

BARNSLEY MBC

STATEMENT OF ACCOUNTS

2021 / 22



STATEMENT OF ACCOUNTS 2021/22

CONTENTS

Section 1 – Independent Auditors’ Report to the Members of Barnsley Metropolitan Borough Council

- [Independent Auditors’ Report to the Members of Barnsley Metropolitan Borough Council](#)

Section 2 – Barnsley MBC 2021/22 Narrative Report

- [The Council's Narrative Report](#)

Section 3 – Statement of Responsibilities

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

Section 4 – Core Financial Statements

- [Movement in Reserves Statement](#)
- [Comprehensive Income and Expenditure Statement](#)
- [Balance Sheet as at 31st March 2022](#)
- [Cash Flow Statement](#)

Section 5 - Notes to the Core Financial Statements

- [The Expenditure and Funding Analysis](#)
- [Notes Primarily Relating To The Expenditure and Funding Analysis](#)
- [Notes Primarily Relating To The Movement in Reserves Statement](#)
- [Notes Primarily Relating To The Comprehensive Income and Expenditure Statement](#)
- [Notes Primarily Relating To The Balance Sheet](#)
- [Notes Primarily Relating To The Cash Flow Statement](#)
- [Notes Relating To Other Disclosures](#)

Section 6 – Accompanying Financial Statements

- [Housing Revenue Account](#)
- [Notes to the Housing Revenue Account](#)
- [Collection Fund](#)
- [Notes to the Collection Fund](#)

Section 7 – Group Accounts

- [Core Group Financial Statements](#)
- [Notes to the Group Accounts](#)

Technical Annex A – The Council’s Accounting Policies

Technical Annex B – Critical Judgements & Assumptions / Estimations Made Within The Accounts

Technical Annex C – Accounting Standards Referenced By the Code of Practice

Technical Annex D – Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

Technical Annex E – Statutory Sources

SECTION 1

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Barnsley Metropolitan Borough Council

2021/22 Narrative Report

Introduction and Contents

This narrative report aims to provide information about the Council and the context on the environment it operates in. It also details the Council's long-term objectives and outcomes up to Barnsley 2030, and outlines the Council's corporate performance for the 2021/22 financial year against these objectives. This report also summarises the key messages within the financial statements for the reader of these accounts.

The report will cover:

Introduction & Contents**Introducing Barnsley:**

[Where is Barnsley?](#)

[What is Barnsley's Profile?](#)

[Interactive Maps of the Borough](#)

Introducing Barnsley Metropolitan Borough Council:

[Who Are We?](#)

[Our Council Plan](#)

[Our Key Strategies](#)

[Our Vision & Priorities](#)

[Our Corporate Outcomes](#)

[Key Performance Against Priorities](#)

[Our Values](#)

Our 2021/22 Financial Performance:

[What The Council Spent in 2021/22 - Day to Day \(Revenue\)](#)

[What The Council Spent in 2021/22 \(Capital\)](#)

[2021/22 Treasury Management Overview](#)

[Summary of the Council's Balance Sheet](#)

[Summary of the Council's Pension Fund Position as at 31st March 2022](#)

[Key Projects](#)

[The Council's Approach to Risk Management](#)

[Future Spending Plans & Assessment of the Future Economic Climate](#)

[The Impact of the Coronavirus \(COVID-19\) Pandemic](#)

Our 2021/22 Statement of Accounts:

[The Form of the Statement of Accounts](#)

[Change of Accounting Policies in 2021/22](#)

[Post Balance Sheet Events](#)

Introducing Barnsley

Where is Barnsley?

Barnsley is a large town in **South Yorkshire**, located approximately halfway between Leeds and Sheffield. The **town centre** lies on the west bank of the Dearne Valley.

Barnsley is surrounded by several smaller settlements which together form the **Metropolitan Borough of Barnsley**. The **borough** is dissected by the M1 motorway.



Barnsley shown within South Yorkshire

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

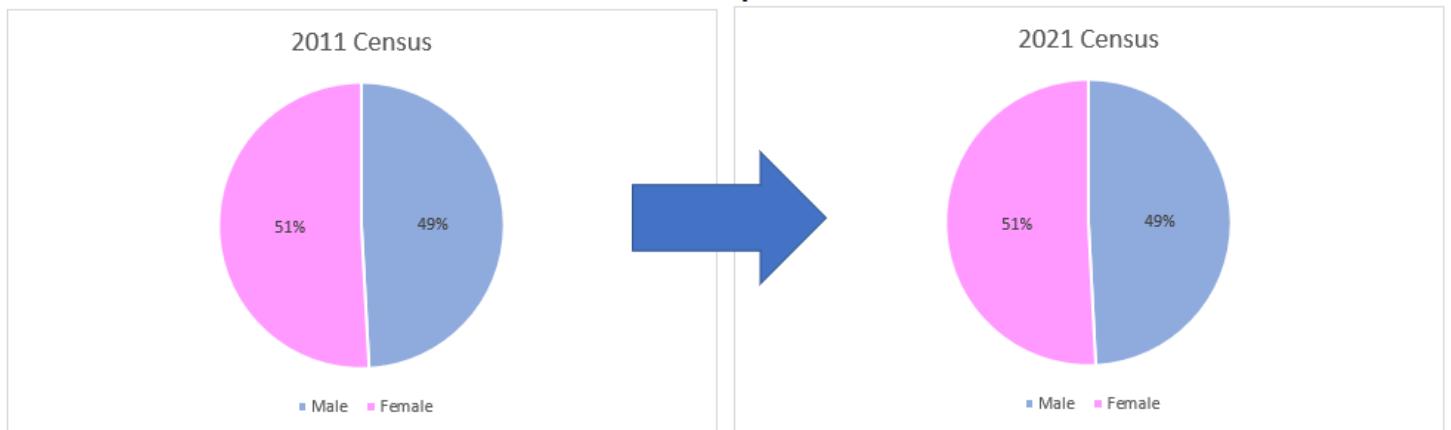
What is Barnsley's Profile?

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

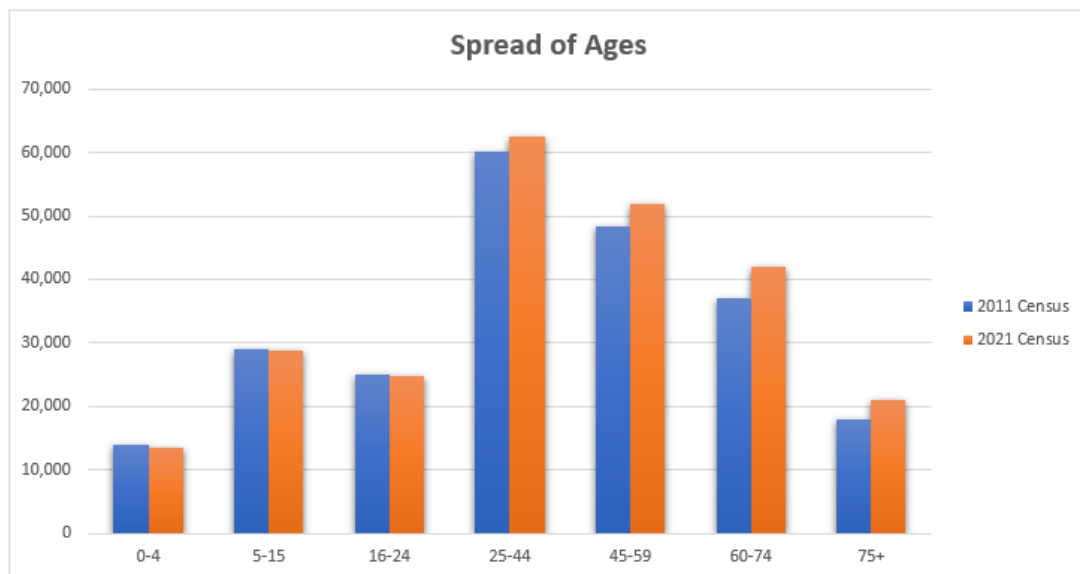
STATEMENT OF ACCOUNTS 2021/22

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

Gender Split



Spread of Ages



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

STATEMENT OF ACCOUNTS 2021/22

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:

