

BARNSLEY MBC

**AUDITED
STATEMENT
OF
ACCOUNTS**

2018/19



BARNSLEY
Metropolitan Borough Council

STATEMENT OF ACCOUNTS 2018/19

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SECTION 1 - INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNSELY METROPOLITAN BOROUGH COUNCIL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barnsley Metropolitan Borough Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, Notes to the Core Financial Statements, Housing Revenue Account Comprehensive Income and Expenditure Statement, the Movement on the Housing Revenue Account Balance Sheet, the Collection Fund Statement, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement, Notes to the Group Accounts, Annex A comprising the Authority's Accounting Policies, Annex B comprising Critical Judgements, Assumptions, Estimations made within the accounts. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018-19.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2019 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Service Director for Finance, Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate
- the Service Director for Finance, Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Service Director for Finance, Chief Financial Officer is responsible for the other information. The other information comprises the Narrative Report included in the Statements of Accounts and the 2018-19 Annual Governance Statement published separately to the Statement of Accounts. Other information excludes the Authority and group financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the group and Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNSELY METROPOLITAN BOROUGH COUNCIL

We have nothing to report in this regard.

Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information, which is the Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Service Director for Finance, Chief Financial Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority 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 Authority, that officer is the Service Director for Finance, Chief Financial Officer. The Service Director for Finance, Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018-19, for being satisfied that they give a true and fair view, and for such internal control as the Service Director for Finance, Chief Financial Officer's determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Service Director for Finance, Chief Financial Officer is responsible for assessing the group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The full Council is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNSELY METROPOLITAN
BOROUGH COUNCIL**

**Report On Other Legal and Regulatory Requirements - Conclusion on the Authority's
Arrangements for Securing Economy, Efficiency and Effectiveness in its Use of Resources**

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2019. We are satisfied that this work does not have a material effect on the financial statements or on our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

Date:



Barnsley Metropolitan Borough Council

2018/19 Narrative Report

STATEMENT OF ACCOUNTS 2018/19

Introduction and Contents

This narrative report aims to outline the Authority's performance for the 2018/19 financial year in context with the financial information contained within this Statement of Accounts.

The report will cover:

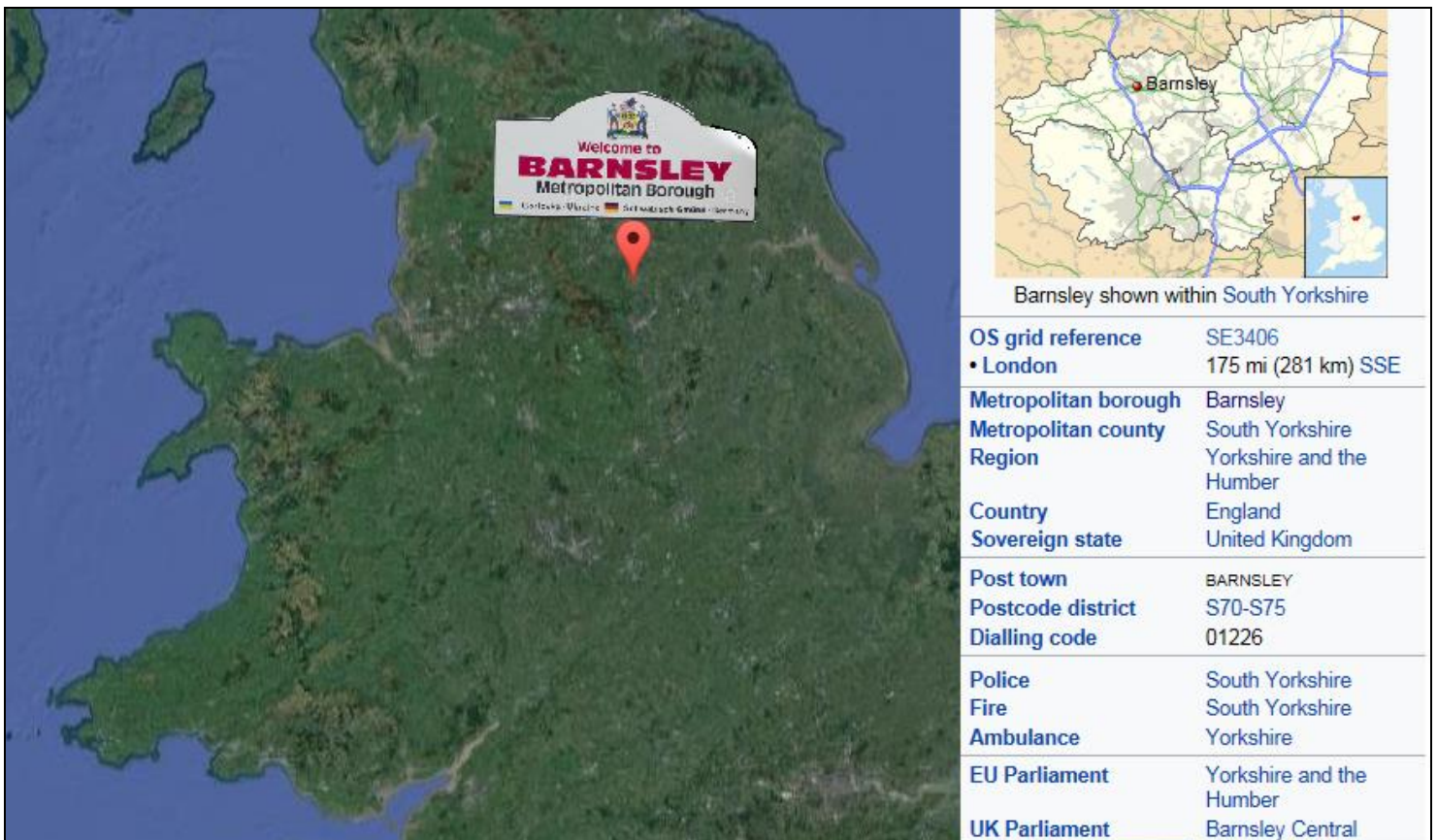
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Our 2018/19 Statement of Accounts:
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Change of Accounting Policies in 2018/19
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Introducing Barnsley

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.



Demographic Profile of Barnsley

The latest data indicates that in 2015 there were 239,300 people living in Barnsley.

The Office for National Statistics (ONS) Mid-2014 based Population Projections for Barnsley show that the total population is expected to rise to **246,900** by **2021**.

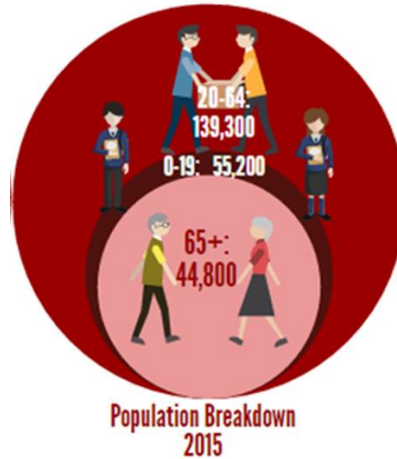
According to the 2011 Census, **97.9%** of the Barnsley resident population were from a **white** ethnic background, **0.7%** of **mixed** group, **0.7% Asian** or **Asian**

British, **0.5%** were **Black/African/Caribbean** or **Black British** with **0.2% other**.

However the latest National Insurance figures show that the demographics of Barnsley are changing due to the arrival of new foreign nationals to the area, particularly from Romania and Poland.

STATEMENT OF ACCOUNTS 2018/19

Population Breakdown in Barnsley 2015



Source: Office for National Statistics mid 2015 population estimates

Economy, Education and Health

The Annual Population Survey (Oct 17 to Sept 18), suggests that **nearly three quarters** (70.7%) of those aged 16 – 64 years old are **in employment** and 5.4% are **unemployed**. A further **23.9%** are economically inactive. Almost **24.4%** of those who are economically inactive are long-term sick.

Just over half (**55.2%**) of children achieved five or more GCSEs (grades A* - C including English and Maths) in 2018.

In 2018, **61%** of young people achieved a basic pass grade 4-9 in English and Maths at Key Stage 4 and **39.2%** achieved a strong pass 5-9.

From the Annual Population Survey (Jan 17-Dec 17), the proportion of residents aged 16 to 64 with no qualifications was **8.8%**.

Significant health inequalities remain in Barnsley. Life expectancy at birth for Barnsley men is **78.1 years** (2015-2017); lower than the England rate of **79.6 years**. However, since 2001-2003, life expectancy at birth for men in

Barnsley has increased by **3.5 years** (from 74.6 years to 78.1 years).

Life expectancy at birth in Barnsley for women is **81.9 years** (2015-2017); lower than the England rate of **83.1 years**. However, since 2001-2003, life expectancy at birth for women in Barnsley has increased by **2.3 years** (from 79.6 years to 81.9 years).

At birth, men in Barnsley could expect to live **59.7 years** in 'good' health. This is **3.7 years less** than men in England overall, but an increase of **2.1 years** from the 2012-2014 rate for Barnsley (the regional rate increased by **0.4 years** and the national rate remained static). The gap for males between Barnsley and England has decreased by **1.8 years** during the period 2009-2011 to 2015-2017.

At birth, women in Barnsley could expect to live **61.0 years** in 'good' health. This is **2.8 years less** than women in England overall, but an increase of **4.6 years** from the 2012-2014 rate (regional and national rates declined during the same period). The gap for females between Barnsley and England has decreased by **3.6 years** during the period 2009-11 to 2015-17.

STATEMENT OF ACCOUNTS 2018/19

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
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The link to all of the above maps is 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	



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 **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

During 2018/19, the Council was structured into three main service directorates:

Communities, Place, and People, which are supported by a central suite of **Core Services** including:

- > Business Improvement & Communications;
- > Human Resources;
- > Governance & Business Support;
- > Finance; and
- > Legal Services.

Public Health services are also part of the Council structure.

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

[Management Structure](#)

Our Corporate Plan

The Corporate Plan 2017 – 2020 sets out what Barnsley Council aims to achieve over this period for our customers and the community. It explains what we want to do, how we are going to do it and how we will measure that we are on track to achieve it.

Our organisation has changed **significantly** over the last three years as we have commenced our Future Council Strategy and programme. This has challenged us to **change** our culture or 'the way we do things around here' and deliver services in **more innovative** ways, whilst also delivering the planned **savings and efficiencies**.

We now have a **new, inspiring** and **forward looking** vision developed by our employees, 'working together for a brighter future, a better Barnsley'. We want to work **more** with our communities, **support** people to achieve their potential and we want our residents to think and feel we are making a real **difference** together.

Like many other public sector bodies, we face many further challenges and changes over the next three years. We remain **committed** to responding to these **positively** as well as making a real difference to people's lives. Our Corporate Plan enables us to be **clear** about our priorities, **how** we are going to work, and what **differences** we are going to **achieve** with the reducing amount of resources available to us.

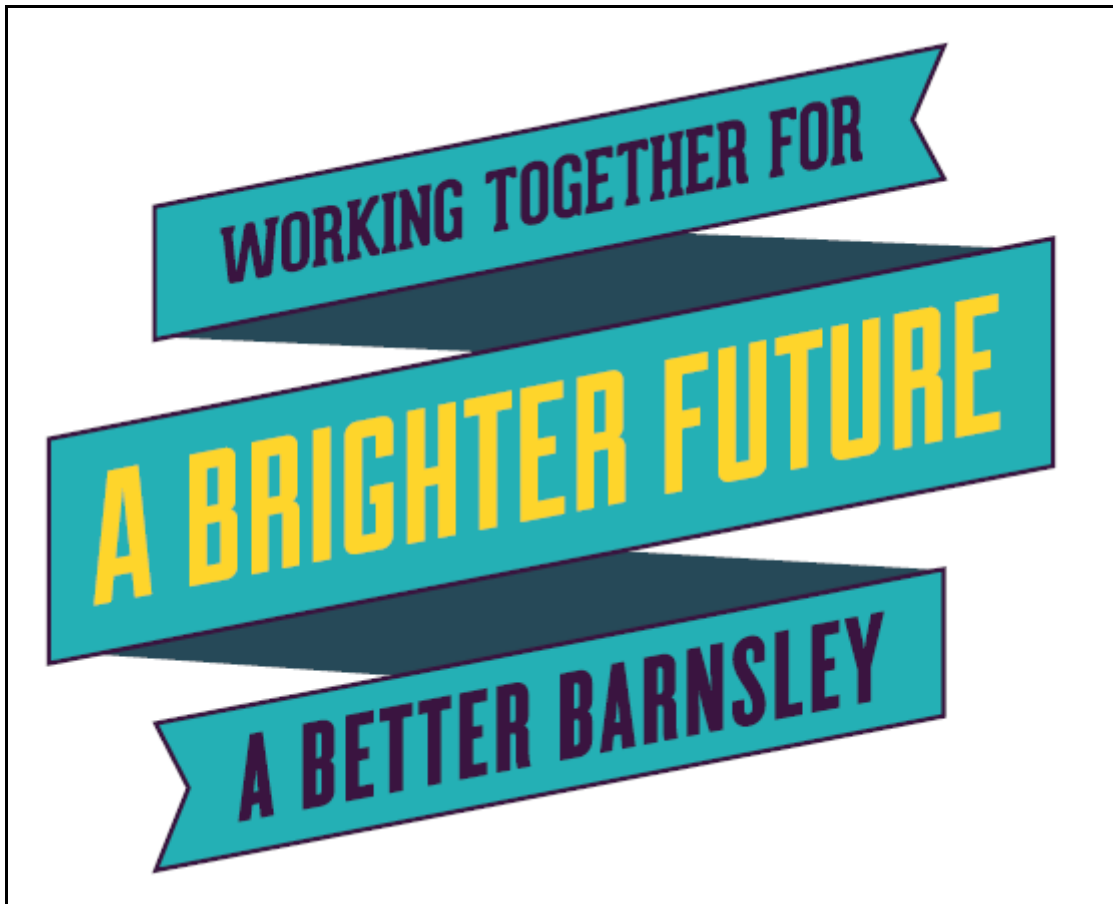
We continue to have a **high** level of ambition and aspiration and will do our **very best** to support Barnsley, its people, communities, partners and businesses to thrive and achieve. Residents, communities and customers of Barnsley continue to be our **number one priority**.

OUR
CORPORATE
PLAN

<https://www.barnsley.gov.uk/media/4264/corporate-plan-2017-20.pdf>

Our Vision

We have developed a new and inspiring vision for Barnsley, supported by values that will help us to drive change and improvement and to achieve our priorities and outcomes.



Our Values

Our core values are the 'way we do things around here' and will help pull the organisation in the same direction towards achieving our vision and priorities.

<p>OUR VALUES</p> <p>WE'RE</p> <p>PROUD</p> <p>A BRIGHTER FUTURE</p>	<p>OUR VALUES</p> <p>WE'RE</p> <p>HONEST</p> <p>A BRIGHTER FUTURE</p>
<p>We're Proud</p> <p><i>We're dedicated to making Barnsley a better place. We take pride in our work</i></p>	<p>We're Honest</p> <p><i>We always say what we mean. Most of all we're reliable, fair and true</i></p>
<p>OUR VALUES</p> <p>WE'LL BE</p> <p>EXCELLENT</p> <p>A BRIGHTER FUTURE</p>	<p>OUR VALUES</p> <p>WE'RE A</p> <p>TEAM</p> <p>A BRIGHTER FUTURE</p>
<p>We'll be Excellent</p> <p><i>We work really hard to provide the best quality and value for money for the people of Barnsley. Only our best is good enough</i></p>	<p>We're a Team</p> <p><i>We all work together towards the same goal – to make Barnsley a better place for the people who live, work and visit here</i></p>

Our Priorities

Our three main priorities are considered to be the areas that warrant greater attention, emphasis and possibly resources, in order to influence other areas of activity and make the greatest impact overall. This is where we will focus our performance management and reporting arrangements to keep a closer eye on how well we are doing.

THRIVING & VIBRANT ECONOMY

We have developed a long-term plan to grow the economy for the borough. We are keen to work with and support the private sector, supporting them to create better conditions and infrastructure, helping to safeguard existing jobs and businesses and stimulate the growth of more and better jobs and homes. We want to make sure there are more job opportunities for Barnsley residents, to help the local economy, provide positive role models for young people, and reduce the extent of worklessness and poverty across the borough.

We will achieve this through delivering the following outcomes:

- Create more and better jobs and good business growth
- Increase skills to get more people working
- Develop a vibrant Town Centre
- Strengthen our visitor economy
- Create more and better housing

PEOPLE ACHIEVING THEIR POTENTIAL

It is important for the future of the borough that we help children, young people and families to achieve their potential and have the right skills and qualifications to access better education, employment or training. We also want to encourage young people to make a positive contribution in their communities. We have a crucial role in protecting and safeguarding the most vulnerable and at risk of harm. We will continue to challenge and raise our standards whilst looking at how we can manage and reduce demand more effectively. For people to achieve their potential we need to create a healthier, happier, independent and more active population.

We will achieve this through delivering the following outcomes:

- Every child attends a good school
- Early, targeted support for those that need it
- Children and adults are safe from harm
- People are healthier, happier, independent and active

STRONG & RESILIENT COMMUNITIES

We need to ensure better use of the physical assets, skills and knowledge that are in every community in Barnsley, so that we can utilise these resources more efficiently. Working together with the community, customers and partners becomes more important as we try to reduce the dependency on council services by creating stronger communities and designing innovative and different services.

We will achieve this through delivering the following outcomes:

- People volunteering and contributing towards stronger communities
- Protecting the Borough for future generations
- Customers can contact us easily and use more services online

Our Approach

People are at the heart of helping us to improve and achieve our priorities. Whether this is through strong leadership, governance and accountability, skilling up and learning new things, displaying the values in everything we do, recognising and celebrating success or being supported to learn from things that don't go so well. This is cultural change and organisational health, which we have described as One Council.



To deliver our vision, priorities and outcomes we need to continue to **change** and **improve** our organisation and its culture. To do this, we have identified ten things that we need to continue to develop, improve and embed across the organisation:

- **Clear vision and values** – we will make sure our employees, partners, customers and the community are aware of our vision and values and what we are trying to achieve.
- **Customer focus** – we will understand all our customers and put them at the centre of everything we do.
- **Commercial and business acumen** – we will focus on outcomes and making every penny count.
- **Effective delivery of projects and programmes** – we will strengthen and standardise our approach to ensure integrity, accountability and value for money.
- **Innovative and managed risk taking** – we will remove barriers and bureaucracy and encourage, support and empower our employees to identify and implement suggestions and improvements.
- **Learning organisation** – we will invest in our people, recognise success and achievement and become stronger from our failures.
- **Leaders at every level** – we will have leaders at every level of the organisation who are highly skilled, motivated and empowered to respond effectively to local needs.
- **Flexible workforce** – we will ensure our workforce is healthy, agile, flexible and supportive of change with skills that can be deployed in different ways to meet our customers needs.
- **Working with our partners, communities and residents** – we will work together to identify and meet local needs through joint and informed planning and decision making.
- **Enabling organisation** – we will enable our partners, communities and residents to do more for themselves.

STATEMENT OF ACCOUNTS 2018/19

Our 2018/19 Corporate Performance

2018/19 Revenue Budget Monitoring Overview

General Fund Executive Overview:

The Authority's overall General Fund Service outturn, prior to any earmarking of revenue resources, is an underspend of £26.078M. However, it should be noted that after adjusting this position for slippage and service specific earmarkings, the actual service outturn is an **operational underspend of £4.145M**.

This takes into account one-off funding and non-recurrent savings dropping out as well as the assumptions that have already been factored into the Council's Medium Term Financial Strategy.

There is also an operational underspend against corporate budgets, levies and provisions of **£3.392M** (after proposed earmarkings). This underspend is largely resulting from savings on debt costs and the receipt of one off grant provisions which remained unspent at year end.

This brings the total underspend to **£7.537M**. Cabinet have previously approved that **£2.800M** of the underspend be included within the Council's updated 2019-22 MTFS, and that a further **£4.000M** be earmarked to support specific commitments previously identified.

Therefore, the final overall position on the Authority's General Fund shows an underspend of **£0.737M** which will be considered as part of the Medium Term Financial Strategy.

Individual quarterly revenue monitoring reports for 2018/19 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	5 th September 2018	Cab.5.9.2018/10	Quarter 1 Cabinet
2	28 th November 2018	Cab.28.11.2018/7	Quarter 2 Cabinet
3	6 th March 2019	Cab.6.3.2019/10	Quarter 3 Cabinet
Final Accounts	24th June 2019	Cab.24.06.2019/8	Final Accounts Cabinet

STATEMENT OF ACCOUNTS 2018/19

Net Revenue Expenditure 2018/19

The table and charts below show the management accounts per the reporting structure (directorates) of the Authority including the **amounts earmarked** into 2019/20:

<u>Management Accounts</u>	Year End Budget	Actual Spend	Over / (Under) Spend	Earmarked Into 2019/20	Operational Over / (Under) Spend
	£M	£M	£M	£M	£M
People	81.593	71.257	(10.336)	6.989	(3.347)
Place	39.448	36.836	(2.612)	2.610	(0.002)
Communities	22.214	17.089	(5.125)	4.807	(0.318)
Public Health	4.260	(0.369)	(4.629)	4.629	-
Core Services	(11.218)	(14.594)	(3.376)	2.898	(0.478)
Total Services	136.297	110.219	(26.078)	21.933	(4.145)
Corporate Budgets	32.691	11.493	(21.198)	17.806	(3.392)
Total Against 18/19 Budget	168.988	121.712	(47.276)	39.739	(7.537)
Use of Reserves	52.955	52.955	-	-	-
Total	221.943	174.667	(47.276)	39.739	(7.537)
Corporate Earmarkings					6.800
Final Position					(0.737)

Actual total net expenditure, including that funded from earmarked reserves, for the year was **£174.7M** against a base budget of **£169.0M**, giving an overall **decrease** in general fund balances of **£5.7M**. This is comprised of a decrease in **General Fund Balances** of **£5.1M** and a decrease in **School Balances** of **£0.6M**.

The overall decrease in General Fund Balances is comprised of the Authority's total **in year surplus of £47.3M**, net of **reserves utilised in the year totalling £53.0M**.

It should be noted that a large proportion of this total 'surplus' **does not** represent spare cash as the majority of the in-year surplus is a consequence of one-off events during the year and scheme / project slippage. Therefore, it has been necessary to earmark **£46.5M** of this balance to fund schemes (including schools' balances) continuing to completion in future financial years.

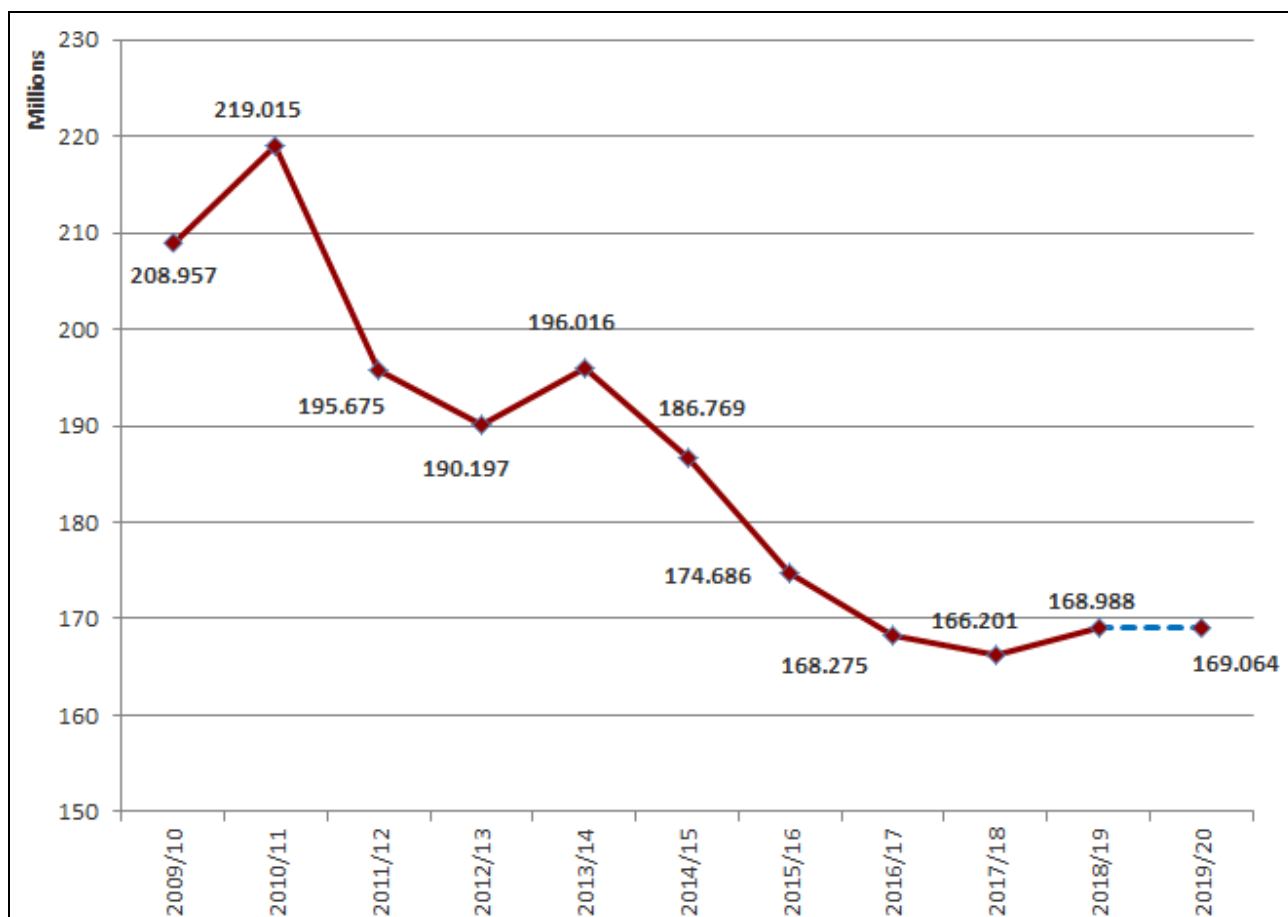
STATEMENT OF ACCOUNTS 2018/19

Approved Revenue Budget

The table and chart below shows the historical trend in respect of Council's revenue expenditure budget since 2010.

Financial Year	Approved Revenue Budget
	£M
2009/10	208.957
2010/11	219.015
2011/12	195.675
2012/13	190.197
2013/14	196.016
2014/15	186.769
2015/16	174.686
2016/17	168.275
2017/18	166.201
2018/19	168.988
2019/20	169.064

Net revenue expenditure budget for Barnsley MBC since 2009/10.



STATEMENT OF ACCOUNTS 2018/19

Corporate Funding 2018/19

The Authority set a net revenue expenditure budget of **£169.0M** for 2018/19 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.

The table below analyses the **proportion** of income received by the Authority 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.

