into key organisational activities e.g. communications, attraction, recruitment
- l. Staff Network Groups Development** – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement
- A series of employee network groups will be established, in line with the EDI Action Plan implementation

m. Performance Management and Data Quality – CIPFA/SOLACE – Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

- Continue the development of KPI's, and improve the awareness and use of performance management data (Power BI)

13. Strategic Risk Register

A robust and dynamic Strategic Risk Register sets the culture and tone for the management of threats, concerns and the assurances required across the Council. The engagement of the Senior Management Team (SMT) in the risk management process through their ownership and review of strategic risks on a quarterly basis demonstrates a strong commitment to lead and champion risk management “from the top”, and further reinforces the continuing development of a risk management culture across the Council.

The risks below are owned by SMT, with the management of individual risks being allocated to a member of SMT as the ‘risk manager’, and any necessary actions to provide assurances allocated to Action Owners, being those senior managers best placed to take responsibility to drive the implementation of the identified actions. The current strategic risks are:

- *Threat of fraud and/or cyber-attack* – increased threats of fraud and cyber-attacks against the Council
- *Financial sustainability* – there are several significant emerging risks facing the Council (some of which are fluid and yet to be quantified) that if unchecked could pose a major threat to the Councils’ ongoing financial sustainability
- *Zero carbon and environmental commitments* – there are significant financial, reputational, business and community risks associated with work to ensure the Council achieves its ambition to be zero carbon by 2045.
- *Potential death of a child/safeguarding failure in children’s services* – maintain a focus to ensure all reasonable measures are in place and are effective
- *Meeting Care Act 2014 responsibilities* – the combined impact of the pandemic, reform programme requirements and the cost-of-living crisis could cause challenges for the Council in meeting the statutory requirements of the Care Act.
- *Health protection emergency* – e.g., Covid 19 Pandemic – ensuring robust well understood arrangements are in place to deal with any health protection emergency
- *Inclusive economy* – impact of Covid, accelerated downturn on the local economy, increasing inflation and impact of cost-of-living crisis adding to pressures on the local economy
- *Potential for a safeguarding failure in Adult Social Care* – maintain a focus to ensure all reasonable measures are in place and are effective
- *Partnership and collaboration governance* – need to have robust, well governed but flexible and responsive arrangements for partnership working

- *Organisation resilience* – need to understand issues around leadership, general workforce capacity and welfare and recognise that organisational resilience is not as high as it was pre pandemic – need to find ways to recover post pandemic
- *Emergency resilience* – need to ensure the Council has robust mechanisms to prepare for, respond to and recover from civil emergencies and business interruptions
- *SEND* – new controls in place and an Oversight Board established, continue to monitor delivery, cost effectiveness and satisfaction rates
- *Educational outcomes progress* – continue to monitor with particular focus on improving outcomes for vulnerable groups and boys

SMT is responsible for ensuring that the Strategic Risk Register continues to express those high-level concerns, issues and areas of strategic focus which have a significant bearing upon the overall achievement of corporate objectives and that they are being appropriately managed.

To provide assurances that the Strategic Risk Register is being appropriately managed, the Audit and Governance Committee receive regular updates including presentations on the strategic risks from the relevant Executive Director. These presentations provide the Committee with a deep dive review into the strategic risk and an opportunity to obtain an assurance from the Executive Director about the effectiveness of the mitigations and action plans in place to address the risk. Cabinet also receives six-monthly updates.

14. Recovery from COVID-19

The COVID-19 pandemic was a major disruptor to normal life with services stopping, demand for health and care services severely tested and the outlook for the economy uncertain. The response called for a huge and concentrated effort and council and partner services rose to the challenges presented to them. Colleagues across the health and care system alongside our communities worked incredibly hard throughout the pandemic to minimise the impact of COVID-19 locally. Our robust response to the pandemic added assurance to the effectiveness of the Council's Business Continuity Plans, communications strategy, and governance arrangements.

Throughout 2023/24 we continue to deal with the legacy of the COVID-19 pandemic, responding accordingly via our public health and Barnsley 2030 partnerships and priority work programmes, with the related governance in place. The pandemic has shone a light on the extent of our existing inequalities within our borough and our Barnsley Health and Wellbeing Strategy focusses on tackling these issues. As we now recover from the COVID-19 pandemic we must do so in a fair and equitable way, ensuring that none of our communities are left behind.

We continue our health protection work effectively in collaboration with council colleagues and partners locally, regionally, and nationally. Our risk and governance structures and approaches are well established with UK Health Security Agency now leading local outbreak arrangements supported by our local Barnsley Council Health Protection team. The Health Protection Board and Director of Public Health receive regular updates, assurances and reports on the evolving health protection issues including COVID -19 recovery and actions are taken where

appropriate. Alongside this, Barnsley Council is participating in the UK COVID-19 Inquiry to examine the UK's response to and impact of the COVID-19 pandemic and learn lessons for the future.

15. A Forward Look

Although an annual governance statement is intended to provide a reflection of the financial year just gone, it is also important to highlight and acknowledge that where the Council has challenges, or is implementing major changes, assurance can be provided that due regard is given to maintaining and using effective governance to ensure the achievement of objectives.

The Council continues to work with other organisations in many ways. The need to ensure all such relationships, whether they are formal contracts, collaborations or partnerships are effectively governed is ever more important and particularly pertinent in relation to the new integrated care system, across the local NHS organisations and Council.

The national and indeed international landscape will continue to provide further challenges to the Council in terms of exceptional inflationary pressures, supply chain problems and the continuing difficulty in the recruitment and retention of staff all of which present further pressure on the council's ability to deliver our ambitious investment and transformation programmes. There will inevitably be many more uncertainties that we will need to work with over the coming year and beyond. What is important therefore is the maintenance and continual review of our governance arrangements that will ensure we are in the best possible position to respond positively and responsibly to these pressures and challenges. To that end further work is underway through a Governance and Ethics Board, to review aspects of the council's governance arrangements to ensure they are as efficient as possible.

Of particular focus is to ensure our governance arrangements support and facilitate our transformation programme, to realise efficiencies in how we provide services, how we manage the budget constraints alongside increasing demands for services and how we meet our long-term environmental obligations.

16. Conclusion

This draft AGS demonstrates that the systems and processes the Council employs provide a comprehensive framework upon which to give assurance to the Council and residents of the Borough that its governance arrangements were in place and effective overall during 2022/23 and into 2023/24.

The governance arrangements outlined in the AGS have been applied throughout the year and up to the date of the approval of the Annual Accounts. The annual review has provided an effective process to identify any governance issues and to put in place the necessary improvement actions. The annual review process and action plan demonstrates the culture of the Council to robustly challenge itself and constantly seek out and demonstrate opportunities to improve.

Along with every organisation in the country, the Council continues to respond to the significant inflationary and general economic challenges. It is recognised that the Council will have significant issues to consider and address which will have longer-term implications for how services are delivered and the financial resources available to support that service delivery.

As highlighted in the External Auditor's Narrative VFM Report, we remain committed to seek continuous improvement and demonstrate the best use of resources and value for money.

The annual review has identified, overall, that the Council continues to have an effective framework of governance. The challenging approach we take in the preparation of the AGS has identified areas where we want to improve further with the necessary actions being agreed. The implementation of AGS action plan will again be closely monitored by the Audit and Governance Committee.

Annual Governance Statement Action Plan - Governance Issues where Improvements are Required

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2020/21	<p>Partnership, Relationship and Collaboration Governance – Governance Improvement</p> <ul style="list-style-type: none"> Develop a defined governance framework with a corporate lead for partnerships and collaborations 	SD Finance / Head of Internal Audit, Anti-Fraud and Assurance	Summer 2023
2021/22	<p>SEND – address the 2 areas of significant weakness:</p> <ul style="list-style-type: none"> The engagement of and communication with parents and carers. Local statutory partners need to ensure that the lived experience of families is influencing their strategic plans for services and provision Improving the identification of and provision for, children and young people with SEND but without an Education, Health and Care Plan (EHCP) 	Barnsley MBC and Barnsley CCG Lead Officer – ED Children’s Services	October 2023

Annual Governance Statement Action Plan - Areas where Improvement Enhancements would improve the Efficiency of Systems and Processes across the Council.

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2019/20	Information Governance – Efficiency Improvement <ul style="list-style-type: none"> Migration to and the implementation of Success Factors remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure implementation of the project in March 2024 	SD Customer Information and Digital Systems	March 2024
2019/20	Personal Development Reviews – Efficiency Improvement <ul style="list-style-type: none"> PDR processes to be reviewed in line with relevant performance modules in Success Factors 	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	Late 2024
2019/20	Risk Management - Governance Improvement <ul style="list-style-type: none"> Development of training material for inclusion on the POD system 	Head of Internal Audit, Anti-Fraud and Assurance	September 2023
2020/21	Risk Management - Governance Improvement <ul style="list-style-type: none"> Development of the wider governance assurance process across the Council to integrate with the new risk management approach – to be considered by the Governance and Ethics Board 	Head of Internal Audit, Anti-Fraud and Assurance	December 2023
2020/21	Anti-Fraud Awareness – Governance Improvement <ul style="list-style-type: none"> Continue work to improve staff awareness and the assessment of fraud risks. Develop specific training to promote better general awareness of the Council policies on fraud and corruption 	Director of Finance / Head of Internal Audit, Anti-Fraud and Assurance	2023/24

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2020/21	Workforce / HR Management – Efficiency Improvement <ul style="list-style-type: none"> Migration to and the implementation of Success Factors remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure implementation of the project in March 2024 	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	2024
2021/22	Procurement & Contract Management – Efficiency Improvement <ul style="list-style-type: none"> Through a strategic service review (over 18-24 months), explore improvements to procurement systems and processes to improve efficiencies and promote better awareness of the Commercial Toolkit and Strategy (process improvements will be identified during the strategic review) 	Director of Finance / Head of Strategic Commissioning, Contracts and Procurement	April 2024
2022/23	Equality and Inclusion Action Plan <ul style="list-style-type: none"> Development of a revised EDI Action Plan for 2023-24, and also a broader 3 Year Plan for 2023-26 	SD Business Improvement, HR & Communications / Head of HR & OD / Place Policy and Equalities Manager	2023/24
2022/23	Equality and Inclusion E-Learning <ul style="list-style-type: none"> Review of current EDI learning packages available on POD Shift to Mandatory completion for all employees, including new starters as part of the review of mandatory learning 	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	July 2023
2022/23	Employee Diversity and Inclusion Data Capture <ul style="list-style-type: none"> Employee data to be captured to improve corporate reporting, compliance and employee experience 	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	August 2023
2022/23	Inclusivity as part of the People Strategy <ul style="list-style-type: none"> Improve employee awareness of inclusivity as part of our People Strategy and how inclusivity is central to our ambitions for the Council, linking our inclusivity agenda into key organisational activities e.g. communications, attraction, recruitment 	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	2023/24 - ongoing

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2022/23	Staff Network Groups Development <ul style="list-style-type: none"> A series of employee network groups will be established, in line with the EDI Action Plan implementation 	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	2023/24 - ongoing
2022/23	Performance management / data quality <ul style="list-style-type: none"> Continue the development of KPI's, and improve the awareness and use of performance management data (Power BI) 	SD Business Improvement, HR & Communications	2023/24

Item 5

Report of Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE

1. Purpose of the report

- 1.1 This report supports the updated Annual Governance Statement Action Plan relating to the issues identified following the Annual Governance Review (AGR) for 2021/22. The Action Plan is attached as Appendix 1 to this report and was approved alongside the Annual Governance Statement by the Audit and Governance Committee and Full Council in November 2022.
- 1.2 The Action Plan captures issues identified in the 2021/22 Annual Governance Statement and includes actions carried forward from the previous year's AGS.
- 1.3 The Action Plan is in two parts:
 - Part One – actions where significant governance issues have been identified where improvements are required
 - Part Two – actions where governance enhancements would improve the efficiency of systems and processes across the Council

2. Recommendation

- 2.1 **The Committee is asked to note the report and progress made against each item listed in the Action Plan.**

3. Action Plan Update

- 3.1 The Action Plan is used to track the progress of the actions identified as necessary to deal with the issues raised through the AGR process.
- 3.2 The Action Plan provides details of the action required, the lead officer / action officer, anticipated timescales to deliver the actions and the latest update on progress against the actions.

4. Background Papers

- 4.1 Previous Audit and Governance Committee reports covering the Annual Governance Review process and the 2021/22 Annual Governance Statement.

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Date: 6th July 2023

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Annual Governance Statement Action Plan - Significant Governance Issues where Improvements are Required

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
Partnership, Relationship and Collaboration Governance (2020/21)	Develop a defined governance framework with a corporate lead for partnerships and collaborations	SD Finance / Head of Internal Audit, Anti-Fraud and Assurance	A survey of partnerships and existing governance arrangements has been undertaken. This will be used to inform the development of a good governance framework for partnerships and collaborations across the Council. A MS Forms questionnaire has been developed and trialled with a couple of partnerships this will be launched across the Council in the summer.	Summer 2023
LGSCO Annual Review Letter 2021/22	Delivery of training courses – to be rolled out in stages commencing with Adult Social Care and Children’s Social Care Teams	SD Business Improvement, HR & Communications / Customer Resolution Manager	Training for Adult Social Care has now been completed. Training with Children’s Social Care has commenced with one session delivered so far.	March 2024
SEND (2021/22)	<ul style="list-style-type: none"> The engagement of and communication with parents and carers. Local statutory partners need to ensure that the lived experience of families is influencing their strategic plans for services and provision Improving the identification of and provision for, children and young people with SEND but 	Barnsley MBC and Barnsley CCG Lead Officer – ED Children’s Services	Progress in this area has not been at the pace that was planned due to a number of issues relating to the formal DfE funded Parent Carer Forum in Barnsley which required the Council and the DfE contracted organisation, Contact to not re-new the arrangement (Contact are the organisation that administer the grant on behalf of the DfE for parent carer forums). There are some good examples of how parents and carers	October 2023

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
	without an Education, Health and Care Plan (EHCP)		<p>have been involved in co-production, but overall, a different approach is required to ensure a wide reach of parental voice and engagement is achieved. The Barnsley Parent Carer Forum formally ended in March 2023; the grant application was not renewed following a number of safeguarding complaints from parents. The DfE have been made fully aware of the position in Barnsley and this was done in conjunction with Contact.</p> <p>A recent survey was sent out across the local area, seeking views on how best to contact, communicate and co-produce with families, children, and young people. Over 250 responses were received, and this gave a clear direction of what our families were telling us they wanted to see.</p> <p>Moving forward the aim is to develop and secure a consortium made up of representative groups across Barnsley with a clearly defined plan setting out what co-production is and how we want to work together. The aim is to have this in place by October 2023</p> <p>We have seen progress in key actions within the Written Statement of Action (WSOA) and these have been rated green and we are gathering evidence to demonstrate the impact</p>	

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
			<p>this action is having on the lived experience and outcomes for children.</p> <p>The rate of children identified as being at SEN support has increased. The SEND improvement team are now in place following the council's investment. This team will be undertaking whole school SEND audits and driving the early identification of need, alongside schools, early years, and other professionals in SEND.</p> <p>The DfE has continued to monitor activity and progress against the actions in the WSOA and have continued to report progress being made in other areas and acknowledging why progress has stalled in others.</p> <p>A new inspection framework for SEND was published in January 2023, along with a revised SEND and AP strategy setting out the clear direction and ambition for children 0-25 with SEND. The last monitoring visit by the DfE will be in October 2023. Barnsley will be inspected under the new framework as well as having a specific focus on the two areas of the WSOA.</p> <p>The impact measures continue to focus on the lived experience of children, young people, and their families, and how we demonstrate improvement since 2021. We are taking the opportunity to refresh our Self Evaluation</p>	

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
			<p>Framework, making sure it has been co-produced with children, young people and families as well as all key stakeholders in Barnsley. The SEND strategy was launched in December 2022, and a revised improvement plan is being developed to reflect the priorities and the requirements of the SEND and AP plan.</p>	

Annual Governance Statement Action Plan - Areas where Improvement Enhancements would improve the Efficiency of Systems and Processes across the Council.

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
Information Governance – Efficiency Improvement (2019/20)	POD / Success Factors – learning and development	SD Customer Information and Digital Systems / SD Business Improvement, HR & Communications / Head of HR and Organisational Development	Migration to and implementation of Success Factors remains work in progress. Colleagues in HR, Finance, IT and Business Intelligence are working together on this project to ensure a successful implementation in March 2024, as agreed with SMT. We will continue to use POD for learning and development and online delivery and recording until the successful migration to Success Factors.	March 2024
Personal Development Reviews – Efficiency Improvement (2019/20)	Success Factors (performance and goals) to be implemented	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	PDR processes will be reviewed in line with the relevant performance module in Success Factors – as part of Phase 2 Implementation.	Late 2024
Risk Management - Governance Improvement (2019/20)	Development of training material for inclusion on the POD system	Head of Internal Audit, Anti-Fraud and Assurance	Opportunities to improve the existing Risk Management System have been pursued with Business Intelligence and IT colleagues and some minor improvements have been made. Guidance documentation has been updated to reflect the changes and work is underway to develop a POD training course.	September 2023

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
Risk Management - Governance Improvement (2020/21)	Development of the wider governance assurance process across the Council to integrate with the new risk management approach – to be considered by the Governance and Ethics Board	Head of Internal Audit, Anti-Fraud and Assurance	The development of wider governance assurance processes will be considered as part of the work the Governance and Ethics Board. Work is underway to develop a Domains Lead Assurance Framework and the Board will be reviewing the AGR process and timescales for next year.	December 2023
Anti-Fraud Awareness – Governance Improvement (2020/21)	Continue work to improve staff awareness and the assessment of fraud risks, develop specific training to promote better general awareness of the Council policies on fraud and corruption	SD Finance / Head of Internal Audit, Anti-Fraud and Assurance	A further six e-learning courses are being developed (these relate to procurement fraud awareness, confidential reporting/whistleblowing and direct payments fraud awareness). The four procurement modules have been finalised and are currently with the Learning and Development Team for uploading to POD. The confidential reporting module is in the process of final review and the direct payment module is currently being drafted.	October 2023
Workforce / HR Management – Efficiency Improvement (2020/21)	Review processes to improve efficiency and effectiveness with the introduction of a new HR system “Success Factors”	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	Dependent on revised Success Factors implementation plan (as outlined above).	Late 2024
Procurement and Contract Management –	Through a strategic service review (over 18-24 months), explore	SD Finance / Head of Strategic Commissioning,	The Procurement and Contract Management Service Review forms part of the first tranche of the Council wide transformational activity referred	April 2024

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
Efficiency Improvement (2021/22)	improvements to procurement systems and processes to improve efficiencies and promote better awareness of the Commercial Toolkit and Strategy (process improvements will be identified during the strategic review)	Contracts and Procurement	to as Phase 1a. As part of this activity the service has had an in-depth review undertaken by a third-party consultant - their final report was received in December. The report addresses a wide variety of improvement opportunities including areas such as systems, processes, toolkits and commercial awareness and training. The report has been reviewed and as a result the Contract Management Team is progressing the development of a contract management toolkit to be rolled out in Q3 of 2023/24, with additional training for stakeholders across the Council.	
Declarations of Interest – Governance Improvement (2021/22)	Implementation of an improved system to record declarations of interest following a review of existing processes	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	<p>The Policy and Declaration Form went live on 10th March 2023. The initial deadline for form submissions was 7th April 2023, with a visibility of completion available on the POD PDR Dashboard.</p> <p>A Dashboard for SD's/HoS to be able to access responses went live on 1st June 2023. Managers are now able to review the risks, implement appropriate controls, and save these to the electronic personnel files on SharePoint. The BI team will create a solution for HoS to record appropriate safeguarding controls and for these actions to be reported on a dashboard.</p> <p>Current Council compliance rate – 83% with ongoing promotion of the system</p>	31 st December 2023

Area Identified / AGS Year Identified	Action	Lead Officer / Action Officer	Update / Status [January 2022]	Timescales
			Full implementation date revised to enable further BI solutions to the system and to increase the completion/compliance rates.	
Corporate Mandatory Training – Governance Improvement (2021/22)	Undertake a review of mandatory training	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	Review of mandatory training was undertaken, and a revised proposition was approved by the People Board in July 2023. HR and OD are developing an associated communications plan to launch to all employees over the summer and linked to the induction programme.	September 2023
Health and Safety – Governance Improvement (2021/22)	Re-introduction of Health and Safety Audits from June 2022 following a pause in the programme for the last 2 years due to COVID-19	SD Business Improvement, HR & Communications / Head of Corporate Health & Safety and Emergency Resilience	Audits recommenced in summer 2022 with progress and results included in Q2 to Q4 quarterly performance data. The programme will continue in 2023/24. All audits produce a prioritised action plan for services to address opportunities for improvement identified.	Throughout 2022/23 and into 2023/24

Item 6

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26th JULY 2023

INTERNAL AUDIT INTERIM ANNUAL REPORT 2022-23

Executive Summary

- i. This report provides the Head of Internal Audit, Anti-Fraud and Assurance's interim annual opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control arrangements based on the work of Internal Audit for 2022-23 and has been prepared in accordance with the Public Sector Internal Audit Standards.
- ii. Considering the overall results of Internal Audit work undertaken, together with management's implementation of agreed management actions, the interim opinion given is **reasonable** (positive) assurance. This has been based upon an agreed programme of risk-informed audit coverage and advisory work which has enabled a valid assurance opinion to be provided.
- iii. There continues to be a positive culture in the Council to explore where control and governance improvements can be made. It is therefore important that this culture remains and focussed on maintaining an appropriate, risk-informed and effective overall framework of governance as the Council faces significant financial and operational challenges whilst delivering its ambitious Transformation Programme and continuing to work towards Barnsley 2030.
- iv. The key results from all completed audits have been reported throughout the year within the Internal Audit progress reports and are summarised in this report.
- v. The Audit and Governance Committee has also been made aware of progress in the implementation of agreed management actions.
- vi. The audit plan for 2023-24 is focussed on supporting management to consider the approach to controls in the context of the achievement of strategic objectives and priorities, the transformation programme and national initiatives (e.g., Adults Social Care Funding Reform, Procurement Reform).