| | | | |
|--|---|---|---|
| <div>Administration</div> <div><div>Area Councils</div><div>Safer Neighbourhood Teams</div><div>Parishes</div><div>Polling Districts</div><div>Wards</div></div> | <div>Leisure</div> <div><div>Leisure Centre</div><div>Library</div></div> <div>Winter Maintenance</div> <div><div>Primary Gritting Route</div><div>Grit Bins</div></div> <div>English Heritage</div> <div><div>Listed Buildings</div><div>Historic Parks & Gardens</div></div> <div>Residential</div> <div><div>Area to Remain Free From Development Due To Impact On Historic Environment</div><div>Housing Allocation</div><div>Site for Travellers</div></div> <div>Commercial / Retail</div> <div><div>District or Local Centre</div><div>Primary Shopping Area</div><div>Primary Shopping Frontage</div><div>Retail Park</div><div>Secondary Shopping Frontage</div></div> <div>Employment</div> <div><div>Employment Allocation</div><div>Land Reserved for Employment</div><div>Land Proposed for Mixed Use</div><div>Proposed School Site</div></div> | <div>Resources</div> <div><div>Area of Search for New Minerals</div><div>Site Safeguarded for Mineral Extraction</div><div>Site with Planning Permission for Mineral Extraction</div></div> <div>Town Centre</div> <div><div>Town Centre: Landmark Building</div><div>Town Centre: Gateway</div><div>Town Centre: The Green Sprint</div><div>Town Centre: Junction Improvement</div><div>Town Centre: Primary Shopping Area</div><div>Town Centre: Shopping Frontages</div><div>Town Centre: Proposed Cycle Route</div><div>Town Centre: Development Site</div><div>Town Centre: Priority Site Public Space Improvement</div><div>Town Centre: Other Public Space Improvement</div><div>Town Centre: Gateway Site for Public Open Space Improvement</div></div> <div>Water</div> <div><div>Canal - Historic Route</div><div>Canal - Safeguarded Route</div><div>Functional Floodplain (Floodzone 3b)</div></div> <div>Area of Search (Wind Turbines)</div> <div><div>Industrial / Business Parks</div><div>Moorland Fringes / Upland Pastures</div><div>Rolling Wooded Farmland</div><div>Settled Arable Slopes</div></div> | <div>Green Belt, Greenspace & Conservation</div> <div><div>Greenspace</div><div>Allotment</div><div>Biodiversity or Geological Interest Site</div><div>Conservation Area</div><div>Green Belt</div><div>Green Way</div><div>Nature Improvement Area</div><div>Park and Garden of Historic Interest</div><div>Scheduled Ancient Monument</div><div>Peak District National Park</div><div>School Grounds</div><div>Safeguarded Strategic Waste Management Site</div><div>Settlement</div><div>Town Centre</div><div>Urban Fabric</div><div>Approved Planning Applications</div><div>Undetermined Planning Applications</div><div>Refused Planning Applications</div><div>Planning Applications (All)</div><div>Planning Constraints</div><div>Public Rights of Way</div><div><div>Bridleway</div><div>Footpath</div><div>Restricted byway</div></div></div> |
|--|---|---|---|

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

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

Introducing Barnsley Metropolitan Borough Council

Who Are We?

Barnsley Metropolitan Borough Council, created on **1 April 1974**, is the local authority of the Metropolitan Borough of Barnsley in **South Yorkshire**, England. It is a **Metropolitan District Council**, one of four in South Yorkshire and one of 36 in the metropolitan counties of England and provides the majority of **local government services** in Barnsley. Further information on the Council's **Constitution** can be found on the Council's website and via the link below:

[Council's Constitution](#)

Local Councillors (The Council)

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

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

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

[Councillors](#)

Barnsley Metropolitan Borough Council

Third of council elected three years out of four



Type

Type [Metropolitan district](#)

History

Founded 1 April 1974

Structure

Seats 63 councillors

Meeting place



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 2021/22, the Council was structured into four main service directorates:

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

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

It should be noted that a whole Council and Cabinet restructure was undertaken towards the end of the financial year to reflect the Council's new responsibilities, specifically the new joint role in respect of the South Yorkshire Integrated Care Board (SYICB) with the subsequent realignment of Cabinet portfolios to reflect these changes, with formal implementation on 1st June 2022.