2018/19 Revenue Budget – Corporate Funding:	£M
Revenue Support Grant	19.022
Business Rates Retained Share including Collection Fund Surplus	22.312
Business Rates Top Up	31.641
Council Tax including Collection Fund Surplus	92.426
Section 31 Grants	3.587
Total Net Revenue Expenditure Budget	168.988

General Fund Reserves Analysis

The table below shows the movement on the **General Fund Reserves** in the 2018/19 financial year:

	£M
2018/19 Actual Net Revenue Expenditure	174.668
2018/19 Revenue Budget – Corporate Funding	(168.988)
(Increase) / Decrease in General Fund Reserves	5.680

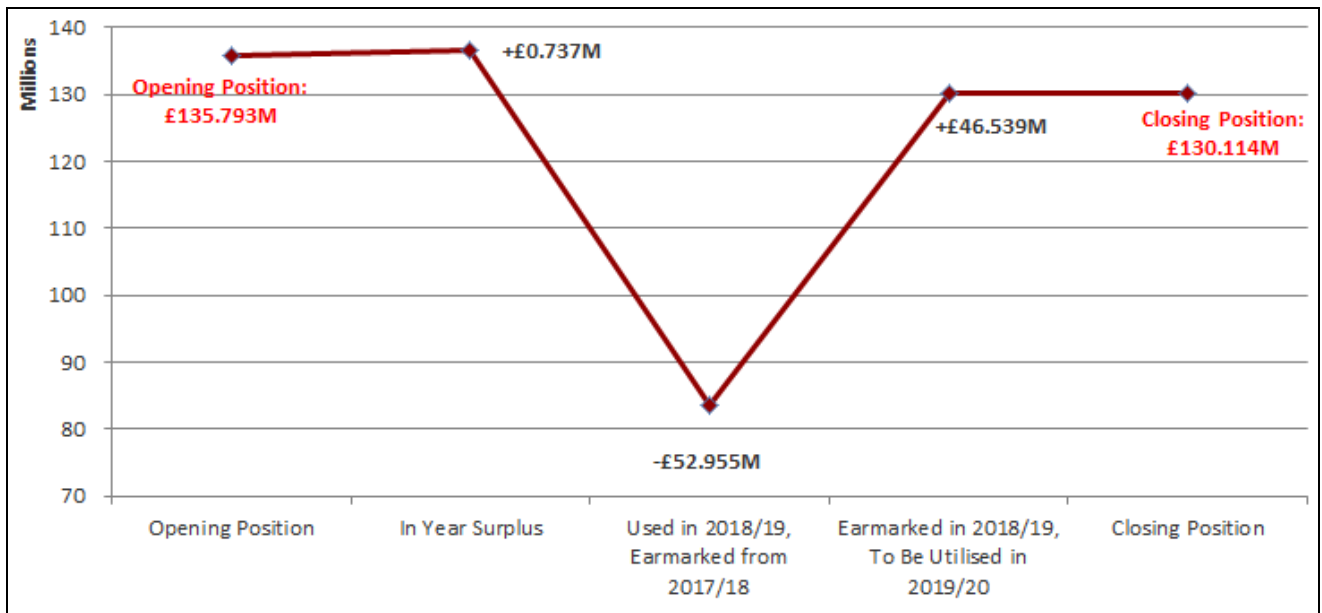
Each year, the Authority submits 'earmarking' requests to Cabinet in respect of specific projects which are to be carried in to the forthcoming financial year.

A further breakdown relating to the **utilisation / earmarking** of the Authority's reserves is shown below:

	£M
General Fund – General Reserves:	
In Year Surplus	(0.737)
	(0.737)
General Fund – Earmarked Reserves:	
Used in 2018/19, Earmarked from 2017/18	52.956
Earmarked in 2018/19, To Be Utilised in 2019/20	(46.539)
	6.417
(Increase) / Decrease in General Fund Reserves	5.680

STATEMENT OF ACCOUNTS 2018/19

Movement on **General Fund Reserves** for Barnsley MBC in 2018/19:



The Authority holds a level of general reserves as a **contingency for unforeseen events**. The amount in respect of these minimum working balance reserves as at 31st March 2019 totals **£15M** (£15M as at 31st March 2018).

This is presented within [Note 4](#) of this statement of accounts.

STATEMENT OF ACCOUNTS 2018/19

Housing Revenue Account (HRA) Executive Overview:

The Authority's overall Housing Revenue Account outturn, prior to any earmarking of revenue resources, is an underspend of £4.403M. However, it should be noted that after adjusting this position for slippage and service specific earmarkings, the actual service outturn is an **operational underspend of £1.247M.**

This takes into account one-off funding and non-recurrent savings dropping out as well as the assumptions that have already been factored into the Council's 30 Year HRA Business Plan.

Individual quarterly revenue monitoring reports for 2018/19 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	5 th September 2018	Cab.5.9.2018/10	Quarter 1 Cabinet
2	28 th November 2018	Cab.28.11.2018/7	Quarter 2 Cabinet
3	6 th March 2019	Cab.6.3.2019/10	Quarter 3 Cabinet
Final Accounts	24th June 2019	Cab.24.06.2019/10	Final Accounts Cabinet

STATEMENT OF ACCOUNTS 2018/19

Net Revenue Expenditure 2018/19

The table and charts below show the management accounts as per the prescribed format stipulated in legislation for HRAs, including the **amounts earmarked** into 2019/20:

Management Accounts	Year End Budget	Actual	Over / (Under) Spend	Earmarked Into 2019/20	Operational Over / (Under) Spend
	£000s	£000s	£000s	£000s	£000s
Income					
Dwellings Rent	(68,891)	(69,340)	(449)	-	(449)
Non Dwellings Rent	(361)	(367)	(6)	-	(6)
Heating Charges	(525)	(505)	20	-	20
Other Charges for Services & Facilities	(465)	(464)	1	-	1
Contributions Towards Expenditure	(1,107)	(1,095)	12	-	12
Total Income	(71,349)	(71,771)	(422)	-	(422)
Expenditure					
Repairs & Maintenance (Including Fees)	20,149	19,411	(738)	757	19
Supervision and Management	16,446	16,339	(107)	200	93
Rents Rates Taxes & Other Charges	250	180	(70)	-	(70)
Provision for Bad and Doubtful Debts	1,033	530	(503)	-	(503)
Depreciation of Fixed Assets	12,383	12,383	-	-	-
Debt Management Costs	96	96	-	-	-
Total Expenditure	50,357	48,939	(1,418)	957	(461)
Total Net Cost of Services	(20,992)	(22,832)	(1,840)	957	(883)
Other Expenditure / (Income)					
Interest Payable and Similar Charges	10,630	10,300	(330)	-	(330)
Voluntary MRP	-	-	-	-	-
Repayment of Debt	2,110	-	(2,110)	2,199	89
Amortised Premiums and Discounts	79	117	38	-	38
Investment Income	(89)	(250)	(161)	-	(161)
Transfer from the Major Repairs Reserve	8,944	8,944	-	-	-
Revenue Contribution to Capital	8,164	8,164	-	-	-
Total Other Expenditure / (Income)	29,838	27,275	(2,563)	2,199	(364)
Total Services	8,846	4,443	(4,403)	3,156	(1,247)
Use of Reserves	(8,846)	-	-	-	-
Total	-	4,443	(4,403)	3,156	(1,247)

The overall decrease in HRA Balances is comprised of the Authority's total **in year surplus of £4.4M**, net of **reserves utilised in the year totalling £8.8M**.

It should be noted that a large proportion of this total 'surplus' **does not** represent spare cash as the majority of the in-year surplus is a consequence of one-off events during the year and scheme / project slippage. Therefore, it has been necessary to earmark **£3.2M** of this balance to fund schemes continuing to completion in future financial years.

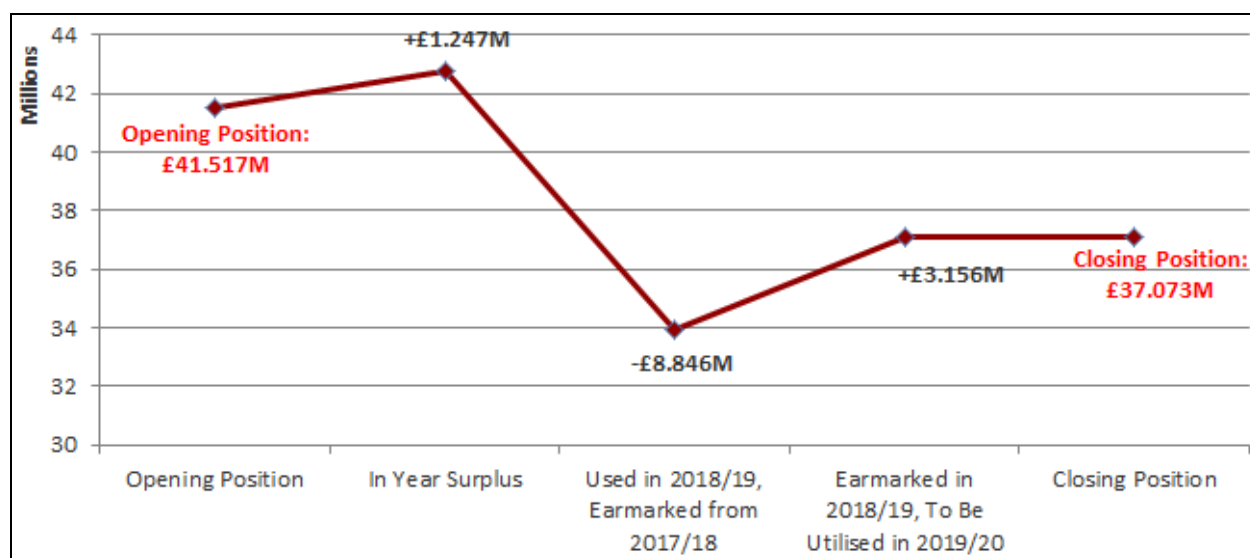
STATEMENT OF ACCOUNTS 2018/19

Housing Revenue Account Reserves Analysis

The table below shows the movement on the **Housing Revenue Account Reserves** in the 2018/19 financial year:

	£000s
HRA – General Reserves:	
In Year Surplus	(1.247)
	(1.247)
HRA – Earmarked Reserves:	
Used in 2018/19, Earmarked from 2017/18	8.846
Earmarked in 2018/19, To Be Utilised in 2019/20	(3.156)
	5.690
(Increase) / Decrease in HRA Reserves	4.443

Movement on **Housing Revenue Account Reserves** for Barnsley MBC in 2018/19:



The Authority holds a level of general HRA reserves as a **contingency for unforeseen events**. The amount in respect of these minimum working balance reserves as at 31st March 2019 totals **£5.2M**, equivalent to 7.5% of total expected rental income (£3.5M as at 31st March 2018).

This is presented within [Note 4](#) of this statement of accounts.

STATEMENT OF ACCOUNTS 2018/19

2018/19 Capital Programme Monitoring Overview

Executive Overview:

In 2018/19, the Council spent **£93.4M** through its capital programme. The majority of the expenditure incurred related to the Council's operational land & buildings and its Council Dwellings.

The **capital expenditure** was funded from **£84.9M** worth of the Council's own resources and **£8.5M** of prudential borrowing / leasing.

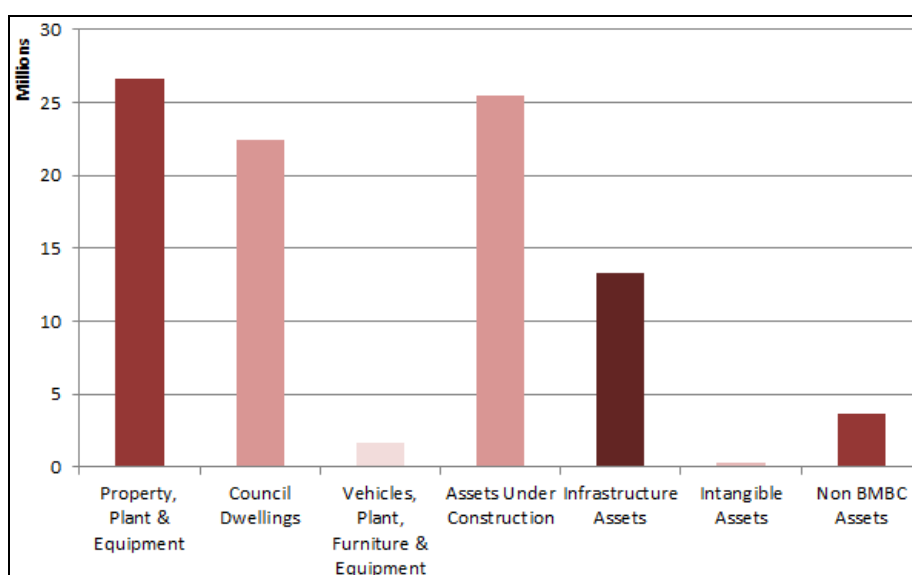
Individual quarterly capital programme monitoring reports for 2018/19 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	5 th September 2018	Cab.5.9.2018/11	Quarter 1 Cabinet
2	28 th November 2018	Cab.28.11.2018/8	Quarter 2 Cabinet
3	6 th March 2019	Cab.6.3.2019/11	Quarter 3 Cabinet
Final Accounts	24th June 2019	Cab.24.06.2019/7	Final Accounts Cabinet

Asset Expenditure

Capital expenditure during the year amounted to £93.4M (£69.4M in 2017/18), including Private Finance Initiative and other finance lease purchases. The table and chart below analyses the capital expenditure against the Council asset categories.

Asset Categories	2018/19 £000s
Property, Plant & Equipment	26,612
Council Dwellings	22,387
Vehicles, Plant, Furniture & Equipment	1,660
Assets Under Construction	25,467
Infrastructure Assets	13,337
Intangible Assets	293
Heritage Assets	-
Non BMBC Assets	3,650
Total	93,406



STATEMENT OF ACCOUNTS 2018/19

Details of Material Asset Groups Acquired / Enhanced

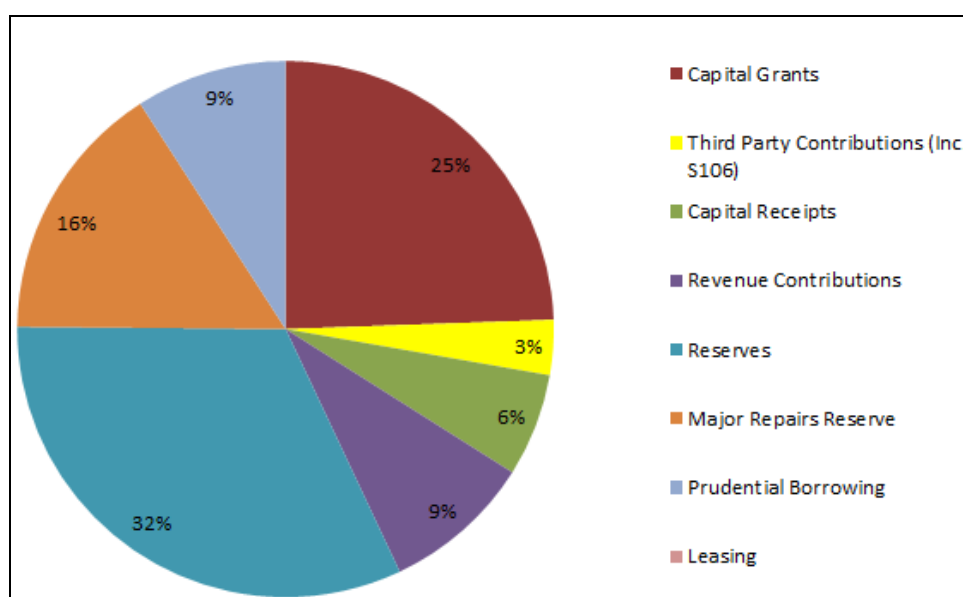
Below shows the **material assets/groups** that the Authority has spent its capital expenditure on in 2018/19, together with a high level description of what the expenditure relates to:

<u>Asset Group</u>	<u>Description</u>	2018/19 Expenditure £000s
Highways Maintenance	Expenditure on maintaining the Borough's highways	7,057
Glassworks Development	Expenditure on the Town Centre – Glassworks Development including Market Gate Bridge	35,540
Council Dwellings	Expenditure on maintaining the Council's dwelling stock to Decency Standard	22,387
Purchase of Dwelling Properties	Expenditure on the purchase of dwellings	3,269
Purchase of Core Building	Expenditure on the purchase of the Core Building at County Way	1,275
Blenheim View Development	Expenditure on the housing development at Longcar Lane	3,099

Sources of Capital Finance

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

<u>Funding Source</u>	2018/19 £000s
Capital Grants	22,831
Third Party Contributions (Inc. S106)	3,097
Capital Receipts	5,805
Revenue Contributions	8,432
Reserves	30,015
Major Repairs Reserve	14,718
Prudential Borrowing	8,508
Leasing	-
Total	93,406



STATEMENT OF ACCOUNTS 2018/19

Details of Material Assets Disposals

The Council disposed of a number of assets during 2018/19. The **material disposals** are shown in the table below.

<u>Asset</u>	<u>Description</u>	2018/19 Asset Value Disposed £000s
School Academy Transfers	Authority Schools Converted to Academy in 2018/19	33,304
School Transferred into Trust	Schools Held in Trust	36,655
Council House Sales	Council Dwellings Sold	5,581

2018/19 Performance Monitoring Overview

Executive Overview:

A set of performance indicators have been developed and aligned to our priorities in the Corporate Plan. This allows us to monitor the delivery of outcomes. At the end of the 2018/19 reporting period, we reported on 100 Corporate Plan Performance Indicators. 59 indicators achieved their target, 3 did not have a target set, and 38 did not achieve the annual target – however, of those 38, 20 were within 10% of achieving their target.

The chart below shows the breakdown of Performance by priority:

Priority	Achieved	Not Achieved	No Target Set	Total
Thriving & Vibrant Economy	21	3	-	24
People Achieving Their Potential	24	24	3	51
Strong and Resilient Communities	11	6	-	17
One Council	3	5	-	8
Total	59	38	3	100

Individual quarterly performance reports for 2018/19 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	5 th September 2018	Cab.5.9.2018/9	Quarter 1 Cabinet
2	28 th November 2018	Cab.28.11.2018/6	Quarter 2 Cabinet
3	6 th March 2019	Cab.6.3.2019/9	Quarter 3 Cabinet
Final Accounts	24th June 2019	Cab.24.06.2019/6	Final Accounts Cabinet

STATEMENT OF ACCOUNTS 2018/19

2018/19 Treasury Management Overview

Executive Overview:

Facing continued economic uncertainty, the focus of the Council's Treasury Management Strategy for 2018/19 was on **managing risk**:

- The focus of the Council's borrowing strategy was on reducing its exposure to **interest rate** and **refinancing risk**, whilst being mindful of the impact on the capital financing budget.
- 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 fixed out a large proportion of its borrowing requirement during the year including **£148M** from the **Public Works Loan Board** (at an average rate of **2.57%**), and as a result has reduced its exposure to interest rate risk by around **20%**.

In addition, the Council secured a second **deferred loan** of **£20M** which has reduced its exposure to refinancing risk whilst minimising the short term burden on its capital financing budget. This loan is due to be drawn down in 2019/20.

The Council recently took the opportunity to repay an **£8M Lender Option, Borrower Option (LOBO) loan**, increasing long term budget certainty whilst generating a small annual saving on its capital financing costs.

Investment Overview

The Council's investment balances increased significantly during the year as a result of new borrowing. To ensure that it could safely accommodate these balances going forwards, the Council approved several changes to its counterparty limits in quarter 2.

In line with the Council's investment priorities, the majority of new investments were placed in secure **Money Market Funds** (MMFs) and **instant access accounts**. However to reflect the temporary increase in cash balances, the Council took further advantage of the competitive rates offered on **short-term local authority deposits** (whilst the cash was needed to meet its spending commitments). This helped to boost the Council's investment returns whilst preserving the capital invested.

Treasury Reporting

Individual quarterly treasury management reports for 2018/19 can be accessed via the links below:

Quarter	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
1	5 th September 2018	Cab.5.9.2018/12	Quarter 1 Cabinet
2	28 th November 2018	Cab.28.11.2018/9	Quarter 2 Cabinet
3	6 th March 2019	Cab.6.3.2019/12	Quarter 3 Cabinet
Final Accounts	24th June 2019	Cab.24.06.2019/9	Final Accounts Cabinet

STATEMENT OF ACCOUNTS 2018/19

Other Key Components of our 2018/19 Balance Sheet

Summary of the Authority's Borrowing Position as at 31st March 2019

The Authority's **total debt outstanding** as at 31st March 2019 stood at **£875.6M**, including PFI / finance lease liabilities of **£215.4M** but **excluding** accrued interest of **£4.4M** and other LA Debt of **£3.7M**.

The Authority's borrowing is undertaken in accordance with the Prudential System which provides the regulatory framework to ensure that **all borrowing is prudent, affordable and sustainable**. This comprises a suite of indicators to be adopted within the Authority's treasury management strategy and performance reports, including an authorised limit for the absolute level of debt which cannot be exceeded. For 2018/19 this **limit** was set at **£997.3M** [including PFI / finance lease liabilities] with the Authority's **maximum debt** in year being some **£88.6M** lower.

Summary of the Authority's Pension Fund Position as at 31st March 2019

The Authority 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 2019, fund liabilities **exceeded** fund assets by **£450M, on an accounting 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 Authority's Pension Fund. It is the pension fund position on a funding basis that informs the Authority's ongoing contribution rate and the employees' contribution rate. Any pension deficit on this funding basis has to 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 applies to the period 1st April 2018 to 31st March 2020.

The Authority paid the deficit payment relating to the above triennial period as a lump sum in 2017/18 to benefit from the discount offered by the Pension Fund, as opposed to paying on a monthly or annual basis. A proportion of this is charged to the revenue accounts in 2018/19.

Summary of the Authority's Key Provisions as at 31st March 2019

The Authority accounts for the uncertain nature of particular transactions through provisions on its balance sheet, in accordance with the Accounting Code of Practice. The Authority has two significant provisions on its balance sheet, which are summarised below:

- Insurance Fund: The Authority sets aside a provision to account for the uncertain nature in both value and timing of insurance claims that may be brought against it. The value of this provision is based on the estimated outstanding claims currently lodged with the Authority, which as at 31st March 2019 totalled **£3.578M**;
- Business Rates Appeals & Amendments to The Ratings List: The Authority makes provision for any potential appeals, including backdated appeals, in relation to the business rates it levies on to businesses in the Borough. The provision is based on the estimated successful appeals that are likely to be lodged with the Authority, which as at 31st March 2019 totalled **£6.116M**.

[Note 35](#) provides further analysis of all the Authority's provisions.

STATEMENT OF ACCOUNTS 2018/19

Summary of Key Risks Faced by the Authority

The **embedding of a culture** where Risk Management is considered a part of normal business process is **crucial** to the delivery of the Risk Management Policy and Strategy and the implementation of good governance arrangements.

A robust and dynamic **Strategic Risk Register** (SRR) sets the culture and tone for Risk Management across and throughout the Council. The 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 **Risk Mitigation Action Managers** (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 risks** which have a **significant** bearing upon the overall achievement of corporate objectives and that they are being appropriately managed.

In order to provide assurances that the SRR is being appropriately managed, **reviews** of the register are facilitated by the Risk and Governance Manager on a six monthly cycle. The results of these reviews are then presented to the **Council's Directorate Risk Champions**, and reported to SMT for further consideration and **challenge**. The outcomes of these processes are then reported to the Audit Committee, and subsequently, Cabinet.

The outcomes of the review are reported to Cabinet to provide a summary of the recent review, and the report highlights **specific issues and actions for consideration**. This ensures Senior Elected Members are aware of the SRR and can contribute to its **development**. The consideration of the SRR by Cabinet also contributes towards the role of Elected Members in assisting in the **development of strategy** and contributing to the identification of high level strategic risks, rather than simply monitoring the management of the Risk Management process.

Key Documents

Title	Description	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
Strategic Risk Register – 6 Monthly Review	Review of the Authority's risk register	16 th May 2018	Cab.16.5.2018/8	Cabinet Meeting
Strategic Risk Register – 6 Monthly Review	Review of the Authority's risk register	9 th January 2019	Cab.9.1.2019/10	Cabinet Meeting

STATEMENT OF ACCOUNTS 2018/19

Future Spending Plans & Assessment of the Future Economic Climate

Key Documents

Title	Description	Date Presented to Cabinet	Cabinet Reference	Link to Cabinet Meeting
Services & Financial Planning 2019/20	Budget proposals for 2019/20	6 th February 2019	Cab.6.2.2019/6	Budget Cabinet
Housing Revenue Account – 2019/20	HRA Budget proposals for 2019/20	9 th January 2019	Cab.9.1.2019/11	Cabinet Meeting
Treasury Management Policy & Strategy 2019/20	The Authority’s strategy with regards Borrowing & Investing	6 th February 2019	Cab.6.2.2019/6	Budget Cabinet
Capital & Investment Strategy 2019/20	The Authority’s strategy with regards Capital Investment	6 th February 2019	Cab.6.2.2019/6	Budget Cabinet
Council Tax Base Report 2019/20	The Authority’s approved Council Tax base	9 th January 2019	Cab.9.1.2019/7	Cabinet Meeting
Business Rates – Calculation of Local Share 2019/20	The Authority’s approved Business Rate Tax base	9 th January 2019	Cab.9.1.2019/8	Cabinet Meeting
Council Tax Leaflet 2019/20	The Authority’s Council Tax leaflet for 2019/20	N/A	N/A	Council Tax Leaflet

The Council’s Corporate Plan which runs to 2020 is currently in the process of being updated. To complement this, in February 2019 the Council agreed an updated Medium Term Financial Strategy for the period 2019 – 2022. This included presenting balanced budget proposals for 2019/20 and 2020/21 with a relatively small funding gap in 2021/22.

However to achieve the balanced position over the next two years a lot of hard work is required. It is also the case that this has only been possible by taking a number of **tough decisions** and changes to the way we deliver some of our services. Over the next two years alone the Council needs to save over £15 million on top of over £100 million saved since 2010.

The forecast budgetary positions for 2020/21 – 2021/22 are also presented against the backdrop of significant uncertainty in Local Government Finance. The ongoing negotiations surrounding BREXIT have resulted in the Government’s Comprehensive Spending Review (CSR) being delayed.

Additionally, the Ministry for Housing, Communities and Local Government (MHCLG) is currently in the process of undertaking a “fair funding” review of the formula used to determine baseline funding levels for all local authorities. The 2018/19 Local Government Settlement also confirmed Government’s intention to press ahead with increasing the percentage of business rates retained by local authorities from **50% to 75%**.

Government also intends to publish a green paper on Adult Social Care. This paper was originally due to be published in the summer 2017, but the publication has been delayed several times. The most recent commitment was made in January 2019 by Health and Social Care Secretary stated that he intended that this paper would be published by April 2019, but again, this has not been met.

And finally, Government have yet to announce their intentions for the long term funding solution for Children’s Social Care to meet the ever increasing demands in this area.

Considering the above, the **Future Council** model, which runs to 2020, was further adapted during 2018/19 to ensure it remains robust to deal with the **financial and social challenges** that the

STATEMENT OF ACCOUNTS 2018/19

Council faces. Most notably, “**Town Spirit**” has been introduced during 2018/19. This builds on the Council’s vision of **Working together for a brighter future , a better Barnsley**, by using 8 different themes to show how the Council and its partners will work with communities to make Barnsley a better place to live, work, invest in and visit.

For example, under the **Build It** theme the Council and its partners have continued with construction of the **Glassworks** redevelopment in the town centre. As part of the redevelopment during 2018/19, the new Barnsley Markets opened together with elements of the town centre public realm. **The Library@ the Lightbox** is also due to open in early summer 2019.

Our 2018/19 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 2018/19 (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 Authority’s financial position at the end of the year and the transactions of the Authority 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 2018/19 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.

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

This section explains the respective responsibilities of the Authority and the Chief Finance Officer (CFO) in relation to the Statement of Accounts. The Authority 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 Authority, analysed into ‘useable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

STATEMENT OF ACCOUNTS 2018/19

The surplus or deficit on the Provision of Services line shows the accounting / economic cost of providing the Authority'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 Authority.

[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.

[The Balance Sheet](#) – The Balance Sheet shows the value of the assets and liabilities recognised by the Authority, as at 31st March 2019. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

Reserves are reported in two categories. The first category of reserves is useable reserves, i.e. those reserves that the Authority 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 Authority 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 Authority during the reporting period. The statement shows how the Authority 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 Authority are funded by way of taxation and grant income, or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority'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 Authority.

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 authority (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 Authority'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;](#)

STATEMENT OF ACCOUNTS 2018/19

- [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 Authority'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 Authority in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council Tax and Non-Domestic Rates.