AUDIT AND GOVERNANCE COMMITTEE – 26th JULY 2023

INTERNAL AUDIT INTERIM ANNUAL REPORT 2022-23

1. Purpose of Report

1.1 This annual report has been prepared adopting recommended practice contained within the updated Public Sector Internal Audit Standards (PSIAS) which came into effect on the 1st April 2017. These Standards require the Head of Internal Audit, Anti-Fraud and Assurance (HoIA) to report to the appropriate Member body, the Audit and Governance Committee, providing an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and controls based on the work undertaken by Internal Audit.

1.2 In order to comply with these Standards the report provides:-

- i. An interim opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control;
- ii. summary of the audit work undertaken to formulate the opinion;
- iii. details of key control issues identified which can be used to inform the Annual Governance Statement (AGS); and
- iv. the extent to which the work of other review or audit bodies has been relied upon.

2. Recommendations

2.1 **It is recommended that the Committee:-**

- i. **considers the interim opinion provided by the Head of Internal Audit, Anti-Fraud and Assurance based on the work undertaken and completed relating to 2022-23 regarding the adequacy and effectiveness of the Authority's framework of governance, risk management and internal control;**
- ii. **notes the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement (AGS).**

3. Introduction / Background

3.1 In accordance with statutory best practice provided by the PSIAS, there is a requirement that the Head of Internal Audit, Anti-Fraud and Assurance (HoIA) prepares an annual report to the appropriate member body providing, amongst other things, an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control based on the audit work undertaken. For the Authority, the appropriate member body is the Audit and Governance Committee.

- 3.2 The Accounts and Audit Regulations require all councils to publish an Annual Governance Statement (AGS) providing a narrative on the effectiveness of the Council's governance, risk management and internal control framework and the results of the annual review process and detailing any actions to be taken in respect of any identified weaknesses.
- 3.3 This interim report provides a summary of key issues arising from the work of Internal Audit covered in the 2022-23 audit plan, which contributes to the overall assurance opinion the HoIA is able to give the Audit and Governance Committee.
- 3.4 Although providing an important and significant contribution to the assurances the Audit and Governance Committee needs in its consideration of the AGS, this report forms only part of the assurance framework. The Committee will receive the final Annual report at the September meeting and Annual Governance Statement (AGS) for 2022-23 at its November meeting. The Audit Committee is therefore encouraged to consider this report in the context of broad governance, risk and controls assurance.
- 3.5 The financial budget for the Internal Audit Team is clearly set covering the period 1st April to 31st March each year and a plan of the days and where they are planned to be delivered is prepared similarly. However, the actual delivery of internal audit work and the constant review and revision of coverage is on a more rolling basis. In order to align the annual Internal Audit report to the AGS and the signing of the Statement of Accounts it is more appropriate that the Head of Internal Audit, Anti-Fraud and Assurance's opinion is provided reflecting all the work undertaken that relates/covers the year at the point of the approval of the AGS and statutory accounts. This inevitably includes work actually undertaken in the current financial year but which relates to the control environment in existence in the 2022-23 financial year.

4. Head of Internal Audit, Anti-Fraud and Assurance's Interim Opinion on the Effectiveness of the Authority's Governance, Risk Management and Internal Control Environment

- 4.1 The Audit and Governance Committee has received Internal Audit progress reports throughout the audit year. In each of these reports a **reasonable** (positive) assurance opinion had been given reflecting an overall satisfactory level of internal controls and their application.
- 4.2 Taking the whole year into account and the audits completed to date, it is appropriate to give an overall **reasonable** (positive) interim assurance opinion for the year. The information supporting this opinion is provided below.
- 4.3 The engagement of senior managers and services across the Authority has once again been excellent and reflects a positive culture to embrace internal audit and look to identify opportunities to improve the effectiveness and efficiency of governance, risk management and internal controls. However, the challenges that Services face remain of course and to maintain positive assurance in the future that positive culture needs to continue. The key issues arising from Internal Audit work in the year, in general terms, continue to relate

to the significant pressures in most areas of the Council, relentless demand and the drive for greater efficiency and changed ways of working. There is nothing new in these challenges and so the embedded awareness of governance and internal control issues should stand the Authority in good stead to manage the risks, concerns and issues that will inevitably occur.

- 4.4 The audit work undertaken, and planned for the current year, has sought to support management to embrace and meet these challenges. To highlight this issue, a number of senior managers have continued to request Internal Audit input during the year to provide support and assurances that the internal control framework in certain areas was effective. This Internal Audit support was requested to highlight key control, governance and risk issues and assist management in how best to deal with them. Of key importance of course is the consideration and management of the identified and accepted risks moving forward.
- 4.5 It should be noted that audit work has in the main identified areas of weakness in the framework and application of controls that present risks to the meeting operational objectives. Any subsequent delay to then address any control weaknesses and agreed management actions clearly adds to this risk.
- 4.6 Section 6 of this report provides more detail regarding the results of the audit work. In summary, 59% of the completed audits resulted in a substantial or reasonable assurance opinion compared with 65% in 2021-22 and 91% in 2020-21.
- 4.7 Within the Internal Audit progress reports a number of key issues were drawn to the Committee's attention. These are summarised in Section 6.
- 4.8 An update with regards to the core financial system reviews for the 2022-23 financial year is given in paragraph 6.14.
- 4.9 Generally, the audit work in the year has found areas where controls remain good and effective. Seven "Limited" assurance opinions have been provided in 2022-23, the same as in 2021-22. These were areas where management invited Internal Audit in to provide independent assurance into areas where it was recognised that improvements could be made.
- 4.10 Although audit work aims to cover a broad range of services, systems and areas of Council activity, it needs to be recognised that Internal Audit coverage cannot guarantee to detect all errors, systems or control weaknesses or indeed identify all of the opportunities for improvements in management arrangements that might exist. Accordingly, the assurance opinion provided is based on reasonable coverage, as resources allow, and cannot be regarded as absolute assurance. Equally, there is a responsibility of senior managers through the annual governance statement process to provide assurances to the Chief Executive regarding the application and effectiveness of the internal control and governance framework in their operational or functional areas.
- 4.11 To remind the Committee, Internal Audit assurance opinions for individual pieces of work and overall, are classified within a range of four options, two

positive and two negative. The table below shows in broad terms the basis for the different opinions applied.

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial Assurance	A robust framework of controls exists that is likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable Assurance	A sufficient framework of key controls exists that is likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited Assurance	A risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No Assurance	A significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

4.12 Internal Audit seeks to work closely as appropriate with other auditors, most significantly External Audit. However, for 2022-23 no work undertaken by other auditors or any other review body has been specifically relied upon in the provision of this annual overall assurance opinion.

5. Summary of Internal Audit Work and Coverage 2022-23

5.1 Internal Audit aim to utilise a risk-informed approach to planning and delivering its work. This approach seeks to ensure that the key risks (concerns, issues and areas of strategic focus) facing the Authority are covered where appropriate by Internal Audit work. The audit planning process and details of the 2022-23 audit plan were considered by the Committee at its June 2022 meeting.

5.2 The Committee has received Internal Audit progress reports that incorporate the results of audit work and management's response on a continuous basis. A summary of the Internal Audit reports for 2022-23 is at Appendix 1.

5.3 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency. Over the last couple of years there has been a notable increase in the number of these adjustments which is indicative of the rapidly changing nature of service and Authority-wide priorities. The 2022-23 financial year required an extremely flexible and fluid plan to enable Internal Audit to provide assurance to Senior Management that the control framework remained effective. Details of audit work which has been

deferred, deleted or additional requests for specific pieces of work have been reported within the Internal Audit progress reports.

- 5.4 It should also be noted that Internal Audit work is variable both in its nature and timing. The risk-based approach ensures the highest priority work is undertaken. As with all plans, the audit plan was determined at a particular time (March/April 2022) utilising information available and has been subject to significant changes during the year. The Committee should be assured that within the finite resources available to Internal Audit, the key audit risks identified have either received audit attention during the year or are reflected in the audit plan for 2023-24.
- 5.5 The financial year end position for core internal audit days relating to the 2022-23 plan shows a slight under delivery of 78 days, or 9%, of the original provision. However, as reported at the Committee's June 2022 meeting, the Internal Audit plan was under resourced by circa 180 days at the beginning of the financial year due to delays in recruiting to vacant posts. The actual outturn of resourced days delivered is 114%. The plan was proactively managed throughout the financial year with Senior Management to ensure that resources continue to be focussed on the strategic priority areas.

Position as at 31st March 2023 – Audit Days Delivered Relating to 2022-23 Plan

Directorate	Original 2022/23 Plan days	Revised 2022/23 Plan days	Actual days (% of revised days)
Place Based Health & Adult Social Care	48	41	39 (95%)
Childrens Services	63	61	60 (98%)
Core Services	402	408	334 (82%)
Council Wide	163	176	188 (107%)
Growth & Sustainability	179	187	175 (94%)
Public Health & Communities	28	27	26 (96%)
General Contingency	17	0	0
Barnsley MBC	900*	900	822 (91%)
Corporate Anti-Fraud Team	645	645	677 (105%)
Barnsley MBC Internal Audit Total	1,545	1,545	1,499 (97%)
Corporate Governance & Assurance	255	255	299 (117%)
HolA role as DPO	25	25	17 (68%)
Corporate Days (Council related activity)	315	315	306 (97%)
External Clients	885	885	700 (79%)
Total Chargeable Planned Days	3,025	3,025	2,821 (93%)

- 5.6 Within the resources there remains a significant amount of time needed to respond to requests for providing advice, support to services, innovation and initiatives, changes, projects and programmes, corporate change projects and general work that does not result in a specific report. Approximately 40% of the

Internal Audit delivered days was spent on work that generates a specific report. Details of the non-report work have been provided through the progress reports, but in summary have covered the following:

- Supporting Families claim verification
- Other grant verifications
- Charity Accounts sign-off
- Advice, support and challenge at the Glassworks Board in respect of the governance, risk and control arrangements
- Advice, support and challenge at the Seam Board in respect of the governance, risk and control arrangements
- Advice, support and challenge at the Community Boost (CRF) Board in respect of the governance, risk and control arrangements
- Support management in the development of a Glassworks Management Assurance Framework
- Advice and support in relation to the Council's Information Governance arrangements, including attendance at the Information Governance Board
- Advice and support to the Board and Project Team during the SAP Success Factors project
- Advice, support and challenge to the Place Based Health and Adult Social Care Directorate in relation to their preparation for the Funding Reforms and also delivery of their Governance Action Plan
- Attendance at various meetings to provide advice, support and challenge to the Council and Berneslai Homes with regards to the Service Agreement
- Advice, support and challenge to the Public Health Quality and Governance Group with regards to quality assurance and data quality
- Assurance with regards to the PRIP governance, performance and contract management arrangements.
- Advice, support and challenge regarding the SEND Safety Valve Programme governance arrangements
- Feedback to and liaison with all services
- Audit and Governance Committee support
- Follow-up of agreed management actions
- Annual audit planning process
- Input to the Annual Governance Review
- Corporate whistleblowing input

5.7 Whilst the work covered in the above list has not resulted in a specific assurance opinion, all work undertaken is considered in terms of the overall annual assurance provided in this annual report. Much of this work has also been considered in the 2023-24 planned coverage.

6. Summary of Internal Control Issues Arising from Internal Audit work in 2022-23

6.1 Internal Audit has completed 17 individual reviews of aspects of the Authority's internal control framework during 2022-23 that resulted in a formal report. These 17 audits sought to identify, test and review various controls to ensure management were meeting their responsibilities to establish and adhere to appropriate systems of internal control.

- 6.2 It should be noted that 6 reviews are currently in progress. Details are referenced within the work in progress section (Appendix 3).
- 6.3 A summary of the assurance opinions given for the 17 reports issued that did provide for an assurance opinion are shown below together with a comparison to 2021-22 and 2020-21.

Assurance Opinion		2022-23		2021-22		2020-21	
		No	%	No	%	No.	%
Positive Opinions	Substantial	1	6	0	0	1	3%
	Reasonable	9	53	13	65	29	88%
Negative Opinions	Limited	7	41	7	35	3	9%
	No	0	0	0	0	0	0%
TOTAL		17	100	20	100	33	100

* there were 14 Covid-19 related pieces of work included in the 2020/21 audit year.

It should be noted that clearly some audit areas have a greater significance and potential impact on the overall assurance opinion, i.e. limited assurance opinions given for control weaknesses in areas with a narrow scope, limited transactions and financial value will have a lower impact on the overall opinion compared to say a major service or a core financial system receiving such an opinion.

- 6.4 Across the various completed pieces of work to date 108 implications were raised. These are summarised below:

	No.	%	No.	%	No.	%
Category	2022-23		2021-22		2020-21	
High	9	8	13	10	6	5
Medium	71	66	87	65	73	66
Low	28	26	33	25	33	29
Total	108	100	133	100	112	100

- 6.5 Of the 108 implications raised, these related to:-

- 61 (56%) control adequacy;
- 44 (41%) control application;
- 3 (3%) system efficiency.

This indicates that the work undertaken in year has resulted in just over half of the agreed management actions relating to improving the adequacy of the controls in place (e.g. policies, procedures, management checks), with the remaining half relating to issues of compliance with existing controls (41%) and also more efficient ways of working (3%).

6.6 Of the 9 high implications:

- 4 were raised in the Childrens Residential Homes reviews;
- 2 were raised in the Data Retention and Records Management review;
- 2 were raised in the DPO Cybersecurity review;
- 1 was raised in the DPIA Follow Up review.

In respect of the 9 high implications above, all have been implemented.

Although there has been significant pressure on management throughout the year and across all services, Internal Audit has continued to get good co-operation from management from all Business Units.

6.7 Details of the key issues arising from these reviews have been presented to the Committee in the Internal Audit progress reports. These findings have arisen across audit reviews ranging from specific establishments to areas of governance.

6.8 In addition to the formal audit reports attracting an assurance opinion other reports have been issued in an advisory/consultancy context. A number of these reports are the product of significant Internal Audit input and over many months in some cases. These reports also contribute to the overall assurance opinion. Such input enables Internal Audit to assist management as initiatives, projects or reviews are progressing, thus helping establish effective controls and governance from the outset. In working this way, it is made clear to management in the scoping of Internal Audit work that we remain independent from decision-making.

The major advisory reports have covered:

- Adult Social Care Governance Action Plan
- RPA Project Management
- PRIP Contract
- SEND Safety Valve Programme

6.9 As stated in the Internal Audit progress reports it is important to note that the identification of control weaknesses does not necessarily indicate that any loss or inefficiency has actually occurred. Weaknesses indicate an increased *potential/risk* that losses or inefficiencies could arise.

6.10 An important part of Internal Audit's assessment of controls is undertaken through the annual reviews of the core financial systems of the Authority. This work is considered by External Audit who have regard to Internal Audit's work to assist in their opinion on the financial systems for their audit of the Accounts.

6.11 The core financial system reviews are almost completed, with 5 reports having been circulated to management for discussion and agreement. It is appropriate to highlight the excellent co-operation once again received from Financial Services. A separate section on the core system reviews is given below.

- 6.12 In relation to specific establishments or other minor systems, controls are tested at a lower level to ensure the detailed operation of systems and procedures, and the use of assets and resources are effective.
- 6.13 During the year, all audit report management actions were followed-up in accordance with the current follow-up protocol. As reported through the Internal Audit progress reports, the percentage of management actions implemented by the agreed dates has not given any cause for concern. Appendix 4 provides a breakdown of the current status of all agreed management actions in relation to the 2022-23 planned Internal Audit activity.
- 6.14 The Committee has continued to monitor this situation. Senior management are aware of their responsibilities to implement agreed management actions to ensure any control, risk or governance weaknesses identified through internal audit work are corrected. The Senior Management Team receives quarterly monitoring reports regarding the implementation of agreed management actions and escalates action accordingly. Clearly, any significant delay in implementation or non-implementation weakens the overall control environment.

Core System Reviews

- 6.15 Overall there are 11 systems regarded as core and fundamental to the financial management of the Authority (the Insurance system has been added into the Strategy for 2022-23). Over the last few years there has been a detailed risk assessment undertaken to establish the extent of coverage each system requires given a number of factors, namely any significant changes in the system or key personnel, the audit opinion the previous audit and the results of an analytical review undertaken by Internal Audit. The outcome of this risk assessment is discussed and agreed with the Section 151 Officer. External Audit are also consulted on the risk assessment and proposed coverage.
- 6.16 The timing of these audits means that the audits completed and included in the Appendix relate to those that were scoped in the 2021/22 financial year. They were completed in 2022/23. Transactional and key control testing will cover both 2021/22 and 2022/23 financial years. The audits currently being scoped and planned will again cover both 2022/23 and 2023/24 financial years. As External Audit do not rely directly on Internal Audit work, it is no longer critical that the audit work covers the whole financial year. The assurance opinions given for each of the systems in previous years and the agreed level of coverage for 2022-23 are shown in the table below. The Committee will be updated on the results of the core system audits that are currently at draft stage.

Core System	Audit Coverage* 2022-23	Audit Coverage 2021-22	Assurance Opinion 2020-21	Assurance Opinion 2019-20	Assurance Opinion 2018-19
	To be completed in 2023/24	Completed in 2022/23	Completed in 2021/22	Completed in 2020/19	Completed in 2019/20
Purchase to Pay / Accounts Payable	Compliance	Draft	Advisory**	Not Audited	Substantial

Core System	Audit Coverage* 2022-23	Audit Coverage 2021-22	Assurance Opinion 2020-21	Assurance Opinion 2019-20	Assurance Opinion 2018-19
Income	No Audit	Reasonable	Reasonable	Not Audited	Not Audited
Council Tax	Walkthrough / Full	Draft stage	Not Audited Reasonable	Not Audited	Substantial
NDR	Compliance	No Audit			
Housing Benefits	Walkthrough / Full	Draft stage	Reasonable	Not Audited	Substantial
Pay, Employee Admin & Org. Management	Walkthrough	Draft stage	Reasonable	Reasonable	Not Audited
Main Accounting	Compliance	Reasonable	Reasonable	Reasonable	Not Audited
Housing Rents	Compliance	Reasonable***	Reasonable	Substantial	Adequate
Fixed Assets	No Audit	Reasonable	No Audit	Reasonable	No Audit
Treasury Management	No Audit	Substantial	Reasonable	Not Audited	Not Audited
Insurance	No Audit	Draft stage	N/A	N/A	N/A

* A **Walkthrough** audit tests the end to end processes to provide assurance on the internal control framework. A **Compliance** audit includes sample testing of transactions in addition to the work undertaken in a Walkthrough. A **Full** audit includes wider management and supervision elements.

** A Council wide procurement compliance review was concluded in 2020/21 (relating to 2019/20). In addition, assurance work in relation to Covid19 emergency funding covered the Purchase to Pay elements.

*** Undertaken as part of the Berneslai Homes Internal Audit Plan. A Reasonable assurance has been provided for 2022-23.

Summary of Control Issues

6.17 During the year the Committee has received Internal Audit progress reports that highlighted key control issues that could potentially undermine the provision of an overall positive assurance opinion for the year. The major concerns that resulted in the issue of limited assurance opinions/ high implications in relation to particular audits were:-

- Growth & Sustainability - Highways Financial & Governance Arrangements – Need to review the governance framework to ensure it is fit for purpose (meeting structure, policies and procedures, lifecycle costing, procurement and contract management, management reporting – capital programme, performance management).
- Childrens Services - Childrens Residential Homes (x2) – Review identified concerns relating to the following thematic areas – policies and procedures; safeguarding; information governance and data quality; business continuity / emergency resilience; performance mgt; financial mgt; HR, management and workforce. Management agreed to include actions into the Continuous Improvement Action Plan.
- Childrens Services – Disabled Children Direct Payments - Concerns with regards to the absence of personal development plans for each child and their family to manage and monitor needs requirements, further training requirements with regards to how to generate more interest when advertising a

support package, data quality and software utilised upon which management information is produced and enhancements required for collaborative working.