Our Council Plan

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

OUR COUNCIL PLAN

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

Our Key Strategies

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

OUR KEY STRATEGIES

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

Our Vision & Priorities

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

Barnsley - the place of possibilities

**Healthy
Barnsley**

**Learning
Barnsley**

**Growing
Barnsley**

**Sustainable
Barnsley**

**Enabling
Barnsley**

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

STATEMENT OF ACCOUNTS 2021/22

Our Corporate Outcomes

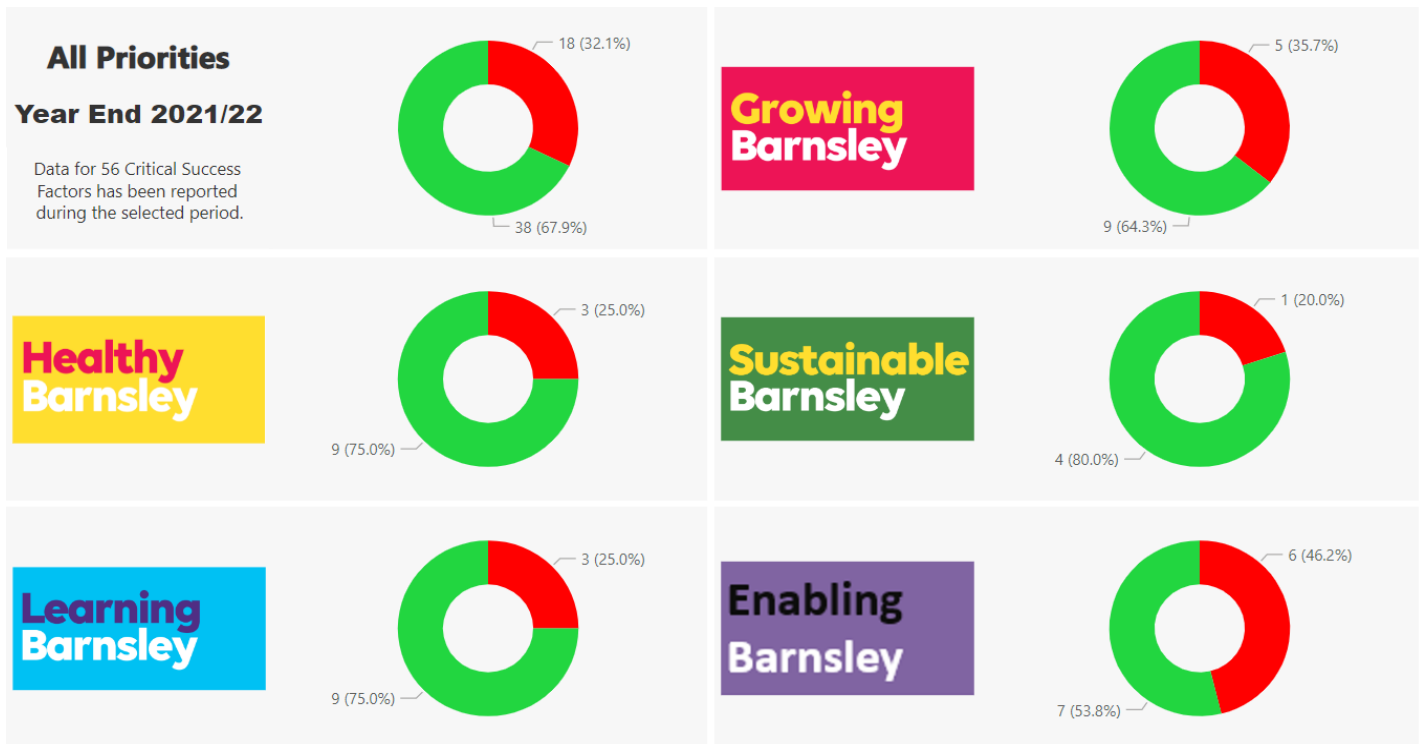
Across these new priorities, we have set out the outcomes that describe our intentions for the next three years, to ensure that we focus on Barnsley as a place of possibilities.

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

STATEMENT OF ACCOUNTS 2021/22

Key Performance Against Priorities

Over the course of the last 4 years, we have seen great progress towards achieving those priorities, and the tables below show the progress against each of the 12 outcomes over each financial year.



| Outcome | Red | Green | Total |
|--|-----------|-----------|-----------|
| 1. People are safe and feel safe | | 4 | 4 |
| 2. People live independently with good physical and mental health for as long as possible | 3 | 1 | 4 |
| 3. We have reduced inequalities in health and income across the borough | | 4 | 4 |
| 4. People have the opportunities for lifelong learning and developing new skills including access to apprenticeships | | 3 | 3 |
| 5. Children & young people achieve the best outcomes through improved educational achievement & attainment | 2 | 6 | 8 |
| 6. People have access to Early help and support | 1 | | 1 |
| 7. Business Start ups & existing local businesses are supported to grow and attract new investment providing opportunities for all | 2 | 4 | 6 |
| 8. People have a welcoming safe and enjoyable town centre and principal towns as a destination for work, shopping, leisure and culture | | 4 | 4 |
| 9. People are supported to have safe warm and welcoming homes | 3 | 1 | 4 |
| 10. People live in great places, are recycling more and wasting less, feel connected and valued in their community | 1 | 2 | 3 |
| 11. Our Heritage and green spaces are promoted for all people to enjoy | | 1 | 1 |
| 12. Fossil fuels are being replaced by affordable and sustainable energy & people are able to enjoy more cycling and walking | | 1 | 1 |
| 13. Enabling Barnsley | 6 | 7 | 13 |
| Total | 18 | 38 | 56 |

STATEMENT OF ACCOUNTS 2021/22

Individual quarterly performance reports for 2021/22 can be accessed via the links below:

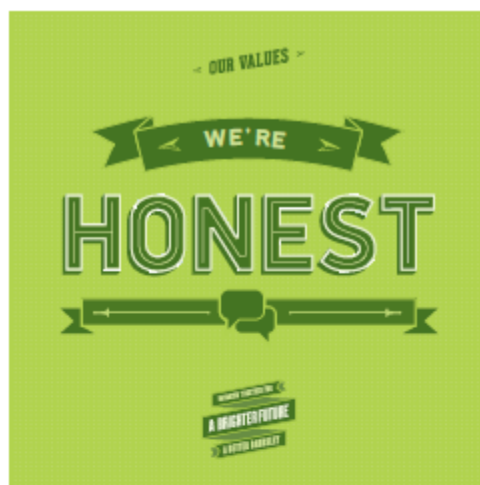
| Quarter | Date Presented to Cabinet | Cabinet Reference | Link to Cabinet Meeting |
|---------|---------------------------------|-------------------|-----------------------------------|
| 1 | 22 nd September 2021 | Cab.22.9.2021/15 | Quarter 1 Cabinet |
| 2 | 1 st December 2021 | Cab.1.12.2021/8 | Quarter 2 Cabinet |
| 3 | 9 th March 2022 | Cab.9.3.2022/7 | Quarter 3 Cabinet |
| 4 | 1 st June 2022 | Cab.1.6.2022/9 | Quarter 4 Cabinet |

Our Values

The above outcomes were delivered in line with the Council's core values - the 'way we do things around here'.



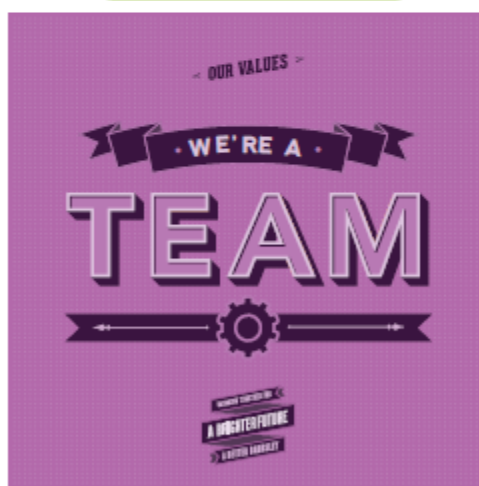
We're Proud
We're dedicated to making Barnsley a better place. We take pride in our work



We're Honest
We always say what we mean. Most of all we're reliable, fair and true



We'll be Excellent
We work really hard to provide the best quality and value for money for the people of Barnsley. Only our best is good enough



We're a Team
We all work together towards the same goal – to make Barnsley a better place for the people who live, work and visit here

STATEMENT OF ACCOUNTS 2021/22

Our 2021/22 Financial Performance

What The Council Spent in 2021/22 – Day to Day (Revenue)

General Fund Executive Overview:

In March 2020, the COVID-19 pandemic took hold across the world which affected every part of our lives. Since this time, across 3 financial years [2019/20, 2020/21 and 2021/22], the Council has incurred significant costs in first addressing the direct impact of the pandemic and also in supporting the Borough and its residents through the recovery from the pandemic.

The Council's approved budget for 2021/22 totalled **£186.6M**. During the year, the Council drew down earmarked reserves of **£44.0M** relating to prior year commitments, increasing the final year end budget to **£230.6M** (see below). Against this, the Council spent **£170.9M**, resulting in an underspend against resources of **£59.7M**. Of this, a further **£54.8M** was earmarked for slippage of schemes and specific expenditure commitments which required the earmarking of those resources, leaving an **operational underspend of £4.9M**.