The Group Accounts

[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 2018/19

A change to the Code of Practice for 2018/19 has enforced two changes to the Council's accounting policies and are outlined below:

Financial Instruments

The Code has adopted IFRS 9 for the 2018/19 financial year, which means two key changes to how the Council accounts for its investments:

- The first change is around the classification of the investments which ultimately determines how they are valued and therefore accounted for;
- The second change is to introduce a model for recognising potential losses on the Council's investments earlier by looking at the historical default and applying a judgement around this probably happening, based on the individual investment and counter party organisation.

The transitional impact of this change is described in [Note 27](#) to the accounts.

Revenue Recognition

The Code has adopted IFRS 15 for the 2018/19 financial year, which means that the way the Council recognises its revenues from contractual arrangements. In summary:

- Any contract that the Council is party to as supplier of goods / services needs to be assessed in terms of the performance obligations within those contracts;
- Where there are separate performance obligations, material in nature, then the contract price is to be allocated to these performance obligations and recognised as they are satisfied;
- There are also additional disclosures around the Council's revenues from contracts.

STATEMENT OF ACCOUNTS 2018/19

The transitional impact of this change is described in [Note 7](#) to the accounts.

The Code stipulates that both of these changes are implemented as at the 1st April 2018, which means, where applicable, an adjustment to the Council's opening balances.

Post Balance Sheet Events

Brexit

The United Kingdom was scheduled to leave the European Union on the 29th March 2019 but due to delays in the agreement of the exit arrangements, this date has been postponed a number of times during April and May 2019 with the departure date now expected to be later in 2019/20.

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

STATEMENT OF ACCOUNTS 2018/19

SECTION 3 - STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority 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 Authority, that Officer is the Service Director for 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.

Signed:

Date:

COUNCILLOR A. GARDINER

CABINET SPOKESPERSON FOR CORPORATE SERVICES

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority'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 Authority'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 Authority 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 Authority as at 31st March 2019.

Signed:

Date:

N COPLEY BA (HONS), CPFA.

SERVICE DIRECTOR FOR FINANCE, CHIEF FINANCIAL OFFICER

STATEMENT OF ACCOUNTS 2018/19
SECTION 4 – CORE FINANCIAL STATEMENTS

THE MOVEMENT IN RESERVES STATEMENT

<u>Movement in Reserves During 2018/19</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Balance of Reserves at 1st April 2018	135,793	41,517	12,186	4,198	4,262	197,956	(177,467)	20,489	Balance Sheet
Total Comprehensive Expenditure & Income	(35,258)	(10,047)	-	-	-	(45,305)	4,677	(40,628)	CI&ES
Adjustments Between Accounting Basis & Funding Basis Under Regulations	29,579	5,604	2,885	6,609	1,534	46,211	(46,211)	-	Note 3
Net Increase / (Decrease) in 2018/19	(5,679)	(4,443)	2,885	6,609	1,534	906	(41,534)	(40,628)	Note 4 & HRA
Balance of Reserves at 31st March 2019	130,114	37,074	15,071	10,807	5,796	198,862	(219,001)	(20,139)	Balance Sheet
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet / Note 5	Balance Sheet	

<u>Movement in Reserves During 2017/18</u>	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Useable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Balance of Reserves at 1st April 2017	122,025	42,294	11,408	84	3,780	179,591	(169,836)	9,755	Balance Sheet
Total Comprehensive Expenditure & Income	(95,329)	(5,715)	-	-	-	(101,044)	111,778	10,734	CI&ES
Adjustments Between Accounting Basis & Funding Basis Under Regulations	109,097	4,938	778	4,114	482	119,409	(119,409)	-	Note 3
Net Increase / (Decrease) in 2017/18	13,768	(777)	778	4,114	482	18,365	(7,631)	10,734	Note 4 & HRA
Balance of Reserves at 31st March 2018	135,793	41,517	12,186	4,198	4,262	197,956	(177,467)	20,489	Balance Sheet
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet / Note 5	Balance Sheet	

STATEMENT OF ACCOUNTS 2018/19

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2017/18				2018/19			Note / Statement
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
			Net Cost of Services:				
235,850	(139,866)	95,984	People	232,634	(140,631)	92,003	
75,340	(23,491)	51,849	Place	99,946	(29,061)	70,885	
69,319	(72,870)	(3,551)	Housing Revenue Account	70,965	(71,783)	(818)	HRA
36,447	(15,885)	20,562	Communities	38,836	(16,277)	22,559	
7,899	(7,342)	557	Public Health	10,307	(9,937)	370	
120,806	(128,081)	(7,275)	Core Services	99,890	(110,304)	(10,414)	
14,376	(21,467)	(7,091)	Corporate Services	9,081	(21,398)	(12,317)	
560,037	(409,002)	151,035	Net Cost of Services	561,659	(399,391)	162,268	EFA
			Other Operating Income & Expenditure:				
468	-	468	Parish Council Precepts	431	-	431	
1,678	-	1,678	Payments to Central Government Housing Capital Receipts Pool	1,671	-	1,671	
7,060	(9,397)	(2,337)	(Gains) / Losses on The Disposal of Non-Current Assets	9,070	(11,197)	(2,127)	
91,621	-	91,621	Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers	33,304	-	33,304	8
100,827	(9,397)	91,430	Total Other Operating Expenditure	44,476	(11,197)	33,279	
			Financing & Investment Income & Expenditure:				
19,138	-	19,138	Interest Payable on Debt	20,765	-	20,765	
91	-	91	Interest Element of Finance Leases	76	-	76	
21,588	-	21,588	Interest Payable on PFI Unitary Payments	20,857	-	20,857	
10,796	-	10,796	Net Interest on The Defined Benefit Liability / Asset	9,455	-	9,455	38
-	-	-	Movement in Fair Value of Financial Assets	-	-	-	
-	-	-	Expected Credit Loss Model	326	-	326	
-	-	-	Premium Incurred on Early Redemption of Debt	2,075	-	2,075	
-	(674)	(674)	Investment Interest Income	-	(1,718)	(1,718)	
-	(399)	(399)	Dividends Receivable	-	(52)	(52)	
-	(10)	(10)	Interest Received on Finance Leases	-	(11)	(11)	
5,517	(6,367)	(850)	(Surplus) / Deficit of Trading Undertakings or Other Operations	4,683	(5,332)	(649)	9
57,130	(7,450)	49,680	Total Financing & Investment Income & Expenditure	58,237	(7,113)	51,124	

Continued overleaf.

STATEMENT OF ACCOUNTS 2018/19

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

2017/18				2018/19			Note / Statement
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
			Taxation & Non Specific Grant Income:				
-	(21,456)	(21,456)	Recognised Capital Grants & Contributions	-	(27,841)	(27,841)	
-	(2,354)	(2,354)	Section 31 Grant – Small Business Rate Relief (SBRR)	-	(4,758)	(4,758)	
-	(25,261)	(25,261)	Revenue Support Grant (RSG)	-	(19,022)	(19,022)	
-	(89,394)	(89,394)	Council Tax	-	(94,898)	(94,898)	
-	(22,294)	(22,294)	Business Rates Retention Scheme – Locally Retained	-	(23,130)	(23,130)	
-	(30,342)	(30,342)	Business Rates Retention Scheme – Top Up Grant	-	(31,717)	(31,717)	
-	(191,101)	(191,101)	Total Taxation & Non Specific Grant Income	-	(201,366)	(201,366)	
717,994	(616,950)	101,044	(Surplus) / Deficit on Provision of Services	664,372	(619,067)	45,305	6
			Other Comprehensive Income & Expenditure:				
-	(25,702)	(25,702)	(Gains) / Losses on Revaluation of Property, Plant & Equipment Assets	5,068	(53,797)	(48,729)	5
40	-	40	(Gains) / Losses on Revaluation of Financial Instruments	263	-	263	5
-	(86,116)	(86,116)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	43,789	-	43,789	38
40	(111,818)	(111,778)	Other Comprehensive Income & Expenditure	49,120	(53,797)	(4,677)	
718,034	(728,768)	(10,734)	Total Comprehensive Income & Expenditure	713,492	(672,864)	40,628	

STATEMENT OF ACCOUNTS 2018/19

BALANCE SHEET AS AT 31st MARCH 2019

2017/18 (Restated) £000s		2018/19 £000s	2018/19 £000s	Note / Statement
	NON-CURRENT ASSETS			
	Property Plant and Equipment:			
543,003	- Council Dwellings	564,595		19
304,635	- Other Land & Buildings	280,804		19
5,979	- Vehicles, Plant, Furniture & Equipment	5,709		19
252,227	- Infrastructure Assets	257,291		19
-	- Community Assets	-		19
15,909	- Assets Under Construction	36,876		19
4,884	- Surplus Assets	3,665		19
1,126,637			1,148,940	
10,427	Heritage Assets	10,427		21
1,383	Intangible Assets	1,109		22
4,767	Long Term Investments	4,537		28
2,728	Long Term Debtors	2,333		28
19,305			18,406	
1,145,942	Total Non-Current Assets		1,167,346	
	CURRENT ASSETS			
4,918	Assets 'Held for Sale'	5,330		23
35,059	Short Term Investments	156,926		28
1,154	Inventories	1,069		30
10,350	Local Taxation Debtors	9,676		31
(8,536)	Impairment of Local Taxation Debtors	(7,311)		31
42,613	Other Short Term Debtors	40,647		32
(5,127)	Impairment of Short Term Debtors	(5,675)		32
34,562	Cash & Cash Equivalents	35,391		Cash Flow
114,993	Total Current Assets		236,053	
1,260,935	TOTAL ASSETS		1,403,399	
	CURRENT LIABILITIES			
(45,567)	Short Term Borrowing	(94,707)		28
(8,852)	Other Short Term Liabilities	(8,851)		28
(41,643)	Short Term Creditors	(54,362)		33
(4,790)	Provisions	(7,184)		35
(14,272)	Capital Grants Receipts in Advance	(19,724)		34
(2,252)	Revenue Grants Receipts in Advance	(2,230)		34
(117,376)	Total Current Liabilities		(187,058)	
	LONG TERM LIABILITIES			
(522,837)	Long Term Borrowing	(571,563)		28
(219,788)	Other Long Term Liabilities	(210,922)		28
(4,348)	Long Term Provisions	(3,736)		35
(376,097)	Retirement Benefit Obligations	(450,259)		38
(1,123,070)	Total Long Term Liabilities		(1,236,480)	
(1,240,446)	TOTAL LIABILITIES		(1,423,538)	
20,489	NET ASSETS / (LIABILITIES)		(20,139)	

Continued overleaf

STATEMENT OF ACCOUNTS 2018/19

BALANCE SHEET AS AT 31st MARCH 2019 (CONTINUED)

2017/18 (Restated) £000s		2018/19 £000s	2018/19 £000s	Note / Statement
	USEABLE RESERVES:			
135,793	- General Fund	130,114		4 / MIRS 4 / MIRS / HRA MIRS MIRS MIRS
41,517	- Housing Revenue Account	37,074		
12,186	- Useable Capital Receipts Reserve	15,071		
4,198	- Major Repairs Reserve	10,807		
4,262	- Capital Grant Unapplied Reserve	5,796		
197,956	TOTAL USEABLE RESERVES		198,862	
	UNUSABLE RESERVES:			
18,222	- Capital Adjustment Account	(2,714)		5 5 5 5 5 5 5 5
62	- Deferred Capital Receipts Reserve	61		
(11,588)	- Financial Instruments Adjustment Account	(12,693)		
(393,603)	- Pensions Reserve	(458,793)		
	- Financial Instrument Revaluation Reserve	(263)		
197,137	- Revaluation Reserve	240,484		
(2,900)	- Accumulated Absences Account	(3,145)		
15,203	- Collection Fund Adjustment Account	18,062		
(177,467)	TOTAL UNUSABLE RESERVES		(219,001)	
20,489	TOTAL RESERVES		(20,139)	

I certify that these accounts were approved by the full Council at its meeting on 25th July 2019. These statements replace the unaudited financial statements placed on account with the Authority's external auditors, Grant Thornton (UK) LLP on 31st May 2019.

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Mayor Cllr. Pauline Markham

Date: 25th July 2019

STATEMENT OF ACCOUNTS 2018/19

CASH FLOW STATEMENT

2017/18		2018/19	2018/19	Note
£000s		£000s	£000s	
101,044	Net (Surplus) / Deficit on Provision of Services		45,305	CI&ES
	<u>Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:</u>			
(72,459)	- Depreciation & Impairment	(73,986)		
(20,488)	- Pension Fund Adjustments	(30,374)		
(98,681)	- Carrying Amount of Non-Current Assets Sold	(42,374)		
(1,326)	- (Increase) / Decrease in Provisions	(1,782)		
(231)	- Increase / (Decrease) in Inventories	(85)		
1,155	- Increase / (Decrease) in Debtors	(8,605)		
4,089	- (Increase) / Decrease in Creditors	(7,879)		
715	- Other Non-Cash Adjustments	1,075		
(187,226)			(164,010)	
	<u>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</u>			
21,456	- Capital Grants Recognised Through Comprehensive Income & Expenditure Statement	27,841		
-	- Premiums Paid on Early Settlement of Debt	(2,075)		
9,635	- Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	11,196		
31,091			36,962	
	<u>Adjustments for Items Not Included in the Net (Surplus) or Deficit on the Provision of Services that are Operating Activities:</u>			
26,485	- Pension Deficit Upfront Payment	-		
26,485			-	
(28,606)	Net Cash (Inflow) / Outflow From Operating Activities		(81,743)	
41,471	Net Cash (Inflow) / Outflow From Investing Activities		172,029	40
(4,824)	Net Cash (Inflow) / Outflow From Financing Activities		(91,115)	41
8,041	Net (Increase) / Decrease in Cash & Cash Equivalents		(829)	
42,603	Cash & Cash Equivalents as at 1st April		34,562	
(8,041)	Net Increase / (Decrease) in Cash & Cash Equivalents		829	
34,562	Cash & Cash Equivalents as at 31st March		35,391	Balance Sheet
	Made Up Of The Following Elements:			
2	Cash Held By The Authority		2	
(8,424)	Cash in Transit *		(6,420)	
6,971	Bank Current Accounts		3,687	
36,013	Short Term Deposits With Financial Institutions		38,122	
34,562	Total Cash & Cash Equivalents		35,391	

* Cash in Transit represents the timing difference between payments being made by the Authority to its creditors and receipts received from its debtors, which have been accounted for in the Authority'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 2018/19
SECTION 5 – NOTES TO THE CORE FINANCIAL STATEMENTS

THE EXPENDITURE AND FUNDING ANALYSIS

2017/18				2018/19		
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
76,288	19,696	95,984	People	71,265	20,738	92,003
31,582	20,267	51,849	Place	37,560	33,325	70,885
(20,570)	17,019	(3,551)	HRA	(22,830)	22,012	(818)
16,813	3,749	20,562	Communities	17,231	5,328	22,559
360	197	557	Public Health	(369)	739	370
(10,526)	3,251	(7,275)	Core Services	(14,499)	4,085	(10,414)
(10,320)	3,229	(7,091)	Corporate Services	(12,187)	(130)	(12,317)
83,627	67,408	151,035	Net Cost of Services	76,171	86,097	162,268
468	90,962	91,430	Other Operating Income & Expenditure	431	32,848	33,279
38,884	10,796	49,680	Financing & Investment Income & Expenditure	41,669	9,455	51,124
(166,697)	(24,404)	(191,101)	Taxation & Non Specific Grant Income	(170,666)	(30,700)	(201,366)
(43,718)	144,762	101,044	(Surplus) / Deficit on Provision of Services	(52,395)	97,700	45,305
30,727	(30,727)	-	Below the Line Items	62,517	(62,517)	-
(12,991)	114,035	101,044	TOTAL	10,122	35,183	45,305
Note 1 / MIRS	Split Between:	CI&ES		Note 1 / MIRS	Split Between:	CI&ES
General Fund	109,097			General Fund	29,579	
HRA	4,938			HRA	5,604	
	114,035				35,183	

[Note 2 / Note 3 / MIRS](#)

[Note 2 / Note 3 / MIRS](#)

2017/18			Movement on Reserves:	2018/19		
General Fund	Housing Revenue Account	Total		General Fund	Housing Revenue Account	Total
£000s	£000s	£000s		£000s	£000s	£000s
122,025	42,294	164,319	Opening Balances as at 1st April	135,793	41,517	177,310
13,768	(777)	12,991	Plus/(Less) Surplus or (Deficit) on General Fund & HRA Balances in Year	(5,679)	(4,443)	(10,122)
135,793	41,517	177,310	Closing Balances as at 31st March	130,114	37,074	167,188

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

STATEMENT OF ACCOUNTS 2018/19

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. 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	2018/19				
	Management Accounts as Per Final Accounts Report (Note 1)	Items Not Included in Net Cost of Services (Note 2)	Items Not Included Within The CI&ES (Note 3)	Corporate Funding / Expenditure (Note 4)	Net Expenditure Chargeable to the General Fund and HRA Balances (Note 5)
	£000s	£000s	£000s	£000s	£000s
People	71,256	9	-	-	71,265
Place	36,836	724	-	-	37,560
HRA	-	(11,094)	(11,736)	-	(22,830)
Communities	17,089	142	-	-	17,231
Public Health	(369)	-	-	-	(369)
Core Services	(14,593)	109	(15)	-	(14,499)
Corporate Services	64,447	(30,312)	(46,322)	-	(12,187)
Net Cost of Services	174,666	(40,422)	(58,073)	-	76,171
Other Operating Income & Expenditure	-	-	-	431	431
Financing & Investment Income & Expenditure	-	41,669	-	-	41,669
Taxation & Non Specific Grant Income	-	(1,247)	-	(169,419)	(170,666)
(Surplus) / Deficit on Provision of Services	174,666	-	(58,073)	(168,988)	(52,395)
Below the Line Items	-	-	58,073	4,444	62,517
TOTAL NET EXPENDITURE	174,666	-	-	(164,544)	10,122

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Adjustments from Management Accounts to Financial Reporting Format	2017/18				
	Management Accounts as Per Final Accounts Report (Note 1)	Items Not Included in Net Cost of Services (Note 2)	Items Not Included Within The CI&ES (Note 3)	Corporate Funding / Expenditure (Note 4)	Net Expenditure Chargeable to the General Fund and HRA Balances (Note 5)
	£000s	£000s	£000s	£000s	£000s
People	76,278	10	-	-	76,288
Place	30,686	896	-	-	31,582
HRA	-	(10,172)	(10,398)	-	(20,570)
Communities	16,859	(46)	-	-	16,813
Public Health	360	-	-	-	360
Core Services	(10,859)	348	(15)	-	(10,526)
Corporate Services	39,109	(29,892)	(19,537)	-	(10,320)
Net Cost of Services	152,433	(38,856)	(29,950)	-	83,627
Other Operating Income & Expenditure	-	87	-	381	468
Financing & Investment Income & Expenditure	-	38,884	-	-	38,884
Taxation & Non Specific Grant Income	-	(115)	-	(166,582)	(166,697)
(Surplus) / Deficit on Provision of Services	152,433	-	(29,950)	(166,201)	(43,718)
Below the Line Items	-	-	29,950	777	30,727
TOTAL NET EXPENDITURE	152,433	-	-	(165,424)	(12,991)

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Adjustments From Management Accounts to Financial Reporting Format – Explanatory Notes

Note 1: 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 2: 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;
- **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;

STATEMENT OF ACCOUNTS 2018/19

Taxation & Non-Specific Grant Income & Expenditure – relates to non-specific grant received and accounted for within service budgets from a management accounts perspective.

Note 3: 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:

- 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. Also included is the accounting recognition of the element of the pension deficit payment and the adjustment in relation to financial instruments.

Note 4: 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 5: 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 3](#).

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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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<u>Adjustments from General Fund / HRA to Arrive at the Comprehensive Income and Expenditure Statement Amounts</u>	2018/19			
	Adjustments for Capital Purposes (Note 1)	Net Change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£000s	£000s	£000s	£000s
People	7,374	12,674	690	20,738
Place	30,179	3,262	(116)	33,325
HRA	22,012	-	-	22,012
Communities	3,267	2,151	(90)	5,328
Public Health	-	749	(10)	739
Core Services	2,101	2,062	(78)	4,085
Corporate Services	-	21	(151)	(130)
Net Cost of Services	64,933	20,919	245	86,097
Other Operating Income & Expenditure	32,848	-	-	32,848
Financing & Investment Income & Expenditure	-	9,455	-	9,455
Taxation & Non Specific Grant Income	(27,841)	-	(2,859)	(30,700)
Difference Between General Fund /HRA Surplus or Deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	69,940	30,374	(2,614)	97,700
Below the Line Items	(54,652)	(8,970)	1,105	(62,517)
TOTAL NET EXPENDITURE	15,288	21,404	(1,509)	35,183

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<u>Adjustments from General Fund / HRA to Arrive at the Comprehensive Income and Expenditure Statement Amounts</u>	2017/18			
	Adjustments for Capital Purposes (Note 1)	Net Change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£000s	£000s	£000s	£000s
People	16,727	6,094	(1,224)	21,597
Place	19,259	1,448	10	20,717
HRA	17,019	-	-	17,019
Communities	3,048	918	68	4,034
Public Health	-	237	33	270
Core Services	2,635	987	(63)	3,559
Corporate Services	224	9	(21)	212
Net Cost of Services	58,912	9,693	(1,197)	67,408
Other Operating Income & Expenditure	90,962	-	-	90,962
Financing & Investment Income & Expenditure	-	10,796	-	10,796
Taxation & Non Specific Grant Income	(21,456)	-	(2,948)	(24,404)
Difference Between General Fund /HRA Surplus or Deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services	128,418	20,489	(4,145)	144,762
Below the Line Items	(21,090)	(8,979)	(658)	(30,727)
TOTAL NET EXPENDITURE	107,328	11,510	(4,803)	114,035

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Adjustments between Funding and Accounting Basis per Directorate – Explanatory Notes

Note 1: 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.
- **Financing & Investment Income & Expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **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.

STATEMENT OF ACCOUNTS 2018/19

Note 2: 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:

- For **Net Cost of Services** this represents the removal of the employer pension contributions made by the authority 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.

Note 3: 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.

STATEMENT OF ACCOUNTS 2018/19

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 Authority 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 an Authority are required to be paid and out of which all liabilities of the Authority 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 Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority 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 Authority'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 Authority'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 Authority 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 Authority 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
2018/19 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>)	21,404	-	-	-	-	(21,404)
Financial Instruments (<i>Transferred to the Financial Instruments Adjustments Account</i>)	177	928	-	-	-	(1,105)
Council Tax and NDR (<i>Transfers to or from Collection Fund</i>)	(2,859)	-	-	-	-	2,859
Holiday Pay (<i>Transferred to the Accumulated Absences Reserve</i>)	245	-	-	-	-	(245)
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>)	79,257	28,050	-	12,383	-	(119,690)
Sub Total – Adjustments to Revenue Resources	98,224	28,978	-	12,383	-	(139,585)
Adjustments Between Revenue and Capital Resources						
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(4,931)	(6,461)	11,392	-	-	-
Administrative Costs of Non-Current Asset Disposals (<i>Funded by a Contribution from the Capital Receipts Reserve</i>)	-	195	(195)	-	-	-
Payments to the Government Housing Receipts Pool (<i>Funded by a Transfer from the Capital Receipts Reserve</i>)	1,671	-	(1,671)	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(8,944)	-	8,944	-	-
Statutory Provision for the Repayment of Debt (<i>Transfer from the Capital Adjustment Account</i>)	(7,261)	-	-	-	-	7,261
Capital Expenditure Financed from Revenue Balances (<i>Transfer to the Capital Adjustment Account</i>)	(30,283)	(8,164)	-	-	-	38,447
Sub Total – Adjustments Between Revenue & Capital Resources	(40,804)	(23,374)	9,526	8,944	-	45,708
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to Finance Capital Expenditure	-	-	(5,805)	-	-	5,805
Use of the Major Repairs Reserve to Finance Capital Expenditure	-	-	-	(14,718)	-	14,718
Application of Capital Grants to Finance Capital Expenditure	(25,531)	-	-	-	(776)	26,307
Capital Grants Recognised, Not Yet Applied	(2,310)	-	-	-	2,310	-
Use of Resources to Write Down Debt	-	-	(837)	-	-	837
Receipts Received Relating to Loans/Investments Repaid in Year, Originally Funded From Capital Resources	-	-	-	-	-	-
Cash Payments in Relation to Deferred Capital Receipts	-	-	1	-	-	(1)
Sub Total – Adjustments to Capital Resources	(27,841)	-	(6,641)	(14,718)	1,534	47,666
Total Adjustments	29,579	5,604	2,885	6,609	1,534	(46,211)

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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
2017/18 Adjustments	£000s	£000s	£000s	£000s	£000s	£000s
<u>Adjustments to Revenue Resources</u>						
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>)	11,512	-	-	-	-	(11,512)
Financial Instruments (<i>Transferred to the Financial Instruments Adjustments Account</i>)	(580)	(78)	-	-	-	658
Council Tax and NDR (<i>Transfers to or from Collection Fund</i>)	(2,948)	-	-	-	-	2,948
Holiday Pay (<i>Transferred to the Accumulated Absences Reserve</i>)	(1,197)	-	-	-	-	1,197
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>)	134,480	23,111	-	16,556	-	(174,147)
Sub Total – Adjustments to Revenue Resources	141,267	23,033	-	16,556	-	(180,856)
<u>Adjustments Between Revenue and Capital Resources</u>						
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(2,399)	(7,237)	9,636	-	-	-
Administrative Costs of Non-Current Asset Disposals (<i>Funded by a Contribution from the Capital Receipts Reserve</i>)	-	239	(239)	-	-	-
Payments to the Government Housing Receipts Pool (<i>Funded by a Transfer from the Capital Receipts Reserve</i>)	1,678	-	(1,678)	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(4,379)	-	4,379	-	-
Statutory Provision for the Repayment of Debt (<i>Transfer from the Capital Adjustment Account</i>)	(5,968)	(2,029)	-	-	-	7,997
Capital Expenditure Financed from Revenue Balances (<i>Transfer to the Capital Adjustment Account</i>)	(4,025)	(4,689)	-	-	-	8,714
Sub Total – Adjustments Between Revenue & Capital Resources	(10,714)	(18,095)	7,719	4,379	-	16,711
<u>Adjustments to Capital Resources</u>						
Use of the Capital Receipts Reserve to Finance Capital Expenditure	-	-	(3,116)	-	-	3,116
Use of the Major Repairs Reserve to Finance Capital Expenditure	-	-	-	(16,821)	-	16,821
Application of Capital Grants to Finance Capital Expenditure	(19,065)	-	-	-	(1,909)	20,974
Capital Grants Recognised, Not Yet Applied	(2,391)	-	-	-	2,391	-
Use of Resources to Write Down Debt	-	-	(3,985)	-	-	3,985
Receipts Received Relating to Loans/Investments Repaid in Year, Originally Funded From Capital Resources	-	-	159	-	-	(159)
Cash Payments in Relation to Deferred Capital Receipts	-	-	1	-	-	(1)
Sub Total – Adjustments to Capital Resources	(21,456)	-	(6,941)	(16,821)	482	44,736
Total Adjustments	109,097	4,938	778	4,114	482	(119,409)