- Core Services – Data Retention and Records Mgt – A sample of Officers were unaware of their role as an Information Asset Owner to protect their information assets. In addition, it was unclear whether Information Asset Owners had assigned the day-to-day management of the Information Asset Register to staff within their Business Unit which may have led to failings across the Council to identify, record, review and appropriately dispose of electronic records on a regular basis. The Corporate Retention Schedule requires a review and update to ensure that it captures all records held by the Council and retention periods.
- Core Services – DPO – DPIA Follow Up – There is a risk that staff may not be fully aware of their roles and responsibilities in relation to DPIAs due to the non-completion of the updated mandatory training 'UK GDPR'. A number of sampled DPIAs within the database did not appear to have been reviewed at least annually or sooner. It was also noted that when an Information Asset Owner (IAO) leaves the Service and is no longer responsible for the DPIA the automatic reminders are not always allocated to another IAO. The Data Protection Officer (DPO) expressed uncertainty around the criteria utilised by the Information, Governance & Security Incident Analyst when determining DPO involvement for individual DPIA's, as he had not been involved in the review process in some cases and had not received a 'prompt' when reviews are due enabling appropriate follow up as part of the process.
- Core Services - DPO – Cybersecurity: Positives - The audit concluded there is a cyber security governance process in place, including a cyber-specific Service Continuity Management Plan that includes emergency planning for various cyber-attacks and this document has clear roles and responsibilities with key contacts and a communication plan. BMBC participated in the LGA 360% Programme in early October 2022 and there is an associated action plan. Backup arrangements are in place and the 360% review prompted the implementation of a more robust solution. The Council hold a Payment Card Industry (PCI) compliance certificate and comply with Data Security and Protection Toolkit (DSPT) standards. The reason for the limited assurance opinion at that particular time was due the Public Sector Network (PSN) certification being out of date (1 July 2022). This certification has now been received and therefore a positive assurance opinion is now applicable.

7. Local Area Implications

- 7.1 There are no Local Area Implications arising from this report.

8. Consultations

- 8.1 All audit reports are discussed with the main auditee. Individual audit reports are provided to the appropriate Executive and/or Service Director to apprise him/her of key issues raised and remedial actions agreed. No specific consultation has been necessary in the preparation of this annual report.

9. Compatibility with European Convention on Human Rights

- 9.1 In the conduct of investigations, Internal Audit operates under the provisions of the Data Protection Act 2018, the Human Rights Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

10. Reduction of Crime and Disorder

- 10.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. All pieces of audit work have fraud risks considered in their scope. Any control issues arising from audit investigations are considered to ensure improvements in overall controls. Additionally, Internal Audit ensures that, in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

11. Risk Management Considerations

- 11.1 Whilst there are no specific risks emanating as a result of this report there are a range of risk issues worthy of consideration and note.
- 11.2 The Committee has received a detailed report on the audit plan including the basis of the plan and the utilisation of risk information. This is a critical aspect of the audit function and seeks to ensure audit resources are targeted at the areas of the Council's business where the most significant risks have been identified.
- 11.3 There is a risk to the Authority as a whole should the Internal Audit function not be effective. This would undermine the internal control, risk and governance arrangements of the Authority and fail to provide the Committee with sufficient independent information upon which to base their assurance views upon. The provision of detailed Internal Audit progress reports during the year, plus this interim annual report and the report on the QAIP should act as mitigation in ensuring the Committee is in a position to constantly keep the audit function under review.
- 11.4 There is a risk to the Authority should Internal Audit not be in a position to undertake its work independently and objectively. Throughout the year, there has been no impairment of independence or objectivity.
- 11.5 There is a risk to the control and governance of the Authority if management fail to implement their agreed actions to address the implications identified during Internal audit work. In mitigation Internal Audit has introduced a more rigorous 'follow-up' process to ensure the most significant issues are implemented. This is reported to the Audit and Governance Committee within the progress and annual reports.

12. Employee Implications

- 12.1 There are no employee implications arising from this report.

13. Financial Implications

- 13.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function and the external audit fees are included within the Authority's base budget.

14. Appendices

- 14.1 Appendix 1 - Summary of Internal Audit Reports 2022-23
Appendix 2 - Details and Outcomes of other Internal Audit Activities
Appendix 3 - Work In Progress
Appendix 4 - Agreed Management Actions
Appendix 5 – Financial Year End Performance Indicators 2022-23

15. Background Papers

- 15.1 Various Internal and External Audit reports, files and working papers.

Officer Contact: Rob Winter FCPFA
Head of Internal Audit, Anti-Fraud and Assurance
Telephone No: 07786 525319
Date: 10th July 2023

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Growth & Sustainability	CRF Contract and Performance Management 28/07/2022	Reasonable	H – 0 M – 3 L – 2 Control Adequacy x 1 Control Application x 3 Systems Efficiency x 1	G/R/C	Partnerships & Relationships x 2 Performance Management & Data Quality x 3	3 x closed 2 x management assurance process
Core Services	Annual Governance Review Process 28/10/2022	Reasonable	H – 0 M – 3 L – 0 Control Adequacy x 3	G/R/C	Information Governance x 3	3 x closed
Growth & Sustainability	Active Travel 02/11/2022	Reasonable	H – 0 M – 5 L – 2 Control Adequacy x 6 Control Application x 1	G/R/C	Information Governance x 4 Collaboration x 1 Performance Management x 1 Contracts / Procurement / Commissioning x 1	3 x closed 2 x revised implementation dates provided 2 x management assurance process
Core Services	DPO – DPIA Follow Up 02/12/2022	Limited	H – 1 M – 4 L – 3 Control Adequacy x 6 Control Application x 2	G/R/C	Information Governance x 8	1 x closed 2 (H/M) x not yet due 2 (M) x revised implementation dates provided 3 x management assurance process

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Council Wide (Core)	Strategic Risks and Concerns Mgt 14/12/2022	Reasonable	H – 0 M – 2 L – 0 Control Adequacy x 2	G/R/C	Risk Management x 2	1 x closed 1 x not yet due
Core Services	Financial System – Income 16/12/2022	Reasonable	H – 0 M – 1 L – 1 Control Adequacy x 1 Control Application x 1	G/R/C	Information Governance x 1 Financial Management x 1	1 x revised implementation date provided 1 x management assurance process
Growth & Sustainability	Highways Governance & Financial Management 21/12/2022	Limited	H – 0 M – 9 L – 9 Control Adequacy x 12 Control Application x 6	G/R/C	Performance Management & Data Quality x 7 Information Governance x 7 Contracts / Procurement / Commissioning x 2 Financial Management x 2	1 x closed 4 x not yet due 4 x revised implementation dates provided 9 x management assurance process
Public Health & Communities	Information Governance, Suicide Related Cases 11/01/2023	Reasonable	H – 0 M – 4 L – 0 Control Adequacy x 3 Control Application x 1	G/R/C	Information Governance x 4	1 x closed 3 x not yet due

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Financial System - Treasury Mgt 16/01/2023	Substantial	H – 0 M – 0 L – 1 Control Application x 1	G/R/C	Financial Management x 1	1 x management assurance process
Childrens Services	Residential Childrens Homes (x2) 30/01/2023	Limited (x2)	H – 4 M – 20 L – 3 Control Adequacy x 11 Control Application x 16	G/R/C	Information Governance x 2 Business Continuity / Emergency Resilience x 8 Safeguarding x 4 Performance Management x 8 HR / Workforce Management x 1 Financial Management x 4	23 (H/M) x closed 1(M) x not yet due 3 x management assurance process
Childrens Services	Disabled Children Direct Payments 08/02/2023	Limited	H – 0 M – 5 L – 1 Control Adequacy x 3 Control Application x 2 Systems Efficiency x 1	G/R/C	Business Continuity / Emergency Resilience x 3 Safeguarding x 1 Collaboration x 1 Information Governance x 1	5 x original implementation date passed, management response not received 1 x management assurance process

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Data Retention and Records Mgt. 08/02/2023	Limited	H – 2 M – 8 L – 1 Control Adequacy x 6 Control Application x 5	G/R/C	Business Continuity / Emergency Resilience x 1 Information Governance x 10	1 (M) x closed 4 (H/M) x not yet due 5 (H/M) x revised implementation date provided 1 x management assurance process
Core Services	DPO – Incident Management 24/02/2023	Reasonable	H – 0 M – 3 L – 1 Control Adequacy x 1 Control Application x 3	G/R/C	Information Governance x 3 Risk Management x 1	2 x closed 1 x revised implementation date provided 1 x management assurance process
Core Services	Financial System – Fixed Assets 03/03/2023	Reasonable	H – 0 M – 1 L – 1 Control Adequacy x 2	G/R/C	Performance Management and Data Quality x 1 Business Continuity / Emergency Resilience x 1	1 x closed 1 x management assurance process
Core Services	DPO – Cybersecurity 14/03/2023	Limited	H – 2 M – 0 L – 2 Control Adequacy x 3 Systems Efficiency x 1	G/R/C	Information Governance x 4	1 x closed 1 x not yet due 2 x management assurance process

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Financial System – Main Accounting 09/06/2023	Reasonable	H – 0 M - 3 L – 1 Control Adequacy x 1 Control Application x 3	G/R/C	Financial Management x 2 Information Governance x 1 Information Systems Management x 1	1 x closed 2 x not yet due 1 x management assurance process

Details and outcome of other Internal Audit activities concluded in the period

Audit Work Completed	Details	Contribution to Assurance
Place Based Health & Adult Social Care: Adult Social Care Services	Advice, Support and Challenge to Place Based Health & Adult Social Care during its implementation of the Governance Action Plan and Readiness for the Funding Reforms.	The work contributes to assurance in respect of governance, risk and financial management.
Childrens Services: Supporting Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Core/ G&S: Glassworks Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the phase two scheme and also BAU can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core/ G&S: Glassworks Management Assurance Framework	To support management in the development and implementation of the Management Assurance Framework.	The work contributes to assurance in respect to governance, risk and financial management.
Core/ G&S: Seam Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core/ G&S: Community Renewal Funding Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the pilot programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SAP Success Factors	To continue to support the project throughout its design and implementation.	The work contributes to assurance in respect to contract management, governance and financial management.
Core: Various Grant Claims and Charity Accounts	To independently validate and sign off the accounts in accordance with the grant T&Cs / Chairt Commission requirements.	The work contributes to assurance in respect of financial management.
Core/ G&S: BMBC/BH Service Agreement	To provide provide advice, support and challenge to the Council and Berneslai Homes with regards to the Service Agreement.	The work contributes to assurance in respect to governance, risk and financial management.
Public Health & Communities: Quality and Governance	To provide advice, support and challenge to the Public Health Quality and Governance Group with regards to quality assurance and data quality.	The work contributes to assurance in respect to governance, risk and financial management.

Audit Work Completed	Details	Contribution to Assurance
Core/ G&S: PRIP Contract	To provide assurance with regards to the PRIP governance, performance and contract management arrangements.	The work contributes to assurance in respect to contract management, governance and financial management.
Core/ Childrens Services: SEND Safety Valve Programme	Advice, support and challenge regarding the SEND Safety Valve Programme governance arrangements	The work contributes to assurance in respect to governance, risk and financial management.

Work in Progress as at 14th July 2023

Directorate & Audit Assignment	Status / Comment
Core Services – IT Programme / Project Management	Testing Well Advanced
Core Services – Financial System, Payroll	Draft Report Circulated – to discuss and agree with management
Core Services – Financial System, Purchase to Pay	Draft Report Circulated – to discuss and agree with management
Core Service – Financial System, Insurances	Draft Report Circulated – to discuss and agree with management
Core Services – Financial System, Housing Benefits	Draft Report Circulated – to discuss and agree with management
Core Services – Financial System, Council Tax	Draft Report Circulated – to discuss and agree with management

Analysis of Agreed Management Actions Relating to 2022-23 Planned Internal Audit Activity

Implication Categorisation	No. of Implications	Not Yet Due – Future Implementation Date Agreed	Completed	Not yet completed – Revised date agreed	Not yet completed – Awaiting Management Update
Place Based Health & Adult Social Care					
High	0	0	0	0	0
Medium	0	0	0	0	0
TOTAL	0	0	0	0	0
Growth & Sustainability					
High	0	0	0	0	0
Medium	17	4	7	6	0
TOTAL	17	4	7	6	0
Childrens Services (excl. Maintained Schools)					
High	4	0	4	0	0
Medium	25	1	19	0	5
TOTAL	29	1	23	0	5
Maintained Schools					
High	0	0	0	0	0
Medium	0	0	0	0	0
TOTAL	0	0	0	0	0
Core Services					
High	5	3	1	1	0
Medium	25	7	10	8	0
TOTAL	30	10	11	9	0
Public Health & Communities					
High	0	0	0	0	0
Medium	4	3	1	0	0
TOTAL	4	3	1	0	0
OVERALL TOTAL	80	18	42	15	5
%		23	52	19	6

Internal Audit Performance Indicators - Quarter Four 2022/23

Ref.	Indicator	Frequency of Report	Target 2022/23	This Period (Q4)	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaire received noted “good” or “very good” relating to work concluding with an audit report.	Quarterly	95%	100%	100%
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	78%	71%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	1.2 days	8.3 days
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	Within Budget

Item 7

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26th JULY 2023

INTERNAL AUDIT PROGRESS REPORT 2023/24

1 Purpose of this report

- 1.1 The purpose of this report is to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period from 1st April to 30th June 2023.

2 Background information

- 2.1 The Audit and Governance Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
- 2.2 At the end of the financial year, Internal Audit will produce an Annual Internal Audit Report, which will provide the overall opinion on the adequacy of the Council's control environment and compliance with it during the year.

3 Recommendations

- 3.1 **It is recommended that the Audit and Governance Committee considers the assurances it needs on the effectiveness of the Authority's internal control, risk and governance arrangements through the work of Internal Audit by:-**
- i. **considering the issues arising from completed Internal Audit work in the period along with the responses received from management;**
 - ii. **noting the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period;**
 - iii. **noting the progress against the Internal Audit plan for 2023/24 for the period.**

4 Local Area Implications

- 4.1 There are no Local Area Implications arising from this report.

5 Consultations

- 5.1 All audit reports are discussed and agreed with the Audit Sponsor and Designated Operational Lead. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.

5.2 No specific consultation has been necessary in the preparation of this quarterly report.

6 Compatibility with European Convention on Human Rights

6.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 2018, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

7 Reduction of Crime and Disorder

7.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

8 Risk Management Considerations

8.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.

8.2 The Service's own risk register includes the following risks which are relevant to this report:

- Need to ensure ongoing compliance with public sector internal audit standards
- Undertaking the Transformation Review and then Implementing a new structure that provides the right level of skill, expertise and experience
- Capacity issues - keeping up with the pace of change

8.3 All of these risks have been assessed and remain within the tolerance of the Service.

8.4 An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit & Governance Committee and the assurance this provides.

9 Employee Implications

9.1 There are no employee implications arising from this report.

10 Financial Implications

10.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

11 Appendices

Appendix 1 - Key To Internal Audit Assurance Gradings & Classification of Management Actions.

12 Background Papers

12.1 Various Internal and External Audit reports, files and working papers.

Officer Contact: Head of Internal Audit, Anti-Fraud and Assurance

Telephone No: 07786 525319

Date: 10th July 2023

Barnsley Metropolitan Borough Council

Internal Audit Progress Report

Audit and Governance Committee

26th July 2023

INTERNAL AUDIT PROGRESS REPORT 1st April to 30th June 2023

Purpose of this report

This report has been prepared to inform the Audit and Governance Committee on the Internal Audit activity for the period 1st April to 30th June 2023, bringing attention to matters that are relevant to the responsibilities of the Committee.

The report also provides information regarding the performance of the Internal Audit function during the period.

2023/24 Internal Audit Plan Progress

The following tables show the progress of the internal audit plan delivery, analysed by the number of plan assignments producing a report and audit days delivered by Directorate / Service.

Position as at 30th June 2023 – Audit Days Delivered

Directorate	Original 2023/24 Plan days	Revised 2023/24 Plan days	Actual days (% of revised days)
Place Health & ASC	49	49	17 (35%)
Childrens Services	127	137	24 (18%)
Core Services	684	677	151 (22%)
Council Wide	130	130	42 (32%)
Growth & Sustainability	159	169	33 (20%)
Public Health & Communities	24	24	8 (33%)
General Contingency	21	8	0
Barnsley MBC	1,194	1,194	275 (23%)
Corporate Anti-Fraud Team	754	754	115 (15%)
Barnsley MBC Internal Audit Total	1,948	1,948	390 (20%)

Corporate Governance & Assurance	260	260	83 (32%)
HolA role as DPO	25	25	6 (24%)
Corporate Days (Council related activity)	379	379	53 (14%)

External Clients	524	524	185 (35%)
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Total Chargeable Planned Days	3,316	3,316	717 (22%)
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Position as at 30th June 2023 – Plan Assignments

Directorate	2023/24 plan assignments	Assignments expected to be completed to date	Actual Assignments completed to Date	Actual assignments completed in Period
Place Health & ASC	1	0	0	0
Childrens Services	4	0	0	0
Core Services	18	0	0	0
Growth & Sustainability	8	0	0	0
Public Health & Communities	2	0	0	0
Total	33	0	0	0

NB – formal audits resulting in a report only – excludes advisory, grants etc where no report required.

Changes to the 2023/24 Internal Audit Plan

There have been 6 changes to the Internal Audit plan during this period. These are:-

- New – Childrens Services: Penistone Cluster Review (Schools)
- New – Childrens Services: Early Education Funding - Top-Up Payments
- New – Core Services: Accounts Payable (Advisory)
- New – Core Services / G&S: Glassworks and Markets Service Charges
- New – G&S: Levelling Up Board
- Cancelled – Core Services: New Childrens Payment System (Advisory)

Final Internal Audit reports issued

We have not finalised any audit reports in the period that relate to the 2023/24 plan, as we have focussed on those reviews to be completed relating to the 2022/23 plan in quarter 1. This is in line with previous years, where audit work does not align to the financial year end and therefore reviews do commence in one quarter of a financial year and are completed in another.

Internal Audit reports providing a limited or no assurance opinion

There were no audit reports issued during the period that had a limited assurance opinion.

Details and outcome of other Internal Audit activities undertaken in the period not producing a specific assurance opinion

Audit Work Completed	Details	Contribution to Assurance
Adults: Social Care Funding Reforms Board Attendance and Digital Project Assurance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the Council can consider and then react/comply with the funding reform requirements.	The work contributes to assurance in respect to governance and financial management.

Audit Work Completed	Details	Contribution to Assurance
Adults: Social Care Governance Action Plan	To provide advice, support and challenge to management during the review of various services (e.g. carers, transition from children to adults).	The work contributes to assurance in respect to governance and financial management.
Childrens Services: Supported Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Core / G&S: Glassworks Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the phase two scheme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core / G&S: SEAM Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core / G&S: Levelling Up Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core: HR Policy	To provide advice, support and challenge to management during the review of corporate policies and procedures (including development of a policy framework).	The work contributes to assurance in respect to governance.
Core: SAP Success Factors	To continue to support the project throughout its design and implementation.	The work contributes to assurance in respect to contract management, governance and financial management.
Core: Accounts Payable (Advisory)	To continue to support management during the implementation of the Development Plan.	The work contributes to assurance in respect to governance, risk and financial management
Core: Various Grant Claims	To independently validate the claims to be submitted to the Funding Bodies.	The work contributes to assurance in respect of financial management.
G&S: Glassworks Future Management	To support management in completing a draft management assurance framework to assist in self assessing the current governance arrangements and identify areas for improvement.	The work contributes to assurance in respect to contract management, governance and financial management.
G&S: Assurance - Berneslai Homes	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist.	The work contributes to assurance in respect to governance and financial management.