This position includes in excess of **£26M** (£24M expenditure & £2M loss of income) directly relating to the Council's response to COVID-19. It should be noted that had it not been for additional funding from Government to help with this response effort, the overall net operational position would have been significantly worse and may have resulted in a call on emergency reserves. However, this was not the case and an overall net underspend of **£4.9M** has been realised, which relates to business as usual [non COVID] underspends. It is proposed to hold the **£4.9M** for mitigation of expected 2022/23 and 2023/24 MTFS pressures.

The table below provides a breakdown of the total costs during 2021/22 by key service (directorate) areas, as reported to the Council's Cabinet.

| <u>Management Accounts</u> | Final Position | | | Variance Split Between: | | | |
|-----------------------------------|-----------------|----------------|--------------|-------------------------|-------------------|---------------|-------------------|
| | Year End Budget | Actual Spend * | Variance | COVID Costs | COVID Lost Income | COVID Grant | Business As Usual |
| | £M | £M | £M | £M | £M | £M | £M |
| Children's Services | 42.9 | 47.0 | 4.1 | 0.3 | - | - | 3.8 |
| Place | 45.6 | 50.8 | 5.2 | 4.8 | 1.7 | - | (1.3) |
| Adults & Communities | 64.4 | 76.4 | 12.0 | 15.7 | - | - | (3.7) |
| Public Health | 4.3 | 6.4 | 2.1 | 3.0 | - | - | (0.9) |
| Core Services | (4.2) | (5.0) | (0.8) | 0.1 | 0.2 | - | (1.1) |
| Total Services | 153.0 | 175.6 | 22.6 | 23.9 | 1.9 | - | (3.2) |
| Corporate Budgets / General Items | 33.6 | 32.1 | (1.5) | 0.2 | - | - | (1.7) |
| Total Pre-COVID Funding | 186.6 | 207.7 | 21.1 | 24.1 | 1.9 | - | (4.9) |
| COVID-19 Funding | - | (26.0) | (26.0) | - | - | (26.0) | - |
| Total | 186.6 | 181.7 | (4.9) | 24.1 | 1.9 | (26.0) | (4.9) |

* Includes the impact of earmarked reserves [see table below].

The management accounts for 2021/22 presented to Cabinet, outlines the overall position in line with quarterly reports. In line with accounting requirements, the earmarkings are not presented within the accounts in this manner. The table below provides a reconciliation:

| | £M |
|----------------------------------|--------------|
| Actual Spend | 170.9 |
| Use of Earmarkings | (44.0) |
| 21/22 Earmarkings | 54.8 |
| Total Reported to Cabinet | 181.7 |

STATEMENT OF ACCOUNTS 2021/22

The Council has also acted as agent on behalf of Central Government and Sheffield City Region to provide over **£14M** in financial support to the business community affected by the pandemic. These costs [and associated Government funding] are not included in the above.

2021/22 Approved Budget

The Council set a net revenue expenditure budget of **£186.6M** for 2021/22 which was funded from grants from Central Government including Revenue Support Grant (RSG) and Business Rate Top-Up Grant, the locally retained element of the business rates retention scheme, Section 31 Grants and income from Council Tax payers, Adult Social Care and Public Health Grant. In addition, some **£44.0M** of specific earmarked revenue reserves were carried forward from 2020/21, increasing the overall 2021/22 in year net budget to **£230.6M**.

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

| 2021/22 Revenue Budget – Corporate Funding: | £M | % |
|---|--------------|---------------|
| Revenue Support Grant | 13.0 | 5.6% |
| Business Rates Retained Share including Collection Fund Surplus | 22.4 | 9.7% |
| Business Rates Top Up | 32.7 | 14.2% |
| Council Tax including Collection Fund Surplus | 106.7 | 46.3% |
| Section 31 Grants | 3.7 | 1.6% |
| Adult Social Care Grant | 7.8 | 3.4% |
| Public Health Grant | 0.3 | 0.1% |
| Earmarked Reserves | 44.0 | 19.1% |
| Total Net Revenue Expenditure Budget | 230.6 | 100.0% |

Housing Revenue Account (HRA) Executive Overview:

The Council's overall Housing Revenue Account position, which relates specifically to the costs of providing Council houses within the Borough was an underspend of **£0.6M**.

Cabinet have approved specific service earmarkings totalling **£0.5M**, with the remainder (**£0.1M**) being held pending the review of the Council's 30 Year HRA Business Plan.

| Management Accounts | Year End Budget | Actual | Over / (Under) Spend |
|--|------------------------|---------------|-----------------------------|
| | £M | £M | £M |
| Income | | | |
| Dwellings Rent | (70.7) | (71.1) | (0.4) |
| Non Dwellings Rent | (2.5) | (2.4) | 0.1 |
| Total Income | (73.2) | (73.5) | (0.3) |
| Expenditure | | | |
| Repairs & Maintenance | 19.3 | 21.6 | 2.3 |
| Supervision & Management | 19.9 | 18.7 | (1.2) |
| Bad Debt | 2.3 | 0.8 | (1.5) |
| Interest Payable | 11.3 | 10.2 | (1.1) |
| Contribution to Capital Funding | 20.3 | 20.3 | 0.0 |
| Use of Capital Reserves | 2.5 | 2.5 | 0.0 |
| Other Expenditure | 0.5 | 1.7 | 1.2 |
| Total Expenditure | 76.1 | 75.8 | (0.3) |
| Total Net Position Before Earmarkings | 2.9 | 2.3 | (0.6) |
| Earmarkings | | | 0.5 |
| Year End Position | | | (0.1) |

Individual quarterly monitoring reports for 2021/22 can be accessed via the links below:

STATEMENT OF ACCOUNTS 2021/22

| Quarter | Date Presented to Cabinet | Cabinet Reference | Link to Cabinet Meeting |
|----------|---------------------------------|-------------------|-----------------------------------|
| 1 | 22 nd September 2021 | Cab.22.9.2021/16 | Quarter 1 Cabinet |
| 2 | 1 st December 2021 | Cab.1.12.2021/9 | Quarter 2 Cabinet |
| 3 | 9 th March 2022 | Cab.9.3.2022/8 | Quarter 3 Cabinet |
| 4 | 1 st June 2022 | Cab.1.6.2022/10 | Quarter 4 Cabinet |

The Council's Reserves Position

Executive Summary

Where the Council generates a surplus against its budget, the cumulative amount is held within reserves until required in the future. The Council's total reserves at the end of 2021/22 totalled **£246.0M** split between general reserves of **£217.1M** and housing reserves of **£28.9M**. These reserves are earmarked for specific, one off projects/initiatives. A detailed breakdown can be found in [Note 4](#) to the accounts.