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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 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 st March 2018	Transfers Out 2018/19	Transfers In 2018/19	Balance at 31 st March 2019
General Fund :	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Earmarked Reserves :							
<u>Capital Programme:</u>							
Glassworks Scheme	34,084	(1,456)	-	32,628	(25,279)	11,775	19,124
Future Council Priorities	23,582	(1,903)	8,161	29,840	(11,059)	3,590	22,371
<u>People Directorate:</u>							
School Balances	3,583	(3,583)	2,894	2,894	(2,894)	2,335	2,335
Centrally Retained DSG Budgets	(1,626)	1,626	(5,178)	(5,178)	5,178	-	-
CCG Funding	850	(850)	169	169	(169)	2,205	2,205
Future Demography / Social Care Pressures	-	-	2,863	2,863	(616)	7,753	10,000
Other People Directorate Earmarkings	1,342	(822)	988	1,508	(1,008)	3,838	4,338
<u>Place Directorate:</u>							
Jobs & Growth Plan (Tranche 2)	967	(333)	-	634	(90)	-	544
Moorland Plastics	470	(470)	-	-	-	-	-
Waste Disposal - Transfer Loading Station	-	-	891	891	(891)	651	651
Other Place Directorate Earmarkings	2,191	(2,191)	1,742	1,742	(1,592)	4,624	4,774
<u>Communities Directorate:</u>							
Transformational Funding	219	(219)	97	97	(97)	62	62
Area Council Funding	1,379	(1,379)	1,145	1,145	(1,145)	1,100	1,100
Healthier Communities - Think Family	815	(815)	1,067	1,067	(1,067)	-	-
Libraries Review	-	-	1,000	1,000	-	-	1,000
Other Communities Directorate Earmarkings	1,128	(832)	1,996	2,292	(2,157)	4,055	4,190
<u>Public Health Directorate:</u>							
Public Health Grant	848	(848)	1,868	1,868	(1,868)	2,629	2,629
Other Public Health Earmarkings	-	-	-	-	-	2,000	2,000
<u>Core Services Directorate:</u>							
PFI / BSF Programme	5,200	(735)	1,569	6,034	(591)	204	5,647
Town Centre Management	-	-	1,000	1,000	-	250	1,250
Other Core Services Directorate Earmarkings	2,459	(2,459)	2,565	2,565	(2,433)	4,516	4,648
<u>Corporate Earmarkings:</u>							
Future Council – Downsizing Costs / KLOE Mitigation	19,589	(3,589)	-	16,000	(6,392)	-	9,608
Future Council – Implementation	301	(301)	-	-	-	-	-
Insurance Fund Reserve	3,497	(787)	2,614	5,324	-	876	6,200
Invest to Improve Fund (Future Council 2020)	2,745	(1,189)	-	1,556	(792)	293	1,057
MRP Future Years	-	-	2,356	2,356	-	1,691	4,047
Other Corporate Earmarkings	638	(638)	3,575	3,575	(2,595)	3,617	4,597
Sub Total – G/F Earmarked Reserves	104,261	(23,773)	33,382	113,870	(57,557)	58,064	114,377
Non-Earmarked Reserves :							
Minimum Working Balances (Contingency for Unforeseen Events)	15,000	-	-	15,000	-	-	15,000
In Year Surplus / (Deficit)	2,764	(2,764)	6,923	6,923	(6,923)	737	737
Sub Total – G/F Non-Earmarked Reserves	17,764	(2,764)	6,923	21,923	(6,923)	737	15,737
Total – General Fund Reserves	122,025	(26,537)	40,305	135,793	(64,480)	58,801	130,114
Total General Fund Movement		13,768			(5,679)		Balance Sheet
		EFA / MIRS			EFA / MIRS		

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	Balance at 31 st March 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 st March 2018	Transfers Out 2018/19	Transfers In 2018/19	Balance at 31 st March 2019
Housing Revenue Account :	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Earmarked Reserves :							
Capital Reserve	13,392	(4,085)	-	9,307	(5,722)	-	3,585
Housing Growth	14,344	(233)	-	14,111	(1,741)	6,293	18,663
Welfare Reform	3,000	-	-	3,000	-	-	3,000
Impairment	2,000	(2,000)	-	-	-	-	-
Higher Value Sales Levy	2,501	-	-	2,501	(2,501)	-	-
Budget Developments 2018/19	-	-	500	500	(500)	-	-
New Build Bungalows	-	-	2,306	2,306	(884)	-	1,422
Held Pending Review of 30 Year Business Plan	-	-	-	-	-	3,000	3,000
Homelessness Act Team	-	-	-	-	-	200	200
Repairs & Maint Slippage 2018/19	-	-	-	-	-	120	120
Electrical Testing	-	-	-	-	-	452	452
Legionella Testing	-	-	-	-	-	185	185
Support For the Council's Strategic Objectives	3,557	(3,557)	-	-	-	-	-
Sub Total – HRA Earmarked Reserves	38,794	(9,875)	2,806	31,725	(11,348)	10,250	30,627
Non-Earmarked Reserves :							
General Contingency	3,500	-	-	3,500	-	1,700	5,200
Unallocated Reserves	-	-	4,895	4,895	(4,895)	-	-
Surplus / (Deficit)	-	-	1,397	1,397	(1,397)	1,247	1,247
Sub Total – HRA Non-Earmarked Reserves	3,500	-	6,292	9,792	(6,292)	2,947	6,447
Total – HRA Reserves	42,294	(9,875)	9,098	41,517	(17,640)	13,197	37,074
Total HRA Movement		(777)			(4,443)		Balance Sheet / HRA
		EFA / MIRS			EFA / MIRS		

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.
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31 st March 2017 £000s	31 st March 2018 £000s		31 st March 2019 £000s
40	-	Available for Sale Financial Instruments Reserve	-
122,498	18,222	Capital Adjustment Account	(2,714)
63	62	Deferred Capital Receipts Reserve	61
(12,246)	(11,588)	Financial Instruments Adjustment Account	(12,693)
(468,206)	(393,603)	Pensions Reserve	(458,793)
-	-	Financial Instrument Revaluation Reserve	(263)
179,857	197,137	Revaluation Reserve	240,484
(4,097)	(2,900)	Accumulated Absences Account	(3,145)
12,255	15,203	Collection Fund Adjustment Account	18,062
(169,836)	(177,467)	Total Unusable Reserves	(219,001)

[Balance Sheet](#)

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Available for Sale Financial Instruments Reserve

The Available for Sale Financial Instruments Reserve contains gains made by the Authority arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. 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.

This account is no longer used as a result of the implementation of IFRS 9 and has been effectively replaced by the Financial Instruments Revaluation Reserve.

2017/18		2018/19	
£000s		£000s	£000s
40	Balance at 1st April		-
-	Upward Revaluation of Investments		
-	Downward Revaluation in Investments not Charged to the Surplus/Deficit on the Provision of Services	-	
(40)	Accumulated Gains on Assets Sold and Maturing Assets Written Out to the Comprehensive Income & Expenditure Statement as Part of Other Investment Income	-	-
(40)			
-	Balance at 31st March		-

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 Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains on donated assets that have yet to be consumed by the Authority.

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.

STATEMENT OF ACCOUNTS 2018/19

2017/18		2018/19	
£000s		£000s	£000s
122,498	Balance at 1st April		18,222
(71,422)	Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income & Expenditure Statement :		
(815)	- Charges for Depreciation & Impairment of Non-Current Assets	(73,118)	
(3,226)	- Amortisation of Intangible Assets	(550)	
(98,681)	- Revenue Expenditure Funded From Capital Under Statute	(3,649)	
	- Amounts of Non-Current Assets Written Off on Disposal or Sale as Part of Gain / Loss on Disposal to the Comprehensive Income & Expenditure Statement	(42,374)	
(174,144)			(119,691)
8,422	Adjusting Amount Written Out to the Revaluation Reserve		5,383
(165,722)	Net Written Out Amount of the Cost of Non-Current Assets Consumed in Year		(114,308)
	Capital Financing Applied in Year :		
3,116	- Use of the Capital Receipts Reserve to Finance New Expenditure	5,805	
3,984	- Use of the Capital Receipts Reserve to Write Down Debt Requirement	901	
19,065	- Capital Grants & Contributions Credited to the Comprehensive Income & Expenditure Statement That Have Been Applied to Capital Financing	25,530	
16,821	- Use of Major Repairs Reserve to Finance New Capital Expenditure	14,718	
1,909	- Application of Grants to Capital Financing From Capital Grants Unapplied Account	775	
7,996	- Statutory Provision for the Financing of Capital Investment Charged Against the General Fund & HRA Balances	7,261	
8,714	- Capital Expenditure Charged Against the General Fund & HRA Balances	38,447	
61,605			93,437
-	Movement in the Market Value of Investment Properties Debited / Credited to the Comprehensive Income & Expenditure Statement	-	
(159)	Receipts Received Relating to Loans, Advances & Investments Made By The Authority, Originally Funded From Capital Resources, Thus Reducing The Ongoing Requirement to Borrow	(65)	
(159)			(65)
18,222	Balance at 31st March		(2,714)

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 Authority 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.

2017/18		2018/19
£000s		£000s
63	Balance at 1st April	62
-	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	(1)
62	Balance at 31st March	61

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 Authority 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 2019 will be charged to the General Fund over the next 38 years.

STATEMENT OF ACCOUNTS 2018/19

2017/18 £000s		2018/19	
		£000s	£000s
(12,246)	Balance at 1st April		(11,588)
-	Premiums Incurred in the Year & Charged to the Comprehensive Income & Expenditure Statement	(2,075)	
658	Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance With Statutory Requirements	970	
658	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		(1,105)
(11,588)	Balance at 31st March		(12,693)

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Authority 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.

2017/18 £000s		2018/19	
		£000s	£000s
-	Balance at 1st April		-
-	Upward Revaluation of Investments	-	
-	Downward Revaluation in Investments Provision of Services	(263)	
-	Change in Impairment Loss Allowance	-	
			(263)
-	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	-	
-			-
-	Balance at 31st March		(263)

STATEMENT OF ACCOUNTS 2018/19

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 Authority 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 Authority 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 Authority 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.

2017/18		2018/19
£000s		£000s
(468,206)	Balance at 1st April	(393,603)
86,116	Actuarial Gains or (Losses) on Pensions Assets & Liabilities	(43,789)
(36,757)	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	(47,433)
25,244	Employer's Pensions Contributions	26,032
(393,603)	Balance at 31st March	(458,793)

[CI&ES](#)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority 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.

2017/18		2018/19	
£000s		£000s	£000s
179,857	Balance at 1st April		197,137
38,071	Upward Revaluation of Assets	54,764	
(9,079)	Downward Revaluation of Assets & Impairment Losses Not Charged to the Surplus / Deficit on the Provision of Services	(5,067)	
(3,290)	Reversal Of Revaluation Loss (Net of Depreciation)	(967)	
25,702	Surplus or Deficit on Revaluation of Non-Current Assets Not Posted to The Surplus or Deficit on the Provision of Services		48,730
(5,757)	Difference Between Fair Value Depreciation & Historical Cost Depreciation	(5,175)	
-	Revaluation Reserve Balances of Investment Properties Written Out on Transfer of Asset Category	-	
(2,665)	Accumulated Gains on Assets Sold or Scrapped	(208)	
(8,422)	Amount Written Off to the Capital Adjustment Account		(5,383)
197,137	Balance at 31st March		240,484

[CI&ES](#)

STATEMENT OF ACCOUNTS 2018/19

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 2019. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfer to or from the Account.

2017/18		2018/19	
£000s		£000s	£000s
(4,097)	Balance at 1st April		(2,900)
4,097	Settlement or Cancellation of Accrual Made at the End of the Preceding Year	2,900	
(2,900)	Amounts Accrued at the End of the Current Year	(3,145)	
1,197	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		(245)
(2,900)	Balance at 31st March		(3,145)

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.

2017/18		2018/19	
£000s		£000s	
12,255	Balance at 1st April		15,203
2,948	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	2,859	
15,203	Balance at 31st March	18,062	Collection Fund

STATEMENT OF ACCOUNTS 2018/19

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 CIES on both a subjective and segmental basis.
Relevant Accounting Policies:	Accounting Policy 2

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

Expenditure / Income	2017/18	2018/19
	£000s	£000s
Expenditure:		
Employee Benefits Expenses	183,285	194,852
Other Services Expenses	306,803	294,500
Support Service Recharges	-	-
Depreciation, Amortisation, Impairment	75,466	77,316
Interest Payments	51,613	53,228
Precepts & Levies	468	431
Payments to Housing Capital Receipts Pool	1,678	1,671
Write Out NBV Relating to the Disposal of Assets	98,681	42,374
Total Expenditure	717,994	664,372
Income:		
Fees, Charges & Other Service Income	(135,484)	(137,463)
Interest & Investment Income	(781)	(1,772)
Income From Council Tax & Non-Domestic Rates	(111,688)	(118,028)
Government Grants & Contributions	(359,600)	(350,607)
Sale Proceeds Relating to the Disposal of Assets	(9,397)	(11,197)
Total Income	(616,950)	(619,067)
Surplus or Deficit on the Provision of Services	101,044	45,305
	CI&ES	CI&ES

Segmental Expenditure & Income

The table above has been analysed between reporting segments of the Council (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	2018/19							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
People	105,021	120,238	7,374	-	-	-	-	232,633
Place	33,760	38,311	30,179	-	-	-	-	102,250
HRA	805	35,767	34,395	11,344	-	-	-	82,311
Communities	21,901	16,047	3,267	-	-	-	-	41,215
Public Health	6,968	3,339	-	-	-	-	-	10,307
Core Services	20,597	77,192	2,101	2	-	-	-	99,892
Corporate Services	5,800	3,606	-	32,427	-	-	-	41,833
Non Directorate	-	-	-	9,455	431	1,671	42,374	53,931
Total	194,852	294,500	77,316	53,228	431	1,671	42,374	664,372

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<u>TOTAL INCOME</u>	2018/19					
	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	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
People	(14,947)	-	-	(125,693)	-	(140,640)
Place	(19,751)	(94)	-	(12,244)	-	(32,089)
HRA	(71,273)	(250)	-	(508)	-	(72,031)
Communities	(8,349)	(123)	-	(10,327)	-	(18,799)
Public Health	(272)	-	-	(9,665)	-	(9,937)
Core Services	(18,117)	(111)	-	(92,187)	-	(110,415)
Corporate Services	(4,754)	(1,194)	-	(17,892)	-	(23,840)
Non Directorate	-	-	(118,028)	(82,091)	(11,197)	(211,316)
Total	(137,463)	(1,772)	(118,028)	(350,607)	(11,197)	(619,067)

<u>TOTAL EXPENDITURE</u>	2017/18							
	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
People	101,272	119,751	16,724	-	-	-	-	237,747
Place	29,766	28,718	19,259	-	-	-	-	77,743
HRA	811	34,932	33,575	10,288	-	-	-	79,606
Communities	20,489	16,760	3,048	-	-	-	-	40,297
Public Health	4,761	3,212	-	-	-	-	-	7,973
Core Services	20,659	97,822	-	7	-	-	-	118,488
Corporate Services	5,527	5,608	-	30,522	87	-	-	41,744
Non Directorate	-	-	59,607	10,796	381	1,678	98,681	111,536
Total	183,285	306,803	75,466	51,613	468	1,678	98,681	717,994

<u>TOTAL INCOME</u>	2017/18					
	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	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
People	(9,882)	-	-	(129,995)	-	(139,877)
Place	(15,312)	-	-	(11,028)	-	(26,340)
HRA	(72,244)	(116)	-	(626)	-	(72,986)
Communities	(7,919)	-	-	(11,484)	-	(19,403)
Public Health	(202)	-	-	(7,141)	-	(7,343)
Core Services	(23,491)	(355)	-	(104,589)	-	(128,435)
Corporate Services	(6,434)	(310)	-	(15,439)	-	(22,183)
Non Directorate	-	-	(111,688)	(79,298)	(9,397)	(200,383)
Total	(135,484)	(781)	(111,688)	(359,600)	(9,397)	(616,950)

STATEMENT OF ACCOUNTS 2018/19

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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IFRS 15 Transition

The Authority has reviewed the Fees, Charges & Other Service Income against the new criteria. The definition of a contractual arrangement that has been used is one of which commits both parties to their respective obligations, even if the contract is not a written one e.g. a verbal contract. The majority of contractual revenue is already accounted for upon performance of an agreed obligation – therefore there is no restatement of prior year balances.

Amounts included in the Comprehensive Income & Expenditure Statement for contracts with service recipients are as follows:

2017/18 £000s		2018/19 £000s
(117,506)	Revenue From Contracts With Service Recipients	(110,698)
(117,506)	Total Included in Comprehensive Income & Expenditure Statement	(110,698)

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:	The first part of this note identifies any material items of income or expense that occurred during 2018/19, defined as any individual transaction exceeding £10 Million to / from a single vendor or customer. The second part of the note identifies any exception items which are items of income or expenditure which are material in terms of the Authority's overall expenditure and are not expected to recur frequently or regularly.
Relevant Accounting Policies:	Accounting Policy 6

For the purposes of this note, there were no material items of income or expense during 2018/19.

The exceptional items within the 'Other Operating Income & Expenditure' section of the [Comprehensive Income & Expenditure Statement](#) relate to the following:

Schools Held in Trust

During 2017/18, the land, buildings and equipment associated with the Horizon School was transferred freehold to the Horizon Archbishop Holgate Foundation Trust. The value written out of the accounts in connection with this transaction was £37.725M.

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 trust controls these assets; therefore the transfer is accounted for a disposal (see arrangements at [Note 25](#)). The amounts written out of the Authority's Balance Sheet are as follows:

2018/19	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Total
Assets Relating To:	£000s	£000s	£000s
Dearne ALC	16,875	-	16,875
Darton College	16,429	-	16,429
			-
Total	33,304	-	33,304

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2017/18	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Total
Assets Relating To:	£000s	£000s	£000s
Worsborough Bank End Primary	1,590	2	1,592
Netherwood ALC	49,233	-	49,233
Hunningley Primary	3,071	-	3,071
Total	53,894	2	53,896

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:

2017/18		<u>Trading Service</u>	2018/19	
£000s	£000s		£000s	£000s
(1,084)	(426)	Waste & Recycling	Turnover	(1,130)
658			Expenditure	697
			(Surplus)/Deficit	(433)
(10,555)	(2,264)	Engineering Services	Turnover	(12,523)
8,291			Expenditure	9,361
			(Surplus)/Deficit	(3,162)
(5,831)	6,159	Building Services	Turnover	(6,715)
11,990			Expenditure	11,732
			(Surplus)/Deficit	5,017
(2,010)	1,658	Fleet Services	Turnover	(2,155)
3,668			Expenditure	3,840
			(Surplus)/Deficit	1,685
(3,949)	(299)	Schools Catering	Turnover	(3,675)
3,650			Expenditure	3,581
			(Surplus)/Deficit	(94)
(1,386)	5,522	Information Services (Other)	Turnover	(1,123)
6,908			Expenditure	7,221
			(Surplus)/Deficit	6,098
(1,151)	(109)	Markets	Turnover	(1,034)
1,042			Expenditure	1,203
			(Surplus)/Deficit	169
(1,667)	1,790	Neighbourhood Services	Turnover	(1,824)
3,457			Expenditure	3,498
			(Surplus)/Deficit	1,674
(12,212)	965	The Consolidated Results of the Other Trading Units	Turnover	(11,969)
13,177			Expenditure	12,798
			(Surplus)/Deficit	829
(39,845)		TOTALS	Turnover	(42,148)
52,841			Expenditure	53,931
	12,996	Net (Surplus) / Deficit on Trading Operations		11,783

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. Some are an integral part of the Authority'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:

STATEMENT OF ACCOUNTS 2018/19

2017/18 £000s		2018/19 £000s	
12,996	Net Deficit on Trading Operations	11,783	
2,076	Services to the Public Included in the Net Cost of Services	2,128	
(15,922)	Support Services Recharged to Net Cost of Services	(14,560)	
(850)	Net Deficit / (Surplus) Posted to Financing & Investment Income & Expenditure	(649)	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 2018/19, the Authority has recognised revaluation losses of £10.281M (£8.858M in 2017/18) through the Comprehensive Income & Expenditure Statement as shown below:

2017/18 £000s	Asset Categories:	2018/19 £000s
	Charged to Net Cost of Services:	
-	Council Dwellings	-
8,529	Other Land & Buildings	9,255
329	Surplus Assets	1,026
-	Assets Held for Sale	-
8,858	Total Charged to Net Cost of Services	10,281
	Charged to Financing & Investment Income & Expenditure:	
-	Investment Properties	-
-	Total Charged to Financing & Investment Income & Expenditure	-
8,858	Total Charged to Comprehensive Income & Expenditure Statement	10,281

STATEMENT OF ACCOUNTS 2018/19

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 Authority has continued with the Children & Young People service aligned budget arrangement with Barnsley Clinical Commissioning Group (BCCG) which applies the flexibilities under Section 75 of the NHS Act, through a formal partnership agreement, hosted by the Authority.

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.

2017/18 Total £000s		People Directorate £000s	Revenue Account £000s	2018/19 Total £000s
	Value of Aligned Budgets:			
	Opening Balance at 1 st April			
(6,328)	BCCG	(6,002)	-	(6,002)
(30,128)	Barnsley MBC	(31,570)	-	(31,570)
(36,456)	Total	(37,572)	-	(37,572)
	Value of Commissioned Services:			
4,017	SWYPFT*	3,943	-	3,943
30,918	Barnsley MBC	32,406	-	32,406
1,521	BCCG	1,223	-	1,223
(909)	Balance on Revenue Account	-	(138)	(138)
35,547	Total	37,572	(138)	37,434
(909)	Balance as at 31st March	-	(138)	(138)

*SWYPFT – South & West Yorkshire Partnership Foundation Trust.

2017/18 Total £000s		2018/19 Total £000s
	Distribution of Over / (Under) Spend:	
(474)	BCCG	(80)
(435)	Barnsley MBC	(58)
(909)	Total	(138)

Income & Expenditure Account

2017/18 Total £000s		2018/19 Total £000s
	Income from Pooled Budget:	
(62)	Balance Brought Forward	-
(36,393)	Pooled Budget Income	(37,572)
-	Other Funding	-
(36,455)	Total	(37,572)
	Provider Expenditure:	
1,047	Barnsley CCG	1,143
30,482	Barnsley MBC (CYP&F / PH)	32,348
4,017	SWYPFT	3,943
35,546	Total	37,434
(909)	Over / (Under) Spend	(138)
-	Ring-Fenced & Carried Forward	-
(909)	NET EXPENDITURE	(138)

STATEMENT OF ACCOUNTS 2018/19

Governance Arrangements

The changing architecture of the NHS, particularly with the demise of the PCT has led to some changes in the Children Services partnership arrangements in Barnsley. The decision was made in 2013/14 to move from a pooled budget arrangement to one of alignment, underpinned by principles of partnership working and service integration at point of delivery. From a financial viewpoint, the move to aligned budgets does not pose any significant financial risk to the Authority as the funding / budget arrangement in the past is clearly separated and reflects the statutory functions of both organisations. The following are some of the structural changes to the arrangements:

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 CCG 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 CCG has entered into a 'pooled' budget arrangement with Barnsley Metropolitan Borough Council (BMBC) with effect from 1 April 2015. The aims of the BCF are to improve outcomes for the population of Barnsley by improving integration of health and social care services. This was underpinned by a Section 75 agreement between the commissioners. Governance arrangements are in place through the Barnsley Health and Wellbeing Board. The CCG is the host organisation of the pooled arrangement during the 2018/19 financial year. A summary of the pooled budget is shown below:

2017/18 £000s	<u>BCF Pooled Account</u>	2018/19 £000s
-	Balance as at 1st April	(2,776)
	Contribution to the BCF Pool:	
(18,590)	Barnsley Clinical Commissioning Group	(18,944)
(9,348)	Barnsley Metropolitan Borough Council	(12,153)
(27,938)	Total	(31,097)
	Value of Commissioned Services:	
8,676	Barnsley Clinical Commissioning Group	8,846
16,486	Barnsley Metropolitan Borough Council	23,639
25,162	Total	32,485
(2,776)	Balance as at 31st March	(1,388)

Explanation of Above Tables

- **Value of Aligned Budgets** – Represents the resources made available 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 arrangement or pool resources and forms the budget figures against the individual 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 2019** – Represents the net shortfall of funding across the pool, based on actual expenditure incurred against the resources made available by both organisations.
- **Distribution of Over-spend** – 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 / under-spend across the pool. This net over / under-spend is reflected in the Services Commissioned from Pooled Budget table.

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Note 12 – Members’ Allowances

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

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

2017/18 £000s		2018/19 £000s
696	Basic Allowances	712
241	Special Responsibility Allowances	245
10	Expenses	11
947	Total	968

Note 13 – Officers’ Remuneration & Exit Packages

Description: This note shows:

- The Senior Management Team 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: [Accounting Policy 9](#)

The table below sets out the remuneration disclosures for Senior Officers of the Authority (as defined in Local Authority Accounting Panel Bulletin 85) whose salary is equal to or more than £50,000 per year:

Post	2018/19				
	Salary £000s	Redundancy / Severance £000s	Expenses / Allowances £000s	Pension Contributions £000s	Total Remuneration £000s
Diana Terris – Chief Executive C	159	-	1	89	249
Rachel Dickinson - Executive Director – People	140	-	1	21	162
Executive Director – Place	122	-	1	18	141
Executive Director – Communities	118	-	-	17	135
Executive Director – Public Health	110	-	-	16	126
Executive Director – Core Services	118	-	-	17	135
Former Director - Finance, Assets & IT A	-	-	-	146	146
Former Director – Human Resources, Performance & Communications B	-	-	-	17	17

Post	2017/18				
	Salary £000s	Redundancy / Severance £000s	Expenses / Allowances £000s	Pension Contributions £000s	Total Remuneration £000s
Diana Terris – Chief Executive	156	-	1	23	180
Executive Director – People	137	-	1	20	158
Executive Director – Place	120	-	1	18	139
Executive Director – Communities	116	-	-	17	133
Executive Director – Public Health	105	-	-	15	120
Executive Director – Core Services	116	-	2	17	135
Former Director - Finance, Assets & IT A	-	-	-	146	146
Former Director – Human Resources, Performance & Communications B	-	-	-	12	12

Notes:

A Post holder left post on 31st March 2017. Pension costs relate to pre-agreed pension strain costs of £0.146M in 2018/19 (£0.146M in 2017/18).

B Post holder left post on 31st December 2016. Pension costs relate to pre-agreed pension strain costs of £0.017M in 2018/19 (£0.012M in 2017/18).

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 Authority during the year (in accordance with the Authority and Pension Authority’s retirement schemes)

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Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.)		Salary Only			Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.)		Salary Only	
2017/18 Council Officers Total	2017/18 Schools Total	2017/18 Council Officers Total		<u>Remuneration Band</u>	2018/19 Council Officers Total	2018/19 Schools Total	2018/19 Council Officers Total	
25	23	19		£50,000 - £54,999	29	22	27	
19	22	28		£55,000 - £59,999	14	22	15	
4	12	7		£60,000 - £64,999	10	17	9	
10	6	9		£65,000 - £69,999	11	4	11	
14	9	10		£70,000 - £74,999	9	6	8	
7	3	7		£75,000 - £79,999	7	2	7	
3	1	4		£80,000 - £84,999	5	1	6	
1	2	3		£85,000 - £89,999	4	1	4	
4	-	-		£90,000 - £94,999	2	1	2	
-	1	-		£95,000 - £99,999	1	1	1	
4	1	-		£100,000 - £119,999	1	-	-	
-	1	-		£120,000 - £124,999	-	-	-	
-	1	-		£125,000 - £134,999	1	1	-	
91	82	87			94	78	90	

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	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	£000s	£000s
							2017/18	2018/19
£0 - £20,000	57	60	13	15	70	75	663	766
£20,001 - £40,000	5	6	6	4	11	10	289	242
£40,001 - £60,000	-	-	2	2	2	2	103	97
£60,001 - £80,000	-	-	1	-	1	-	62	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Total Number of Exit Packages	62	66	22	21	84	87		
Total Cost Included In Bandings							1,117	1,105
Add: Amounts Provided For in CI&ES Not Included In Bandings							-	-
Total Cost Included In The CI&ES							1,117	1,105

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.