Other Internal Audit work undertaken

Audit Activity	Description
Follow-up of Agreed Management Actions	Regular work undertaken to follow-up agreed management actions made.
Attendance at Steering / Working Groups	Information Governance Board
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding the review of the annual plan, progress of audit work, future planning and general client liaison.
Audit and Governance Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

Work in progress – 2023/24 Plan

The following table provides a summary of audits in progress at the time of producing this report:

Directorate - Audit Assignment	Audit Stage		
	Audit Planning	Work in Progress	Draft Report
Childrens Services: Educational Visits and Outdoor Education		✓	
Childrens Services: Early Education Funding - Top-Up Payments		✓	
Core: Constitution Review		✓	
Core/ Council Wide: Health & Safety - Employees		✓	
Core/ Council Wide – Transformation Programme		✓	
G&S: Glassworks and Markets Service Charges		✓	
Place Based Health & ASC: Governance Reviews Follow Up and CQC Self Assessment		✓	
Place Based Health & ASC: Adults Social Care Funding Reforms		✓	
PH & Communities: Discharge of Statutory Role - Infectious Diseases		✓	
PH & Communities: Discharge of Statutory Duties - Regulatory Services		✓	
Childrens Services: Penistone Cluster Review	✓		
Core: Financial System, NNDR	✓		
Core: MTFs	✓		
Core: Budget management and efficiency savings	✓		
Core: People Strategy	✓		
Core: Equalities	✓		
Core: Mayoral Charity Accounts	✓		
Core: Elections - Elections Review (incl. Voter ID and Postal Voting)	✓		
G&S: PRIP Contract	✓		

Directorate - Audit Assignment	Audit Stage		
	Audit Planning	Work in Progress	Draft Report
G&S: Barnsley Property Services	✓		
G&S: Adult Learning	✓		
G&S: Zero Carbon	✓		

Follow-up of Internal Audit report agreed management actions

As previously reported to the Committee, Internal Audit is working closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any delays. Internal Audit continues to issue a detailed monthly status update to Service Directors and to Executive Directors on a quarterly basis. This is in addition to the performance reports currently presented to SMT.

The following table shows the status of agreed management actions by Directorate where the original target implementation date was due for completion during the period:

Implication Categorisation	Followed Up in Period	Completed	Not yet completed – Revised date agreed	Not yet completed – Awaiting management update
Place Health and ASC				
High	0	0	0	0
Medium	0	0	0	0
TOTAL	0	0	0	0
Growth & Sustainability				
High	0	0	0	0
Medium	3	0	3	0
TOTAL	3	0	3	0
Childrens Services (excl. Maintained Schools)				
High	0	0	0	0
Medium	12	7	0	5
TOTAL	12	7	0	5
Maintained Schools				
High	0	0	0	0
Medium	0	0	0	0
TOTAL	0	0	0	0
Core				
High	1	1	0	0
Medium	8	4	3	1
TOTAL	9	5	3	1
Public Health & Communities				
High	0	0	0	0
Medium	1	1	0	0
TOTAL	1	1	0	0
OVERALL TOTAL	25	13	6	6
% of TOTAL		52	24	24

Internal Audit performance indicators and performance feedback for Quarter 1 - 2023/24

Internal Audit's performance against a number of indicators is summarised below.

Ref.	Indicator	Frequency of Report	Target 2023/24	This Period (Q1)	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaires received noted "good" or "very good" relating to work concluding with an audit report.	Quarterly	95%	N/A	N/A
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	Quarterly	80%	N/A	N/A
2.2	Percentage of chargeable time against total available.	Quarterly	73%	61%*	61%*
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	3.4 days	3.4 days
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	Within Budget

* The chargeable time indicator in Q1 has been impacted upon by the profile of annual and statutory leave, which will level out throughout the year and the impact of sickness absences.

Head of Internal Audit's Internal Control Assurance Opinion

The Head of Internal Audit, Corporate Anti-Fraud and Assurance must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Based on the audits reported in the period, an overall **reasonable** assurance opinion is considered to be appropriate.

A summary of our quarterly opinions for the year to date is as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assurance Opinion	Reasonable			

Consideration of our overall opinion takes the following into account:

- results from the substantive audit assignments we have completed during the period;
- outcomes from our audit work not producing an assurance opinion;
- an assessment as to the timely implementation of internal audit report management actions.

Internal Audit, Anti-Fraud and Assurance Contacts

Contact	Title	Contact Details
Rob Winter	Head of Internal Audit, Anti-Fraud and Assurance	Tel: 07786 525319 Email: robwinter@barnsley.gov.uk
Sharon Bradley	Internal Audit Manager	Tel: 07795 305846 Email: sharonbradley@barnsley.gov.uk

KEY TO INTERNAL AUDIT ASSURANCE GRADINGS AND CLASSIFICATION OF MANAGEMENT ACTIONS

1. Classification of Management Actions

- High** Requires immediate action – imperative to ensuring the objectives of the system under review are met.
- Medium** Requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.
- Low** Action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

Item 8

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

STRATEGIC CONCERNS / RISK REGISTER

1. Purpose of the report

- 1.1 To introduce the next scheduled strategic risks for the Audit and Governance Committee meeting to consider as presented by the appropriate Executive Director.
- 1.2 Two strategic risks will be considered at this meeting:
 - Organisational Resilience – Executive Director Core Services
 - Emergency Resilience – Executive Director Core Services

2. Recommendation

2.1 The Committee is asked to note the update.

3. Current Position

- 3.1 The Strategic Risk Register was reviewed by the Senior Management Team (SMT) on 16th May and now contains 13 risks, it was agreed that the Community Resilience Risk should be removed from the Strategic Risk Register and added as an operational risk to the Communities Business Unit risk register.

SMT determined that 4 risks be classified as **high** (red response rating*) and 9 risks be classified as **medium** (amber rating). No risks are classified as **low** (green rating) in relation to the level of response and intervention required.

* NOTE - The response rating reflects the degree of urgency and importance of the interventions and management oversight rather than the inherent risk.

- 3.2 The actions associated with these risks are included in Appendix 1.
- 3.3 The Council's Civil Contingencies Report 2021-2022 provides a high level summary of the key areas of work undertaken in relation to emergency resilience and a copy of this report has been included on the Audit and Governance Committee Extranet for members' information.

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 5th July 2023

Strategic Risk to be reviewed in the meeting – 26th July 2023

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Organisational Resilience	<p>Risk Description: Need to understand issues around leadership, general workforce capacity and welfare (exhaustion, fragility) to recognise that organisational resilience is not as high as it was pre-pandemic and therefore continue to find ways for the organisation to recover post pandemic. Work has commenced on a Culture Change Programme. This action to be kept under review as the risk moves in “waves” and we need to monitor the impact on the organisation as we come out of the pandemic.</p> <p>Risk Assessment: Pandemic has resulted in a decline in organisational resilience around leadership, capability, effective workforce planning and staff health and wellbeing</p> <p>Action 1 Continue to develop leadership capability, advice and support including specific development interventions including Barnsley Leadership Programme to increase leadership resilience, as well as address skills shortages such as digital/IT capacity to deliver the improvements we need. RAG Rating – Green</p> <p>Action 2 HR to work with DMT's to produce effective workforce plans that meet directorate and organisational objectives and include attraction, recruitment and retention plans and effective vacancy management. RAG Rating – Amber</p> <p>Action 3 Continue to develop and deliver a comprehensive health and wellbeing support programme for all staff. RAG Rating – Green</p> <p>Action 4 Continue to develop, implement and monitor appropriate development plans to increase staff resilience and skills, in particular improving digital/IT capacity to deliver the improvements we need. RAG Rating – Amber</p>	Actual	Actual	Medium	Executive Director Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 5 Implementation of a Culture Change Programme RAG Rating – Amber</p> <p>Action 6 Development of employee resilience options aimed at mitigating impact of winter period 2022/23 and management of third parties where needed to support major projects RAG Rating - Complete</p>				
Emergency Resilience	<p>Risk Description: There is a need to ensure that the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions, and comply with the Council's statutory duties as a Category One responder under the Civil Contingencies Act 2004.</p> <p>Risk Assessment: Robust mechanisms are required to deal with external issues both those already known and those that may arise in future i.e. ability to identify emerging threats as well as being immediately responsive to unforeseen issues. Risk assessments for civil contingencies are based on:</p> <ul style="list-style-type: none"> - South Yorkshire Local Resilience Forum Community Risk Register of Civil Emergencies - Risk assessment of potential business interruptions and mitigations through business continuity process - Developing general or specific contingency/emergency plans and capabilities to respond to incidents as and when they arise - Assessing the Council's preparedness against its core duties under the Civil Contingencies Act 2004 <p>Action 1 Business Continuity Plans exist for all services and functions of the Council and these plans are reviewed and tested by services. The Council has a Corporate Resilience Plan which covers the general response to incidents with subordinate specific plans where necessary (e.g. on-site reservoir emergency plans). The principles of this plan have been used to manage the response to Covid 19 and other incidents such as flooding, adverse weather and extreme heat in 2022. Following agreement with SMT in December 2021 further resilience enhancements have been made such as the introduction of a tactical officer on-call. 2022 has also seen the refresh and restart the general training and exercising programme following the essential focus on the Covid 19 response. RAG Rating - Green</p>	Actual	Potential	Medium	Executive Director Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 2 Maintaining adequate governance and controls in respect of cyber security. This action links to action 5 in that a cyber incident may lead to business continuity consequences however, other incidents may also lead to business continuity incidents. RAG Rating - Green</p> <p>Action 3 Subject specific plans are developed for specific capabilities or risks including evacuation and shelter (due for review), flooding (reviewed summer 2021), reservoir emergencies offsite emergency plan (reviewed summer 2021 with a full review of the onsite emergency plans for Elsecar and Worsborough initiated November 2021)), adverse weather (reviewed spring 2022), large scale evacuation (reviewed summer 2021) and the death of a member of the Royal family (reviewed autumn 2022) RAG Rating - Green</p> <p>Action 4 The Council is one of eight core partners in the South Yorkshire Local Resilience Forum (SYLRF) and current chair of the SYLRF's Strategic Group and co-chair of the Tactical Group. The Council works with the Forum on developing training and exercising multi-agency arrangements RAG Rating - Green</p> <p>Action 5 All services have business continuity plans in place, with the response to Covid 19 increasing the robustness of these. These are due to be refreshed in autumn 2022 accompanied by a Power BI dashboard that allows SMT to see the relative priority of services along with their operational status in the event of a business interruption. This action links to action 2 in that a cyber incident, along with other interruptions such as reduced staff, utility failure or lack of access to premises, it may lead to business continuity consequences. RAG Rating – Green</p> <p>Action 6 Council involvement in the UK Covid-19 Inquiry. The Council may be required to submit evidence via various bodies including LGA, ADPH and ADASS or, where specifically requested by the Inquiry, as an individual organisation. The evidence may be either documentary or potentially oral. The Inquiry is expected to last for</p>				

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>several years, and the Council may be repeated involved as the themes emerge. Key risks include:</p> <ul style="list-style-type: none"> • Failure to retain evidence - work is currently underway to archive all records relating to the c • Council's covid-19 response. • Loss of corporate memory - records will be indexed as the Inquiry progresses so that evidence can be identified when required without reliance on key individuals • Impact on business as usual for employees involved in the Inquiry process - due to potentially tight deadlines for evidence this has the potential to become all-consuming for some officers for periods of time <p>The Council being requested to be an individual witness due to higher death or community transmission rates during the pandemic. RAG Rating – Amber</p>				

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Item 9

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: Executive Director – Core Services & Director of Finance (Section 151 Officer)

TITLE: ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITIES
2022/23

REPORT TO:	Cabinet
Date of Meeting	
Cabinet Member Portfolio	Cllr Franklin – Core Services
Key Decision	Yes
Public or Private	Public

Purpose of report

This report reviews the treasury management activities carried out by the Council during 2022/23, in accordance with statutory guidance. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities on a quarterly basis. This report, therefore, ensures the Council is implementing best practice in accordance with the Code.

In broad terms this report covers:

- The overarching treasury management strategy for 2022/23;
- An economic summary for the year;
- An update on the Council's borrowing and investment activities; and
- The Council's Prudential and Treasury Indicators.

Council Plan priority

All

Recommendations

It is recommended that Cabinet:

1. Note the latest expectations for interest rates (as outlined at paragraph 2.6);
2. Note the activities undertaken during the year to support the Council's borrowing and investment strategies, and;
3. Note the Prudential and Treasury Indicators set out in Appendix 1.

1. INTRODUCTION

- 1.1 The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by full Council on 24 February 2022. It identifies the key risks associated with the Council's borrowing and investment activities and sets out how those risks will be managed.
- 1.2 The Council operates within a Treasury Framework which facilitates flexibility for treasury strategy. The need to adopt an agile approach to Treasury Management has never been as important following volatility within the economy during the latter part of 2022, namely the rapid increase in interest rates and the rise in the cost of borrowing.
- 1.3 The current borrowing strategy is to maintain a minimum proportion of fixed rate borrowing to limit the Council's exposure to interest rate risk, whilst managing an appropriate level of internal borrowing in order to reduce the Council's financing costs. As paragraph 2.6 refers, interest rate forecasts are closely monitored by treasury officers to achieve optimum value and manage risk exposure in the long-term in relation to the Authority's external borrowing requirement.
- 1.4 The current investment strategy seeks to minimise credit risk and maintain a suitable balance of liquid funds to ensure that sufficient cash is available when needed and as such the pursuit of higher investment returns is a secondary objective. Throughout the financial year, officers ensured that the Council's investments remained both secure and liquid.

2. PROPOSAL

Economic Summary

Highlights:

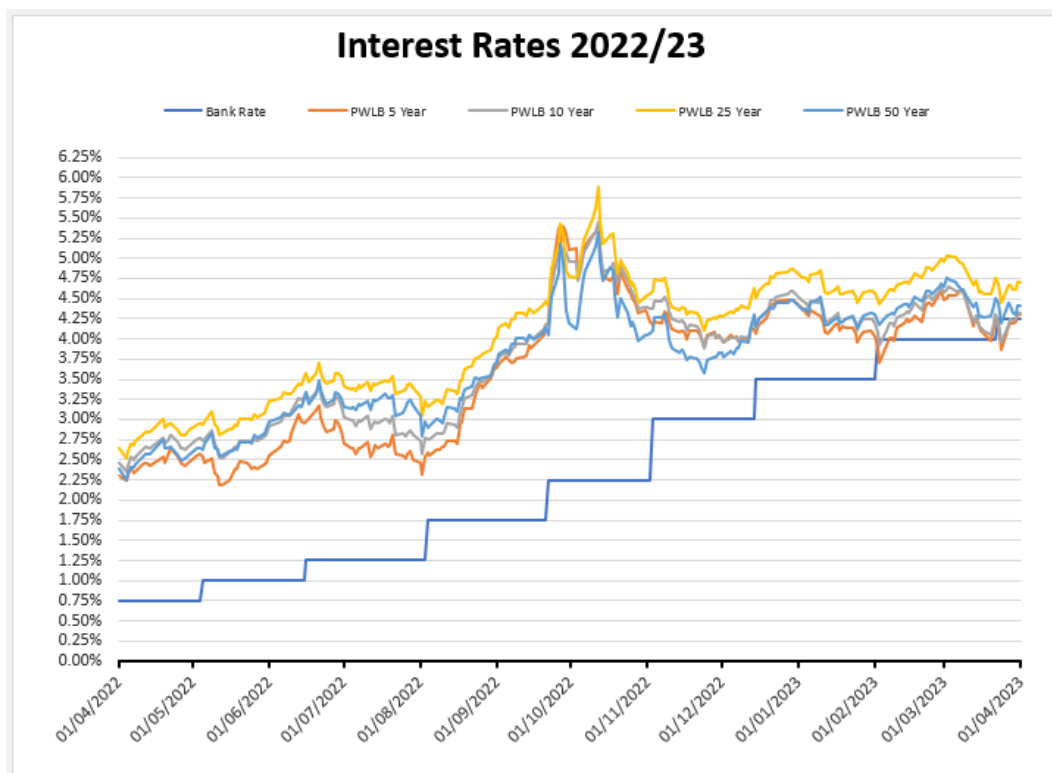
- *The UK Bank rate increased from 0.75% to 4.25% during the year, with consecutive rises throughout the year taking rates to their highest level since autumn 2008;*
- *PWLB borrowing rates during the 2022/23 financial year were volatile, particularly during September 2022 under the Truss/Kwarteng government;*
- *The annual inflation rate in the UK rose to a new 40-year high of 11.1% in October 2022, with the latest forecasts expecting this to fall back to around 4.0% by the end of 2023 (still above the Bank of England's 2.0% target).*

- 2.1 Starting April 2022 at 0.75%, the UK Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the 2022/23 financial year, with the potential for a further one or two increases forecast in 2023/24.
- 2.2 The annual inflation rate rose to a high of 11.1% during 2022/23 and while the outlook for inflation has improved significantly, many forecasters remain cautious. The concern is that the bout in inflation, (as a result of the reopening of economies after Covid-19 restrictions followed by commodity issues due to the

invasion of Ukraine), has been embedded in inflation expectations and therefore pricing behaviors of firms and wage expectations of employees. The worry is that inflation could remain stubbornly high, due to core inflation (which excludes items such as food and energy) and price rises remaining widespread across the economy due to a relatively tight economic environment. This means that a degree of caution must be used in terms of interest rate forecasts and long-term decision making.

2.3 The economy narrowly avoided contracting in the final quarter of 2022 and entering into a technical recession. However, gas prices remain more than twice their pre-pandemic level which, when added to the stagnation in business investment since 2016, the recent rise in labour market inactivity, and the slowdown in productivity growth since the financial crisis, according to the OBR means that there “remains weak underlying momentum” in the UK economy.

2.4 As illustrated in the graph below, PWLB rates experienced a period of high volatility at the end of September 2022 under the Truss/Kwarteng government. Since then, as a result of confidence returning to financial markets following the appointment of the Sunak/Hunt government, PWLB rates have stabilised during the remainder of the financial year.



2.5 The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The latest view (as at 27th March 2023) is that the Bank of England will increase the Bank Rate to a peak of 4.50%, before falling back to lower levels by 2024/25. As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

2.6 Interest rates are a key driver of the Council’s treasury management activities

and are closely monitored by officers. For comparison purposes, the Council reviews forecasts published by other leading economists (Capital Economics) in addition to those provided by Link Group. The UK Base Rate and PWLB 50 Year Certainty Rate forecasts are shown below and these are closely monitored in order to mitigate the risk of movements which could adversely impact on Council finances.

Latest Interest Rate Projections (provided by Link Group & Capital Economics as at 27.03.23)

	Latest	Sep-23	Mar-24	Sep-24	Mar-25	Sep-25	-26
UK Base Rate ~ Link Group	4.25%	4.50%	4.00%	3.25%	2.75%	2.50%	2.50%
UK Base Rate ~ Capital Economics	4.25%	4.50%	4.25%	3.50%	-	-	-
PWLB Certainty 50 Years ~ Link Group	4.44%	4.20%	3.90%	3.70%	3.50%	3.20%	3.10%
PWLB Certainty 50 Years ~ Capital Economics	4.44%	4.00%	3.70%	3.60%	-	-	-

Borrowing Activity

Highlights:

- *No new long-term borrowing undertaken during the year;*
- *A closing Capital Financing Requirement (CFR) of £846.0 Million (down £5.7 Million from the original estimate);*
- *An external borrowing requirement of up to £144.8 Million by the end of 2024/25; of which £71.1 Million to be addressed through fixed rate borrowing in order to meet the Council's agreed exposure targets;*
- *Fixed rate borrowing targets to be reviewed throughout the new financial year in line with interest rate forecasts and monitoring of capital expenditure over the planning period.*

2.7 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for capital spend. It represents the 2022/23 unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

2.8 Part of the Council's treasury management activities is to address the funding requirements for this borrowing need. The treasury management service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and daily cash flow requirements. This may be sourced through borrowing from external bodies, or by utilising temporary cash resources within the Council.

2.9 The Council's CFR for the year is shown in the following table and represents a key prudential indicator (refer to Appendix 1 for further details). The Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the

CFR, which is effectively a repayment of the non-HRA borrowing need, and is represented in the table as the 'Amounts set aside to repay debt'. The Council's 2022/23 MRP Policy, (as required by DLUHC Guidance), was approved as part of the TMSS 2022/23 on 24th February 2022.

2.10 In accordance with the approved TMSS 2022/23, the Council's borrowing strategy is to reduce its exposure to interest rate risk, whilst maintaining an under-borrowed* position to keep its financing costs to a minimum. The table below shows the Council's under-borrowed position of £194.5M as at 31st March 2023, and how this compares to the original estimate.