General Fund Reserves

The level of general fund reserves increased from **£195.3M** at the start of 2021/22 to **£217.1M** at the end of the financial year, a net increase of **£21.8M** which is outlined in the table below:

| General Fund: | £M |
|---|--------------|
| Reserves at 1st April 2021 | 195.3 |
| Reserves Used in 2021/22 | (44.1) |
| Reserves Earmarked into Future Years | 54.8 |
| Statutory Transfer of in Year SEND Deficit | 6.2 |
| Falls into Strategic Reserves | 4.9 |
| Total Movement | 21.8 |
| Reserves at 31st March 2022 | 217.1 |

The main reason for this is a known earmarking of resources (**£61.0M**) to fund current and future spend commitments in addition to slippage to schemes and programmes relating to delivery of some of the Council's key one-off investments during 2021/22 and therefore, those reserves are committed, but unspent at the end of the financial year.

However, the Council did use **£44.1M** of reserves previously earmarked for use during in 2021/22, mainly relating to funding its capital programme commitments and a number of service related investments.

The table below breaks down the 2021/22 General Fund Reserves:

| Reserve Type | Description | 1 st April 2021 £M | Used £M | Earmarked £M | 31 st March 2022 £M |
|---------------------------------------|--|----------------------------------|------------|-----------------|-----------------------------------|
| Specific Service Earmarkings | Resources held / committed for service specific purposes, including unspent grants and funding relating to projects that have been slipped into future periods | 54.5 | (11.8) | 25.6 | 68.3 |
| Capital Programme Earmarkings | Resources held / committed for the Council's capital investment programme | 29.4 | (3.2) | 16.4 | 42.6 |
| Glassworks Earmarkings | Resources held / committed for the Council's Glassworks Project | 22.3 | - | 1.3 | 23.6 |
| Revenue Investment Earmarkings | Resources held / committed for specific revenue investments as set out in the 2020/21 budget process | 4.5 | (2.0) | - | 2.5 |
| Other Corporate Earmarkings | Resources held / committed for corporate / Council wide priorities, including Be Even Better | 64.6 | (27.1) | 22.6 | 60.1 |

STATEMENT OF ACCOUNTS 2021/22

| Reserve Type | Description | 1 st April 2021 £M | Used £M | Earmarked £M | 31 st March 2022 £M |
|--------------------------------|--|-------------------------------------|---------------|-----------------|--------------------------------------|
| | Strategy, Insurance Fund, Future Redundancy and the MRP policy | | | | |
| Minimum Working Balance | Resources held as a contingency for unforeseen events | 20.0 | - | - | 20.0 |
| TOTAL | | 195.3 | (44.1) | 65.9 * | 217.1 |

* Includes £4.9M underspend that is held in strategic reserves

Housing Revenue Account Reserves

The level of Housing Revenue Account reserves decreased from **£31.0M** at the start of 2021/22 to **£28.9M** at the end of the financial year, a net decrease of **£2.1M** which is outlined in the table below:

| Housing Revenue Account: | £M |
|---|-------|
| Reserves at 1 st April 2021 | 31.0 |
| Reserves Used in 2021/22 | (2.7) |
| Reserves Earmarked into 2021/22 | 0.5 |
| Falls into Strategic Reserves | 0.1 |
| Total Movement | (2.1) |
| Reserves at 31 st March 2022 | 28.9 |

The main reason for this overall decrease is as result of utilising specific reserves totalling **£2.7M**, namely housing growth reserves, on specific capital projects during 2021/22, offset by the earmarking of resources for future years totalling **£0.4M**, for specific projects to be completed in 2022/23.

The table below breaks down the 2021/22 Housing Revenue Account Reserves:

| Reserve Type | Description | 1 st April 2021 £M | Used £M | Earmarked £M | 31 st March 2022 £M |
|--|---|-------------------------------------|--------------|-----------------|--------------------------------------|
| Housing Growth Investment | Resources held / committed for the approved housing growth capital investment programme | 21.0 | (2.4) | - | 18.6 |
| 30 Year Business Plan Earmarkings | Resources held / committed pending the review of the Council's 30 year HRA business plan | 0.1 | - | 0.1 | 0.2 |
| Other Revenue Earmarkings | Resources held / committed for service specific purposes including mitigation of the impact of welfare reform | 2.9 | (0.3) | - | 2.6 |
| Other Capital Earmarkings | Resources held / committed for known capital commitments | - | - | 0.5 | 0.5 |
| Minimum Working Balance | Resources held as a contingency for unforeseen events | 7.0 | - | - | 7.0 |
| TOTAL | | 31.0 | (2.7) | 0.6 * | 28.9 |

* Includes £0.1M underspend that is held in strategic reserves

What The Council Spent in 2021/22 (Capital)

Executive Overview:

In 2021/22, the Council spent **£94.8M** through its capital programme with the majority of the expenditure relating to the Council's property, plant and equipment, such as land and buildings, the road / infrastructure network and council houses.

STATEMENT OF ACCOUNTS 2021/22

The **capital expenditure** was funded from **£73.8M** worth of the Council's own resources, such as grants, capital receipts and reserves. The remaining expenditure, totalling **£21.0M**, has been funded by prudential borrowing / leasing.

Capital Expenditure

Capital expenditure during the year amounted to **£94.8M** (**£111.2M** in 2020/21), including Private Finance Initiative and other finance lease purchases. The table and chart below analyse the capital expenditure against the Council's asset categories.

| <u>Asset Categories</u> | 2021/22 £M |
|---|-----------------------|
| Council Dwellings | 22.7 |
| Property, Plant & Equipment | 30.0 |
| Vehicles, Plant, Furniture & Equipment | 1.3 |
| Assets Under Construction | 5.6 |
| Infrastructure Assets | 23.6 |
| Intangible Assets | - |
| Heritage Assets | 0.3 |
| Long Term Debtors | - |
| Non BMBC Assets | 11.3 |
| Total | 94.8 |

The most significant scheme included within the table above is the Glassworks project which spent £18.4M during the year, included above within Property, Plant & Equipment. Other significant schemes to note are the Barnsley Homes Standard scheme relating to the Council's houses and empty homes acquisitions and works to the highway network, including the scheme in relation to construction works on the roundabouts from J36 of the M1 to Goldthorpe.

However, the COVID-19 pandemic and the war in Ukraine has impacted on the delivery of a number of key capital schemes mainly as a result of the suspension of construction / delays in the delivery of raw materials which has resulted in slippage of costs into 2022/23 and beyond, in line with the three year programme.