2017/18 £000s		2018/19 £000s
136	Fees Payable for External Audit Services Carried Out by the Appointed Auditor for the Year	105
17	Fees Payable for the Certification of Grant Claims and Returns carried out by the Appointed Auditor for the year	24
8	Fees Payable in Respect of Other Services Provided by Other Audit Companies During the Year	9
(20)	Fees (Refundable) in Respect of Other Services Provided by Other Audit Companies	-
141	Total	138

The Council's external auditors in 2018/19 were Grant Thornton UK LLP. In 2017/18, the Council's external auditors were KPMG UK LLP.

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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:

2017/18 £000s		2018/19 £000s
	Credited to Taxation & Non-Specific Grant Income	
(25,261)	Revenue Support Grant	(19,022)
(30,342)	Business Rates Retention Scheme – Top Up Grant	(31,641)
(2,354)	Section 31 Grant – SBRR	(3,587)
(18,367)	Other Grants	(22,204)
(3,089)	Other Contributions	(3,380)
(79,413)	Total	(79,834)
	Credited to Services	
(67,223)	Housing Benefit Subsidy	(56,475)
(100,026)	Dedicated Schools Grant	(98,522)
(32,195)	PFI Grant	(32,195)
(494)	Education Support Grant	-
(17,447)	Public Health Grant	(16,998)
(40,345)	Other Grants	(42,676)
(19,470)	Other Contributions	(22,615)
(277,200)	Total	(269,481)

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.
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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 includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school. Over and under spends on the two elements are required to be accounted for separately.

Details of the deployment of DSG receivable are as follows:

2017/18		2018/19		
Total		Central Expenditure	Individual Schools' Budget (ISB)	Total
£000s		£000s	£000s	£000s
(164,286)	Final DSG for 2018/19 before academy recoupment			(173,597)
63,730	Academy Figure Recouped for 2018/19			74,953
(100,556)	Total DSG After Academy Recoupment For 2018/19			(98,644)
1,626	Plus: Brought Forward From 2017/18			5,178
-	Less: Carry Forward To 2018/19 Agreed in Advance			-
(98,930)	Agreed Initial Budgeted Distribution in 2018/19	(15,194)	(78,272)	(93,466)
505	In Year Adjustments	781	(810)	(29)
(98,425)	Final Budgeted Distribution For Year	(14,413)	(79,082)	(93,495)
19,769	Less Actual Central Expenditure	22,968	-	22,968
84,834	Less Actual ISB Deployed To Schools	-	79,082	79,082
(1,000)	Plus Local Authority Contribution For Year	(8,555)	-	(8,555)
5,178	Total Carry Forward To Following Year	-	-	-

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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
Areas of Critical Judgements Made:	Judgement 3 / Judgement 4 / Judgement 8

The Authority 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 Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority 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 Authority.

The Public Sector

Central Government

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority 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 2019 are shown in [Note 34](#) 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 Authority has a number of 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 Authority has pooled budget arrangements with NHS Barnsley Clinical Commissioning Group (CCG) for both the provision of Children's Care Services within Barnsley and the Better Care Fund (BCF). Transactions and balances outstanding specifically related to the pooling arrangements are detailed in [Note 11](#).

Related Individuals

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2018/19 is shown in [Note 12](#).

During 2018/19, no works or services were commissioned from companies with which a Member had an interest.

Senior Officers

Senior Officers within the Authority'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 2018/19, no senior officers of the Authority have declared a material interest in any companies.

Subsidiaries

The Authority 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 Authority. Specifically, it is responsible for managing all the landlord services for the Authority's 18,400 homes including rent collection, arrears recovery, repairs and maintenance, dealing with empty properties and all tenancy matters.

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Berneslai Homes Ltd is an independent company committed to working in partnership with the Authority 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 Authority but overseen by a Board of Directors rather than a Committee of the Authority.

The Authority guarantees the full amount of the pension fund deficit of Berneslai Homes. The actuary has assessed this deficit at £31.893M as at 31st March 2019 (£23.969M as at 31st March 2018). However, as the Authority considers it unlikely that this guarantee will be exercised, the £31.893M is disclosed as a contingent liability in the Authority's own accounts.

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

Berneslai Homes' accounting year runs parallel to the Council's (April – March).

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

Profit / Loss Account:	2017/18 £000s	2018/19 £000s
Income	(35,348)	(34,311)
Expenditure	36,297	36,174
(Profit) / Loss	949	1,863

Balance Sheet:	2017/18 £000s	2018/19 £000s
Assets	17,375	16,887
Liabilities	(28,354)	(35,160)
Net Assets	(10,979)	(18,273)
Retained Surplus / (Deficit)	12,990	13,620
Pension Deficit	(23,969)	(31,893)
Net Reserves	(10,979)	(18,273)

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.

Related Party Transactions:	2017/18 £000s	2018/19 £000s
Income	(35,260)	(34,009)
Expenditure	4,759	5,061
Assets	4,937	4,871
Liabilities	(996)	(135)

BMBC Services Ltd

BMBC Services Ltd is a 100% wholly owned subsidiary of the Authority that commenced trading in September 2014.

BMBC Services Ltd's accounting year runs parallel to the Council's (April – March).

The latest two sets of BMBC Services Ltd's financial statements are summarised below:

Profit / Loss Account:	2017/18 £000s	2018/19 £000s
Income	(2,932)	(2,207)
Expenditure	2,522	1,956
(Profit) / Loss	(410)	(251)

Balance Sheet:	2017/18 £000s	2018/19 £000s
Assets	1,158	2,059
Liabilities	(593)	(1,593)
Net Assets	565	466
Retained Surplus / (Deficit)	565	466
Net Reserves	565	466

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An analysis of both BMBC Services Ltd's 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.

Related Party Transactions:	2017/18 £000s	2018/19 £000s
Income	(180)	(123)
Expenditure	2,407	1,900
Assets	9	20
Liabilities	(451)	(1,369)

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Joint Ventures

The Council holds shareholdings in a number of 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.

	Oakwell Community Assets Ltd (OCAL)		NPS Barnsley Ltd		Burleigh Court (Barnsley) Management Ltd		Barnsley Community Solutions Ltd	
Incorporation Date	30 th September 2003		16 th September 2010		20 th May 1992		23 rd June 2003	
Council Share	50% of the share capital of the company		20% 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		Delivers professional property consultants to its long-term joint venture partner, Barnsley Metropolitan Borough Council		Residents' property management		To provide management services to its subsidiaries, Barnsley Community Solutions Limited (Tranches 1, 2 and 3)	
Financials (P&L):	2016/17	2017/18	2016	2017	Nov 2016	Nov 2017	2016/17	2017/18
Income	(139)	(150)	(9,637)	(10,443)	(5)	(3)	(1,244)	(1,138)
Expenditure	45	40	9,401	10,282	4	2	883	838
(Profit) / Loss	(94)	(110)	(236)	(161)	1	1	(361)	(300)
Financials (Bal. Sheet):	2016/17	2017/18	2016/17	2017/18	2016	2017	Nov 2016	Nov 2017
Assets	5,704	5,790	3,371	3,767	42	45	5,271	5,148
Liabilities	(1,589)	1,590	(2,151)	(3,011)	(42)	(45)	(5,237)	(5,089)
Net Assets	4,115	4,200	1,220	756	-	-	34	59
Reserves	4,115	4,200	1,220	756	-	-	34	59
Total Reserves	4,115	4,200	1,220	756	-	-	34	59
	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):	2017	2018	2016	2017	2016	2017	Nov 2016	Nov 2017
Income	(3,029)	(2,572)	(7,300)	(6,081)	(131)	(139)	-	-
Expenditure	3,035	2,534	6,659	5,299	64	3,089	1,594	1,151
(Profit) / Loss	6	(38)	(641)	(782)	(67)	2,950	1,594	1,151
Financials (Bal. Sheet):	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	Nov 2016	Nov 2017
Assets	3,147	5,317	31,675	29,249	4,697	1,911	2,139	1,005
Liabilities	(2,850)	(5,029)	(37,195)	(33,966)	(11)	(175)	(193)	(210)
Net Assets	297	288	(5,520)	(4,717)	4,686	1,736	1,946	795
Reserves	297	288	(5,520)	(4,717)	4,686	1,736	1,946	795
Total Reserves	297	288	(5,520)	(4,717)	4,686	1,736	1,946	795

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Arrangements Where The Council Is 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 Authority 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 Authority 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 activities of the charity are to give grants to individuals or organisations that benefit the ancient Parish of Penistone. The Authority is the only trustee of the charity with 7 volunteers making up the rest of the board.

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 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 Authority 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 draft Statement of Accounts was authorised for issue by the Section 151 Officer, the Service Director for Finance, on 31st May 2019. 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 2019, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

Brexit

The United Kingdom was scheduled to leave the European Union on the 29th March 2019 but due to delays in the agreement of the exit arrangements, this date has been postponed a number of times during April and May 2019 with the departure date now expected to be later in 2019/20.

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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
Areas of Uncertainty:	Uncertainty Statement 1 / Uncertainty Statement 5

2018/19	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Assets Under Construction	Surplus Assets	Total	PFI Assets included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation								
At 1st April 2018	558,575	333,897	13,183	346,504	15,909	4,904	1,272,972	53,304
Additions / Enhancements	361	16,585	1,660	13,338	25,467	-	57,411	-
Additions / Enhancements – Non-Value Adding	22,028	10,026	-	-	-	-	32,054	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve	17,988	6,296	-	-	-	675	24,959	(1,453)
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services	325	(8,613)	-	-	-	(1,026)	(9,314)	(164)
Impairments – Non-Value Adding Expenditure	(22,028)	(10,026)	-	-	-	-	(32,054)	-
De-recognition – Disposals	(5,720)	(84,048)	(3,248)	(1,852)	-	-	(94,868)	(13,615)
Assets Reclassified (To) / From Held for Sale	-	-	-	-	-	(899)	(899)	-
Transfer	4,509	(19)	-	-	(4,500)	10	-	-
At 31st March 2019	576,038	303,348	11,595	357,990	36,876	3,664	1,289,511	38,072
Accumulated Depreciation								
At 1st April 2018	(15,572)	(29,262)	(7,204)	(94,277)	-	(20)	(146,335)	(5,702)
Depreciation Charge	(11,579)	(9,539)	(1,930)	(8,274)	-	(2)	(31,324)	(1,789)
Depreciation Written Out to the Revaluation Reserve	15,645	7,726	-	-	-	23	23,394	1,175
De-recognition – Disposals	139	8,455	3,248	1,852	-	-	13,694	1,686
Transfers	(76)	76	-	-	-	-	-	-
At 31st March 2019	(11,443)	(22,544)	(5,886)	(100,699)	-	1	(140,571)	(4,630)
Net Book Value								
At 31st March 2018	543,003	304,635	5,979	252,227	15,909	4,884	1,165,887	47,602
At 31st March 2019	564,595	280,804	5,709	257,291	36,876	3,665	1,148,940	33,442
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet

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Comparative Movements in 2017/18	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Assets Under Construction	Surplus Assets	Total	PFI Assets included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation								
At 1st April 2017	561,313	434,314	13,881	337,338	-	5,559	1,352,405	157,581
Additions / Enhancements	35	7,497	4,049	11,468	15,909	-	38,958	-
Additions / Enhancements - Non-Value Adding	18,117	8,737	-	-	-	-	26,854	-
Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve	311	3,180	-	-	-	458	3,949	(2,647)
Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services	1,018	(6,341)	-	-	-	(244)	(5,567)	(7,905)
Impairments - Non-Value Adding Expenditure	(18,117)	(8,737)	-	-	-	-	(26,854)	-
De-recognition - Disposals	(6,262)	(100,406)	(4,747)	(2,302)	-	(156)	(113,873)	(93,725)
Assets Reclassified (To) / From Held for Sale	-	3	-	-	-	(2,903)	(2,900)	-
Transfer	2,160	(4,350)	-	-	-	2,190	-	-
At 31st March 2018	558,575	333,897	13,183	346,504	15,909	4,904	1,272,972	53,304
Accumulated Depreciation								
At 1st April 2017	(13,557)	(34,084)	(9,120)	(88,500)	-	(270)	(145,531)	(13,684)
Depreciation Charge	(15,838)	(11,819)	(2,829)	(8,079)	-	(22)	(38,587)	(2,513)
Depreciation Written Out to the Revaluation Reserve	13,584	8,473	-	-	-	270	22,327	3,729
De-recognition - Disposals	268	8,139	4,745	2,302	-	2	15,456	6,766
Transfers	(29)	29	-	-	-	-	-	-
At 31st March 2018	(15,572)	(29,262)	(7,204)	(94,277)	-	(20)	(146,335)	(5,702)
Net Book Value								
At 31st March 2017	547,756	400,230	4,761	248,838	-	5,289	1,206,874	143,897
At 31st March 2018	543,003	304,635	5,979	252,227	15,909	4,884	1,126,637	47,602
	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet

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 2019, the Council had contractually committed to £20.876M of capital works within its capital programme. The corresponding amount contractually committed as at 31st March 2018 was £47.631M. The major commitments are:

- Town Centre Regeneration - £7.4M; *
- M1 Junction 36 Phase 1 Hoyland - £6.9M;
- HRA Kier Contract - £1.7M
- Other - £4.9M

* A statement of intent has been issued for phase 2 of the Town Centre Regeneration scheme but as at 31st March 2019, no formal contract has been signed. Once this has been agreed / signed, this will increase the capital contract commitments significantly (£94.359M).

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Effects of Changes in Estimates:

There have been no changes to the depreciation methodologies used during 2018/19.

Revaluations:

The Authority 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 certified by Tim Hartley, MRICS (Strategic Asset Manager), an employee of the Authority.

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	-	-	11,595	357,990	36,876	-	406,461
Valued at Fair Value:							
2018/19	576,038	145,609	-	-	-	3,277	724,924
2017/18	-	52,669	-	-	-	22	52,691
2016/17	-	56,396	-	-	-	-	56,396
2015/16	-	37,503	-	-	-	365	37,868
2014/15	-	11,171	-	-	-	-	11,171
Gross Book Value	576,038	303,348	11,595	357,990	36,876	3,664	1,289,511

Fair Value Measurement of Surplus Assets:

Details of the Authority'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 2019 £000s	Accumulated Depreciation £000s	Net Book Value as at 31 st March 2019 £000s
Surplus Buildings	-	44	-	44	(3)	41
Surplus Land – Allotment	-	-	-	-	-	-
Surplus Land – Amenity Land	-	-	-	-	-	-
Surplus Land – Commercial	-	300	-	300	-	300
Surplus Land – Garage Site	-	-	-	-	-	-
Surplus Land – Garden Land	-	3	-	3	-	3
Surplus Land – Grazing Land	-	42	-	42	-	42
Surplus Land – Residential	-	3,279	-	3,279	-	3,279
Net Book Value	-	3,668	-	3,668	(3)	3,665

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2018/19

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 2018 £000s	Accumulated Depreciation £000s	Net Book Value as at 31 st March 2018 £000s
Surplus Buildings	-	41	-	41	(20)	21
Surplus Land – Allotment	-	-	-	-	-	-
Surplus Land – Amenity Land	-	-	-	-	-	-
Surplus Land – Commercial	-	300	-	300	-	300
Surplus Land – Garage Site	-	-	-	-	-	-
Surplus Land – Garden Land	-	4	-	4	-	4
Surplus Land – Grazing Land	-	42	-	42	-	42
Surplus Land – Residential	-	4,517	-	4,517	-	4,517
Net Book Value	-	4,904	-	4,904	(20)	4,884

[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.

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
Areas of Critical Judgements Made:	Judgement 7

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.

STATEMENT OF ACCOUNTS 2018/19

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 Authority:

	Ceramics £000s	Art Collections £000s	Other £000s	Total Assets £000s	
<u>Cost or Valuation</u>					
At 1st April 2017	594	8,355	1,478	10,427	
Additions / Enhancements	-	-	-	-	
Disposals	-	-	-	-	
At 31st March 2018	594	8,355	1,478	10,427	Balance Sheet
Additions / Enhancements	-	-	-	-	
Disposals	-	-	-	-	
At 31st March 2019	594	8,355	1,478	10,427	Balance Sheet
<u>Net Book Value</u>					
At 31st March 2018	594	8,355	1,478	10,427	
At 31st March 2019	594	8,355	1,478	10,427	

Detail of Movements in Heritage Assets: Additions / Enhancements

There were no additions / enhancements of heritage assets during 2018/19 (nil in 2017/18).

Detail of Movements in Heritage Assets: Disposals

There were no disposals of heritage assets during 2018/19 (nil in 2017/18).

Intangible Heritage Assets

There are no intangible heritage assets held by the Authority as at 31st March 2019 (nil as at 31st March 2018).

Further Details of Heritage Assets

Ceramics, Porcelain Work and Figurines

The collection of ceramics, porcelain work and figurines includes 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 century from local benefactors. This is a diverse collection of figurines, decorated porcelain vases and dinner service pieces.

The Authority'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 Authority's Cannon Hall and Cooper Gallery Museums. The collection also contains a landscape painting by Giovanni Antonio Canaletto.

STATEMENT OF ACCOUNTS 2018/19

The Authority's art collection consists of paintings held at Cooper Gallery totalling £3.661M and Cannon Hall totalling £4.694M. The Cooper Gallery paintings were valued by Bonhams in April 2010 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 Authority totals £1.478M mainly relating to the Mining Artwork sculpture, The Newcomen Beam Engine, Civic Regalia pieces, furniture and metal work pieces. The assets have been valued, based on insurance valuations as a proxy for open market valuations.

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

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 13

The Authority 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 Authority. 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 £0.568M has been charged to the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

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

2017/18		2018/19	
Purchased Software		Purchased Software	
£000s		£000s	
	Balance at 1st April :		
4,221	- Gross Carrying Amounts	4,227	
(2,323)	- Accumulated Amortisation	(2,844)	
1,898	Net Carrying Amount at 1st April	1,383	
	Additions:		
316	Purchases	294	
	Disposals:		
(310)	Other Disposals – Gross Carrying Amounts	(1,384)	
310	Other Disposals – Accumulated Amortisation	1,384	
	Amortisation:		
(831)	Amortisation for the Period	(568)	
1,383	Net Carrying Amount at 31st March	1,109	Balance Sheet
	Comprising :		
4,227	Gross Carrying Amounts	3,137	
(2,844)	Accumulated Amortisation	(2,028)	
1,383		1,109	

There is one item of capitalised software that is individually material to the financial statements:

Description	Carrying Amount		Remaining Amortisation Period
	2017/18	2018/19	
	£000s	£000s	
Customer Services Software	792	593	£0.064M – 4 years £0.197M – 5 years £0.183M – 6 years £0.149M – 7 years

STATEMENT OF ACCOUNTS 2018/19

Note 23 – Assets Held for Sale

Description:	Assets Held for Sale are Council assets that are: <ul style="list-style-type: none"> • Being actively marketed for sale; • Expected to sell in the next 12 months. This note shows the value and movement in those assets.
Areas of Uncertainty:	Uncertainty Statement 5

2017/18 £000s	Current Assets	2018/19 £000s
3,028	Balance Outstanding at 1st April	4,918
2,903	Assets Newly Classified as Held for Sale : - Surplus Assets	898
16	Revaluation Gains	448
(761)	Revaluation Losses	(484)
(3)	Assets Declassified as Held for Sale : - Property, Plant & Equipment	-
-	- Surplus Assets	-
(265)	Assets Sold	(450)
4,918	Balance Outstanding at 31st March	5,330

[Balance Sheet](#)

Fair Value Measurement of Assets Held for Sale:

Details of the Authority'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 2018 £000s
Surplus Buildings	-	273	-	273
Surplus Land – Amenity Land	-	-	-	-
Surplus Land – Commercial	-	2,394	-	2,394
Surplus Land – Garage Site	-	-	-	-
Surplus Land – Garden Land	-	-	-	-
Surplus Land – Residential	-	2,663	-	2,663
Net Book Value	-	5,330	-	5,330

[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 / Net Book Value as at 31 st March 2017 £000s
Surplus Buildings	-	280	-	280
Surplus Land – Amenity Land	-	-	-	-
Surplus Land – Commercial	-	2,371	-	2,371
Surplus Land – Garage Site	-	-	-	-
Surplus Land – Garden Land	-	-	-	-
Surplus Land – Residential	-	2,267	-	2,267
Net Book Value	-	4,918	-	4,918

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2018/19

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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2017/18				2018/19		
General Fund	HRA	Total		General Fund	HRA	Total
£000s	£000s	£000s		£000s	£000s	£000s
663,489	277,096	940,585	Opening Capital Financing Requirement	678,170	271,734	949,904
			<i>Capital Investment:</i>			
-	18,152	18,152	Council Dwellings	285	24,108	24,393
12,226	4,008	16,234	Other Land & Buildings	14,596		14,596
3,417	632	4,049	Vehicles, Plant, Furniture & Equipment	757	1,141	1,898
11,468	-	11,468	Infrastructure Assets	12,606	-	12,606
15,711	198	15,909	Assets Under Construction	35,540	406	35,946
-	-	-	Heritage Assets			-
310	7	317	Intangible Assets	338	1	339
-	-	-	Long Term Investment	-	-	-
-	-	-	Long Term Debtors	-	-	-
3,226	-	3,226	Revenue Expenditure Funded from Capital Under Statute	3,629	-	3,629
46,358	22,997	69,355	Total Capital Investment	67,751	25,656	93,407
			<i>Sources of Finance – For Capital Expenditure Purposes:</i>			
(2,289)	(827)	(3,116)	Capital Receipts	(4,038)	(1,767)	(5,805)
(19,816)	(659)	(20,475)	Government Grants & Other Contributions	(24,922)	(1,006)	(25,928)
(4,024)	(21,511)	(25,535)	Other Revenue Funding	(30,283)	(22,883)	(53,166)
(26,129)	(22,997)	(49,126)	Total Resources Utilised to Fund In Year Capital Expenditure	(59,243)	(25,656)	(84,899)
20,229	-	20,229	Increase in Capital Financing Requirement as a Result of In Year Capital Expenditure	8,508	-	8,508
			<i>Sources of Finance – Set Aside to Repay Debt:</i>			
(493)	(3,333)	(3,826)	Capital Receipts	(836)	-	(836)
-	(2,029)	(2,029)	Other Revenue Funding			-
(500)	-	(500)	Other	(378)	-	(378)
(159)	-	(159)	Repayment of Long Term Debtors / Investments	(65)	-	(65)
(4,396)	-	(4,396)	MRP	(5,590)	-	(5,590)
(5,548)	(5,362)	(10,910)	Total Set Aside to Repay Debt	(6,869)	-	(6,869)
678,170	271,734	949,904	Closing Capital Financing Requirement	679,809	271,734	951,543

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

2017/18			Explanation of Movements in Year	2018/19		
General Fund	Housing Revenue Account	Total		General Fund	Housing Revenue Account	Total
£000s	£000s	£000s	£000s	£000s	£000s	
18,198	-	18,198	Increase / (Decrease) in Underlying Need to Borrow (Funded from Authority's Own Base Resources)	8,508	-	8,508
2,031	-	2,031	Assets Acquired Under Finance Leases	-	-	-
-	-	-	Assets Acquired Under PFI / PPP Contracts	-	-	-
(4,396)	-	(4,396)	Amounts Set Aside to Repay Debt - Statutory	(5,590)	-	(5,590)
(1,152)	(5,362)	(6,514)	Amounts Set Aside to Repay Debt - Voluntary	(1,279)	-	(1,279)
14,681	(5,362)	9,319	Increase / (Decrease) in Capital Financing Requirement	1,639	-	1,639

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
Areas of Critical Judgements Made:	Judgement 1 / Judgement 2 / Judgement 10

Authority as Lessee

Finance Leases

Other Land and Buildings – There are currently 5 buildings recognised within the Authority's Balance Sheet acquired via finance lease. The first relates to a 50 year lease in respect to a sports centre. The primary phase of this lease has now expired and is now in the secondary phase. The Authority paid a peppercorn rental, £0.006M in 2018/19 (£0.006M in 2017/18).

The second relates to a 15 year lease in respect of a residential bungalow. The rentals payable in 2018/19 were £0.030M (£0.030M in 2017/18) – accounted for as £0.013M principal payment and £0.017M finance costs.

The third lease 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 Authority 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 Authority maintained community schools that transferred to Academy status during 2013/14. Thus, these leases represent the Authority 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.

Vehicle, Plant, Furniture and Equipment – The Authority has 9 agreements in place in 2018/19 for various types of assets including wheeled bins and vehicles, accounted for as finance leases. The rentals payable in 2018/19 were £0.457M (£0.457M in 2017/18) – accounted for as £0.377M principal payment and £0.080M 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 2018 £000s		31 st March 2019 £000s
21,489	Other Land & Buildings	21,489
2,876	Vehicles, Plant, Furniture & Equipment	2,876
24,365	Total	24,365

The Authority 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 Authority and finance costs that will be payable by the Authority in future years, while the liability remains outstanding.

STATEMENT OF ACCOUNTS 2018/19

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

31 st March 2018 £000s		31 st March 2019 £000s
502	Finance Lease Liabilities (Net Present Value of Minimum Lease Payments):	
2,221	- Current	426
	- Non-Current	1,795
248	Finance Costs Payable in Future Years	171
2,971	Minimum Lease Payments	2,392

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

31 st March 2018			31 st March 2019	
Minimum Lease Payments £000s	Finance Lease Liabilities £000s		Minimum Lease Payments £000s	Finance Lease Liabilities £000s
578	502	Not later than one year	487	426
1,720	1,558	Later than one year and not later than five years	1,531	1,421
673	663	Later than five years	374	374
2,971	2,723		2,392	2,221

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 Authority leases 49 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 2018/19 was £2.776M (£2.908M in 2017/18).

Vehicles, Plant, Furniture and Equipment – The Authority uses cars and wheeled waste bins financed under the terms of an operating lease. The amount paid under these arrangements in 2018/19 was £0.865M (£0.849M in 2017/18). The Code requires charges to be made evenly throughout the period of the lease.

Commitments Under Operating Leases – The Authority was committed at 31st March 2019 to making payments of £45.103M under operating leases (£49.024M as at 31st March 2018), comprising of the following elements:

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

31 st March 2018 (Restated) £000s		31 st March 2019 £000s
3,501	Not Later Than One Year	2,700
11,249	Later Than One Year & Not Later Than Five Years	10,682
34,274	Later Than Five Years	31,721
49,024		45,103

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:

2017/18 (Restated) £000s		2018/19 £000s
3,758	Minimum Lease Payments	3,640
-	Contingent Rents	-
-	Sub-Lease Payments Receivable	-
3,758		3,640

STATEMENT OF ACCOUNTS 2018/19

Authority as Lessor

Finance Leases

The Authority 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 Authority'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 £0.282M due over their remaining lives as at 31st March 2019 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 Authority also leases an outdoor activity centre which has been identified as a finance lease. The element of the lease relating to the building is accounted for as a finance lease and the element relating to the land is accounted for as an operating lease (see section below). At the commencement of the lease the building was de-recognised from within the Authority'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 2018/19 were £0.025M. This income is split between the land and buildings element of the lease and then for the buildings 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 £0.061M.

Operating Leases

The Authority 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 Authority's Balance Sheet.

Total amounts received under these leases in 2018/19 was £2.385M (£2.411M in 2017/18).

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

31st March 2018 £000s		31st March 2019 £000s
2,196	Not Later Than One Year	2,163
6,815	Later Than One Year & Not Later Than Five Years	6,671
32,683	Later Than Five Years	31,342
41,694		40,176

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 Authority 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 2018/19 was £0.003M.