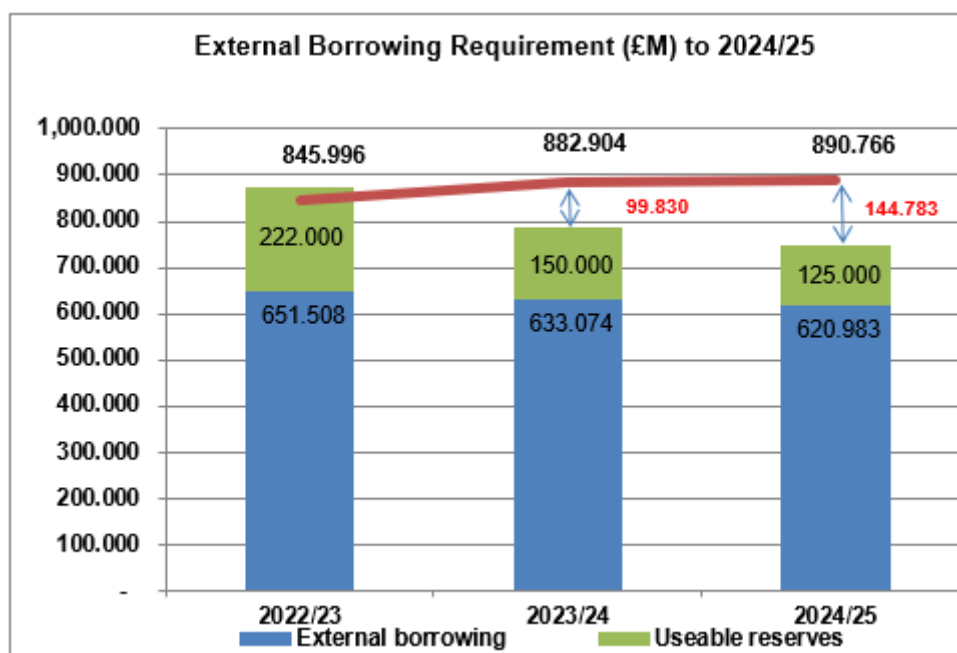
	2022/23 Estimate (£M)	2022/23 Actual (£M)	Variance (£M)
Opening CFR (exc. PFI Schemes / finance leases**)	841.872	841.872	0.000
Increase from in-year capital investment	14.606	9.335	(5.271)
Amounts set aside to repay debt	(4.832)	(5.211)	(0.379)
Closing CFR (exc. PFI Schemes / finance leases**)	851.646	845.996	(5.650)
External borrowing	(651.508)	(651.508)	0.000
Under-borrowed position	200.138	194.488	(5.650)

* Refers to the temporary use of internal cash resources (e.g. earmarked reserves or grants received in advance of expenditure) to support its borrowing requirement.

** Excluded on the basis that each arrangement contains its own borrowing facility and therefore the Council is not required to borrow separately.

2.11 There was a £32.7M decrease in total external debt during the year, with the final balance as at 31st March 2023 being £651.5M (£684.2M as at 31/03/22). A breakdown of the net movement in borrowing is provided at Appendix 2. During 2022/23, the Council has followed advice from our Treasury Management Advisors, Link Group, and focused on a policy of internal and temporary borrowing, utilising cash balances and reserves in lieu of long-term external borrowing. This borrowing strategy is being continually reviewed to avoid incurring higher costs in the future when the Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

2.12 The Council's total borrowing requirement by the end of 2024/25 is in the region of £144.8M, based on capital expenditure and useable reserves estimates as at 31st March 2023. A breakdown of this borrowing requirement has been provided in the table below:



Projected external borrowing requirement 2023/24 - 2024/25	£M
Planned capital investment	55.138
Maturing loans / reduced support from useable reserves	105.418
Amounts set aside to repay debt	(15.773)
Total	144.783

2.13 In line with the approved TMSS 2022/23, the Council is committed to maintaining its interest rate risk exposure within the current limits set out below. The Director of Finance confirms that the fixed rate exposure target for 2022/23 has been achieved earlier than planned during 2021/22 and this has created significant savings for the Council by taking advantage of low interest rates at that time.

Interest Rate Risk Exposure	2022/23	2023/24	2024/25
Limit on Variable Rate Borrowing / Unfinanced CFR	30%	30%	30%

2.14 To deliver against these risk exposure targets, it is anticipated that the Council will need to fix out in the region of £71.1M by the end of 2024/25. The remainder could be funded through temporary borrowing or utilising internal cash resources. This borrowing strategy creates cost certainty for the Council in terms of the Medium-Term Financial Strategy, whilst also allowing flexibility to use the under borrowed position to minimise costs.

2.15 Members are asked to note that the reported position does not currently account for the proposed South Yorkshire Mayoral Combined Authority Gainshare policy which is expected to add significantly to the Council's overall level of borrowing in future, increasing all aspects of our Treasury Management risk. In view of this and the Council's existing debt levels, the advice of the Director of Finance is to undertake prudent and modest additional borrowing to effectively manage the Council's risk exposure, which is essential in the current economic climate of rising interest rates. Updates in relation to the Council's

TM policy and the impact on the capital financing requirement will be provided to Members throughout 2023/24.

2.16 In light of the above requirement, officers continue to monitor rates and assess borrowing options and opportunities as set out in the Council's borrowing strategy:

- **Deferred loans** - the Council may be able to access long-term, fixed rate funding from financial institutions such as banks, insurance companies and pension funds on a deferred drawdown basis. Whilst there is a small premium above PWLB rates, deferred loans help to protect the Council from interest rate risk without the additional cost of carry and credit risk. The Council has already secured £40M of deferred loans and will work with its advisors in order to identify any further potential lenders.
- **Municipal Bonds Agency (MBA)** - the MBA was established in 2014 with the intention of providing an alternative source of funding to the PWLB. The MBA has made two bond issues for Lancashire CC and are aiming to launch a pooled bond issue. Barnsley has been a leading authority in promoting the MBA and has already committed to the next bond issue subject to 'due diligence' tests. The MBA also offer a flexible range of short and long-term loans, and forward loans. Officers are monitoring the situation and any updates on the MBA bond launch will be reported.
- **PWLB borrowing** - The latest forecasts (at paragraph 2.6) show a gradual decline in PWLB rates during the forecast period to March 2025. There is however likely to be unpredictable volatility during this period as detailed in the economic summary section of the report and officers will continue to closely monitor long-term PWLB rates.
- **Local authority loans** - the Council may be able to borrow from other local authorities for periods of up to 5 years, which would provide additional budget certainty over the medium-term whilst providing a saving against current long-term PWLB rates. Opportunities for inter-authority lending have been assessed by treasury officers on an ongoing basis throughout the year.
- **Market loans** - as with deferred loans the Council may be able to access long-term, fixed rate funding from financial institutions on a spot basis (i.e. immediate drawdown). However, this is currently a more expensive option than borrowing from the PWLB, and therefore has not been utilised during 2022/23.

Investment Activity

Highlights:

- *Total investment balance of £154.0M as at 31 March 2023;*
- *A net decrease in investment balances of £35.1 Million during the year, primarily due to the repayment of short-term temporary loans;*
- *Investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties;*
- *Security and liquidity remained the key priorities, with the majority of new investments placed in secure Money Market Funds and instant access accounts;*
- *Returns on the Council's investments have improved throughout the financial year, in-line with Bank Rate increases.*

2.17 The TMSS for 2022/23, which includes the Annual Investment Strategy, was approved by the Council in February 2022. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

2.18 The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short-term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach.

2.19 The majority of transactions during the financial year related to short term deposits. However, to maintain sufficient liquidity, an appropriate balance of cash was deposited in the Council's Money Market Funds and instant access accounts (see Appendix 3 for further details). In addition, officers continued to take advantage of the competitive rates offered on short-term local authority deposits.

2.20 The key investment issues managed by the Council during 2022/23 have included:

- **Changing Investment Landscape** - Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were ongoing, and that tighter monetary policy was necessary. Improved investment rates required the pro-active investment of the Authority's surplus cash and a detailed working knowledge of cashflow projections in order to maintain an appropriate balance between maintaining cash for liquidity purposes and locking into investment rates to achieve the best value on returns.

- **Economic Climate and Market Volatility** – Following the Government’s fiscal event on 23rd September 2022, the rating agencies Standard and Poor’s (S&P) and Fitch both placed the UK sovereign rating on Negative Outlook. Whilst this is not necessarily a precursor to a rating downgrade for the country (just a watching brief on the overall Outlook) it does indicate expectations of weaker finances. Financial markets can quickly change in volatile economic times, and it remained critical for treasury officers to undertake continual monitoring of all aspects of risk and return throughout the financial year.
- **Creditworthiness and Investment Security** –The Council continues to take a cautious approach to investing, whilst also recognizing that there have been changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that were introduced following the Financial Crisis in 2008/09. During 2022/23, the Bank of England maintained various monetary policy easing measures to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions. The Director of Finance confirms that all investments as at 31st March 2023 are placed with low-risk, high credit rated counterparties in accordance with the approved TMSS 2022/23.
- **Local Authority Creditworthiness / Reputation Management** – This remained an ongoing issue for local authorities during 2022/23, particularly in light of the economic climate. Whilst there are no issues foreseen from a credit perspective (there are regulations in place to avoid local authorities going bankrupt), officers recognise the reputational risk associated with such investments and take this into consideration when deciding where to invest the Council’s surplus cash. The Council does not invest in Local Authorities with a Section 114 Notice in place.

CIPFA Financial Resilience and Benchmarking

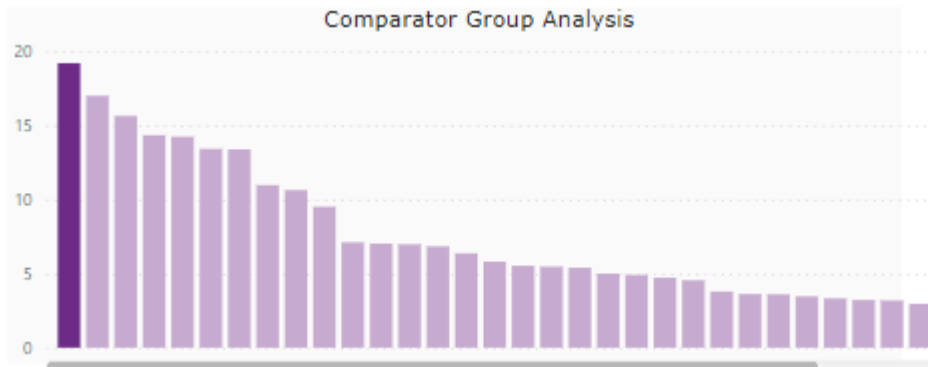
2.21 The Financial Resilience Index has been designed by CIPFA to identify councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with financial difficulties. The tool allows comparison with other councils with similar characteristics and will support councils in identifying areas of weakness, enabling them to take action to mitigate the risk of financial failure.

2.22 The Council has continued to assess itself against the CIPFA Financial Resilience Index. Whilst there are indices currently indicating high risk (relating to borrowing levels and reserves), the Director of Finance is confident that this risk is manageable via the Council’s ongoing reserves, capital investment and treasury management strategies and the Council continues to demonstrate a strong financial grip, holding a robust and stable reserves position with a sound strategy in place to meet the immediate challenges faced by the Council.

2.23 The results below are based on 2021/22 accounts and compare the Council with other Metropolitan Authorities. In comparison to other Metropolitan Authorities, the Council has the highest ratio of interest costs to net revenue expenditure, and this is largely due to a combination of additional capital expenditure on the town centre redevelopment and the interest payable on PFI schemes. Gross debt in 2021/22 was £877.755M and the Council's position is shown in the second graph below.

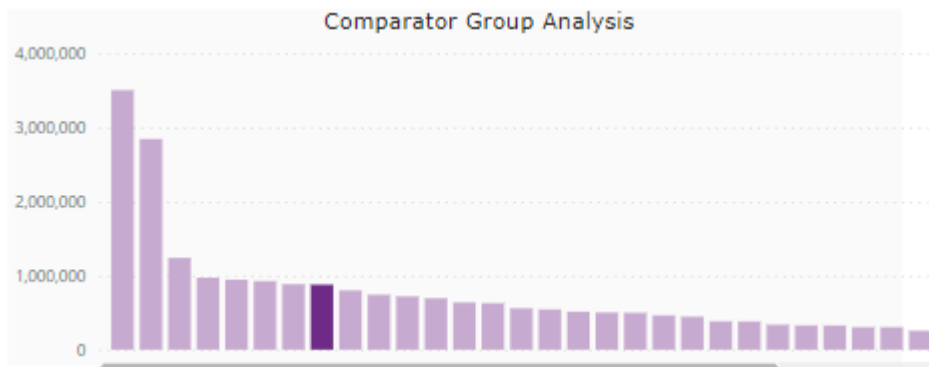
Interest Payable / Net Revenue Expenditure indicator

This indicator is the ratio of interest payable and net revenue expenditure; 19.21% in 2021/22.



Gross External Debt indicator

This indicator compares the gross external debt held by the Council; £877.755M in 2021/22.



2.24 The Council continues to assess its position in terms of its financial resilience and ability to continue to meet future financial challenges. The Director of Finance recommends that this position be kept under close scrutiny so that the Council's future policy choices are not overly constrained and to ensure that its long-term financial sustainability is maintained.

Performance Measurement / Compliance with Prudential and Treasury Limits

2.25 The Council's capital financing budget underspent during the year by £2M. The underspend is primarily due to maintaining an appropriate level of internal borrowing and delaying the decision to undertake further external borrowing when interest rates were running at high levels. This underspend is expected to

reduce in future years as reserves are utilised and the Council considers further external borrowing when economic conditions are more favourable.

2.26 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year to 31 March 2023, the Council has operated within the prudential and treasury indicators set out in the agreed TMSS 2022/23. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators (see Appendix 1 for more details). All treasury management operations have been conducted in full compliance with the Council's Treasury Management Practices.

Regulatory Framework & Risk Assessment

2.27 The Council has adopted the statutory guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Department for Levelling Up, Housing and Communities (DLUHC), which seeks to ensure that its capital expenditure and borrowing are prudent, affordable and sustainable, and its treasury practices demonstrate a low-risk approach.

2.28 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of its Treasury Management advisers, Link Group, has proactively managed the debt and investments over the past year.

2.29 Treasury Management is subject to annual inspection from the Council's Internal Audit function, and Treasury Management risks are identified and monitored as part of the Council's overall approach to managing risk. The purpose of the audit is to provide assurance that the systems, processes and procedures in respect of Treasury management are robust and operating effectively and efficiently. The latest audit assessment of Treasury Management systems focused on the governance, controls and risk management arrangements in line with the Core Financial Systems Strategy for 2022/23, and a 'substantial' assurance opinion has been provided in relation to the internal control framework.

2.30 Treasury Management activities are also scrutinised as part of the Council's External Auditors annual accounts and VfM opinion process with any recommendations to be included as part of their 2022/23 Annual Reports. As a result, the Council will continue to closely monitor treasury management activities and the associated risks.

2.31 As part of the Council's overall commitment to transformation, the treasury management section has implemented a new and improved IT system during 2022/23, Treasury Live, to make improvements and advancements in how the Council's cash position is organized to ensure that sufficient cash is available to meet capital plans and daily cash flow requirements. Treasury Live has been specifically designed to fully reflect CIPFA's recommended best practice. In the current financial climate, the Treasury Live system enhances the ability to manage financial risks and allows the Council to prudently monitor future cash flows to service and repay current and future borrowings.

3. IMPLICATIONS OF THE DECISION

3.1 Financial and Risk

The financial and risk implications arising from the treasury management activities for the year are reported to Cabinet separately as part of the Council's revenue outturn report for 2022/23.

3.2 Legal

Not applicable.

3.3 Equality

Not applicable – Equality Impact Assessments are undertaken for key Treasury Management decisions where appropriate.

3.4 Sustainability

Decision-making wheel not completed – where appropriate individual decision-making wheels would be completed for key Treasury Management decisions.

3.5 Employee

None arising from this report.

3.6 Communications

No specific requirements.

4. CONSULTATION

- 4.1 This report has been prepared in consultation with Link Asset Services and approved by the Treasury Management Panel.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not applicable as reporting year-end position.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Recommendations made in-line with the approved Treasury Management Strategy.

7. GLOSSARY

Not applicable.

8. LIST OF APPENDICES

Appendix 1: Actual Prudential Indicators and Treasury Indicators for 2022/23

Appendix 2: BMBC Borrowing 2022/23

Appendix 3: BMBC Investments 2022/23

9. BACKGROUND PAPERS

Various Financial Services working papers.

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made.

10. REPORT SIGN OFF

Financial consultation & sign off	Report prepared by Director of Finance
Legal consultation & sign off	Legal Services officer consulted and date

Report Author: Neil Copley

Post: Director of Finance

Date: 24/04/2023

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APPENDIX 1 - ACTUAL PRUDENTIAL AND TREASURY INDICATORS FOR 2022/23

1. Capital Expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist in the management of treasury management risks and confirm capital expenditure plans.

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund	68.879	92.276	63.311
HRA	25.096	30.430	25.096
Total Capital Expenditure	93.975	122.706	88.407

The £34.3M variance in capital expenditure in 2022/23 relates to slippage in the capital programme, as detailed in the 22/23 Capital Programme Performance Report, and the planned spend will be reprofiled across future periods.

2. Capital Financing Requirement (CFR)

This indicator sets out the Council's underlining need to borrow for capital purposes, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund	570.139	570.139	574.262
HRA	271.734	271.734	271.734
Total (exc. PFI Schemes / finance leases)	841.873	841.873	845.996
Other Long-Term Liabilities	231.531	228.811	228.811
Total CFR	1,073.404	1,070.684	1,074.807

The actual CFR varies from the original estimate mainly due to reprofiling of schemes and priorities within the capital programme. Further details can be found in the 2022/23 Capital Programme Performance report.

3. External Debt

This indicator is obtained directly from the Council's balance sheet and is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (External Borrowing + Other Long-Term Liabilities).

	2021/22 Actual (£M)	2022/23 Estimate (£M)	2022/23 Actual (£M)
General Fund Borrowing	450.818	424.097	424.097
HRA Borrowing	233.427	227.411	227.411
Total External Borrowing	684.245	651.508	651.508
Other Long-Term Liabilities	193.512	185.122	185.122
Total Debt	877.757	836.631	836.631

4. Operational Boundary for External Debt

This indicator refers to the means by which the authority manages its external debt to ensure it remains within the statutory authorised limit. It differs from the authorised limit in as far as it is based on the most likely scenario, in terms of capital spend and financing during the year and is calculated using the Council's **average** level of debt (including PFI) over the financial year. The average of £861.387M compares to an actual level of debt of £836.631M as at 31 March 2023 (including PFI debt).

Unlike the authorised limit breaches of the operational boundary (due to cash flow movements) are allowed during the year as long as they are not sustained over a period of time.

	2022/23 Limit (£M)	Actual Debt (incl. PFI) 31/03/23 (£M)	2022/23 Average Debt (£M)	Compliant?
Average Debt compared to Operational Boundary	1,083.434	836.631	861.387	YES

5. Authorised Limit for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. This indicator is calculated using the Council's **maximum** level of debt (including PFI) over the financial year. The maximum of £870.398M compares to an actual level of debt of £836.631M as at 31 March 2023 (including PFI debt).

The Authorised Limit is the statutory limit under the Local Government Act 2003 and must not be exceeded during the year.

	2022/23 Limit (£M)	Actual Debt (incl. PFI) 31/03/23 (£M)	2022/23 Maximum Debt (£M)	Compliant?
Maximum Debt compared to Authorised Limit	1,113.434	836.631	870.398	YES

6. Maturity Structure of Fixed Rate Borrowing

These limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing.

Separate limits have been set for the GF and HRA debt pools. The higher percentage of maturities within 12 months is representative of the strategy of short-term borrowing to minimise debt interest costs. LOBO loans are shown within the 'Less than 12 months' category.

Maturity Period - GF	2022/23 Limit (%)	Actual 31/03/2023 (%)	Compliant?
Less than 12 months	0-50	9	YES
12 months to 2 years	0-25	1	
2 years to 5 years	0-25	3	
5 years to 10 years	0-40	6	
10 years to 20 years	0-75	4	
20 years to 30 years	0-75	11	
30 years to 40 years	0-75	17	
40 years to 50 years	0-75	49	

Maturity Period – HRA	2022/23 Limit (%)	Actual 31/03/2023 (%)	Compliant?
Less than 12 months	0-25	17	YES
12 months to 2 years	0-25	3	
2 years to 5 years	0-25	4	
5 years to 10 years	0-40	5	
10 years to 20 years	0-75	0	
20 years to 30 years	0-75	18	
30 years to 40 years	0-75	53	
40 years to 50 years	0-75	0	

7. Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The ratios in relation to the General Fund have been calculated to show debt levels including and excluding borrowing for the PFI schemes.

	2021/22 Actual	2022/23 Estimate	2022/23 Actual
General Fund (including PFI)	20.07%	20.42%	18.98%
General Fund (excluding PFI)	9.53%	9.50%	8.90%
HRA	40.96%	40.47%	40.96%

8. Maximum Principal Sums Invested

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 365 days. This limit is set to contain exposure to credit and liquidity risk.

	2022/23 Limit (£M)	2022/23 Actual (£M)	Compliant?
Sums Invested > 365 days	20	0	YES

APPENDIX 2 – BMBC BORROWING 2022/23

Movement on External Borrowing

As shown below there was a net decrease of £32.7M on the Council's borrowing portfolio during the year, mainly comprising temporary borrowing transactions to meet short-term cash flow requirements.

The principal repayments made during the year comprise of other local authority loan repayments and scheduled principal repayments to the PWLB and PBB (other long-term loans).