Capital Financing

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

| <u>Funding Source</u> | 2021/22 £M |
|--|-----------------------|
| Capital Grants | 31.7 |
| Third Party Contributions (Inc. S106) | 5.0 |
| Capital Receipts | 1.9 |
| Revenue / Reserves | 14.0 |
| Major Repairs Reserve | 21.2 |
| Sub Total – Own Resources | 73.8 |
| Prudential Borrowing | 20.9 |
| Leasing | 0.1 |
| Sub Total – Borrowing/ Leasing | 21.0 |
| Total | 94.8 |

Details of Material Assets Disposals

The Council disposed of a number of assets during 2021/22. The **material disposals** are shown in the table below.

| <u>Asset</u> | <u>Description</u> | £M |
|---------------------------------|--|-----------|
| School Academy Transfers | Council Maintained Schools Converted to Academies in 2021/22 * | 2.9 |
| Council House Sales | Council Dwellings Sold | 7.7 |

* No consideration is received from the transfer of schools to academies

STATEMENT OF ACCOUNTS 2021/22

Individual quarterly monitoring reports for 2021/22 can be accessed via the links below:

| Quarter | Date Presented to Cabinet | Cabinet Reference | Link to Cabinet Meeting |
|---------|---------------------------------|-------------------|-----------------------------------|
| 1 | 22 nd September 2021 | Cab.22.9.2021/16 | Quarter 1 Cabinet |
| 2 | 1 st December 2021 | Cab.1.12.2021/9 | Quarter 2 Cabinet |
| 3 | 9 th March 2022 | Cab.9.3.2022/8 | Quarter 3 Cabinet |
| 4 | 1 st June 2022 | Cab.1.6.2022/11 | Quarter 4 Cabinet |

2021/22 Treasury Management Overview

Executive Overview:

Facing continued economic uncertainty, the focus of the Council's Treasury Management Strategy for 2021/22 was on **managing risk**:

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

Borrowing Overview:

The Council's borrowing strategy is to actively reduce its exposure to interest rate risk, whilst maintaining an under-borrowed position. As shown below there was a net increase of £40.3M on the Council's borrowing portfolio during the 2021/22 financial year, comprising £57.7M of new borrowing and £17.4M of principal repaid. The new fixed rate loans were taken out from the Public Works Loans Board (PWLB) at rates between 1.51% and 1.73%.

The decision to undertake borrowing earlier than planned was based on the rising interest rate environment, to mitigate risk and create cost certainty within the Council's budget. As a result, the Council has delivered to the interest rate exposure targets for 2021/22 and 2022/23 as per the approved Treasury Management Strategy. This means that 70% of the Council's overall borrowing requirement is being financed by long term, fixed rate borrowing.

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

| | Balance on 01/04/2021 £M | New Borrowing £M | Principal Redeemed £M | Balance on 31/03/2022 £M | Net Movement £M |
|-----------------------------------|--------------------------------|------------------------|-----------------------------|--------------------------------|-----------------------|
| PWLB Borrowing | 520.9 | 57.7 | (3.3) | 575.3 | 54.4 |
| Other Long-Term Loans | 93.5 | - | (1.4) | 92.1 | (1.4) |
| Temporary Loans | - | - | - | - | - |
| Longer Term Local Authority Loans | 29.5 | - | (12.7) | 16.8 | (12.7) |
| Total External Borrowing | 643.9 | 57.7 | (17.4) | 684.2 | 40.3 |

The Council reports its in year debt costs as a proportion of its net revenue stream [budget]. For 2021/22, the estimate at the start of the year was 9.50%, with the actual measure being some 9.53%, narrowly missing the target. This was predominantly as a result of the Council's approach to derisk its borrowing portfolio by fixing out significant levels of its CFR early, in line with the TM Strategy.

STATEMENT OF ACCOUNTS 2021/22

Investment Overview:

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

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

The Council's investment balances increased by £74 Million during the year primarily as a result of the temporary investment of the new borrowing detailed above.

| | Balance on 01/04/2021 £M | New Investments £M | Principal Redeemed £M | Balance on 31/03/2022 £M | Net Movement £M |
|---|--------------------------------|--------------------------|-----------------------------|--------------------------------|-----------------------|
| Short Term Deposits | 60.0 | 277.5 | (203.0) | 134.5 | 74.5 |
| Money Market Funds / Instant Access Accounts | 55.0 | 194.4 | (194.9) | 54.5 | (0.5) |
| Total Investments | 115.0 | 471.9 | (397.9) | 189.0 | 74.0 |

Treasury Reporting

Individual quarterly monitoring reports for 2021/22 can be accessed via the links below:

| Quarter | Date Presented to Cabinet | Cabinet Reference | Link to Cabinet Meeting |
|----------|---------------------------------|-------------------|-----------------------------------|
| 1 | 22 nd September 2021 | Cab.22.9.2021/16 | Quarter 1 Cabinet |
| 2 | 1 st December 2021 | Cab.1.12.2021/9 | Quarter 2 Cabinet |
| 3 | 9 th March 2022 | Cab.9.3.2022/8 | Quarter 3 Cabinet |
| 4 | 1 st June 2022 | Cab.1.6.2022/12 | Quarter 4 Cabinet |

Summary of the Council's Balance Sheet

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

| 1 st April 2021 £M | Category | 31 st March 2022 £M | Explanation | Movement £M |
|----------------------------------|-----------------------------------|-----------------------------------|--|---------------------------|
| 1,349.4 | Non-Current Assets | 1,358.1 | Assets owned or owed to the Council, that are expected to be used / received in more than 1 year | Increased by 8.7 |
| 164.1 | Current Assets | 246.5 | Assets owned or owed to the Council, that are expected to be used / received in the next year | Increased by 82.4 |
| (114.8) | Current Liabilities | (159.6) | Amounts that the Council owes, due within the next year | Increased by 44.8 |
| (1,270.2) | Long Term Liabilities | (1,170.3) | Amounts that the Council owes, due in more than 1 year | Decreased by 99.9 |
| 128.5 | NET ASSETS / (LIABILITIES) | 274.7 | | Increased by 146.2 |
| 273.4 | USEABLE RESERVES | 308.8 | Reserves held that can be used by the Council on spending | Increased by 35.4 |
| (144.9) | UNUSABLE RESERVES | (34.1) | Reserves held that are for specific purposes, ordinarily statutory accounting adjustments | Increased by 110.8 |
| 128.5 | TOTAL RESERVES | 274.7 | | Increased by 146.2 |

STATEMENT OF ACCOUNTS 2021/22

The table below provides a high level explanation of the Council's [Balance Sheet](#) from 1st April 2021 to 31st March 2022:

| Category | Movement £M | Explanation |
|-----------------------------------|---------------------------|---|
| Non-Current Assets | Increased by 8.7 | Net revaluations of assets upwards of +£12M, enhancing capital spend of +£44M, (£16M) disposals, (£37M) consumption of assets in the year (depreciation) and other increases of +£6M. |
| Current Assets | Increased by 82.4 | Increase in investment balances +£75M relating to new borrowing, not yet spent, and other increases of +£7M. |
| Current Liabilities | Increased by 44.8 | Borrowing repaid (£25M) offset by movement between long term and short term borrowing to reflect due date of debt +£40M, creditors increased +£23M, mainly relating to agency arrangements on behalf of Government, grants received in advance increased by +£8M and other reductions of (£1M). |
| Long Term Liabilities | Decreased by 99.9 | Pension liabilities decrease of (£116M) as a result of change to actuarial gains in respect of update of financial assumptions, offset with new borrowing +£58M, the movement between long term and short term borrowing to reflect due date of debt (£40M) and other reductions of (£2M). |
| NET ASSETS / (LIABILITIES) | Increased by 146.2 | |
| USEABLE RESERVES | Increased by 35.4 | GF / HRA Reserves increased by +£19M, unspent capital receipts increased by +£8M, unspent capital grants increased by +£8M. |
| UNUSABLE RESERVES | Increased by 110.8 | Betterment of Pensions Reserve +£117M, revaluation reserve increase by +£90M mainly relating to increase in council house values, offset by decrease to CAA (£98M) mainly relating to reduction of asset values where no previous revaluation gains exist, Collection Fund increased by +£7M and DSG Deficit Account showed a worsening of (£6M). |
| TOTAL RESERVES | Increased by 146.2 | |

Summary of the Council's Pension Fund Position as at 31st March 2022

Accounting Basis

The Council accounts for its Pension Fund position in accordance with IAS 19, which means that it accounts for the costs of retirement benefits when entitlement to those benefits has been earned rather than when they are actually paid to employees, which may be many years into the future. These future liabilities are to be met by fund assets which are acquired from employer and employee contributions and subsequently invested for a return. As at 31st March 2022, fund liabilities **exceeded** fund assets by **£327.5M** [**£443.4M** as at 31st March 2021], **on an accounting basis**.