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

31 st March 2018 £000s		31 st March 2019 £000s
3	Not Later Than One Year	3
12	Later Than One Year & Not Later Than Five Years	12
686	Later Than Five Years	683
701		698

Academies

Community Schools

The Authority also leases a number of schools to charitable trusts. Using powers derived from the Academies Act 2010, two community schools (two secondaries, Darton College and Dearne ALC) converted to Academy status during 2018/19. As part of those agreements, the school and associated land is leased from the Authority 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 Authority 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 Authority's accounts since this time.

The building assets relating to the schools outlined above have been de-recognised from within the Authority'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 Authority's Balance Sheet.

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

No Voluntary Aided Primary Schools have converted during 2018/19.

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 Authority 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 Authority's Balance Sheet.

Academy Summary

The tables below summarises the Authority's Academy conversion thus far:

School	Conversion Year	Lease Arrangements
Community Schools:		
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

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School	Conversion Year	Lease Arrangements
Community Schools (Continued):		
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

School	Conversion Year	Lease Arrangements
VA / VC Schools:		
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
Elsecar 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

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 Authority 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 Authority, 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 Authority's balance sheet in the year of conversion. A further explanation can be found in [Note 25](#).

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Local Improvement Financial Trusts (LIFT) Schemes

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

* 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 Authority'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 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 Authority'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 Authority's Balance Sheet.

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

The remainder of these schools are shown within the Authority's Balance Sheet.

Waste PFI

The Authority's Waste PFI facility became fully operational on the 3rd July 2015. This scheme involves a joint arrangement with the Authority, 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 Shanks 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.

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The assets in respect of the Authority's share of the facility, which equates to 30% of the total value, are recognised on the Authority'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 Authority'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 Authority 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 2019 (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 2019/20	19,544	6,604	20,014	46,162
Payable Within Two to Five Years	84,816	31,538	74,602	190,956
Payable Within Six to Ten Years	125,519	50,830	76,263	252,612
Payable Within Eleven to Fifteen Years	132,990	69,391	51,133	253,514
Payable Within Sixteen to Twenty Years	88,265	52,841	17,949	159,055
Payable Within Twenty One to Twenty Five Years	12,538	1,969	40	14,547
Total	463,672	213,173	240,001	916,846

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.

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

2017/18 £000s		2018/19 £000s
226,814	Balance As At 1st April	219,862
(6,952)	Payments During the Year	(6,689)
-	Capital Expenditure Incurred in the Year	-
219,862	Balance As At 31st March	213,173

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Note 27 – Financial Instruments – Transitional Arrangements

Description:	There has been a revision to the accounting standard (IFRS 9) that concerns financial instruments. This note explains the impact of the implementation of IFRS 9 on the Council's accounts.
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Reclassification and Remeasurement of Financial Assets as at 1st April 2018

The following tables show the impact of reclassification and remeasurement on the Council's financial assets as at 1st April 2018, following the adoption of IFRS 9 Financial Instruments by the Code of Practice on Local Authority Accounting:

Previous Classifications	Carrying Amount Brought Forward as at 31 st March 2018 £000s	New Classifications as at 1 st April 2018	
		Amortised Cost £000s	Fair Value Through Other Comprehensive Income £000s
Long Term Investments - Loans and Receivables	2,336	2,336	-
Long Term Investments - Unquoted Equity Investment at Cost	2,431	-	2,431
Short Term Investments - Loans and Receivables	35,059	35,059	-
Short Term Investments - Cash Equivalents	36,013	36,013	-
Long Term Debtors - Loans and Receivables	2,728	2,728	-
Short Term Debtors - Loans and Receivables	1,277	1,277	-
Reclassified Amounts as at 1st April 2018		77,413	2,431
Remeasurements as at 1 st April 2018		-	(263)
Remeasured Carrying Amounts as at 1st April 2018		77,413	2,168

	Impact of Remeasurement £000s
General Fund Balance	-
Financial Instruments Revaluation Reserve	(263)
Total	(263)

The following judgements were made in reclassifying and remeasuring the Council's financial assets as at 1st April 2018:

- The Council's equity investments have been designated 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 purposes.
- The Council's equity investments have been revalued down on the basis that:
 - The Council's shareholdings in the UK Municipal Bonds Agency PLC (MBA) were estimated at £nil - following concerns that the organisation may cease operations in the near future;
 - The Council's shareholdings in BDR Property Limited (formerly known as Arpley Gas Limited) were estimated at £0.152M - following a reduction in net worth as at 31st December 2017 (from £4.686M to £1.736M).

Ordinarily these would be measured at Fair Value Through Profit and Loss.

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Effect of Reclassification and Remeasurement on the Balance Sheet

The following table shows how the remeasured carrying amounts as at 1st April 2018 are incorporated into the Council's Balance Sheet:

Balance Sheet Heading	New Classifications as at 1 st April 2018			Carrying Amount Brought Forward as at 1 st April 2018
	Amortised Cost	Fair Value Through Other Comprehensive Income	Non-Financial Instrument Balances	
	£000s	£000s	£000s	£000s
Long Term Investments	2,336	2,168	-	4,504
Long Term Debtors	2,728	-	-	2,728
Short Term Investments	35,059	-	-	35,059
Short Term Debtors	1,277	-	51,686	52,963
Cash & Cash Equivalents	36,013	-	(1,451)	34,562
Remeasured Carrying Amounts as at 1st April 2018	77,413	2,168		

Reclassification and Remeasurement of Impairment Losses as at 1st April 2018

The following table shows the adjustments made to impairment loss allowances as a result of the reclassification of financial assets and the change from an incurred losses model to an expected losses model for calculations:

	Loss Allowance as at 1 st April 2018
	Amortised cost £000s
Reclassified amounts as at 1 st April 2018	-
Remeasurement from Incurred Losses to Expected Losses Basis as at 1 st April 2018	523
Impairment Loss Allowance as at 1st April 2018	523

The following judgements were made in remeasuring the Council's impairment losses as at 1st April 2018:

- The following loans were deemed unlikely to be repaid as at 1st April 2018, therefore a loss allowance was made representing 100% of the principal outstanding:
 - Burleigh Court (Barnsley) Management Limited - £0.013M - no repayments had been made since the loans were advanced in 2002/03 through to 2004/05;
 - Sheffield City Region Local Enterprise Partnership (LEP) - £0.188M - no repayments had been made since the loans were advanced in 2012/13 and 2013/14;
 - Groundwork Dearne Valley Limited - £0.115M - no repayments had been made since the loans were advanced in 2013/14 and 2014/15;
 - Athersley Roundhouse Partnership - £0.010M - no repayments had been made since the loan was advanced in 2014/15.
- The loans advanced to Priory Campus had been rescheduled with payments due to recommence in 2018/19. These loans are secured on the property situated at Priory Campus, Pontefract Road, Barnsley, S71 5PN, therefore a loss allowance of £0.197M was deemed appropriate (representing 25% of the principal outstanding as at 1st April 2018).

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Note 28 – 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 Council's financial instruments and the impact on the accounts.
Relevant Accounting Policies:	Accounting Policy 5 / Accounting Policy 11
Areas of Critical Judgements Made:	Judgement 5
Areas of Uncertainty:	Uncertainty Statement 5

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

31 st March 2018			31 st March 2019		
Long Term £000s	Short Term £000s		Long Term £000s	Short Term £000s	
2,336	35,059	Investments: Amortised Cost	2,369	156,926	
2,431	-	Fair Value through Other Comprehensive Income - Designated Equity Instruments	2,168	-	
4,767	35,059	Total Investments	4,537	156,926	Balance Sheet
2,728	1,277	Debtors: Amortised Cost	2,333	234	
2,728	1,277	Total Debtors *	2,333	234	Balance Sheet
-	36,013	Cash Equivalents: Amortised Cost	-	38,122	Cash Flow
-	36,013	Total Cash Equivalents **	-	38,122	Balance Sheet
7,495	72,349	Total Financial Assets	6,870	195,282	Balance Sheet
(522,837)	(45,567)	Borrowing: Amortised Cost	(571,563)	(94,707)	
(522,837)	(45,567)	Total Borrowing	(571,563)	(94,707)	Balance Sheet
(219,788)	(8,852)	Other Liabilities: Amortised Cost	(210,922)	(8,851)	
(219,788)	(8,852)	Total Other Liabilities	(210,922)	(8,851)	Balance Sheet
(742,625)	(54,419)	Total Financial Liabilities	(782,485)	(103,558)	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. The full Balance Sheet values are analysed in [Note 32](#) and [Note 33](#) respectively.

** 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.

In particular, these include debtors and creditors arising from statute, such as Council Tax [£9.142M debtor for bills outstanding & £1.276M creditor for prepayments (£9.711M debtor & £1.194M creditor in 2017/18)], amounts owed in respect of VAT [debtor of £6.572M (debtor of £5.099M in 2017/18)] and PAYE & National Insurance [creditor of £2.836M (creditor of £2.643M in 2017/18)], prepayments [debtor of £4.509M (debtor of £3.384M in 2017/18)] and receipts in advance / deferred income [creditors of £1.685M (creditors of £1.577M in 2017/18)].

Reclassifications:

A number of financial assets were reclassified following the initial application of IFRS9 Financial Instruments (see [Note 27](#) for further details). This is reflected in the above table.

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Impairment:

Also reflected in the above table is the loss allowance recognised of £0.326M - following the transition from an incurred losses model to an expected losses model for impairment calculations - and the reduction in fair value of financial assets of £0.263M following remeasurement (see [Note 27](#) for further details. These amounts are shown separately in the table below:

Income, Expense, Gains and Losses:

2017/18				2018/19				
Financial Liabilities : Measured at Amortised Cost	Financial Assets : Loans and Receivables	Financial Assets : Available for Sale	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
19,048	-	-	19,048	Interest Expense	20,659	-	-	20,659
253	-	-	253	Fee Expenses	203	-	-	203
-	-	-	-	Expected Credit Losses *	326	-	-	326
19,301	-	-	19,301	Total Expense in Surplus or Deficit on the Provision of Services	21,188	-	-	21,188
-	(1,073)	-	(1,073)	Interest / Dividend Income	-	(1,718)	(52)	(1,770)
-	(1,073)	-	(1,073)	Total Income in Surplus or Deficit on the Provision of Services	-	(1,718)	(52)	(1,770)
-	-	40	40	(Surplus) / Deficit Arising on Revaluation of Financial Assets in Other Comprehensive Income & Expenditure	-	-	263	263
19,301	(1,073)	40	18,268	Net (Gain) / Loss for the Year	21,188	(1,718)	211	19,681

* The loss allowance previously recognised in relation to Priory Campus (£0.197M) has been reversed due to agreement in place for the loan to be repaid (see [Note 27](#) for further details).

Fair Values of Assets: Assets Carried at Fair Value:

Some of the Authority'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:	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 2019 £000s
<u>Designated Equity Investments</u>				
Oakwell Community Assets Limited	-	2,000	-	2,000
BDR Property Limited (formerly known as Arpley Gas Limited)	-	405	-	405
Less Reduction in Fair Value Following Remeasurement	-	(253)	-	(253)
	-	152	-	152
BSF Programme (Building Schools for the Future)	-	16	-	16
UK Municipal Bonds Agency	-	10	-	10
Less Reduction in Fair Value Following Remeasurement	-	(10)	-	(10)
	-	-	-	-
Carrying Value	-	2,168	-	2,168

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

Shares in the above organisations are not traded in an active market; 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.

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 Authority 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 2019 £000s
Fixed Term Local Authority Deposits	146,874
Fixed Term Bank Deposits	10,052
Money Market Funds	31,070
Call and Notice Bank Accounts	7,052
Other Loans and Receivables	4,936
Total Valuation	199,984

[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 Authority as a result of its day to day business.

Prior Year Comparator:

	Carrying Value as at 31st March 2018 £000s
Fixed Term Local Authority Deposits	20,010
Fixed Term Bank Deposits	15,029
Money Market Funds	33,008
Call and Notice Bank Accounts	3,005
Other Loans and Receivables	6,361
Total Valuation	77,413

[Balance Sheet](#)

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 2019 £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 2019 £000s
PWLB Borrowings	(577,946)	-	(851,915)	-	(851,915)
LOBOs	(56,725)	-	(105,224)	-	(105,224)
Temporary Loans	(29,840)	-	(33,769)	-	(33,769)
Other	(1,758)	-	(1,758)	-	(1,758)
Total Borrowing	(666,269)	-	(992,666)	-	(992,666)

[Balance Sheet](#)

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Within the Authority's total borrowings are three LOBO (Lender Option, Borrow 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. This option is considered unlikely since the rate on these loans (4.75%) is much higher than today's PWLB rates. The Authority replaced one of its LOBOs in year following news that the lender was looking to sell their LOBO portfolio. The principal of £8.000M was replaced with an equivalent loan from the PWLB.

Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2019 £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 31 st March 2019 £000s
PFI Liabilities	(213,173)	-	(356,728)		(356,728)
Finance Lease Liabilities	(2,221)	-	(2,221)	-	(2,221)
Other Local Authority Debt	(3,684)	-	(3,684)	-	(3,684)
Other Liabilities	(695)	-	(695)	-	(695)
Total Other Liabilities	(219,773)	-	(363,328)	-	(363,328)

[Balance Sheet](#)

Prior Year Comparator:

Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2018 £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 31 st March 2018 £000s
PWLB Borrowings	(433,564)	-	(638,874)	-	(638,874)
LOBOs	(65,027)	-	(117,779)	-	(117,779)
Temporary Loans	(65,915)	-	(70,353)	-	(70,353)
Other	(3,898)	-	(3,898)	-	(3,898)
Total Valuation	(568,404)	-	(830,904)	-	(830,904)

[Balance Sheet](#)

Recurring Fair Value Measurements Using:	Carrying Value as at 31 st March 2019 £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 31 st March 2019 £000s
PFI Liabilities	(219,863)	-	(332,803)	-	(332,803)
Finance Lease Liabilities	(2,724)	-	(2,724)	-	(2,724)
Other Local Authority Debt	(5,355)	-	(5,355)	-	(5,355)
Other Liabilities	(698)	-	(698)	-	(698)
Total Other Liabilities	(228,640)	-	(341,580)	-	(341,580)

[Balance Sheet](#)

The fair value of financial liabilities is higher than the carrying amount because the Authority'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.

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 Authority's Treasury Management Advisors, Link Asset Services, have provided the Authority with Fair Value amounts in relation to its loan portfolio. Link Asset Services have assessed the Fair Values by calculating the amounts the Authority would have had to pay to extinguish the loans on 31st March under existing debt redemption procedures;

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- Market loan fair value calculations have been provided by the Authority'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 equivalent swap 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.

Note 29 – Nature and Extent of Risks Arising From Financial Instruments

Description:

This note explains the risk of the financial instruments detailed in Note 28 in respect of credit risk, liquidity risk and market risk.

Financial Instruments – Risks

The Authority'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 Authority;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Market Risk – the possibility that financial loss might arise for the Authority as a result of interest rate movements.

Overall Procedures for Managing Risk

The Authority 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 Authority 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 Authority also maintains a suite of Treasury Management Practice (TMP) documents which specify the practical arrangements to be followed in each risk area.

The Authority 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 Authority, 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 Authority's customers. The effective management of credit risk and safeguarding the security of the Authority's investments was a key Treasury Management priority in 2018/19.

Regular Treasury Investments

The Treasury Management Strategy includes an Annual Investment Strategy (AIS) in compliance with the MHCLG'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 2018/19 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 Authority 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 Authority'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 Authority's Treasury Final Accounts Report):

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

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. Since the Authority 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 Authority's treasury management advisors), the loss allowance required is immaterial.

Trade Debtors

In addition to its regular treasury investments, the Authority had £14.024M of trade debt outstanding at the year end. The Authority does not generally allow credit for its trade debtors, such that £6.202M of the outstanding balance is past its due date for payment (£11.082M of £18.912M in 2017/18). The past due amount can be analysed by age as follows:

31 st March 2018 £000s	Aged Debt Analysis:	31 st March 2019 £000s
5,179	Less Than Three Months	2,522
2,441	Three to Six Months	753
774	Six Months to One Year	888
2,688	More Than One Year	2,039
11,082		6,202

The authority 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](#) and [Note 28](#).

Third Party Loans

The Authority 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](#) and [Note 28](#).

Liquidity Risk

The Authority has ready access to borrowings from the Money Markets and the Public Works Loan Board. There is no perceived risk that the Authority will be unable to raise finance to meet its commitments.

The Authority 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.

The maturity analysis of the carrying amount of the Authority's borrowing (including accrued interest) as at 31st March is as follows:

2017/18 Carrying Value £000s	2017/18 Percentage %	Years	2018/19 Carrying Value £000s	2018/19 Percentage %
(45,565)	8	Less Than 1 Year	(94,703)	14
(88,334)	15	Between One & Two Years	(24,472)	4
(56,744)	10	Between Two & Five Years	(44,277)	7
(38,458)	7	Between Five & Ten Years	(32,613)	5
(21,418)	4	Between Ten & Twenty Years	(15,278)	2
(55,530)	10	Between Twenty & Thirty Years	(55,510)	8
(87,400)	15	Between Thirty & Forty Years	(137,400)	21
(106,030)	19	More Than Forty Years	(203,530)	30
(68,925)	12	Uncertain Date *	(58,486)	9
(568,404)	100	Total	(666,269)	100

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

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In addition to the above, the Authority has a number of temporary loans and investments which are exposed to movements in interest rates. Whilst the rate is fixed at the time of arranging, the rate available on maturity will depend on market conditions at the time.

* The Authority 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 Authority will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Authority is likely to repay these loans. The maturity date is therefore uncertain.

In addition, the Authority 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.

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

2017/18 Carrying Value £000s	2017/18 Percentage %	Years	2018/19 Carrying Value £000s	2018/19 Percentage %
71,050	100	Less Than One Year	195,048	100
-	-	Between One & Two Years	-	-
-	-	Between Two & Three Years	-	-
-	-	More Than Three Years	-	-
-	-	Uncertain Date	-	-
71,050	100	Total	195,048	100

The Authority continued 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.

Market Risk

Interest Rate Risk: The Authority is exposed to risks arising from movements in interest rates. Movements in interest rates have a complex impact on the Authority. 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.

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.

The Authority has a number of strategies for managing interest rate risk which are laid out in the Treasury Management Strategy. The main control is to set an upper limit on variable interest rate exposure. As at 31st March 2019 21% of the Authority's debt portfolio (excluding PFI / lease liabilities) was subject to interest rate risk - comfortably within the limit set of 25%. This includes the Authority's temporary loans, where the rate available is dependent on market conditions at the time, and the Authority's LOBO loans where the lender has the option to propose an increase in the rate payable.

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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	809
Decrease in Interest Payable on Variable Rate Investments	(381)
Impact on the Provision of Services (Surplus) / Deficit	428
Share of Overall Impact Debited / Credited to HRA	462
Share of Overall Impact Debited / Credited to General Fund	(34)
	428
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)	(169,105)
Decrease in Fair Value of Fixed Rate Borrowings (New Loan Rate)	(126,712)
Decrease in Fair Value of Loans & Receivables	-

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

Whilst a 1% change in interest rates has a significant impact on the revenue account, the current interest rate environment means such a pronounced change is unlikely in the immediate future. More likely, the interest rate will be adjusted in smaller increments, by 0.25% or 0.5%.

Price Risk: The authority does not generally invest in equity shares but does have shareholdings to the value of £2.168M in a number of joint ventures and in local industry. The authority is consequently exposed to losses arising from movements in the prices of the shares. These equity investments have been equity investments have been designated as fair value through other comprehensive income* on the basis that:

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

Foreign Exchange Risk: The Authority has no financial asset 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 30 – 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

2017/18					2018/19			
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
152	1,233	-	1,385	Balance Outstanding at 1st April	133	1,021	-	1,154
2,149	1,280	-	3,429	Purchases	2,119	1,290	-	3,409
(2,168)	(1,490)	-	(3,658)	Recognised as an Expense in the Year	(2,111)	(1,383)	-	(3,494)
-	-	-	-	Transfers	-	-	-	-
-	(2)	-	(2)	Written off Balance	-	-	-	-
133	1,021	-	1,154	Balance Outstanding 31st March	141	928	-	1,069

[Balance Sheet](#)

[Balance Sheet](#)

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Note 31 – 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
Areas of Uncertainty:	Uncertainty Statement 4

31 st March 2018 £000s		31 st March 2019 £000s	
5,686	Less Than One Year	4,956	
4,664	More Than One Year	4,720	
10,350	Local Taxation Debtors	9,676	Balance Sheet
(8,536)	Impairment for Bad Debts	(7,311)	Balance Sheet
1,814	Total	2,365	

Note 32 – 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
Areas of Uncertainty:	Uncertainty Statement 4

31 st March 2018				31 st March 2019		
Total Debtors	Impairment For Bad Debts	Total		Total Debtors	Impairment For Bad Debts	Total
£000s	£000s	£000s		£000s	£000s	£000s
18,912	(5,127)	13,785	Trade Receivables	13,610	(5,675)	7,935
9,581	-	9,581	Prepayments & Accrued Grant Income	9,443	-	9,443
14,120	-	14,120	Other Receivable Amounts	17,594	-	17,594
42,613	(5,127)	37,486	Total	40,647	(5,675)	34,972
Balance Sheet	Balance Sheet			Balance Sheet	Balance Sheet	

Note 33 – 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 2018 £000s		31 st March 2019 £000s
(11,351)	Trade Creditors	(14,496)
(7,817)	Other Creditors	(9,959)
(3,738)	Capital Creditors	(7,205)
(1,065)	Receipts in Advance	(1,306)
(4,832)	Payroll Creditors	(6,274)
(6,564)	NNDR	(7,967)
(3,630)	Council Tax	(4,301)
(2,646)	Other Tax & Social Security	(2,854)
(41,643)	Total	(54,362)
Balance Sheet		Balance Sheet

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Note 34 – 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 Authority 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 credited in excess of £0.5M is listed individually in the tables below:

31 st March 2018 £000s	Current Liabilities - Capital	31 st March 2019 £000s
	Capital Grants Receipts in Advance:	
(1,309)	Place - Highways England Grant	(1,838)
(604)	People – Devolved Formula Capital (DFC)	(1,017)
(349)	People – DOH Better Care Fund	-
(2,196)	Communities – Disabled Facilities Grant (DFG)	(3,166)
(1,158)	Other Grants	(2,950)
(5,616)	Total Capital Grants Receipts in Advance	(8,971)
	Capital Contributions Receipts in Advance:	
(7,617)	Section 106 Contributions	(8,194)
-	Place - Network Rail Contribution	(1,582)
(1,039)	Other Contributions	(977)
(8,656)	Total Capital Contributions Receipts in Advance	(10,753)
(14,272)	Total Capital Grants & Contributions Receipts in Advance	(19,724)

[Balance Sheet](#)

31 st March 2018 £000s	Current Liabilities - Revenue	31 st March 2019 £000s
	Revenue Grants Receipts in Advance:	
-	People - Adoption Support Fund	(157)
(128)	People - SEN Reform Grant	-
(191)	Other	(110)
(319)	Total Revenue Grants Receipts in Advance	(267)
	Revenue Contributions Receipts in Advance:	
(1,403)	Place – Section 278 Contributions	(1,405)
(512)	Place – Maintenance Agreements	(458)
-	People – Children’s Social Work Matters	(81)
(18)	Other	(19)
(1,933)	Total Revenue Contributions Receipts in Advance	(1,963)
(2,252)	Total Revenue Grants & Contributions Receipts in Advance	(2,230)

[Balance Sheet](#)

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Note 35 – 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
Areas of Critical Judgements Made:	Judgement 6 / Judgement 9
Areas of Uncertainty:	Uncertainty Statement 2

	Insurance Fund	Municipal Mutual Insurance	Trading Standards Legal Case	Rating List / NNDR Appeals	LGYH	Carlton CPO Case	Other	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31st March 2017	(4,211)	(181)	(388)	(2,919)	(100)	-	(13)	(7,812)
Additional Provisions Made in 2017/18	(3,126)	-	-	(3,931)	-	-	-	(7,057)
Amounts Used in 2017/18	1,440	67	-	2,561	-	-	-	4,068
Unused Amounts Reversed in 2017/18	1,663	-	-	-	-	-	-	1,663
Balance at 31st March 2018	(4,234)	(114)	(388)	(4,289)	(100)	-	(13)	(9,138)
Additional Provisions Made in 2018/19	(3,042)	(44)	-	(2,080)	-	(567)	-	(5,733)
Amounts Used in 2018/19	1,012	-	-	253	-	-	-	1,265
Unused Amounts Reversed in 2018/19	2,686	-	-	-	-	-	-	2,686
Balance at 31st March 2019	(3,578)	(158)	(388)	(6,116)	(100)	(567)	(13)	(10,920)
Short Term Provisions	-	-	(388)	(6,116)	(100)	(567)	(13)	(7,184)
Long Term Provisions	(3,578)	(158)	-	-	-	-	-	(3,736)

[Balance Sheet](#)

Insurance Fund

The Authority 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 Authority.

In order to fund the cost of these claims, a provision has been made by the Authority. The provision included in the 2018/19 accounts is £3.578M (£4.211M in 2017/18) 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 Authority 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 Authority'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 Authority liable to repay MMI in full or part. This Scheme of Arrangement was triggered in November 2012 and as such the Authority 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.

During 2018/19, a further £0.044M has been provided for, leaving £0.158M remaining on the provision as at 31st March 2019.

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South Yorkshire Trading Standards

The Authority 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 Authority 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.

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 2019 has been set at £12.481M, 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 increase in provision is therefore £4.246M, including the respective preceptors' share. This amount is shown within the [Collection Fund Statement](#). The Authority's share of this provision as at 31st March 2019 equated to £6.116M.

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.

Carlton CPO

The Authority has been the subject of a compensation claim relating to an historic Compulsory Purchase Order (CPO) concerning the acquisition of land at Carlton Marsh in 1985. The initial proceedings have been to the Upper Tribunal which had ruled in the claimant's favour, which the Authority is appealed, unsuccessfully. The Authority has therefore set aside £0.567M relating to the expected compensation payable and legal fees.

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 36 – 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
Areas of Critical Judgements Made:	Judgement 9

Municipal Mutual Insurance

As highlighted above, the Authority 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 Authority's potential liability.

Termination Benefits

Following the reductions in Government funding to local authorities announced in the Comprehensive Spending Review, the Authority has a recurrent funding shortfall over the period to 2018/19.

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Plans are currently being drawn up by the Authority to mitigate this funding shortfall under the "Future Council" concept.

Given that a large part of the Authority's budget relates to staffing costs, there will clearly be an impact on employee numbers and future redundancy costs. The precise number of employees and related cost is not clear at this stage.

Pension Guarantee – Berneslai Homes

The Authority guarantees the full amount of the pension fund deficit of Berneslai Homes Ltd estimated at £31.893M as at 31st March 2019 (£23.959M as at 31st March 2018), although the Authority considers it highly unlikely that this guarantee will be called in.

Business Rate Appeals

As highlighted above, the Authority has included a provision of £6.116M in relation to business rates appeals outstanding as at 31st March 2019. It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal and the Authority has therefore made no provision in the accounts in relation to un-lodged appeals.

Note 37 – 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 Authority 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 Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

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 Authority 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 2018/19, the Council paid £4.988M to Teachers' Pensions in respect of teachers' retirement benefits, representing 16.48% of pensionable pay. The figures for 2017/18 were £5.437M representing 16.48% of pensionable pay. There were no contributions remaining payable at the year end.

The Authority 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 38](#) below.

NHS Pensions Scheme

As at 1st April 2013, the Authority 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 Authority 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 Authority.

Public Health employees employed by the Authority 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 Authority 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 2018/19, the Council paid £0.192M to NHS Pensions in respect of Public Health

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employees' retirement benefits, representing 14.38% of pensionable pay, with 0.8% of this being a levy cost. The comparative figures for 2017/18 were £0.090M representing 14% of pensionable pay.