	Balance on 01/04/2022 (£M)	New Borrowing (£M)	Principal Redeemed (£M)	Balance on 31/03/2023 (£M)	Net Movement (£M)
PWLB borrowing	575.345	-	(21.309)	554.036	(21.309)
Other long-term loans	92.142	-	(1.430)	90.712	(1.430)
Temporary loans	0.001	40.000	40.000	0.001	-
Longer term local authority loans	16.757	-	(10.000)	6.757	(10.000)
Total external borrowing	684.245	40.000	(72.739)	651.506	(32.739)

Average Interest Rates on Borrowing as at 31/03/2023

	Balance (£M)	Average Rate (%)
PWLB borrowing	554.036	3.42
Other long-term loans	90.712	4.21
Temporary loans	0.001	0.50
Longer term local authority loans	6.757	2.00
Total external borrowing	651.506	3.21

APPENDIX 3 – BMBC INVESTMENTS 2022/23

Movement on Investments

As shown below, there was a net decrease of £35.1M on the Council's investment portfolio during the year, comprising £685.1M of new investments and £720.2M of principal redeemed. The reduced level of investment balances is as a result of the scheduled principal repayments on long-term loan arrangements and the repayment of local authority loans as detailed above. Officers continue to utilise more liquid investments in order to manage the Council's cash flows in the short term.

	Balance on 01/04/2022 (£M)	New Investments (£M)	Principal Redeemed (£M)	Balance on 31/03/2023 (£M)	Net Movement (£M)
Short term deposits	134.530	264.300	(273.530)	125.300	(9.230)
Money Market Funds / instant access accounts	54.500	420.816	(446.656)	28.660	(25.840)
Total investments	189.030	685.116	(720.186)	153.960	(35.070)

Investment Portfolio as at 31/03/2023

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
Barclays Bank Plc (NRFB)	6,210,000	3.65%		Call	A	0.000%	8
MMF Deutsche	1,917,500	3.95%		MMF	AAAm		
MMF Goldman Sachs	5,000,000	3.91%		MMF	AAAm		
MMF Invesco	5,000,000	3.93%		MMF	AAAm		
MMF Aberdeen Standard Investments	5,100,000	3.95%		MMF	AAAm		
MMF Federated Investors (UK)	5,432,500	3.92%		MMF	AAAm		
Liverpool City Council	5,000,000	0.25%	05/04/2022	04/04/2023	AA-	0.000%	0
Lancashire County Council	5,000,000	1.60%	14/10/2022	14/04/2023	AA-	0.001%	0
Lancashire County Council	5,000,000	2.05%	14/10/2022	14/04/2023	AA-	0.001%	0
PCC for Merseyside	5,000,000	1.98%	20/10/2022	20/04/2023	AA-	0.001%	0
PCC for Merseyside	5,000,000	1.25%	29/07/2022	28/04/2023	AA-	0.002%	0
Birmingham City Council	5,000,000	1.99%	28/10/2022	28/04/2023	AA-	0.002%	0
Lancashire County Council	5,000,000	1.25%	01/08/2022	02/05/2023	AA-	0.002%	0
Cheshire East Council	6,000,000	1.90%	20/09/2022	05/05/2023	AA-	0.002%	0
Blackpool Borough Council	5,000,000	1.25%	08/08/2022	09/05/2023	AA-	0.002%	0
Basildon District Council	5,000,000	2.05%	21/11/2022	22/05/2023	AA-	0.003%	0
North Lanarkshire Council	5,000,000	1.70%	01/09/2022	01/06/2023	AA-	0.004%	0
Blaenau Gwent County Borough Council	5,000,000	2.20%	01/12/2022	01/06/2023	AA-	0.004%	0
Broxbourne Borough Council	2,570,000	1.50%	19/08/2022	18/08/2023	AA-	0.009%	0
West Dunbartonshire Council	5,000,000	2.00%	22/08/2022	21/08/2023	AA-	0.009%	0
Surrey Heath Borough Council	3,000,000	1.90%	30/08/2022	29/08/2023	AA-	0.009%	0
North Lanarkshire Council	5,000,000	2.20%	28/11/2022	29/08/2023	AA-	0.009%	0
Basildon District Council	5,000,000	2.25%	16/12/2022	18/09/2023	AA-	0.011%	0
Broxbourne Borough Council	3,530,000	2.20%	04/10/2022	03/10/2023	AA-	0.011%	0
South Cambridgeshire District Council	5,000,000	2.25%	18/11/2022	17/11/2023	AA-	0.014%	0
Gloucester City Council	5,200,000	2.20%	29/11/2022	28/11/2023	AA-	0.015%	0
Watford Borough Council	10,000,000	2.50%	12/12/2022	11/12/2023	AA-	0.016%	0
Eastleigh Borough Council	5,000,000	2.25%	16/01/2023	15/01/2024	AA-	0.018%	0
London Borough of Hillingdon	5,000,000	4.50%	19/01/2023	18/01/2024	AA-	0.018%	0
London Borough of Hillingdon	5,000,000	4.50%	27/01/2023	26/01/2024	AA-	0.019%	0
Monmouthshire County Council	5,000,000	4.60%	21/03/2023	19/03/2024	AA-	0.022%	0
Total Investments	£153,960,000	2.51%				0.008%	£8

Item 10

Report of Interim Head of
Procurement and Contract
Management, Jenny Lockwood

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

CONTRACT PROCEDURE RULES UPDATE

1. Purpose of the report

- 1.1 This report is to seek approval to some interim amends to the Contract Procedure Rules to support transformation activity prior to the completion of a more fundamental review being finalised.
- 1.2 Seeks to update on the progress of amendments requested by Audit Committee in January 2023.

2. Recommendation

- 2.1 **The Committee and Full Council are asked to approve the proposed amendments to the thresholds to enable these to be implemented whilst the further revisions to the full document are finalised.**

- 2.2 **The thresholds would be revised as follows;**
£0 - £50,000 – For contracts valued up to and including £50,000 an Executive Director shall proceed in a manner which ensures value for money and the efficient management of the service. Where possible this process shall prioritise the placing of orders with local businesses.

£50,001 - £70,000 – For contracts above £50,000 and up to and including £70,000 the Executive Director must seek to achieve competition and for that purpose invite at least three quotations via YORtender. Where appropriate at least two of the companies invited to quote should be local businesses.

£70,000 - All procurement above £70,000 in total contract value must be undertaken by the Strategic Procurement Team. For procurements above £70,000 to the FTS threshold for goods and services, an open tender procedure must be followed.

3. Progress Update

- 3.1 The last revision made to CPR's in 2019 reflected changes due to the introduction of the Strategic Procurement and Contract Management Team.
- 3.2 Proposed revisions were brought to audit committee in January 2023, based on the extended role of the Procurement and Contract Management Team to progress a number of further amendments to the rules to reflect changes and developments in Council and external policy and also operational changes.

3.3 Audit Committee raised some queries with elements of the rules which required additional consideration and therefore an action was taken for a further review before all the proposed changes would be progressed.

3.4 A working group has been established, with colleagues from procurement, contract management, governance and legal on this basis and activity is progressing to finalise these updates to bring a fully reviewed document back to Audit Committee in November. The timeline for these changes has been delayed due to a change in leadership in the Procurement Team and a recognition that there is benefit as part of transformation to look at the document in its entirety to ensure better alignment with the constitution and future Council strategy.

3.5 It has become necessary to look a smaller scope of changes immediately to support the transformation programme and ensure the Council is able to deliver its services in the most agile way possible, whilst mitigating risk whilst the wider review of the document is finalised.

3.6 It is proposed these immediate changes would include;

3.6.1 An uplift of the minimum value for undertaking a competitive quotation exercise, where at least 3 quotes are requested from £10,000 to £50,000. This is above the £20,000 proposed in January. The requirement for preparing a business case in support of a procurement would also be uplifted to £50,000. This gives Services more flexibility in lower value, routine purchases and allows a more streamlined and agile selection process which can support engagement with more local organisations and SMEs/VCSE. This change is also reflective of the increase in the cost of goods, services and works since the £10,000 threshold was set in 2019 due to various factors.

3.6.2 An addition would be made to the rules when there is an urgent requirement to obtain specialist skills on a short-term basis which are not currently available in the Council's structure which is below the £70,000 threshold for a Stakeholder led procurement. In such circumstances a waiver would no longer be required to approve the exemption to competition if agency or interim appointments are being made via an alternative recruitment agency to the corporate agency contract and allow appointment, subject to the relevant HR checks and approval. This change is proposed to ensure that services are not adversely affected by vacancies in their structure which are outside of their control and are able to progress specific activity which requires specialist expertise at pace to support transformation.

3.6.3 Change to the FTS thresholds, which have been revised since the 2019 revision of the document along with the requirement to value contracts inclusive of VAT.

3.6.4 It is the opinion of the Head of Procurement and Contract Management that these changes, supported by the correct training and guidance for Stakeholders would still allow sufficient oversight to ensure compliance with the public sector procurement regulations, but serve to ensure the Council can act in an agile manner to progress essential activity.

4. Supporting Papers

4.1 Proposed Contract Procedure Rules.

Contact Officer: Corporate Governance and Assurance Manager
Email: jennylockwood@barnsley.gov.uk
Date: 13th July 2023

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BARNSLEY METROPOLITAN BOROUGH COUNCIL

CONTRACT PROCEDURE RULES

2023/07 Revision

July 2023

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DEFINITIONS

Accountable Body:	means where the Council is the lead body for another public body.
Approved List:	means a list of suppliers of works, goods or services that have been vetted on behalf of the Council and placed upon an approved list(s).
Barnsley Norse:	means Barnsley Norse Limited.
Category Manager:	means the officer designated as Category Manager for a key area of spend.
Constitution:	means the Council's constitution particularly 'Terms of Reference of the Full Council, Regulatory Boards and Committees and functions delegated to Officers', 'Responsibility for Executive Functions Officer Delegations' and 'Part 2 the Cabinet'.
Contracts Finder	means the web-based procurement portal provided by or on behalf of the Cabinet Office.
DPS	means Dynamic Purchasing System (DPS) is a framework agreement where new suppliers can join at any time and it is to be run as a completely electronic process.
EU Treaties	means the Treaty on European Union and the Treaty on the Functioning of the European Union.
Executive Director:	means any member of the Council's Senior Management Team or the authorised representatives of any of those officers.
Framework Agreement:	means an agreement with a supplier or suppliers to establish terms governing contracts that may be awarded during the lifetime of the Framework Agreement. Current Framework Agreements are listed on the Strategic Procurement Intranet Site.

Gateway Approach	means a process where a procurement project has check off stages which require approval to ensure a procurement project is progressing correctly.
General Data Protection Regulations 2018 (GDPR)	The General Data Protection Regulation 2018 are regulations which govern the rules on data protect and privacy for data on individuals should be managed
Letter of Intent:	means typically a letter from an employer to a contractor (or from a main contractor to a sub-contractor) indicating the Employer's intention to enter into a formal written contract for works described in the letter and asking the contractor to begin those works before the formal contract is executed. While a letter of intent may come in many forms, it is essentially a communication expressing an intention to enter into a contract at a future date.
Light Touch Services:	means the social and other specific services listed in schedule 3 to the Regulations.
Member:	means a Member of the Council also known as 'Councillor'.
NPS Barnsley:	means NPS Barnsley Limited.
OJEU:	means the Official Journal of the European Union.
Procurement Team:	means the Head of Strategic Procurement or person nominated by them.
Records Retention Policy:	means the Council's Record Retention Policy located on the intranet within the Records Management Section (Retention Guidelines).
Regulations:	means the Public Contracts Regulations 2015,
Rule(s):	means these Contract Procedure Rules.
Small, Medium Enterprise (SME)	means a company with a limited number of employees and turnover.

Social Value	means the requirement to consider social, economic and environmental benefits through procurement.
Voluntary Sector Organisation (VSO)	means not for profit organisation that has social objectives as it purpose for existence.
YORtender:	means the Council's electronic procurement system.

1. Introduction

- 1.1 These Contract Procedure Rules set out the procedures to be followed in relation to contracts, whatever the method of payment, such as for the purchase and sale of goods, works and services, entered into by or on behalf of the Council. This would include maintained schools and circumstances when the Council is the Accountable Body. They aim to ensure a system of openness, fairness, and transparency and facilitate the Council achieving value for money.
- 1.2 These Rules should be read and acted upon in conjunction with the Council's Constitution and [Financial Regulations](#), the Scheme for Financing Schools, the [Codes of Conduct](#) for Officers and Members, the Council's Commercial Strategy and the [guidance](#) available on the Strategic Procurement Intranet Site.
- 1.3 All Council procurements and contracts must comply with UK legislation, EU procurement rules and the General Data Protection Regulation 2018 and, in respect of any EU Legislation with direct effect in the United Kingdom prior to 29 March 2019, any consolidation or restatement of the same into UK law as a result of the United Kingdom exiting the European Union, these Rules and the other matters referred to in Rule 1.2 above. Additionally where the Council is utilising grant funding, the terms and conditions of grant must be examined closely and complied with. It should be noted that agreements with other public bodies and with Council-owned companies may also be subject to these regulations, and advice should be sought from the Strategic Procurement Team and the Service Director, Legal Services.
- 1.4 These Rules do not apply to:
 - (a) contracts of employment which makes an individual a direct employee of the Council. (These Rules do apply to contracts for recruitment agency services and the employment of consultants or agency staff).
 - (b) contracts where there is an urgent requirement to obtain specialist skills on a short term basis which are not currently available in the Council's structure, where the total value of this requirement is below £70,000, and which cannot be sourced via the Corporate temporary recruitment contract.
 - (c) agreements regarding the acquisition, disposal or transfer of land for which provision is made within the Local Government Act 1972 and in relation to which Financial Regulations apply. (unless the use of land is for development purposes)

- 1.5 All values stated in these Rules are exclusive of VAT unless otherwise stated and are aggregated values of the total value of a specific good, service or works procured by the Council.

Total values shall not be disaggregated specifically to avoid competition or a specific type of competition.

- 1.6 All Executive Directors are responsible for ensuring officers within their directorate comply with these Rules.

- 1.7 Any failure to comply with these Rules may result in disciplinary action against the officer(s) concerned. Officers and Members must exercise the highest standards of conduct, integrity and impartiality when involved in the procurement, evaluation, award and management of contracts. The Council's Anti-Fraud, Corruption Policy and [Code of Conduct](#) must be complied with.

- 1.8 Any difference of opinion regarding the meaning of these Rules shall be resolved by the Executive Director, Core Services.

- 1.9 Proper and accurate records must be kept of all aspects of the procurement process, including: steps taken, selection and evaluation of bidders, decisions made and approvals obtained etc. All documentation must be retained in accordance with the Council's [Records Retention Policy](#). Records wherever practicable should be in electronic form and in PDF format and uploaded to the project on YORTender.

- 1.10 These Rules shall be reviewed annually by the Executive Director, Core Services in consultation with the Council's Strategic Procurement Team and other key officers.

PRE-PROCUREMENT REQUIREMENTS

2. External Grant Funded Procurements

- 2.1 The purchase of goods, works and services in grant funded projects are subject to rigorous audits to confirm that processes complied with Public Procurement Law and the conditions of the grant in which the funding was given. Examples of grant funding are the European Structural and Investment Fund (ESIF) which includes European Regional Development Fund (ERDF) and the European Social Fund (ESF) in England, Joint European Support for Sustainable Investment in City Areas (JESSICA).
- 2.2 Failures by grant recipients to comply with Public Procurement Law and the conditions of the grant funding can lead to the claw back of funding. Depending upon the characteristics of the breach, this could be up to 100% of the grant.
- 2.3 There are separate penalties for breaches of the Public Procurement Law.
- 2.4 Where funding is sought to fund a procurement project no part of Barnsley Council should apply for the funding unless it has been fully considered and planned how it will be able to demonstrate compliance with Public Procurement Law, and the terms and conditions of the funding.
- 2.5 Information on procurement rules for ESIF funded projects is given at: <https://www.gov.uk/government/publications/european-structural-and-investment-funds-procurement-documents>

3. Existing Arrangements

- 3.1 Before commencing any procurement process the following must be considered.

- (a) In-house Providers

Subject to the exceptions in relation to procurement by Area Councils (see Rule 4), before commencing any proposed procurement process the relevant Executive Director must consider the need to consult any other Executive Director (or in the case of their own directorate the appropriate Service Director) who may be able to provide the works, services, or goods required.

- (i) to determine whether the works, services or goods can be provided in-house. If so, the relevant Executive Director may decide, subject to value for money considerations,

not to seek competition but to arrange for the works, services or goods to be provided in-house. The relevant Executive Director(s) will record their decision; or

- (ii) where (i) above does not apply, to determine whether the Executive Director/Service Director would like to submit an in-house bid and if so, then they shall be included in the list of contractors invited to quote/tender under these Rules.
- (iii) For property related services provided by NPS Barnsley and facilities management contract services provided by Barnsley Norse, included in the respective Service Agreements with NPS Barnsley, the Council should offer the work to NPS Barnsley or Barnsley Norse, unless this is inappropriate considering the provisions of those Service Agreements. The Council's Strategic Procurement Team should be contacted with any queries officers may have in relation to this.
- (iv) Where Rule 3.1 (a)(iii) does not apply, for the purposes of Rule 3.1 (a) (i) and (ii), the Managing Director of NPS Barnsley shall be regarded as an Executive Director of the Council who may be able to provide works and services for another Executive Director of the Council and may submit an in-house bid.
- (v) If the Executive Director referred to in 3.1 (a) decides to proceed in accordance with Rule 3.1 (c) or is otherwise invited to tender, the Executive Director of the in-house service may obtain quotations/tenders in respect of supplies of goods, equipment, services or elements of the works that it is proposed are ordered or sub-contracted from a supplier/sub-contractor to enable a quotation/tender to be prepared. The procedures to be adopted for selection of a supplier/sub-contractor shall be those set out in these Rules subject to the provisions of this Rule 3.1. All other Rules shall apply where applicable.
- (vi) Every such invitation to a supplier/sub-contractor shall include a statement to the effect that:

The quotation/tender is to be used only for the purpose of compiling a tender or quotation for

goods, services or works which the Executive Director intends to submit.

There is no obligation on the part of the Council to order any supplies, services or work from the supplier/sub-contractor or any other supplier/sub-contractor.

- (vii) All such bids will be treated as confidential and will not be used other than for the purposes for which they are sought.
- (viii) A list of in-house services is available on the [Strategic Procurement Intranet Site](#).

(b) Corporate Contracts

Where a corporate or framework contract is in place with a supplier, this should be utilised rather than sourcing alternative providers.

(c) Collaborative Procurement Arrangements

- (i) Consideration should be given to whether any existing collaborative arrangements would be appropriate. Collaborative procurement arrangements include procurement arrangements with another local authority, government department, or frameworks available through a public service purchasing consortium.
- (ii) Due diligence needs to be carried out to ensure the legal requirements have been met and it is appropriate and suitable for the Council to make use of any such arrangement. Legal Services and the Strategic Procurement Team should be contacted for advice in connection with this process.

3.2 The rules below set out what should be considered before undertaking any procurement activity. Prior to undertaking procurement activity officers must ensure that:

- (a) they take all necessary legal, financial (including insurance) and other professional advice (for example procurement, health and safety and risk management). Officers should have regard to current Council policies, procedures and standard

documentation available on the Strategic Procurement Intranet Site.

- (b) [a contract value](#) is calculated (irrespective of the method of payment) in accordance with EU procurement rules (irrespective of whether they apply) as explained in guidance found on the Strategic Procurement Intranet Site. This will include, amongst other things, the whole life costs for the full duration of the contract and any optional period of extension and any maintenance or continuing costs. Contracts should not be artificially divided into two or more separate contracts in an attempt to avoid these Rules or the EU procurement rules.
- (c) Officers must ensure that they have obtained the necessary approval(s) to authorise the expenditure, procurement or sale of goods, works or services in accordance with the Council's constitution. (The approval of an Executive Director, or Cabinet Spokesperson, or Cabinet, or Council whichever is required in accordance with the Council's Constitution). In addition, a business case must be prepared and approved by the relevant officer(s) for all procurement above £50K.
- (d) the Council's requirements are clearly documented. In the form of a specification or an explanation of the detailed outcomes that need to be met to achieve the Council's requirements, as the circumstances dictate. This is an important exercise since this document will form the basis of any contract.
- (e) every effort is made to make the best of the Council's buying power by aggregating purchases whenever possible. Although consideration should be given in all cases to whether it is appropriate to divide the Council's requirements into smaller lots where there is an economic or social value to the council resulting from the lotting.
- (f) they are satisfied that key stakeholders including Members, have been identified and consulted.
- (g) any risks associated with the procurement/contract are identified, assessed and recorded together with the actions required to manage and maintain them at an acceptable level as part of the procurement.