Funding Basis

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

STATEMENT OF ACCOUNTS 2021/22

The Council has a deficit totalling **£16M** at the time of the last triennial review and paid the deficit relating to the triennial period (£2.3M) upfront, as a lump sum in 2020/21 to benefit from the discount offered by the Pension Fund, as opposed to paying on a monthly or annual basis. The second of three elements of this has been charged to the General Fund in 2021/22.

The Council's Approach to Risk Management

Executive Overview:

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

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

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

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

The Audit and Governance Committee provides assurances to the Council on the adequacy and effectiveness of the risk management framework, ensuring it is fit for purpose. The Audit and Governance Committee receives regular reports on the Council's risk management arrangements and on the management of key strategic risks; these include detailed presentations "a deep dive review" from the relevant Executive Director on strategic risks in their area. Executive Directors will attend the Audit and Governance Committee to present an update on their strategic risk(s) and answer questions raised by committee members. Oversight of the risk management framework is a key responsibility of the Audit and Governance Committee. Cabinet also receives six-monthly updates on strategic risks.

STATEMENT OF ACCOUNTS 2021/22

Future Spending Plans & Assessment of the Future Economic Climate

Key Documents

| Title | Description | Date Presented to Cabinet | Cabinet Reference | Link to Cabinet Meeting |
|--|---|---------------------------|-------------------|---------------------------------|
| Service & Financial Planning 2022/23 | General Fund Budget Proposals for 2022/23 | 9th February 2022 | Cab.9.2.2022/6 | Budget Cabinet |
| Housing Revenue Account – 2022/23 | HRA Budget Proposals for 2022/23 | 12th January 2022 | Cab.12.1.2022/6 | Cabinet Meeting |
| Treasury Management Policy & Strategy 2022/23 | The Council's Strategy with Regards Borrowing & Investing | 9th February 2022 | Cab.9.2.2022/6 | Budget Cabinet |
| Capital Investment Strategy 2022/23 | The Council's Strategy with Regards Capital Investment | 9th February 2022 | Cab.9.2.2022/6 | Budget Cabinet |
| Council Tax Base Report 2022/23 | The Council's Approved Council Tax Base | 12th January 2022 | Cab.12.1.2022/7 | Cabinet Meeting |
| Business Rates – Calculation of Local Share 2022/23 | The Council's Approved Business Rate Tax Base | 12th January 2022 | Cab.12.1.2022/8 | Cabinet Meeting |

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

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

In February 2022, the Council agreed an updated **Medium Term Financial Strategy (MTFS)** for the period 2021 – 2024. This included presenting balanced budget proposals for 2022/23 and 2023/24 with a relatively small funding gap in 2024/25.

However, the above position was approved prior to the onset of the cost of living crisis and other significant emerging financial pressures, including increased energy/fuel prices, the impact of high inflation on the Council's contracts, the anticipated increase in staff pay award, together with an increased demand for Council services, which will impact the 2022/23 budget and across the MTFS period. During June 2022, the Council refreshed its MTFS to take account of these pressures, together with a strategic plan to mitigate the impact, to achieve a balanced budget and ensure financial sustainability of the Council. The plan includes a Council wide programme of transformation to which the initial approach and framework have been established, with the detailed plans being worked up in the coming months.

The Impact of the Coronavirus (COVID-19) Pandemic

2021/22 Financial Year

As mentioned above, the COVID-19 pandemic has impacted on the Council's resources during 2021/22. The Council has incurred COVID related costs totalling £24.157M during 2021/22 (£33.177M in 2020/21), broken down as follows:

STATEMENT OF ACCOUNTS 2021/22

| Area of Spend | Value £M | Description |
|---|-------------|---|
| Infection Control | 7.4 | Support to the Council's care providers for staffing, PPE and outbreak control |
| Test and Trace / Outbreak Control | 3.2 | Provision of intervention to prevent outbreaks across the borough including marketing and communication |
| Household Support / Support to Vulnerable | 8.4 | Support to individuals and families required to self-isolate / financial support for council tax |
| Additional Social Care | 0.3 | Additional social workers to address rising demand caused by the pandemic |
| Waste | 1.2 | Additional costs of waste collection due to people being at home as well as social distancing measures at waste recycling sites |
| Business Support | 1.5 | Support to businesses within the Borough to help them recover |
| Other Recovery | 1.8 | Cost of security and cleaning to safely open public buildings |
| Other | 0.4 | Other |
| Total | 24.2 | |

Further information is provided within the Council's 2021/22 Corporate Finance Performance Report.

For 2022/23 and beyond, the Council will continue to monitor the impact of COVID-19 as part of its ongoing MTFS process.

Our 2021/22 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 2021/22 (The Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code specifies the principles and practices of accounting required to give a true and fair view of the Council's financial position at the end of the year and the transactions of the Council during the year.

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

The layout of the 2021/22 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 Council and the Chief Finance Officer (CFO) in relation to the Statement of Accounts. The Council is responsible for ensuring that there are proper arrangements in place for financial administration, ensuring that value for money is achieved and approving the annual Statement of Accounts. The CFO is responsible for selecting and applying accounting policies, keeping accurate and timely accounting records, taking reasonable steps for the prevention and detection of fraud and complying with proper accounting practice as defined by The Code.

STATEMENT OF ACCOUNTS 2021/22

The Core Financial Statements

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

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

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

[The Balance Sheet](#) – The Balance Sheet shows the value of the assets and liabilities recognised by the Council, as at 31st March 2022. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

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

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

Notes to the Core Financial Statements

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

STATEMENT OF ACCOUNTS 2021/22

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

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

The Supplementary Financial Statements

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

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

The Group Accounts

[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 2021/22

There has been no change to the Council's accounting policies for 2021/22.

Post Balance Sheet Events

There are no adjusting post balance sheet events following the 31st March 2022.

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

N COPLEY BA (HONS), CPFA.

DATE: xx

SERVICE DIRECTOR FOR FINANCE, CHIEF FINANCIAL OFFICER

STATEMENT OF ACCOUNTS 2021/22

SECTION 3 - STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required to:

- ◆ Make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Council, that Officer is the 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.

COUNCILLOR A. GARDINER

DATE:

CABINET SPOKESPERSON FOR CORPORATE SERVICES

The Chief Finance Officer's Responsibilities

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

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

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

In conclusion, the Chief Finance Officer certifies that this Statement of Accounts presents a true and fair view of the financial position of the Council as at 31st March 2022.

N COPLEY BA (HONS), CPFA.