Note 38 – 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
Areas of Uncertainty:	Uncertainty Statement 3

Participation in Pension Schemes

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

The Authority participates in the South Yorkshire Pension Fund. This is a funded scheme, meaning that the Authority 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 Authority 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 Authority 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:

2017/18			2018/19	
Total Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (Included in Total)		Total Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (Included in Total)
£000s	£000s		£000s	£000s
		Comprehensive Income & Expenditure Statement:		
		<i>Cost of Services :</i>		
28,117	-	- Current Service Cost	27,762	-
-	-	- Past Service Costs	12,604	-
(2,504)	-	- Settlements & Curtailments	(2,748)	-
347	-	- Administration Expenses	361	-
		<i>Financing & Investment Income & Expenditure :</i>		
10,796	1,089	- Net Interest Cost	9,455	1,083
36,756	1,089	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	47,434	1,083
		<i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement :</i>		
		<i>Re-measurement of The Net Benefit Liability Comprising:</i>		
(23,801)	-	- Return on Plan Assets (Excluding The Amount Included In Net Interest Expense	(31,601)	-
-	-	- Experience (Gains) / Losses	-	-
-	-	- Actuarial (Gains) and Losses On Changes in Demographic Assumptions	-	-
(65,542)	(460)	- Actuarial (Gains) and Losses On Changes in Financial Assumptions	75,390	1,433
3,227	-	- Business Combinations	-	-
(86,116)	(460)	Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure	43,789	1,433
(49,360)	629	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	91,223	2,516

STATEMENT OF ACCOUNTS 2018/19

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31st March 2019 is a loss of £197.053M (£153.264M loss as at 31st March 2018).

2017/18			2018/19	
Total Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (Included in Total)		Total Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (Included in Total)
£000s	£000s		£000s	£000s
		Movement in Reserves Statement:		
(36,756)	(1,089)	- Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with the Code	(47,434)	(1,083)
		Actual Amount Charged Against the General Fund Balance for Pensions for the Year:		
25,245	-	Employers' Contributions Payable to Scheme	26,030	
-	2,535	Retirement Benefits Payable to Pensioners	-	2,547
(11,511)	1,446	Net Adjustment to Surplus or Deficit for the Provision of Services	(21,404)	1,464

[Note 3](#)

[Note 3](#)

Pension Assets and Liabilities Recognised in the Balance Sheet

2017/18			2018/19	
Total Liabilities: Local Government Pension Scheme	Unfunded Liabilities: Discretionary Benefits Arrangements (Included in Total)		Total Liabilities: Local Government Pension Scheme	Unfunded Liabilities: Discretionary Benefits Arrangements (Included in Total)
£000s	£000s		£000s	£000s
(1,383,978)	(42,912)	Present Value of The Defined Benefit Obligation	(1,495,686)	(42,881)
1,007,881		Fair Value of Plan Assets	1,045,427	-
(376,097)	(42,912)	Net Liability Arising From Defined Benefit Obligation	(450,259)	(42,881)

[Balance Sheet](#)

[Balance Sheet](#)

The difference between the net pension liability and the pension reserve as at 31st March 2019 totalling £8.534M represents the final year of recognition, due in 2019/20, of the pension deficit payment that was prepaid upfront in 2017/18.

Reconciliation of Fair Value of the Scheme (Plan) Assets

2017/18			2018/19	
Total Local Government Pension Scheme	Assets: Discretionary Benefits Arrangements (Included in Total)		Total Local Government Pension Scheme	Assets: Discretionary Benefits Arrangements (Included in Total)
£000s	£000s		£000s	£000s
944,133	-	Opening Balance at 1st April	1,007,881	-
24,139	-	Interest Income	25,938	-
23,801	-	<i>Re-measurement Gains and (Losses):</i>		
(347)	-	- The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense	31,601	-
8,269	-	Administration Expenses	(361)	-
(515)	-	Business Combinations	-	-
42,750	2,572	Settlements	(1,345)	-
5,662	-	Employer Contributions	17,061	2,547
(40,011)	(2,572)	Contributions by Scheme Participants	5,895	-
		Benefits Paid	(41,243)	(2,547)
1,007,881	-	Closing Balance at 31st March	1,045,427	-

STATEMENT OF ACCOUNTS 2018/19

Local Government Pension Scheme Assets Comprised:

2017/18			2018/19	
Fair Value of Scheme Assets	Percentage of Total		Fair Value of Scheme Assets	Percentage of Total
£000s	%		£000s	%
48,781	4.84	Cash & Cash Equivalents	34,604	3.31
48,781	4.84	Total Cash & Cash Equivalents	34,604	3.31
		<u>Equity Instruments:</u>		
149,873	14.87	UK Quoted	149,078	14.26
-	-	UK Unquoted	-	-
413,231	41.00	Overseas Quoted	382,522	36.59
-	-	Overseas Unquoted	-	-
563,104	55.87	Total Equity Instruments	531,600	50.85
		<u>Bonds:</u>		
-	-	UK Government Fixed	-	-
114,294	11.34	UK Government Indexed	135,592	12.97
26,003	2.58	Overseas Government Fixed	28,436	2.72
-	-	Overseas Government Indexed	-	-
47,673	4.73	UK Other	49,971	4.78
26,709	2.65	Overseas Other	27,704	2.65
214,679	21.30	Total Bonds	241,703	23.12
		<u>Property:</u>		
79,925	7.93	UK Direct	91,370	8.74
-	-	Overseas	-	-
12,195	1.21	Property Funds	9,722	0.93
92,120	9.14	Total Property	101,092	9.67
		<u>Other Investment Funds:</u>		
89,197	8.85	Pooled Investment Vehicles	136,428	13.05
89,197	8.85	Total Other Investment Funds	136,428	13.05
1,007,881	100.00	Total Scheme Assets	1,045,427	100.00

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

2017/18			2018/19	
Total Liabilities: Local Government Pension Scheme	Unfunded Liabilities: Discretionary Benefits Arrangements (Included in Total)		Total Liabilities: Local Government Pension Scheme	Unfunded Liabilities: Discretionary Benefits Arrangements (Included in Total)
£000s	£000s		£000s	£000s
(1,412,339)	(44,818)	Opening Balance at 1st April	(1,383,978)	(42,912)
(28,118)	-	Current Service Cost	(27,762)	-
-	-	Past Service Cost	(12,604)	-
(34,935)	(1,089)	Interest Cost	(35,393)	(1,083)
(5,662)	-	Contributions by Scheme Participants	(5,895)	-
		<i>Re-measurement Gains and (Losses):</i>		
-	-	- Experience Gains / (Losses)	-	-
-	-	- Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions	-	-
65,542	460	- Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions	(75,390)	(1,433)
(1,102)		Gains / (Losses) Curtailments	(1,962)	
40,011	2,535	Benefits Paid	41,243	2,547
4,121	-	Liabilities Extinguished on Settlements	6,055	-
(11,496)	-	Business Combinations	-	-
(1,383,978)	(42,912)	Closing Balance at 31st March	(1,495,686)	(42,881)

STATEMENT OF ACCOUNTS 2018/19

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 Mercer Human Resource Consulting Ltd, an independent firm of actuaries with estimates for the Authority fund being based on the latest full valuation of the scheme which took place on 31st March 2015 for the period 1st April 2015 to 31st March 2019.

The principal assumptions used by the actuary have been:

2017/18		2018/19
Years	Mortality Assumptions:	Years
23.0	Longevity at 65 for Current Pensioners (Male)	23.1
25.8	Longevity at 65 for Current Pensioners (Female)	25.9
25.2	Longevity at 65 for Future Pensioners (Male)	25.3
28.1	Longevity at 65 for Future Pensioners (Female)	28.3
%	Other:	%
2.1	Rate of CPI	2.2
3.4	Rate of Increase in Salaries	3.5
2.2	Rate of Increase in Pensions	2.3
2.6	Discount Rate	2.4

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have 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.

2017/18		2018/19
Increase in Assumption £000s	Impact on the Defined Benefit Obligation in the Scheme *	Increase in Assumption £000s
(27,398)	- Longevity (Increase or Decrease in 1 Year)	(29,609)
(24,583)	- Rate of Inflation (Increase or Decrease by 0.1%)	(26,566)
(3,332)	- Rate of Increase in Salaries (Increase or Decrease by 0.1%)	(3,335)
24,153	- Rate of Discounting Scheme Liabilities (Increase or Decrease by 0.1%)	26,103

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

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at a as constant rate as possible. The Authority has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 22 years. Funding levels are monitored on an annual basis. The latest triennial valuation was completed on 31st March 2017 in respect of the 3 year period 2017/18 – through 2019/20.

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 Authority anticipates to pay £15.820M expected contributions to the scheme in 2019/20.

The weighted average duration of the defined benefit obligation for scheme members is 18 years during 2018/19.

STATEMENT OF ACCOUNTS 2018/19

NOTES PRIMARILY RELATING TO THE CASHFLOW STATEMENT

Note 39 – 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:

2017/18 £000s		2018/19 £000s
41,060	Interest Paid	40,512
685	Interest Received	1,301
(399)	Dividends Received	52

Note 40 – 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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2017/18 £000s		2018/19 £000s
66,042	Purchase of Property, Plant & Equipment, Investment Property & Intangible Assets	86,037
979	Other Payments for Investing Activities	13
(9,636)	Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	(11,197)
8,676	Net (Receipts) / Payments From Short Term & Long Term Investments	123,950
(24,590)	Other Receipts From Investing Activities	(26,774)
41,471	Net Cash (Inflows) / Outflows From Investing Activities	172,029

[Cash Flow](#)

Note 41 – 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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2017/18 £000s		2018/19 £000s
(9,223)	Net (Receipts) / Payments From Short Term & Long Term Borrowing	(95,357)
(2,948)	Council Tax & NNDR Adjustment	(2,859)
7,347	Cash Payments for the Reduction of the Outstanding Liabilities Relating to Finance Leases & On-Balance Sheet PFI Contracts	7,101
(4,824)	Net Cash (Inflows) / Outflows From Financing Activities	(91,115)

[Cash Flow](#)

STATEMENT OF ACCOUNTS 2018/19

Note 42 – Cash Flow Statement – Reconciliation of Liabilities Arising from Financing Activities

Description:	This note provides reconciliation of outstanding liabilities which have arisen from financing activities.
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	2018/19				
	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	(526,534)	(47,225)	(2,724)	(219,863)	(796,346)
Financing Cash Flows	(46,894)	(48,463)	411	6,690	(88,256)
Non Cash Changes:					
- <i>Acquisition</i>	-	-	-	-	-
- <i>Other Non-Cash Changes</i>	-	(838)	92	-	(746)
Closing Balance at 31st March	(573,428)	(96,526)	(2,221)	(213,173)	(885,348)

	2017/18				
	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	(484,962)	(78,712)	(1,088)	(226,814)	(791,577)
Financing Cash Flows	(41,572)	29,209	396	6,951	(5,016)
Non Cash Changes:					
- <i>Acquisition</i>	-	-	(2,031)	-	(2,031)
- <i>Other Non-Cash Changes</i>	-	2,275	-	-	2,275
Closing Balance at 31st March	(526,534)	(47,228)	(2,723)	(219,863)	(796,349)

STATEMENT OF ACCOUNTS 2018/19

NOTES RELATING TO OTHER DISCLOSURES

Note 43– 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.
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The Authority 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 Authority and they have not been included in the Authority's Balance Sheet.

2017/18 £000s	Trust Funds / Charities	Details	2018/19 £000s
	Sole / Custodian Trustees:		
158	Hoyland Nether Recreation Ground	Land left in trust to benefit the residents of Hoyland	159
281	Captain Allots	Assist groups / clubs in Hemingfield & Jump	285
35	Amenity Funds	Monies for residents of Social Services Residential Homes	46
10	Cutlers Charity	Relief of financial hardship within the Barnsley Borough	10
30,938	Penistone Grammar School – Foundation Fund	Provide special benefits not normally provided by the LEA for Penistone Grammar School	30,101
-	Others		-
31,422			30,601
	Other Funds:		
143	Prisoner of War Fund	Grants / Loans for the benefit of ex-service personnel	133
83	Goldthorpe Recreation Ground	Benefits the community of Goldthorpe	80
71	Others	Other Funds	111
297			324
31,719	Total Capital Value of Funds		30,925

The assets shown below represent the above fund balances:

2017/18 £000s	Balance Sheet at 31 st March	2018/19 £000s
	Assets:	
30,528	Fixed Assets	29,680
602	Investments	588
463	Cash	519
126	Other Net Assets	138
31,719		30,925
	Represented by:	
31,719	Fund Balances	30,925

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 2018/19

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.

2017/18 £000s		2018/19 £000s	
	Income		
(70,241)	Dwelling Rents (Gross)	(69,340)	
(358)	Non-Dwelling Rents (Gross)	(367)	
(1,021)	Charges for Services and Facilities	(968)	
(1,250)	Contributions Towards Expenditure	(1,108)	
(72,870)	Total Income	(71,783)	CI&ES
	Expenditure		
18,590	Repairs & Maintenance	19,425	
16,183	Supervision & Management	16,131	
205	HRA Share of Corporate & Democratic Core	208	
174	Rents, Rates, Taxes & Other Charges	180	
16,556	Depreciation	12,383	Note E
497	Impairment of Bad Debts	530	
17,019	Impairment / (Reversal of Previous Years' Impairments) of Non-Current Assets	22,012	Note F
95	Debt Management Cost	96	
69,319	Total Expenditure	70,965	CI&ES
(3,551)	Net Cost of HRA Services as Included in the Comprehensive Income & Expenditure Statement	(818)	CI&ES
	HRA Share of Other Operating Income & Expenditure in The CI&ES		
(906)	(Gain) / Loss on Disposal of HRA Fixed Assets	(229)	
(906)		(229)	
	HRA Share of Financing & Investment Income & Expenditure in The CI&ES		
10,288	Interest Payable & Similar Charges	10,158	
-	Premium Incurred on Early Redemption of Debt	1,186	
(116)	Interest & Investment Income	(250)	
10,172		11,094	
5,715	(Surplus) / Deficit for the Year on HRA Services	10,047	MIRS

MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

2017/18 £000s		2018/19 £000s	
42,294	Balance on the HRA at the End of the Previous Year	41,517	
(5,715)	Surplus or (Deficit) for the Year on the HRA Income & Expenditure Statement	(10,047)	MIRS
4,938	Adjustments Between Accounting Basis and Funding Basis Under Statute	5,604	Note 3 / MIRS
(777)	Increase / (Decrease) in the Housing Revenue Account Balance	(4,443)	
41,517	Balance on the HRA at the End of the Current Year	37,074	EFA / Note 4

STATEMENT OF ACCOUNTS 2018/19

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.

The number of council house dwellings held at the year-end can be analysed as follows:

31 st March 2018	Analysis of Housing Stock	31 st March 2019
8,810	Detached/Semi Detached Houses	8,729
1,925	Terraced House	1,908
5	House/Shop	4
3,133	Flats	3,129
4,611	Bungalows	4,613
17	Maisonette	17
18,501	Total	18,400

HRA Balance Sheet Information:

2017/18		Asset Category	2018/19	
Value as at 1st April £000s	Value as at 31st March £000s		Value as at 1st April £000s	Value as at 31st March £000s
547,756	543,003	Dwellings	543,003	564,595
20,763	24,339	Other Land & Buildings	24,339	24,700
456	808	Vehicles, Plant, Furniture & Equipment	808	489
156	146	Infrastructure Assets	146	137
-	198	Assets Under Construction	198	-
846	673	Surplus Assets	673	438
93	84	Intangible Assets	84	67
-	480	Assets Held for Sale	480	-
570,070	569,731	Total	569,731	590,426

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 1st April 2018 was £1.405M Billion (1st April 2017 value: £1.362M 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%) 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.

2017/18 £000s	Major Repairs Reserve	2018/19 £000s
(84)	Balance Brought Forward	(4,198)
	Credits:	
(16,556)	In Year Depreciation Charge	(12,383)
(4,379)	Additional Contribution to Major Repairs Reserve	(8,944)
(20,935)		(21,327)
	Debits:	
16,821	Capital Expenditure for HRA Purposes	14,718
16,821		14,718
(4,198)	Balance to Carry Forward	(10,807)

[Note E](#)

STATEMENT OF ACCOUNTS 2018/19

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:

2017/18 £000s	Capital Financing	2018/19 £000s
-	Borrowing	-
620	Capital Receipts	1,767
4,529	Revenue Contributions	8,164
16,488	Major Repairs Reserve	14,718
523	Grants and Contributions	1,007
22,160	Total Capital Expenditure Within the HRA	25,656

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

2017/18 £000s	Capital Receipts	2018/19 £000s
6,998	Council House Sales (Net)	6,266
135	Other Land	-
35	Other Buildings	-
-	Non Disposals	-
-	Mortgages and Housing Act Advances	-
7,168	Total	6,266

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.

2017/18 £000s	Depreciation	2018/19 £000s
15,838	Council Dwellings	11,579
414	Other Land & Buildings	459
279	Vehicle, Plant, Furniture & Equipment	319
9	Infrastructure Assets	9
-	Surplus Assets Not Held for Sale	-
16	Intangible Assets	17
16,556	Total	12,383

Note F – HRA Impairments / Revaluation Losses

Description:	This note shows the charges to the HRA in respect of revaluation losses on assets.
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In the 5 year period between 2012/13 to 2016/17 inclusive, the revaluation/impairment losses incurred against the Authority's HRA non dwellings was required to be charged against the Housing Revenue Account balance in its entirety, in accordance with the Code of Practice.

STATEMENT OF ACCOUNTS 2018/19

From 2017/18, this element of the Code has been updated to reflect the revised statutory provisions governing capital accounting in respect of what can and cannot be charged to the HRA balance. The outcome of which was the allowance to reverse these entries to mitigate the impact on the HRA balance.

2017/18 £000s	Impairments / Revaluation Losses	2018/19 £000s
18,117	Impairments / Revaluations Losses – Non-Value Adding Expenditure - Dwellings	22,028
106	Impairments / Revaluations Losses – Non Dwellings	436
(186)	Reversal of Previous Revaluation Losses – OLAB	(128)
(1,018)	Reversal of Previous Revaluation Losses – Dwellings	(325)
17,019	Total	22,011

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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There was no such expenditure relating to the HRA during 2018/19 (2017/18 nil).

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 £2.458M as at 31st March 2019 (£2.410M as at 31st March 2018).

A bad debts provision has been made in the accounts in respect of potentially uncollectable rent. The value of the provision at 31st March 2019 is £1.286M (£1.052M as at 31st March 2018). The movement in the year comprises the value of rent arrears written off during the year totalling £0.229M (£0.241M in 2017/18) and an increase in the provision of £0.230M resulting from a review of the levels of rent arrears. Although the Authority has made a provision for potentially uncollectable debts, it is still the Authority's policy to pursue debts whilst this is economically viable.

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 has not been any material exceptional items within the HRA in 2018/19.

STATEMENT OF ACCOUNTS 2018/19

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.

2017/18			COLLECTION FUND ACCOUNT	2018/19		
COUNCIL TAX	BUSINESS RATES	TOTAL		COUNCIL TAX	BUSINESS RATES	TOTAL
£000s	£000s	£000s		£000s	£000s	£000s
			INCOME:			
(106,557)	-	(106,557)	Council Tax	(113,155)	-	(113,155)
-	(53,849)	(53,849)	Non-Domestic Rates (Note A)	-	(54,961)	(54,961)
(106,557)	(53,849)	(160,406)	Total Income	(113,155)	(54,961)	(168,116)
			EXPENDITURE:			
			<i>Precepts and Demands on Collection Fund by Major Preceptors & the Authority:</i>			
85,104	22,425	107,529	BMBC (Including Parish Council Precepts) (Note C)	89,712	22,860	112,572
-	2,763	2,763	Transitional Protection Payments	-	1,875	1,875
9,861	-	9,861	South Yorkshire Police Authority (Note C)	10,704	-	10,704
4,299	446	4,745	South Yorkshire Fire & Civil Defence Authority (Note A / Note C)	4,467	455	4,922
99,264	25,634	124,898		104,883	25,190	130,073
			<i>Non-Domestic Rates:</i>			
-	22,310	22,310	Payment to Central Government (Note A)	-	22,749	22,749
-	267	267	Cost of Collection Allowance (to BMBC) (Note A)	-	260	260
-	22,577	22,577		-	23,009	23,009
1,044	824	1,868	Bad Debts Written Off	2,641	886	3,527
1,219	104	1,323	Increase / (Reduction) in Provision for Non-Payment of Council Tax / Business Rates	(508)	40	(468)
	3,931	3,931	Provision for Business Rate Appeals	-	4,246	4,246
2,263	4,859	7,122		2,133	5,172	7,305
			<i>Estimated Surplus on Collection Fund:</i>			
1,615	120	1,735	Transfer to General Fund	3,115	(30)	3,085
166	-	166	Transfer to South Yorkshire Police Authority	320	-	320
74	2	76	Transfer to South Yorkshire Fire & Civil Defence Authority	144	(1)	143
-	122	122	Central Government	-	(31)	(31)
1,855	244	2,099		3,579	(62)	3,517
103,382	53,314	156,696	Total Expenditure	110,595	53,309	163,904
(3,175)	(535)	(3,710)	(Surplus) / Deficit for Year	(2,560)	(1,652)	(4,212)
			COLLECTION FUND BALANCE:			
(14,042)	(456)	(14,498)	(Surplus) / Deficit Brought Forward	(17,217)	(991)	(18,208)
(3,175)	(535)	(3,710)	(Surplus) / Deficit for Year	(2,560)	(1,652)	(4,212)
(17,217)	(991)	(18,208)	(Surplus) / Deficit Carried Forward	(19,777)	(2,643)	(22,420)
			SHARE OF (SURPLUS) / DEFICIT BALANCE:			
(14,717)	(486)	(15,203)	Barnsley MBC	(16,758)	(1,304)	(18,062)
(2,500)	(10)	(2,510)	Precepting Authorities	(3,019)	(17)	(3,036)
-	(495)	(495)	Central Government	-	(1,322)	(1,322)
(17,217)	(991)	(18,208)	Total	(19,777)	(2,643)	(22,420)

STATEMENT OF ACCOUNTS 2018/19

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.
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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:

	2017/18	2018/19
Total Rateable Value as at 31st March	£138.763M	£139.497M
Standard Multiplier	0.479	0.493
Small Business Multiplier	0.466	0.480

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 2018/19 was £1,660.90 (£1,585.84 for 2017/18), and was based on the tax base in the table below (62,346.145 for 2017/18):

Band	Total No of Dwellings*	Proportion of Band D Charge	Band D Equivalent	Adjusted for Estimated Collectable Band D Equivalent (95%)
A-	197	5/9	109.500	104.025
A	44,988	6/9	29,991.700	28,492.115
B	15,118	7/9	11,758.600	11,170.670
C	11,631	8/9	10,338.900	9,821.955
D	6,790	9/9	6,790.200	6,450.690
E	3,447	11/9	4,212.700	4,002.065
F	1,367	13/9	1,974.300	1,875.585
G	591	15/9	985.100	935.845
H	29	18/9	57.000	54.150
	84,158		66,218.000	62,907.100

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

STATEMENT OF ACCOUNTS 2018/19

Note C – Precepts and Demands on the Collection Fund

Description:	This note shows the demands on the collection fund from the respective organisations
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2017/18 £000s	Demand per Collection Fund	2018/19 £000s
84,712	BMBC	89,311
392	Parish Precepts	401
9,861	Police Authority	10,704
4,299	Fire & Civil Defence Authority	4,467
99,264	Total Precepts	104,883

STATEMENT OF ACCOUNTS 2018/19
SECTION 7 - GROUP ACCOUNTS

THE GROUP MOVEMENT IN RESERVES STATEMENT

<u>Movement in Reserves During 2018/19</u>	Useable BMBC Reserves	Unusable BMBC Reserves	Total BMBC Reserves	Other Group Entity Useable Reserves	Other Group Entity Unusable Reserves	Total Other Group Entity Reserves	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2018	197,956	(177,467)	20,489	13,410	6,489	19,899	40,388
Total Comprehensive Expenditure & Income	(45,305)	4,677	(40,628)	(2,931)	(5,348)	(8,279)	(48,907)
Adjustments Between Accounting Basis & Funding Basis Under Regulations	46,211	(46,211)	-	-	-	-	-
Adjustments Between Group Entity Reserves	-	-	-	3,453	(3,453)	-	-
Net Increase / (Decrease) in 2018/19	906	(41,534)	(40,628)	522	(8,801)	(8,279)	(48,907)
Balance of Reserves at 31st March 2019	198,862	(219,001)	(20,139)	13,932	(2,312)	11,620	(8,519)

[Group CI&ES](#)

[Group Balance Sheet](#)

<u>Movement in Reserves During 2017/18</u>	Useable BMBC Reserves	Unusable BMBC Reserves	Total BMBC Reserves	Other Group Entity Useable Reserves	Other Group Entity Unusable Reserves	Total Other Group Entity Reserves	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance of Reserves at 1st April 2017 (Restated)	179,591	(169,836)	9,755	11,567	(1,623)	9,944	19,699
Total Comprehensive Expenditure & Income	(101,044)	111,778	10,734	(1,947)	11,902	9,955	20,689
Adjustments Between Accounting Basis & Funding Basis Under Regulations	119,409	(119,409)	-	-	-	-	-
Adjustments Between Group Entity Reserves	-	-	-	3,790	(3,790)	-	-
Net Increase / (Decrease) in 2017/18	18,365	(7,631)	10,734	1,843	8,112	9,955	20,689
Balance of Reserves at 31st March 2018 (Restated)	197,956	(177,467)	20,489	13,410	6,489	19,899	40,388

[Group CI&ES](#)

[Group Balance Sheet](#)

STATEMENT OF ACCOUNTS 2018/19

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2017/18 (Restated)				2018/19		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			Net Cost of Services:			
235,850	(139,866)	95,984	People	232,634	(140,631)	92,003
75,340	(23,491)	51,849	Place	99,946	(29,061)	70,885
34,054	(72,870)	(38,816)	Housing Revenue Account	37,256	(71,783)	(34,527)
36,447	(15,885)	20,562	Communities	38,836	(16,277)	22,559
7,899	(7,342)	557	Public Health	10,307	(9,937)	370
120,806	(126,357)	(5,551)	Core Services	99,890	(108,546)	(8,656)
14,376	(21,467)	(7,091)	Corporate Services	9,081	(21,398)	(12,317)
33,799	(53)	33,746	Berneslai Homes	34,007	(527)	33,480
983	(47)	936	Penistone Grammar Trust	904	(49)	855
559,554	(407,378)	152,176	Net Cost of Services	562,861	(398,209)	164,652
			Other Operating Income & Expenditure:			
468	-	468	Parish Council Precepts	431	-	431
1,678	-	1,678	Payments to Central Government Housing Capital Receipts Pool	1,671	-	1,671
7,060	(9,397)	(2,337)	(Gains) / Losses on The Disposal of Non-Current Assets	9,070	(11,197)	(2,127)
91,621	-	91,621	Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers	33,304	-	33,304
100,827	(9,397)	91,430	Total Other Operating Expenditure	44,476	(11,197)	33,279
			Financing & Investment Income & Expenditure:			
19,138	-	19,138	Interest Payable on Debt	20,765	-	20,765
91	-	91	Interest Element of Finance Leases	76	-	76
21,588	-	21,588	Interest Payable on PFI Unitary Payments	20,857	-	20,857
11,630	-	11,630	Net Interest on The Defined Benefit Liability / Asset	10,077	-	10,077
-	-	-	Movement in Fair Value of Financial Assets	-	-	-
-	-	-	Expected Credit Loss Model	326	-	326
-	-	-	Premium Incurred on Early Redemption of Debt	2,075	-	2,075
-	(704)	(704)	Investment Interest Income	-	(1,793)	(1,793)
-	(399)	(399)	Dividends Receivable	-	(52)	(52)
-	(10)	(10)	Interest Received on Finance Leases	-	(11)	(11)
5,517	(6,367)	(850)	(Surplus) / Deficit of Trading Undertakings or Other Operations	4,683	(5,332)	(649)
2	-	2	Subsidiary Taxation	-	-	-
57,966	(7,480)	50,486	Total Financing & Investment Income & Expenditure	58,859	(7,188)	51,671

Continued overleaf.