- (h) In relation to contracts over £70k a Procurement Event Approval Document (PEAD) process advised by the Strategic Procurement Team, shall be used as a gateway approach.
- (i) the course of action taken will represent Value for Money for the Council and consideration given where applicable to the requirements of the Public Services (Social Value) Act 2012.
- (j) with the exception of procurement by Area Councils (see Rule 4) existing arrangements are considered and utilised where appropriate and after taking advice in accordance with 3.1 (a) above, such as in-house providers, corporate contracts, existing collaborative procurement arrangements and Approved Lists.
- (k) an initial equality impact assessment is carried out to ascertain whether a detailed Equality Impact Assessment (EIA) is required to inform the procurement process and subsequent contract management phase. The EIA toolkit can be found on the Strategic Procurement Intranet Site.
- (l) taking all necessary advice, the procurement is properly categorised for the purpose of the Regulations, including whether as works, supplies or services, and that any Light Touch Services are correctly identified.
- (m) Before quotations/tenders are invited, the award criteria must be recorded in writing, including the basis for assessing price or cost, any quality criteria and all weightings. The criteria, sub-criteria and weightings should be made available to bidders as early as practicable in the procurement process and not later than the invitation to tender/quotation stage. Sub-criteria and weightings cannot be used which have not previously been brought to a bidder's attention. More information is available on the Strategic Procurement Intranet Site.

The Procurement Event Approval Document (stage three-Procurement Strategy) must include the following for all procurements above £70k:

- The Price / Quality split
- The reasons for the Price / Quality split

4. Procurement by Area Councils

- 4.1 The objective of procurement from the Area Councils' commissioning budget is to meet area priorities through contracting with local businesses and voluntary organisations in order to support market development and growth in that sector. Any activity will seek to maximise social value and local content.
- 4.2 Accordingly, Rule 3.1 will not generally apply in the case of procurement from the Area Councils' commissioning budget. However, the Service Director for Stronger, Safer and Healthier Communities shall liaise with Service Directors across the Council at the appropriate time in the commissioning cycle to discuss the commissioning intentions of Area Councils and areas of potential tension and opportunity.
- 4.3 Where the estimated value of the contract is less than £70,000 and there are sufficient and capable organisations with a presence in the local economy, only those organisations will be invited to tender. In exceptional cases only, where there are no such organisations, the Service Director for Stronger, Safer and Healthier Communities may, at their discretion, invite the relevant in-house service to tender, subject to maximising the local contribution to the supply chain.
- 4.4 Where the estimated value of the contract is £70,000 or more, but not in excess of the relevant EU threshold defined in Rule 8.9, the Service Director for Stronger, Safer and Healthier Communities will invite the relevant in-house service to tender only if there are insufficient local business and voluntary organisations in the local economy. Otherwise, the in-house service will not tender.
- 4.5 Normal contract procedure rules will apply for contracts at or in excess of the relevant EU threshold

5. IT Procurement

- 5.1 The Service Director of IT must approve any new or renewal of a proposed contract for software and/or hardware.
- 5.2 In accordance with Council's Financial Regulations, all IT related procurements must have full engagement via their Business Relationship Manager when requiring new, changes to or retirement of any IT systems, software, services or hardware. The procurement and the contract management under £70K will be managed by the IT Contracts and Commissioning Team.

6. Performance of Contracts – Security

- 6.1 Executive Directors must consider any steps necessary to protect the Council's interests in the event of contractor default, having regard to advice from the Service Directors, Finance and Legal Services.
- 6.2 This consideration should be based on risk to the Council, taking account of the circumstances, including:
- (a) the value of the Contract;
 - (b) the type of Goods, Services or Works being procured;
 - (c) the payment profile of the Contract;
 - (d) the financial strength of the suppliers in the market;
 - (e) affordability and proportionality;

and should assess whether additional security is required in the form of a bond, guarantee, retention, or (where performance is required by a particular date, and where delay would have financial consequences for the Council) provision for liquidated damages.

7. Nominated/Named Sub-Contractors and Suppliers

- 7.1 Where a sub-contractor or a supplier is to be nominated / named by the Council to a main contractor, quotations or tenders must be invited in accordance with these Rules.
- 7.2 The terms of any invitation for nominated/named sub-contractors or suppliers must be compatible with the main contract and must require that, if selected, the firms would be willing to enter into:
- (a) a contract with the main contractor on terms which indemnify the main contractor against the main contractor's own obligations under the main contract in relation to the work or goods or materials included in the sub-contract;
 - (b) an agreement to indemnify the Council in such terms as may be prescribed.

PROCUREMENT PROCESS

8. General Rules Relating to Procurement

- 8.1 There is guidance available on the Strategic Procurement Intranet Site in relation to all procurement procedures.

The procurement [Aide Memoire](#) is a summary of the tasks to be performed to ensure a complaint procurement.

- 8.2 For all contracts above £50,000 YORtender must be used to undertake a competitive exercise. For any contracts £5,000 and above then a record must be published to the Contract Register in YORtender.
- 8.3 Consideration should be given in all cases as to whether wider, additional advertisement is necessary to identify appropriate potential suppliers, for example, specialist/trade journals.
- 8.4 Where an additional advertisement is placed or where there is an open invitation on YORtender, an advertisement must also be placed on Contracts Finder for any contract over £25,000.
- 8.5 Where the Regulations apply (Refer to Clause 8.10), a contract notice must be published in the OJEU **BEFORE** any other notice/advertisement is published and no other notice/advertisement should contain any more information than that published in the OJEU.
- 8.6 Prior to the submission of their bids, bidders have an opportunity, if they consider necessary, to request in writing clarification regarding the Council's requirements via Yortender. Any response from the Council to bidders should also be in writing via Yortender. There are rules that must be followed to ensure fairness and transparency during these clarification phases and details can be found on the Strategic Procurement Intranet Site.

The main procurement routes for competition are detailed below:

8.7 **Contracts up to and including £50,000**

For contracts valued up to and including £50,000 an Executive Director shall proceed in a manner which ensures value for money and the efficient management of the service. Where possible this process shall prioritise the placing of orders with local businesses.

8.8 **Contracts between £50,001 and up to and including £70,000**

- (a) For contracts above £50,000 and up to and including £70,000 the Executive Director must seek to achieve competition and for that purpose invite at least three quotations via YORtender. Where appropriate at least two of the companies invited to quote should be local businesses. In instances where only a single bid is received, then guidance should be sought from the Strategic Procurement Team.

- (b) When inviting suppliers to quote, the officer responsible should ensure they rotate between suppliers where the market permits and allows to ensure a fair, open and transparent process is applied.

8.9 Contracts between £70,001 and up to the OJEU thresholds for goods and services

- (a) All procurement above £70,000 in total contract value must be undertaken by the Strategic Procurement Team.
- (b) For procurements above £70,000 to the EU threshold for goods and services, an open tender procedure must be followed. This is a one stage procurement advertised openly without a shortlisting stage. Service-specific questions are permitted but must be relevant to the subject matter of the procurement and proportionate.
- (c) Using an open procedure the contract is advertised and suppliers invited to submit a tender by a certain date (being not less than 14 calendar days from the date of the notice). In respect of procurement by Area Councils, this should be no less than 28 days to give adequate opportunity for SMEs and VCS organisations to tender.

8.10 Contracts above OJEU threshold

- (a) Where a contract is estimated to be equal to or exceeds the relevant threshold the Regulations shall apply:

The regulation thresholds at 1 January 2022 **inclusive of VAT** are:

- Supplies and Services - £ 213,477
- Works - £ 5,336,937
- Light Touch Services - £ 663,540

The thresholds change every two years and are scheduled to change again on 1 January 2024. The Strategic Procurement Intranet Site is kept up-to-date with details of the current thresholds and provides guidance on the EU procurement rules. Further help and guidance can be obtained by contacting the Strategic Procurement Team.

- (b) Publication of all OJEU notices will be performed by a member of the Strategic Procurement Team. A contract notice in the prescribed form shall be published in the OJEU in order to invite tenders or expressions of interest.

- (c) For above OJEU thresholds the following procedures can be used:

Open Procedure

Refer to Clause 8.9 (b) and (c) for requirements.

8.11 Restricted Procedure

A restricted procedure may only be used for contracts above the Regulation threshold for Goods and Services and not for any other contracts below the relevant Regulation threshold.

The requirement of an OJEU notice must be published stating the restricted process will be utilised.

Under the restricted procedure, potential suppliers are invited to apply within the period of advertising by the completion of the Standard Selection Questionnaire (SQ). Any service-specific questions entered within Section 3 of the Standard Selection Questionnaire (or PAS 91 for work contract- section) must be relevant to the subject matter of the procurement and proportionate.

Following an assessment of the SQ at least 5 suppliers (where there are 5 or more who meet the requirements and are absent of any grounds for exclusion) should be selected to receive an invitation to tender.

In the event that the 5 suppliers selected does not include at least two suppliers that are considered local, up to two additional suppliers considered to be local may be selected to receive an invitation to tender, provided they meet the minimum threshold set by the pre-qualification requirements. Also the selection of an in-house potential supplier, who will not be required to pre-qualify, should be in addition to the minimum or maximum number of tenderers required.

If fewer than 5 suppliers have applied who met the requirement and are absent of any grounds for exclusion, all those who have applied shall receive an invitation to tender. Where, in this situation, officers are concerned there may not be adequate competition; they should obtain advice from the Strategic Procurement Team.

8.12 Light Touch Services

All light touch services are identified in Schedule 3 of the Public Contract Regulations 2015.

The procurement must adhere to the three principles of openness, fairness and transparency and be in compliance with the Regulations (Regulation 74 to 76 specifically).

Light touch services and all contract awards of such services above the OJEU threshold must be advertised in the Official Journal of the European Union.

This procedure shall only be performed by the Strategic Procurement Team

8.13 Competitive Procedure with Negotiation

The competitive procedure with negotiation process should only be used for contracts for goods, services and works above the Regulation threshold and in exceptional cases where specialist requirements justify the process below the Regulation threshold.

Using the competitive procedure with negotiation, potential suppliers are invited to express an interest in tendering, within such period as may be specified, through pre-qualification stage. Following an assessment of the expressions of interest, a minimum number of suppliers should be selected to receive an invitation to tender which should incorporate a negotiation stage. A minimum of 3 suppliers must be invited to negotiate unless fewer candidates have met the selection criteria and these are sufficient to ensure genuine competition. The invitation to tender documents should stipulate how the negotiation stage will be managed.

The procedure should shall only be performed by the Strategic Procurement Team

8.14 Competitive Dialogue/ Innovation Partnership.

Using competitive dialogue, a contracting authority enters into a dialogue with bidders about its requirements before inviting them to submit a final tender. It is used in complex projects where the contracting authority cannot be adequately specify its requirements.

The innovation partnership is a procedure designed to allow contracting authorities to establish a long-term partnership for the development and subsequent purchase of a new, innovative product, service or works. They are intended to be long term partnerships which allow for both the development and subsequent purchase of new and innovative products, services or works. The term "partnerships" is not used in a technical sense to mean legal partnerships as defined under UK law;

rather, the term is used to indicate the partnering type approach to working together.

This procedure shall only be performed by the Strategic Procurement Team in partnership with legal services.

9. Frameworks/Dynamic Purchasing System

9.1 Where it is considered that the utilisation of an existing Framework Agreement of another public body is the most appropriate means to meet the Council's requirements, this must be discussed with the Strategic Procurement Team. The Council may need to complete an access agreement prior to utilisation of the framework.

Where such relevant Framework Agreements contain a number of different contractors able to provide goods/services a mini competition between all contractors or a direct call off (where permissible) should be undertaken.

9.2 Framework Agreements / Dynamic Purchasing Systems shall be procured in accordance with these Rules and the Regulations and where the relevant EU thresholds apply. Procedures described by the Regulations shall apply to all aspects of the procurement and operation of the Framework Agreement / Dynamic Purchasing System including:-

- the procurement methodology;
- any orders placed under the Framework Agreement;/Dynamic purchasing system.
- re-opening of competition or call off competition between all contractors/suppliers on the Framework/Dynamic Purchasing System.
- the duration of a Framework / Agreement (which shall not normally exceed 4 years) / or the Dynamic Purchasing System (As the period stated in the tender documents).

9.3 All call offs / mini competitions from framework agreements must be performed on Yortender.

10. Exceptions to Requirements of Competition (where the Regulations do not apply)

10.1 Where the Regulations apply they must be complied with. Further advice and guidance can be sought on the [Strategic Procurement Intranet Site](#).

- 10.2 For contracts above £50,000 and up to and including £70,000 in exceptional circumstances and considering all the information available an Executive or Service Director may decide that it is justified to invite less than three quotations in a particular instance or type of transaction.

The relevant Executive or Service Director shall ensure the goods/services and/ or works to be procured subject to the waiver to competition have a fully detailed specification and the Council terms and conditions agreed with the supplier.

The relevant Executive Director must explain their reasons for this by completing the [Waiver to Competition Form](#) ensuring the form is signed, an electronic version saved (PDF format and a copy sent to the Strategic Procurement Team for a waiver reference number) and uploaded onto the project file on YORtender.

- 10.3 For contracts above £70,000 (not covered by Rule 10.1 above) Rules 8.8 to 8.14 shall not apply where in accordance with the procedure set out in Rule 10.6 (a), (b), (c) and (d) below the relevant Executive Director has obtained the approval of the Strategic Head of Procurement and Service Directors of both Legal and Financial Services (S151 Officer) to waive Rule 8.8 to 8.14 allow an exception to the requirement of competition.
- 10.4 The relevant Executive Director shall prepare a waiver report in the form set out in the Waiver to Competition Form explaining the proposed course of action and the reasons why a waiver to Rule 8.8 to 8.14 is required (see Rule 10.6 below).

The report must be submitted to in the following order:

- Head of Strategic Procurement
- Service Director, Legal Services
- Finance Business Unit (S151 Officer)
- Executive Director of the relevant directorate

Approval and/or comments shall be provided in the format set out in the Waiver to Competition Form. The relevant Executive Director must ensure an electronic version of the report and approval is saved (PDF format) and uploaded into the project file on YORtender.

- 10.5 The procedure set out in Rule 10.4 above is in addition to any other approval that is required, for example to incur the expenditure for the duration of the contract, in accordance with the Council's Constitution.

10.6 The reasons why a waiver to the Rules regarding the requirements for competition is justified, may include the circumstances below, provided that such an approach is consistent with the Council's duty to obtain value for money and its commercial strategy and policies.

(a) No Available Competition

The relevant Executive Director must state the reason for the waiver is due to no available competition.

This can occur in a limited number of circumstances as in the following:-

1. The purchase of proprietary or patented goods or materials only from one firm, and where no equivalent or no reasonably satisfactory alternative is available;
2. The execution of works or supply of services of a specialised nature which can only be carried out by only one firm and where no equivalent or no reasonably satisfactory alternative is available;
3. The purchase of a named product required to be compatible with an existing installation for which no equivalent or no reasonably satisfactory alternative is available;
4. The appointment of a developer to exercise functions of the Council under Section 278 of the Highways Act 1980;
5. The instruction of, advice from, or service provided by Counsel.

(b) Variation

The relevant Executive Director can order additional works under a waiver in the following circumstance:

Additional works, services or supplies are required to the original contracts that are within the original scope, provided the overall value is not greater than 50% of the original contract.

(c) Emergency Circumstances

Where purchases for works and services are required by the appropriate Executive Director urgently, due to circumstances not

foreseeable and not attributable to the Council, as not to permit compliance with the requirements of competition.

(d) Strategic/Tactical Procurement

Where the Head of Strategic Procurement and the relevant Executive Director consider a waiver to competition for the following reasons:-

Aggregating different contracts together but an extension is required to align contract start dates.

Due to shortage of resources to enable procurement event to be properly project managed which could not have been foreseen or managed.

10.7 The Strategic Procurement Team shall maintain a register of all such exceptions.

10.8 In compliance with the Local Government Transparency Code, all contracts created after a waiver to competition has been approved must be promoted to the Council's Contracts Register. In addition, all contracts awarded above £25,000 must have a contract award notice publicised on Contracts Finder.

11. Submission and Opening of Quotations and Tenders

11.1 Contracts up to and including £50,000

The appropriate Executive Director must ensure that there is a system in place which can demonstrate the fairness and transparency of the process and records are saved electronically and kept in accordance with the Council's Records Retention Policy.

11.2 Contracts above £50,000

YORTender must be used for the return / submission of quotations and tenders in accordance with the system's requirements.

11.3 The opening and release of submitted bids (after the specified deadline) must be performed on Yortender:

(a) Quotations above £50,000 and up to and including £70,000 shall be opened at the same time by two representatives of the relevant Executive Director; one representative is required to be independent of the process.

Where an in-house bid is involved, the representatives releasing the quotation must not have been involved in the preparation of the in-house bid.

- (b) Tenders above £70,000 shall be opened and released at the same time by a representative of the relevant Executive Director and a representative of the Strategic Procurement Team. Where in-house bids are involved, the representatives releasing the tenders on Yortender must not have been involved in the preparation of the in-house bid.

11.4 Late Quotations/Tenders

Late bids may only be accepted with the approval of the Service Director, Legal Services where the bidder has gained no advantage as a result of the late submission for reasons where, for example, there is evidence that technological reasons have prevented the submission on time, through no fault of the bidder.

EVALUATION OF QUOTATIONS/TENDERS

12. Evaluation of Quotations and Tenders

- 12.1 Evaluation of quotations/tenders must be completed in accordance with criteria and the scoring methodology set out in the quotation/ tender documents provided to suppliers to ensure the process is performed in open, fair and transparent manner.
- 12.2 Each member of the evaluation team for procurement above £70,000 must complete and sign a Declaration Form to state whether they have a vested interest in or links to, any potential supplier who has submitted a bid. It is the responsibility of the Strategic Procurement Team to manage this process by ensuring the forms are completed by all members of the evaluation team at the start of the process and recorded for audit purposes. Where there is a conflict of interest (COI) involved, the Strategic Procurement Team must consider the declared COI and manage this appropriately. If a COI is declared by a member of the evaluation panel, then this person/persons must be excluded from the evaluation panel to avoid exposing the Council to any commercial risk i.e. supplier challenge.
- 12.3 Records should be kept of the evaluation process, for example, criteria, sub-criteria, weightings, individual and consensus scoring including completed moderation forms (signed by the individuals involved in the evaluation) clarifications and reasons for decisions. Records should be

saved electronically (PDF format) and stored on YORtender and in accordance with the Council's Records Retention Policy.

12.4 Following the receipt of bids the Council has the opportunity, if necessary, to request in writing via YORtender, clarification of any aspect of a bid and any response from bidders should also be in writing via YORtender. This should only be performed where an obvious error has been made and does not allow a bidder to add or improve their bid.

12.5 Where the total value of a contract is higher than the budgeted value, additional approval from the budget holder must be obtained prior to proceeding with a contract award.

Please refer to the Strategic Procurement Intranet Site for further guidance.

13. Errors in Quotations/Tenders

13.1 Certain contract documentation will prescribe the rules to be adopted in relation to errors in quotations/tenders. In other cases, the Council will advise bidders of the approach that will be taken.

Errors in quotations/tenders shall be dealt with in one of the following ways:

- (a) The bidder shall be given details of the error(s) found during the examination of the quotation/tender and shall be required at the sole option of the Council to confirm without amendment or withdraw the quotation/tender; or
- (b) Amending the quotation/tender to correct genuine error(s) provided that, in this case, apart from these genuine errors no other adjustment, revision or qualification is permitted.

All amendments shall be fully recorded with justification for the action taken. Where necessary, advice should be sought from the Strategic Procurement Team and/or Legal Services.

14. Abnormally Low Tenders

14.1 Where a tender appears abnormally low it may not be rejected without:

- giving the tenderer an opportunity to explain the tendered price (such explanation to be given in writing),

- considering the evidence provided, and
- obtaining the written approval from the Head of Strategic Procurement and the Service Directors of Legal Services and Finance Business Unit (S151 Officer).

15. Post Tender Negotiations (Negotiations after receipt of formal bids and before award of contract)

15.1 Where the Regulations apply they must be followed. Post tender negotiations are not allowed in OJEU procurement processes unless the competitive process with negotiation with tender procedure is used.

15.2 Where the Regulations do not apply and the relevant Executive Director considers that post tender negotiations are in the Council's interests and may achieve added value then post tender negotiations may exceptionally be appropriate. Post tender negotiations must only take place where they do not distort competition or disadvantage any bidder. The process should be transparent and non-discriminatory and ensure bidders are treated equally.

15.3 Post tender negotiations with any tenderers must be in accordance with the following conditions:

- (a) Approved by the relevant Executive Director in consultation with the Service Director Finance Unit (S151 Officer) and the Service Director, Legal Services are carried out in accordance with the law;
- (b) Conducted by a team of suitably experienced officers approved by the relevant Executive Director and trained in post tender negotiations;
- (c) Written records of the negotiations are kept and a clear written record of the added value obtained by the post tender negotiations is incorporated into the contract with the successful tenderer.

The above requirements apply equally to procurements below £70k

16. Acceptance of Quotations/Tenders and Award

- 16.1 The Council is not bound to accept any quotation or tender and this must be made clear to bidders in writing at the beginning of the process and as appropriate throughout.
- 16.2 Quotations and tenders may be accepted on behalf of the Council by the relevant Executive Director provided they have been sought, evaluated and are to be awarded fully in compliance with these Rules and the necessary approval has been obtained.
- 16.3 In relation to all contracts, once a decision to award a contract is made, all bidders must be notified at the same time, as soon as possible, in writing via Yortender, of the intention to award the contract to the successful bidder, giving reasons for the decision. Please see the Strategic Procurement Intranet Site for guidance.
- 16.4 For all contracts tendered in accordance with the Regulations, a mandatory 10 day standstill period must be observed between the decision to award being notified to all bidders and entering into a contractually binding agreement with the successful bidder. Please see Strategic Procurement Intranet Site for guidance.
- 16.5 If an unsuccessful bidder challenges the decision to award the contract, if the contract has not already been awarded it shall not be awarded until the advice of the Service Director, Legal Services has been obtained.
- 16.6 Unsuccessful bidders may request a debrief which should be provided to them in writing. Further information is available on the Strategic Procurement Intranet Site.

17. Contracts Register and Contract Award Notices

- 17.1 All contracts above £5,000 must be promoted to the contract register on Yortender.
- 17.2 Where a contract has been tendered pursuant to the Regulations, the Council shall publish a contract award notice in OJEU no later than 30 days after the date of award of the contract and BEFORE any other award notice is publicised.
- 17.3 Where a contract has been awarded valued £25,000 or greater, regardless of the procedure used (including call-off from Framework Agreements), details of the award must be published on Contracts Finder, within 30 days of the award of the contract.

CONTRACT FORMALITIES

18. Contracts

- 18.1 Written contracts include the Council's electronic purchase orders in addition to contracts prepared and/or approved by the Council's Legal Services department. The relevant Executive Director must ensure that officers give proper consideration to the form of contract required in each case and obtain advice from the Service Director of Legal Services where necessary.
- 18.2 Every contract must be in writing and unless executed under the Council's seal:
- must be signed by two officers at least one of those officers shall be an Executive or Service Director where the contract value is up to and including £70,000
 - must be signed by two Executive or Service Directors and at least one of those officers shall be the Service Director, Legal Services or their authorised signatory where the contract value is over £70,000
- 18.3 The relevant Executive Director must ensure that every contract in writing must set out:
- (a) the works, goods, services, materials, matters or things to be carried out or supplied;
 - (b) the price to be paid and/or the amounts and frequency or the method of calculation of contract payments with a statement of discounts or other deductions;
 - (c) the time(s) within which the contract is to be performed; and
 - (d) such other matters as the Service Director, Legal Services considers necessary.
- 18.4 Any standard terms and conditions of contract submitted by a supplier shall not be accepted without advice or review from the Executive Director, Core Services.
- 18.5 Every contract must be in writing and must be concluded (executed by all parties) prior to the commencement of any works, services or any supply. Exceptionally, and only for certain categories of procurement such as construction, a letter of intent may be utilised to enable forward planning and mobilisation activities but must be value capped and time

limited. Proceeding under a letter of intent can give rise to risks and advice should always be sought from the Service Director, Legal Services before utilising a letter of intent.

CONTRACT MANAGEMENT

19. Contract Management

- 19.1 All contracts must be managed in accordance with the Council's contract management procedures.
- 19.2 The Strategic Contract Manager in the Strategic Procurement Team should be contacted in regards to any contractual management issues.

20. Variations

- 20.1 A variation must not materially affect or change the scope of the original contract. Such a variation could constitute a new award/contract. The Regulations must be followed where applicable and advice obtained from Legal Services and the Strategic Procurement Team. In other cases where a proposed variation exceeds 50% or £100,000, whichever is the lower then appropriate advice should be sought from the Strategic Procurement Team in the first instance and Legal Services.
- 20.2 The Strategic Procurement Team should be notified of any contract variations that materially change the original scope and value of the contract.

All variations to a contract must be recorded and signed by both parties (including numbering and dated) and provided to the contractor to ensure a full audit trail is maintained.

Item 11

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2022/23

1. Purpose of the report

1.1 This brief covering report presents the Audit and Governance Committee's Annual Report for 2022/23.

2. Recommendations

2.1 The Committee is recommended to consider the draft Annual Report 2022/23 and subsequently recommend it for Full Council on 23rd November.

3. Background

3.1 The Annual Report has been prepared in accordance with recommended guidance and seeks to demonstrate the Council's commitment to operating the highest standards of governance. The report sets out the role of the Audit and Governance Committee and how it has discharged its responsibilities during 2022/23.

3.2 The Annual Report is fundamentally a public document and aims to provide the reader with details of the remit of the Committee and the work it has undertaken during 2022/23.

3.3 Subject to the Committee's approval, the Annual Report will be included as a link document in the Annual Governance Statement and will also be published as a standalone document on the Council's website.

3.4 The Annual Report is appended to this report.

Contact Officer: Corporate Governance and Assurance Manager

Email: Alisonsalt@barnsley.gov.uk

Date: 3 July 2023

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Audit and Governance Committee Annual Report 2022/23

Introduction

This is the Annual Report of the Council's Audit and Governance Committee for the 2022/23 municipal year. It is prepared in accordance with recommended guidance and seeks to demonstrate the Council's commitment to operating the highest standards of governance.

This report describes the role of the Committee, its structure and membership, and how it has successfully fulfilled its terms of reference and made a valuable contribution to the Council's control, risk, and governance environments.

This report will be taken to Full Council in November 2023 and will be published on the Council's website.

DRAFT

Foreword from the Chairman

I am pleased to present this Annual Report which sets out the role of the Audit and Governance Committee and how it has discharged its terms of reference during 2022/23.

The Committee has an important role in helping the Council maintain its reputation for high standards of governance and financial management.

Needless to say, it has been another very busy and full year. The Council, and local government generally continues to face pressure from many angles, a constant pressure on financial resources, exceptional demand for services and not least how it continues to respond post pandemic. Alongside those pressures the Council continues to be forward looking and aspirational and of course effective governance plays an important part in that. The Glassworks development is just one example of the Council's ambition and success, and this has been of particular focus for the Committee.

Of particular note and satisfaction is the recognition the Council has received in winning both the Local Government Chronicle and Municipal Journal 'council of the year' awards.

We continue to welcome the assurance and insight the Committee receives regarding strategic risk management and the opportunity to hear the relevant Executive Directors explain in detail how they are managing the risks they are responsible for. This continues to help the profile of the Committee.

I would like to thank my Councillor colleagues and the independent members for their commitment, support, and input to the Committee to constructively challenge and influence the Council's governance arrangements.

The financial and general economic climate the Council and local government faces is continuing and is likely to worsen. This in turn focusses all our attention to ensuring the Council has appropriate control, risk, and governance arrangements in place to help meet those demands.

I would also like to thank the officers across the Council who have attended and supported the Committee to present reports and answer questions. The openness that is clearly displayed makes a significant contribution to the assurances the Committee receives.

I look forward to helping the Committee develop further in the new year.

Councillor Phil Lofts Cert C&Y, Cert Ed, Med, Ed D.

Role and Structure of the Audit and Governance Committee

The general remit of the Committee is:

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
2. To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
3. To oversee the financial reporting process.
4. To promote the application of and compliance with effective governance arrangements across the Authority and its partner organisations.

The detailed terms of reference can be accessed via this link (page 24 of the Council's constitution document) [Audit and Governance Committee Terms of Reference](#)

The Committee meets six times during the municipal year. Meetings cover a range of areas with the Committee receiving various reports and presentations to provide information and assurance regarding the Council's control, risk, and governance arrangements. The broad areas cover:

- Internal Control and Governance Environment
- Anti-Fraud
- Corporate Risk Management
- Internal Audit
- External Audit
- Financial Reporting and Accounts
- Other Corporate Functions that contribute to the Council's Governance Framework

The Audit and Governance Committee comprises nine people in total, four elected councillors two Labour, one Conservative and one Liberal Democrat and five independent members. The membership of the Committee is believed to be unique amongst local authorities in having a majority of independent members and shows the Council's commitment to effective challenge and transparency. The CIPFA guidance recommends that an audit committee has at least one independent member.

The Committee is chaired by Councillor Phillip Lofts. The vice-chair during the year was Mr. Steve Gill, an independent member.

The other members of the Committee are:

Councillor Robert Barnard
Councillor Steve Hunt
Councillor Ken Richardson

Mrs Kathryn Armitage
Mr Paul Johnson
Mr Gary Bandy
Mr Michael Marks ceased as a member December 2022
Mr Steve Wragg commenced as a member January 2023

Members' Attendance

The municipal year runs from May to April and in the 2022/23 year the Committee had 6 meetings. Below is a table showing the attendance at the meetings:

Member	Possible Meetings	Meetings Attended	% of Meetings Attended
Councillor Phillip Lofts (Chair)	6	5	83%
Councillor Robert Barnard	6	6	100%
Councillor Steve Hunt	6	5	83%
Councillor Ken Richardson MSc	6	4	66%
Mr. Steve Gill (Vice Chair)	6	5	83%
Mrs. Kathryn Armitage	6	6	100%
Mr. Paul Johnson	6	6	100%
Mr. Gary Bandy	6	5	83%
Mr. Michael Marks	4	3	75%
Mr Steve Wragg	2	2	100%

The Work of the Audit and Governance Committee in 2022/23

The Committee's work across the areas of responsibility are summarised below.

Internal Control and Governance Environment

The Committee has reviewed and approved the Local Code of Corporate Governance. The Annual Governance Review process was considered followed by the draft and final Annual Governance Statements for 2021/22. The Committee has also received regular updates regarding the Annual Governance Statement action plan.

The consideration of the Annual Governance Statement (AGS) is an important element of the Committee's responsibilities.

Anti-Fraud

The Committee considered the Annual Fraud Report along with the Anti-Fraud Plan and Strategy. During the various meetings, Committee members sought assurances on the work undertaken regarding the prevention of fraud and how issues regarding fraud were communicated. The Committee acknowledged the positive impact of the activities undertaken in the Fraud Awareness Week.

Corporate Risk Management

The Committee received reports and deep dives into specific strategic risks at each meeting where the responsible Executive Directors attend the meeting and provide an update of the risk and mitigating actions being taken to address the risk.

These sessions have been received very positively by the Committee in enabling a deeper insight into the risk management process, but also and particularly, the detail of the main strategic / corporate risks being managed by the Council's Senior Management Team. The development of the new approach to risk management and how this is presented to the Committee has been welcomed and viewed as a significant improvement. The attendance of the relevant Executive Directors at every meeting continues to raise the profile of the Committee.

Internal Audit

The Committee received regular reports from the Head of Internal Audit, Anti-Fraud and Assurance via quarterly progress reports, the audit planning process and final audit plan, and the Head of Internal Audit's annual opinion report.

The Committee regularly sought information and assurances regarding the delivery of the audit plan and management's implementation of agreed actions.

External Audit (Grant Thornton)

The Committee received regular updates and reports from Grant Thornton, the Council's appointed external auditor. A representative from Grant Thornton attended

all committee meetings either virtually or in person to give updates and reports and was present especially for discussions around the external audit plan and presentation of their statutory reports.

The External Audit ISA 260 Report and the Report on 2021/22 Value for Money Arrangements were considered by the Committee.

Members raised questions in relation to the delivery of the audit plan given the pressures on the external audit firms to meet statutory deadlines, and in turn concern about any reputational damage to the Council should those deadlines be missed.

The Committee was assured however of the positive relationship with the Council's Section 151 Officer and the Finance Team in the preparation of high-quality statutory accounts.

Financial Reporting and Accounts

The Committee received the statutory Statement of Accounts for 2021/22 (draft and final versions) and sought assurances on the processes in place to prepare the accounts and meet the necessary and complex accounting standards. The Committee also received reports covering Treasury Management.

The Corporate Finance and Performance reports have been shared with the Committee to provide assurances regarding the financial management arrangements in place.

The Committee was particularly interested in and challenging around various aspects of corporate financial management utilising particularly the experience and expertise of the independent members.

Other Corporate Functions

Over the course of the meetings various Service Directors and Heads of Services presented assurance reports on other aspects of the Council's governance framework.

These covered:

- The Glassworks
- The Council's Covid -19 Response
- Information Governance and Cyber Security
- Data Protection Officer updates
- Human Resources
- Health and Safety Resilience
- Confidential Reporting (Whistleblowing) Annual Report
- Performance Management
- Asset Management
- Equality and Inclusion
- Local Government and Social Care Ombudsman Annual Letter
- Report on Elections Issues

These reports and presentations provided the Committee with a broader understanding, perspective, and assurance on the wider governance framework of the Council.

Training and Awareness Sessions

To support the Committee in enhancing their knowledge and understanding a number of training and awareness sessions were held. These were delivered by Service Directors, Head of Services, and officers from within the Council. The subjects and themes for these training sessions are suggested by members of the committee.

Themes over the time period of this report include:

- Lessons from Public Interest Reports
- Finance updates and Statement of Accounts
- Treasury Management
- Climate and Sustainability Commitments
- Procurement
- Role of the Monitoring Officer

Committee Effectiveness

As well as seeking assurances from management regarding the effectiveness of the Council's control, risk and governance arrangements, the Committee undertook its own review of effectiveness.

Each Committee member completed a questionnaire seeking views on if/how the Committee could be improved and the areas where individually and collectively additional training was required.

The key issues and areas for improvement resulting from the self-assessment were:

- Improving the impact, influence, and profile of the Committee
- Understanding the work of the Council's Overview and Scrutiny Committee

Specific areas of training were also identified:

- Procurement arrangements
- Partnership and collaboration governance
- Environmental governance

These areas were discussed further by the Committee at their annual development session.

CIPFA have also published revised guidance regarding local government audit committees. The guidance was shared with the Committee in January 2023 and an initial review of the compliance was carried out. The Councils arrangements for its Audit and Governance Committee are largely aligned to and meet the revised

guidance, and in some areas such as the utilisation of independent members on the committee the Council exceeds the guidance. A number of key issues were identified, and these will be considered as part of the annual review of committee effectiveness scheduled for the Committee's Development Session in October 2023.

Conclusion

The Committee delivered high quality challenge to senior management across the full range of its responsibilities. Officers have welcomed this professional and constructive challenge to help maintain and improve where needed, effective controls, risk management and governance. The Committee is highly respected for its role and expertise, and important place in the Council's overall governance framework.

DRAFT

Item 13

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 26TH JULY 2023

COMMITTEE WORK PLAN 2023 – 2024

1. Purpose of the Report

- 1.1 To share with the Committee the current Work Plan – Appendix 1 and to note any amendments to the plan.

2. Recommendation

- 2.1 **The Committee is asked to note the updated Work Plan.**

3. Updated Position

- 3.1 The Contract Procedure Rules have been deferred to the 22nd November meeting. A brief update will be provided to the meeting on 26th July.
- 3.2 The consideration of 2 children's services strategic risks have been re-scheduled to the 22nd November meeting due to a diary clash of the Executive Director Children's Services. Emergency Resilience and Operational Resilience strategic risks have therefore been brought forward for consideration at the July meeting.
- 3.3 The item on the Committee Effectiveness Review will be considered at the October development session. A questionnaire will be sent out to all committee members for completion. The collective results of the questionnaires will be shared and considered at the October development session. A questionnaire will also be developed to obtain feedback from officers who frequently attend the committee meetings. The results from this will also be shared at the October development session.

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 5th July 2023

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AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME

2023/2024 Municipal Year

NOTE – all Meetings to commence at 2.00 p.m.

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	1
Committee Work Area	Contact / Author	31.05.23	26.07.23	20.09.23	11.10.23	22.11.23	17.01.24	20.03.24	29.05.24
Committee Arrangements									
Committee Work Programme	AS	X	X	X		X	X	X	X
Minutes/Actions Arising	DT	X	X	X		X	X	X	X
Review of Terms of Reference	AS				X				
Committee Effectiveness Review	RW				X	X		X	
Committee Annual Report	RW/AS		X(D)	X(F)					
CIPFA Audit Committee Guidance	RW						X		
Internal Control and Governance Environment									
Local Code of Corporate Governance	SG/AS						X		
Annual Governance Review Process	AS						X		
Annual Governance Statement (Draft/Final)	AS		X(D)			X(F)			
AGS Action Plan Update	AS		X			X			X
Anti-Fraud									
Annual Fraud Report	RW		X (Ex)						
Corporate Anti-Fraud Plan	RW							X (Ex)	
Corporate Anti-Fraud Strategy	RW							X	
Corporate Fraud Team – Update Report	RW			X				X	
Corporate Risk Management									
Risk Management Policy & Strategy	AS								X
Annual Risk Management Report	AS	X							
Strategic Risk Register	AS	X	X	X		X	X	X	X
Internal Audit									
Internal Audit Charter (Annual)	RW	X							
Internal Audit Plan (Consultation / Draft Plan)	RW						X	X	

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	1
Committee Work Area	Contact / Author	31.05.23	26.07.23	20.09.23	11.10.23	22.11.23	17.01.24	20.03.24	29.05.24
Internal Audit Quarterly Report	RW		X			X		X	
Internal Audit Annual Report (Interim / Final)	RW		X (I)	X(F)					
IA Effectiveness Report / Update	RW			X					X
Global IA Standards	RW	Verbal							
External Audit (Grant Thornton)									
Audit Finding Report (ISA260 Report)	GT					X			
External Audit Plan (2022/23)	GT								
Auditors Annual Report on 2022/23 VFM Arrangements	GT	X						X	
External Audit Progress Report/Update	GT	X	X	X		X	X	X	X
Financial Reporting and Accounts									
Financial Regulations	NC								
Contract Procedure Rules	NC/JL					X			
Medium Term Financial Strategy	NC							X	
Statement of Accounts (Draft / Final)	NC		X(D)			X(F)			
Corporate Finance and Performance Management & Capital Programme Update	NC			X				X	
Treasury Management Annual Report	NC		X						
Treasury Management Progress Report (inc. in the corporate finance update)	NC							X	
Treasury Management Policy & Strategy Statement (inc. in the MTFS update)	NC							X	
Designated Schools Grant (inc. in the MTFS update)	NC							X	
Other Corporate Functions contributing to overall assurance programme to be determined:									
Update on Glassworks	KMcA		X (Ex)			X (Ex)		X (Ex)	

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	1
Committee Work Area	Contact / Author	31.05.23	26.07.23	20.09.23	11.10.23	22.11.23	17.01.24	20.03.24	29.05.24
Information Governance and Cyber Security update (twice yearly)	SJH	X				X			
DPO Update (twice yearly)	RW	X				X			
Annual Health & Safety Report	SD			X					
Annual Sickness and PDR Report	PQ			X					
Annual Equality and Inclusion Report	MH			X					
Annual Customer Feedback Report and Annual Review Letter	KR/CD			X					
The People Strategy	MP/PQ			X					
Confidential Reporting (Whistleblowing) Annual Report	RW	X							X
Procurement (Annual)	NC/CA								
Asset Management (Annual)	KMc								
Ethical Framework (Annual)	MP/RW								
Partnerships (Annual)	NC/RW								
Review of Peer Challenge Activity Across the Council								X	
Constitution Review	SG/CT				X			X	
DSG Grant/SEND Updates (quarterly)	NS/SD		X						

Strategic Risk Presentations

Risk	SMT Lead	31.05.23	26.07.23	20.09.23	11.10.23 (Dev. Mtg.)	22.11.23	17.01.24	20.03.24	29.05.24
Health Protection Emergency	JB	X							
Safeguarding Children	CS					X			
SEND	CS					X			
Educational Outcomes Progress	CS							X	
Inclusive Economy	MO'N			X					
Zero Carbon and Environmental Commitments	MO'N			X					
Emergency Resilience	WP		X						
Organisational Resilience	WP		X						
Safeguarding Adults	WL						X		
Responsibilities under the Care Act 2014	WL						X		
Partnership and Collaboration Governance	NC							X	
Financial Sustainability	NC								X
Threat of Fraud	NC								X

Training / Awareness Sessions

NOTE – Training session to commence at 1.00 p.m.

Subject / Theme	Contact / Author	31.05.23	26.07.23	20.09.23	11.10.23 (Dev. Mtg.)	22.11.23	17.01.24	20.03.24	29.05.24
Budget Training Session	NC/SL							X	
Cyber Security Threat	SW/SM			X					
Climate and Sustainability Commitments	PC/SC								
People Strategy	MP/PQ								
Designated Schools Grant Safety Valve Programme	JA/NS					X			
Partnership Governance	NC/RW								
MCA – Understanding the Finances	GS/MT*								
VFM	NC						X		
Transformation Programme (Digital)	DR?		X						
Council Plan									

*GS – Gareth Sutton MT- Mike Thomas from SYCMA

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Item 15

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Item 16

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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