STATEMENT OF ACCOUNTS 2018/19

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

2017/18 (Restated)				2018/19		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			Taxation & Non Specific Grant Income:			
-	(21,456)	(21,456)	Recognised Capital Grants & Contributions	-	(27,841)	(27,841)
-	(2,354)	(2,354)	Section 31 Grant – Small Business Rate Relief (SBRR)	-	(4,758)	(4,758)
-	(25,261)	(25,261)	Revenue Support Grant (RSG)	-	(19,022)	(19,022)
-	(89,394)	(89,394)	Council Tax	-	(94,898)	(94,898)
-	(22,294)	(22,294)	Business Rates Retention Scheme – Locally Retained	-	(23,130)	(23,130)
-	(30,342)	(30,342)	Business Rates Retention Scheme – Top Up Grant	-	(31,717)	(31,717)
-	(191,101)	(191,101)	Total Taxation & Non Specific Grant Income	-	(201,366)	(201,366)
718,347	(615,356)	102,991	(Surplus) / Deficit on Provision of Services	666,196	(617,960)	48,236
			Other Comprehensive Income & Expenditure:			
-	(25,707)	(25,707)	(Gains) / Losses on Revaluation of Property, Plant & Equipment Assets	-	(48,759)	(48,759)
40	(7)	33	(Gains) / Losses on Revaluation of Financial Instruments	272	-	272
-	(98,006)	(98,006)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	49,158	-	49,158
40	(123,720)	(123,680)	Other Comprehensive Income & Expenditure	49,430	(48,759)	671
718,387	(739,076)	(20,689)	Total Comprehensive Income & Expenditure	715,626	(666,719)	48,907

STATEMENT OF ACCOUNTS 2018/19

GROUP BALANCE SHEET AS AT 31st MARCH 2019

2017/18 (Restated)		2018/19	2018/19
£000s		£000s	£000s
	NON-CURRENT ASSETS		
	Property Plant and Equipment:		
543,003	- Council Dwellings	564,595	
334,746	- Other Land & Buildings	309,998	
5,979	- Vehicles, Plant, Furniture & Equipment	5,709	
252,227	- Infrastructure Assets	257,291	
-	- Community Assets	-	
15,909	- Assets Under Construction	36,876	
4,884	- Surplus Assets	3,665	
1,156,748			1,178,134
10,427	Heritage Assets	10,427	
660	Investment Properties	690	
1,500	Intangible Assets	1,176	
4,988	Long Term Investments	4,749	
2,728	Long Term Debtors	2,333	
20,303			19,375
1,177,051	Total Non-Current Assets		1,197,509
	CURRENT ASSETS		
4,918	Assets 'Held for Sale'	5,330	
35,172	Short Term Investments	157,040	
1,560	Inventories	1,479	
10,350	Local Taxation Debtors	9,676	
(8,536)	Impairment of Local Taxation Debtors	(7,311)	
42,351	Other Short Term Debtors	41,653	
(5,161)	Impairment of Short Term Debtors	(5,699)	
-	Corporation Tax Asset	-	
45,642	Cash & Cash Equivalents	45,724	
126,296	Total Current Assets		247,892
1,303,347	TOTAL GROUP ASSETS		1,445,401
	CURRENT LIABILITIES		
(45,567)	Short Term Borrowing	(94,707)	
(8,852)	Other Short Term Liabilities	(8,851)	
(40,175)	Short Term Creditors	(52,826)	
-	Corporation Tax Liability	-	
(4,790)	Provisions	(7,184)	
(14,272)	Capital Grants Receipts in Advance	(19,724)	
(2,252)	Revenue Grants Receipts in Advance	(2,230)	
-	Bank Overdraft	-	
(115,908)	Total Current Liabilities		(185,522)
	LONG TERM LIABILITIES		
(522,837)	Long Term Borrowing	(571,563)	
(219,800)	Other Long Term Liabilities	(210,947)	
(4,348)	Long Term Provisions	(3,736)	
(400,066)	Retirement Benefit Obligations	(482,152)	
(1,147,051)	Total Long Term Liabilities		(1,268,398)
(1,262,959)	TOTAL GROUP LIABILITIES		(1,453,920)
40,388	GROUP NET ASSETS		(8,519)

Continued overleaf

STATEMENT OF ACCOUNTS 2018/19

GROUP BALANCE SHEET AS AT 31st MARCH 2019 (CONTINUED)

2017/18 (Restated) £000s		2018/19 £000s	2018/19 £000s
	BMBC USEABLE RESERVES:		
135,793	- General Fund	130,114	
41,517	- Housing Revenue Account	37,074	
12,186	- Useable Capital Receipts Reserve	15,071	
4,198	- Major Repairs Reserve	10,807	
4,262	- Capital Grant Unapplied Reserve	5,796	
197,956	TOTAL BMBC USEABLE RESERVES		198,862
	BMBC UNUSABLE RESERVES:		
18,222	- Capital Adjustment Account	(2,714)	
62	- Deferred Capital Receipts Reserve	61	
(11,588)	- Financial Instruments Adjustment Account	(12,693)	
(393,603)	- Pensions Reserve	(458,793)	
-	- Financial Instrument Revaluation Reserve	(263)	
197,137	- Revaluation Reserve	240,484	
(2,900)	- Accumulated Absences Account	(3,145)	
15,203	- Collection Fund Adjustment Account	18,062	
(177,467)	TOTAL BMBC UNUSABLE RESERVES		(219,001)
20,489	TOTAL BMBC RESERVES		(20,139)
	OTHER GROUP ENTITY USEABLE RESERVES:		
12,928	- Berneslai Homes Retained Surplus	13,407	
482	- Penistone Grammar Trust – Unrestricted Funds	525	
13,410	TOTAL OTHER GROUP ENTITY USEABLE RESERVES		13,932
	OTHER GROUP ENTITY UNUSABLE RESERVES:		
(23,969)	- Berneslai Homes Pensions Reserve	(31,893)	
30,458	- Penistone Grammar Trust – Restricted Funds	29,581	
6,489	TOTAL OTHER GROUP ENTITY UNUSABLE RESERVES		(2,312)
19,899	TOTAL OTHER GROUP ENTITY RESERVES		11,620
40,388	TOTAL GROUP RESERVES		(8,519)

STATEMENT OF ACCOUNTS 2018/19

GROUP CASH FLOW STATEMENT

2017/18 £000s		2018/19 £000s	2018/19 £000s
102,991	Net (Surplus) / Deficit on Provision of Services		48,236
	<u>Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:</u>		
(73,473)	- Depreciation & Impairment	(74,995)	
(22,554)	- Pension Fund Adjustments	(32,307)	
(98,681)	- Carrying Amount of Non-Current Assets Sold	(42,374)	
(1,326)	- (Increase) / Decrease in Provisions	(1,782)	
(224)	- Increase / (Decrease) in Inventories	(81)	
1,514	- Increase / (Decrease) in Debtors	(8,253)	
3,275	- (Increase) / Decrease in Creditors	(6,897)	
(91)	- Other Non-Cash Adjustments	528	
(191,560)			(166,161)
2	- Taxation Paid		-
	<u>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</u>		
21,456	- Capital Grants Recognised Through Comprehensive Income & Expenditure Statement	27,841	
-	- Premiums Paid on Early Settlement of Debt	(2,075)	
9,635	- Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets	11,196	
31,091			36,962
	<u>Adjustments for Items Not Included in the Net (Surplus) or Deficit on the Provision of Services that are Operating Activities:</u>		
26,485	- Pension Deficit Upfront Payment	-	
26,485			-
(30,991)	Net Cash (Inflow) / Outflow From Operating Activities		(80,963)
41,587	Net Cash (Inflow) / Outflow From Investing Activities		171,996
(4,824)	Net Cash (Inflow) / Outflow From Financing Activities		(91,115)
5,772	Net (Increase) / Decrease in Cash & Cash Equivalents		(82)

Reconciliation and Analysis of Group Cash & Cash Equivalent Balances

2017/18 £000s		2018/19 £000s
51,414	Group Cash & Cash Equivalents as at 1st April	45,642
(5,772)	Net Increase / (Decrease) in Cash & Cash Equivalents	82
45,642	Group Cash & Cash Equivalents as at 31st March	45,724
	Made Up Of The Following Elements:	
	<u>BMBC Cash & Cash Equivalents:</u>	
2	Cash Held By The Authority	2
(8,424)	Cash in Transit	(6,420)
6,971	Bank Current Accounts	3,687
36,013	Short Term Deposits With Financial Institutions	38,122
34,562	Total BMBC Cash & Cash Equivalents	35,391
	<u>Other Group Entity Cash & Cash Equivalents:</u>	
555	Bank Current Accounts	91
10,525	Short Term Deposits With Financial Institutions	10,242
11,080	Total Other Group Entity Cash & Cash Equivalents	10,333
45,642	Group Cash & Cash Equivalents as at 1st April	45,724

STATEMENT OF ACCOUNTS 2018/19

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.

The 2017/18 comparative figures have been restated to reflect the inclusion of Penistone Grammar Trust into the Group Accounts for the first time in 2018/19.

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 Authority. Specifically, it is responsible for managing all the landlord services for the Authority's 18,400 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 Authority (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.

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 Authority (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.

Other Subsidiary Interests

The Council also 100% owns one other trading company, namely BMBC Services Ltd. Whilst the Authority considers this company as falling within the group boundary in respect of control, it is deemed not material to the group position and is therefore not consolidated in the Group Accounts. For information on this company, [Note 17](#) refers.

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 2018/19

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:

Expenditure / Income	2017/18	2018/19
	£000s	£000s
Expenditure:		
Employee Benefits Expenses	198,873	210,810
Other Services Expenses	289,720	278,737
Support Service Recharges	-	-
Depreciation, Amortisation, Impairment	76,480	78,323
Interest Payments	52,447	53,850
Precepts & Levies	468	431
Payments to Housing Capital Receipts Pool	1,678	1,671
Write Out NBV Relating to the Disposal of Assets	98,681	42,374
Total Expenditure	718,347	666,196
Income:		
Fees, Charges & Other Service Income	(133,852)	(136,272)
Interest & Investment Income	(819)	(1,856)
Income From Council Tax & Non-Domestic Rates	(111,688)	(118,028)
Government Grants & Contributions	(359,600)	(350,607)
Sale Proceeds Relating to the Disposal of Assets	(9,397)	(11,197)
Total Income	(615,356)	(617,960)
Surplus or Deficit on the Provision of Services	102,991	48,236

Note D - Officers' Remuneration & Exit Packages

Description:	This note shows the Senior Management Team remuneration of the Group.
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The table below sets out the remuneration disclosures for Senior Officers of the Group (as defined in Local Authority Accounting Panel Bulletin 85):

Post	2018/19				
	Salary	Redundancy / Severance	Expenses / Allowances	Pension Contributions	Total Remuneration
	£000s	£000s	£000s	£000s	£000s
Diana Terris - Chief Executive	159	-	1	89	249
Rachel Dickinson - Executive Director - People	140	-	1	21	162
Executive Director - Place	122	-	1	18	141
Executive Director - Communities	118	-	-	17	135
Executive Director - Public Health	110	-	-	16	126
Executive Director - Core Services	118	-	-	17	135
Former Director - Finance, Assets & IT A	-	-	-	146	146
Former Director - Human Resources, Performance & Communications B	-	-	-	17	17
Berneslai Homes Directors C	-	-	-	-	403

Post	2017/18				
	Salary	Redundancy / Severance	Expenses / Allowances	Pension Contributions	Total Remuneration
	£000s	£000s	£000s	£000s	£000s
Diana Terris - Chief Executive	156	-	1	23	180
Executive Director - People	137	-	1	20	158
Executive Director - Place	120	-	1	18	139
Executive Director - Communities	116	-	-	17	133
Executive Director - Public Health	105	-	-	15	120
Frances Foster - Director - Finance, Assets & IT A	116	-	2	17	135
Julia Bell - Director - Human Resources, Performance & Communications B	-	-	-	146	146
Director of Legal & Governance	-	-	-	12	12
Berneslai Homes Directors C	-	-	-	-	469

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Notes:

- A** Post holder left post on 31st March 2017. Pension costs relate to pre-agreed pension strain costs of £0.146M in 2018/19 (£0.146M in 2017/18).
- B** Post holder left post on 31st December 2016. Pension costs relate to pre-agreed pension strain costs of £0.017M in 2018/19 (£0.0.12M in 2017/18).
- C** Berneslai Homes do not have a requirement to publish this information in their statement of accounts on an individual basis as per UK GAAP Standard FRS 102.

Note E – 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 2018			31 st March 2019	
Long Term £000s	Short Term £000s		Long Term £000s	Short Term £000s
		Investments:		
2,336	35,059	Loans & Receivables at Amortised Cost	2,336	156,958
-	46,538	Loans & Receivables – Cash Equivalents *	-	48,364
2,652	113	Unquoted Equity Investment at Fair Value through Other Comprehensive Income	2,380	114
4,988	81,710	Total Investments	4,716	205,436
		Loans & Receivables at Amortised Cost:		
-	-	Mortgages & Rents	-	-
2,666	1,277	Loans	2,272	234
62	-	Finance Lease Receivable	61	-
2,728	1,277	Total Loans & Receivables **	2,333	234
		Borrowings:		
(522,837)	(45,567)	Financial Liabilities at Amortised Cost	(571,562)	(94,707)
(522,837)	(45,567)	Total Borrowings	(571,562)	(94,707)

* The total Short Term Investments figure in the table above includes Cash Equivalents of £48.364M in 2018/19 (£46.538M in 2017/18), which are included within the 'Cash & Cash Equivalents' figure in the Balance Sheet, rather than within 'Short Term Investments'.

** The total Short Term Loans & Receivables figures in the table above is included within the 'Short Term Debtors' figure in the Balance Sheet.

Note F - 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 2018				31 st March 2019		
Total Debtors	Impairment For Bad Debts	Total		Total Debtors	Impairment For Bad Debts	Total
£000s	£000s	£000s		£000s	£000s	£000s
18,431	(5,161)	13,270	Trade Receivables	14,438	(5,699)	8,739
9,651	-	9,651	Prepayments & Accrued Grant Income	9,461	-	9,461
14,269	-	14,269	Other Receivable Amounts	17,754	-	17,754
42,351	(5,161)	37,190	Total	41,653	(5,699)	35,954

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Note G - 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.

31 st March 2018 £000s		31 st March 2019 £000s
(8,189)	Trade Creditors	(11,782)
(7,841)	Other Creditors	(10,193)
(3,738)	Capital Creditors	(7,205)
(1,604)	Receipts in Advance	(1,936)
(4,832)	Payroll Creditors	(6,274)
(6,564)	NNDR	(7,967)
(3,630)	Council Tax	(4,301)
(3,777)	Other Tax & Social Security	(3,168)
(40,175)	Total	(52,826)

Note H - 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.

2017/18				2018/19		
BMBC £000s	BH £000s	Group £000s		BMBC £000s	BH £000s	Group £000s
			<u>Comprehensive Income & Expenditure Statement:</u>			
			<i>Cost of Services :</i>			
28,117	3,850	31,967	- Current Service Cost	27,762	3,747	31,509
-	-	-	- Past Service Costs	12,604	-	12,604
(2,504)	-	(2,504)	- Settlements & Curtailments	(2,748)	-	(2,748)
347	49	396	- Administration Expenses	361	50	411
			<i>Financing & Investment Income & Expenditure :</i>			
10,796	834	11,630	- Net Interest Cost	9,455	622	10,077
36,756	4,733	41,489	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	47,434	4,419	51,853
			<i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement :</i>			
			<i>Re-measurement of The Net Benefit Liability Comprising:</i>			
(23,801)	(1,696)	(25,497)	- Return on Plan Assets (Excluding The Amount Included In Net Interest Expense)	(31,601)	(3,576)	(35,177)
-	-	-	- Experience (Gains) / Losses	-	-	-
-	-	-	- Actuarial (Gains) and Losses On Changes in Demographic Assumptions	-	-	-
(65,542)	(10,194)	(75,736)	- Actuarial (Gains) and Losses On Changes in Financial Assumptions	75,390	8,945	84,335
3,227	-	3,227	Business Combinations	-	-	-
(86,116)	(11,890)	(98,006)	Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure	43,789	5,369	49,158
(49,360)	(7,157)	(56,517)	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	91,223	9,788	101,011

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2017/18				2018/19		
BMBC	BH	Group		BMBC	BH	Group
£000s	£000s	£000s		£000s	£000s	£000s
			Movement in Reserves Statement:			
(36,756)	(4,733)	(41,489)	- Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with the Code	(47,434)	(4,419)	(51,853)
			Actual Amount Charged Against the General Fund Balance for Pensions for the Year:			
25,245	1,833	27,078	Employers' Contributions Payable to Scheme	26,030	1,864	27,894
-	-	-	Retirement Benefits Payable to Pensioners	-	-	-
(11,511)	(2,900)	(14,411)	Net Adjustment to Surplus or Deficit for the Provision of Services	(21,404)	(2,555)	(23,959)

Pension Assets and Liabilities Recognised in the Balance Sheet

2017/18				2018/19		
BMBC	BH	Group		BMBC	BH	Group
£000s	£000s	£000s		£000s	£000s	£000s
(1,383,978)	(136,407)	(1,520,385)	Present Value of The Defined Benefit Obligation	(1,495,686)	(150,804)	(1,646,490)
1,007,881	112,438	1,120,319	Fair Value of Plan Assets	1,045,427	118,911	1,164,338
(376,097)	(23,969)	(400,066)	Net Liability Arising From Defined Benefit Obligation	(450,259)	(31,893)	(482,152)

Reconciliation of Fair Value of the Scheme (Plan) Assets

2017/18				2018/19		
BMBC	BH	Group		BMBC	BH	Group
£000s	£000s	£000s		£000s	£000s	£000s
944,133	108,065	1,052,198	Opening Balance at 1st April	1,007,881	112,438	1,120,319
24,139	2,809	26,948	Interest Income	25,938	3,035	28,973
			<i>Re-measurement Gains and (Losses):</i>			-
23,801	1,696	25,497	- The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense	31,601	3,576	35,177
(347)	(49)	(396)	Administration Expenses	(361)	(50)	(411)
8,269	-	8,269	Business Combinations	-	-	-
(515)	-	(515)	Settlements	(1,345)	-	(1,345)
42,750	1,833	44,583	Employer Contributions	17,061	1,864	18,925
5,662	806	6,468	Contributions by Scheme Participants	5,895	821	6,716
(40,011)	(2,722)	(42,733)	Benefits Paid	(41,243)	(2,773)	(44,016)
1,007,881	112,438	1,120,319	Closing Balance at 31st March	1,045,427	118,911	1,164,338

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

2017/18				2018/19		
BMBC	BH	Group		BMBC	BH	Group
£000s	£000s	£000s		£000s	£000s	£000s
(1,412,339)	(141,024)	(1,553,363)	Opening Balance at 1st April	(1,383,978)	(136,407)	(1,520,385)
(28,118)	(3,850)	(31,968)	Current Service Cost	(27,762)	(3,747)	(31,509)
-	-	-	Past Service Costs	(12,604)	-	(12,604)
(34,935)	(3,643)	(38,578)	Interest Cost	(35,393)	(3,657)	(39,050)
(5,662)	(806)	(6,468)	Contributions by Scheme Participants	(5,895)	(821)	(6,716)
			<i>Re-measurement Gains and (Losses):</i>			
-	-	-	- Experience Gains / (Losses)	-	-	-
-	-	-	- Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions	-	-	-
65,542	10,194	75,736	- Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions	(75,390)	(8,945)	(84,335)
(1,102)	-	(1,102)	Gains / (Losses) Curtailments	(1,962)	-	(1,962)
40,011	2,722	42,733	Benefits Paid	41,243	2,773	44,016
4,121	-	4,121	Liabilities Extinguished on Settlements	6,055	-	6,055
(11,496)	-	(11,496)	Business Combinations	-	-	-
(1,383,978)	(136,407)	(1,520,385)	Closing Balance at 31st March	(1,495,686)	(150,804)	(1,646,490)

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TECHNICAL ANNEX A

THE COUNCIL'S ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of 31st March 2019. The Authority 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 2018/19 (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 Authority 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 Authority 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;

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- 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.

4. Acquired and Discontinued Operations

There were no material acquired or discontinued operations during 2018/19.

5. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable to the Authority 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 is disclosed separately in [Note 8](#). The Authority has identified separately, any transactions exceeding £10 Million to / from a single supplier or customer.

Exceptional items are identified on the face of the Comprehensive Income and Expenditure Statement and are analysed further in [Note 8](#) to the accounts. The Authority has identified separately, items of expense or income which are material in terms of the Authority'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 Authority'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 Authority 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 Authority 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 Authority 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

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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 Authority, 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 Authority. 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 2017/18 financial year, being the period in which the employee earns the 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 Authority 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 Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring. It is the Authority's policy not to offer enhanced termination benefits.

Post-Employment Benefits

Employees of the Authority 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 Authority.

However, the arrangements for the Teachers' Scheme and the NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. 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 Authority 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 Authority 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.

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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 Authority – 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;
 - 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 Authority 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 Authority has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. The Authority’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.

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11. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority 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 Authority 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 Authority 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 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 cashflow 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 Authority'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 Authority 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 Authority, 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 Authority 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 Authority.

The Authority'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

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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 Authority 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](#) and [Note 28](#).

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 Authority 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 Authority has a limited number of shareholdings which would typically be measured at FVPL, however the Authority has designated these equity investments as fair value through other comprehensive income on the basis that:

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

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 Authority when there is a reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Authority 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 Authority'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 Authority'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 Authority does not consider it appropriate to charge depreciation on these assets;

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- Each category of Heritage Assets is revalued periodically by external valuers for insurance purposes and is carried on the Authority'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 Authority 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 Authority'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 Authority'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 Authority (e.g. software licences) is capitalised at cost, when it is expected that future economic benefits or service potential will flow to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the Authority 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 Authority can be determined by reference to an active market. No intangible asset held by the Authority 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.

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 Authority 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 Authority to trade more flexibly, in a commercial environment. Details of these companies are shown within [Note 17](#). Within the Authority'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.

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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 Authority 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 Authority 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 Authority and other parties. The joint venture does not involve the establishment of a separate entity. The Authority 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.

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 Authority 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).

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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 assets' estimated useful life.

The Authority 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 Authority as Lessor

Finance Leases

Where the Authority 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 Authority'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.

Operating Leases

Where the Authority 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 Authority'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.

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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 Authority 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.

The Authority 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 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).

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. 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

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- 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 – 7
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

Vehicles, Plant, Furniture & Equipment and Intangible Assets are fully depreciated down to nil based on their economic useful lives but remain on the Authority's asset register until the following year. At this time, these assets are written out of the Authority'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.

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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 is 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 Authority'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 Authority 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 Authority at the end of the contracts for no additional charge, the Authority 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 Authority.

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;
- 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 Authority 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 Authority 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 Authority 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.

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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 Authority 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 Authority. 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 Authority 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 Authority.

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 Authority 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 Authority – 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 Authority 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.

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 Authority. The Authority is responsible for the school's admissions, owns the school's estate and employs the school's staff.

The Authority 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 Authority's Balance Sheet.

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The income and expenditure of such schools is also recognised within the Authority'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 Local Authority, 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 Authority's Balance Sheet as these are controlled by the charitable organisation / trust. However, the Authority does hold the freehold of the land in certain arrangements which thus remain on the Authority's Balance Sheet.

The income and expenditure of such schools is recognised within the Authority'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 Local Authority, 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 Local Authority employs the school's staff and has primary responsibility for the school's admission arrangements. Pupils follow the National Curriculum.

Similarly to Voluntary Aided Schools, the school premises of such schools have been de-recognised from the Authority's Balance Sheet as these are maintained by the charitable organisation / trust. However, the Authority does hold the freehold of the land in certain arrangements which thus remain on the Authority's Balance Sheet.

The income and expenditure of such schools is recognised within the Authority'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 Local Authority control but is publicly funded, with some private sponsorship. The transfer of schools from the Authority to an Academy 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 Authority's Balance Sheet.

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 Authority's Balance Sheet at nil value.

The income and expenditure of such schools is not recognised within the Authority's Comprehensive Income & Expenditure Statement.

30. Fair Value Measurement

The Authority 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

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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 authority 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 authority 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 authority 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 Authority'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 authority 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.

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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 Authority 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:

1. Whether a lease is an operating or finance lease. A lease would normally be classed as a finance lease where it meets one of the following criteria:
 - o Ownership of the asset transferred to the Authority at the end of the lease term;
 - o The lessee has an option to purchase the asset at the end of the lease term for a price expected to be sufficiently lower than the fair value;
 - o The lease term is for the major part of the economic life of the asset;
 - o That the present value of minimum lease payments amount to at least substantially all (90% or more) of the fair value of the leased asset; and
 - o The leased assets are of such a specialised nature that only the lessee can use them without modification.
2. Whether contractual arrangements have the substance of a lease;
3. Whether a third party constitutes a related party to the Authority;
4. Whether arrangements that the Authority is party to, constitute a joint arrangement;
5. Whether financial instruments are expected to be fully receivable and the amount of expected credit losses to charge;
6. Whether a public / private partnership is a service concession;
7. Whether land and buildings owned by the Authority are investment properties;
8. Whether the substance of a relationship between the Authority and another entity indicates that the entity is controlled by the Authority;
9. Whether the Authority's exposure to possible losses is to be accounted for as a provision or a contingent liability; and
10. Whether Academy, Voluntary Controlled and Voluntary Aided school assets should be included within the Authority's Balance Sheet.

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 Authority about the future, or that are otherwise uncertain. Estimates are made taking into account 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 Authority's Balance Sheet at 31st March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

No	Item	Uncertainties
1	Non-Current Assets	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 Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.
2	Provisions	The Authority 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 Authority, or that precedents set by other authorities in the settlement of claims will be applicable.
3	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 Authority with expert advice about the assumptions to be applied.
4	Arrears	At 31 st March 2019, the Authority had a balance of sundry debtors of £40.5M . The Authority undertakes a review each year on the likelihood of the debt outstanding being recovered. As a

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5	Fair Value Measurements	<p>result of the review an impairment of doubtful debts of £5.7M has been calculated.</p> <p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for <i>similar</i> assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Authority employs or commissions relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for Surplus Assets & Assets Held for Sale, the Authority's chief valuation officer).</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the Authority's assets and liabilities is disclosed in Note 19, Note 23 and Note 28 respectively.</p>
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TECHNICAL ANNEX C

ACCOUNTING STANDARDS REFERENCED BY THE CODE OF PRACTICE

The Code of Practice is based on approved accounting standards and also reflects specific statutory accounting requirements. Compliance with the Code is therefore necessary (except in exceptional circumstances) in order that an authority's accounts give a 'true and fair' view of the financial position, financial performance and cash flows of the authority.

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

An Authority 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. An authority shall provide known, or reasonably estimable information, relevant to assessing the possible impact that application of the new IFRS will have on the Authority'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 2019 for 2019/20).

The standards that may be relevant for additional disclosures that will be required in the 2019/20 and 2020/21 financial statements in respect of accounting changes that are introduced in the 2019/20 Code are:

- Amendments to IAS 40 Investment Property: Transfers of Investment Property;
- Annual Improvements to IFRS Standards 2014 - 2016 Cycle;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax Treatments; and
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.

It is unknown at this time as to whether the above amendments will have a material effect on the Authority. Subsequent years' Statement of Accounts will detail any material change in accounting policy.

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)