DATE:

SERVICE DIRECTOR FOR FINANCE, CHIEF FINANCIAL OFFICER

STATEMENT OF ACCOUNTS 2021/22

SECTION 4 – CORE FINANCIAL STATEMENTS

THE MOVEMENT IN RESERVES STATEMENT

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

| <u>Movement in Reserves During 2021/22</u> | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Reserve | Total Useable Reserves | Total Unusable Reserves | Total Council Reserves | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|--|-------------------------------|--|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | |
| Balance of Reserves at 1st April 2021 | 195,302 | 30,952 | 17,086 | 19,014 | 11,062 | 273,416 | (144,898) | 128,518 | Balance Sheet |
| Total Comprehensive Expenditure & Income | (80,605) | (21,231) | - | - | - | (101,836) | 247,956 | 146,120 | CI&ES |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations | 102,435 | 19,122 | 8,007 | (895) | 8,511 | 137,180 | (137,180) | - | Note 3 |
| Net Increase / (Decrease) in 2021/22 | 21,830 | (2,109) | 8,007 | (895) | 8,511 | 35,344 | 110,776 | 146,120 | Note 4 & HRA |
| Balance of Reserves at 31st March 2022 | 217,132 | 28,843 | 25,093 | 18,119 | 19,573 | 308,760 | (34,122) | 274,638 | Balance Sheet |
| | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet / Note 5 | Balance Sheet | |

STATEMENT OF ACCOUNTS 2021/22

THE MOVEMENT IN RESERVES STATEMENT

| <u>Movement in Reserves During 2020/21</u> | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Reserve | Total Useable Reserves | Total Unusable Reserves | Total Council Reserves | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|--|-------------------------------|--|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | |
| Balance of Reserves at 1st April 2020 | 133,875 | 31,817 | 16,810 | 14,821 | 8,854 | 206,177 | (157,264) | 48,913 | Balance Sheet |
| Reporting of Schools Budget Deficit to New Adjustment Account at 1st April 2020 | 5,224 | - | - | - | - | 5,224 | (5,224) | - | |
| Restated Balance of Reserves at 1st April 2020 | 139,099 | 31,817 | 16,810 | 14,821 | 8,854 | 211,401 | (162,488) | 48,913 | |
| Total Comprehensive Expenditure & Income | 13,610 | (9,845) | - | - | - | 3,765 | 75,840 | 79,605 | CI&ES |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations | 42,593 | 8,980 | 276 | 4,193 | 2,208 | 58,250 | (58,250) | - | Note 3 |
| Net Increase / (Decrease) in 2020/21 | 56,203 | (865) | 276 | 4,193 | 2,208 | 62,015 | 17,590 | 79,605 | Note 4 & HRA |
| Balance of Reserves at 31st March 2021 | 195,302 | 30,952 | 17,086 | 19,014 | 11,062 | 273,416 | (144,898) | 128,518 | Balance Sheet |
| | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet / Note 5 | Balance Sheet | |

STATEMENT OF ACCOUNTS 2021/22

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

| 2020/21 | | | | 2021/22 | | |
|-------------------------|--------------------|-----------------------|--|-------------------------|--------------------|-----------------------|
| Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s |
| | | | Net Cost of Services: | | | |
| 143,626 | (96,228) | 47,398 | Children's Services | 159,912 | (98,318) | 61,594 |
| 103,502 | (27,454) | 76,048 | Place | 211,163 | (35,962) | 175,201 |
| 72,781 | (72,493) | 288 | Housing Revenue Account | 81,320 | (73,471) | 7,849 |
| 92,144 | (42,716) | 49,428 | Adults & Communities | 104,859 | (51,123) | 53,736 |
| 10,323 | (8,366) | 1,957 | Public Health | 11,414 | (8,944) | 2,470 |
| 113,222 | (101,991) | 11,231 | Core Services | 99,749 | (99,368) | 381 |
| 12,867 | (29,718) | (16,851) | Corporate Services | 20,348 | (30,877) | (10,529) |
| 32,937 | (22,542) | 10,395 | Exceptional Item – COVID 19 | 24,066 | (23,217) | 849 |
| 581,402 | (401,508) | 179,894 | Net Cost of Services | 712,831 | (421,280) | 291,551 |
| | | | Other Operating Income & Expenditure: | | | |
| 414 | - | 414 | Parish Council Precepts | 468 | - | 468 |
| 1,666 | - | 1,666 | Payments to Central Government Housing Capital Receipts Pool | 1,666 | - | 1,666 |
| 4,396 | (5,962) | (1,566) | (Gains) / Losses on The Disposal of Non-Current Assets | 12,921 | (13,208) | (287) |
| 6,769 | - | 6,769 | Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers | 2,920 | - | 2,920 |
| 13,245 | (5,962) | 7,283 | Total Other Operating Expenditure | 17,975 | (13,208) | 4,767 |
| | | | Financing & Investment Income & Expenditure: | | | |
| 23,747 | - | 23,747 | Interest Payable on Debt | 23,475 | - | 23,475 |
| 76 | - | 76 | Interest Element of Finance Leases | 57 | - | 57 |
| 19,395 | - | 19,395 | Interest Payable on PFI Unitary Payments | 19,621 | - | 19,621 |
| 9,537 | - | 9,537 | Net Interest on The Defined Benefit Liability / Asset | 9,499 | - | 9,499 |
| - | - | - | Movement in Fair Value of Financial Assets | - | - | - |
| 396 | - | 396 | Expected Credit Loss Model | 50 | - | 50 |
| - | - | - | Premium Incurred on Early Redemption of Debt | - | - | - |
| - | (809) | (809) | Investment Interest Income | - | (631) | (631) |
| - | (113) | (113) | Dividends Receivable | - | (446) | (446) |
| - | (10) | (10) | Interest Received on Finance Leases | - | (10) | (10) |
| 4,803 | (4,455) | 348 | (Surplus) / Deficit of Trading Undertakings or Other Operations | 5,188 | (5,985) | (797) |
| 57,954 | (5,387) | 52,567 | Total Financing & Investment Income & Expenditure | 57,890 | (7,072) | 50,818 |

Continued overleaf.

STATEMENT OF ACCOUNTS 2021/22

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

| 2020/21 | | | | 2021/22 | | |
|----------------------------|-----------------------|--------------------------|---|----------------------------|-----------------------|--------------------------|
| Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s |
| | | | Taxation & Non-Specific Grant Income: | | | |
| - | (35,966) | (35,966) | Recognised Capital Grants & Contributions | - | (46,170) | (46,170) |
| - | (24,924) | (24,924) | Section 31 Grant | - | (15,555) | (15,555) |
| - | (19,459) | (19,459) | Exceptional Item – COVID 19 Related General Grants | - | (8,215) | (8,215) |
| - | (12,954) | (12,954) | Revenue Support Grant (RSG) | - | (13,026) | (13,026) |
| - | (102,437) | (102,437) | Council Tax | - | (107,693) | (107,693) |
| - | (15,034) | (15,034) | Business Rates Retention Scheme – Locally Retained | - | (21,906) | (21,906) |
| - | (32,735) | (32,735) | Business Rates Retention Scheme – Top Up Grant | - | (32,735) | (32,735) |
| - | (243,509) | (243,509) | Total Taxation & Non Specific Grant Income | - | (245,300) | (245,300) |
| 652,601 | (656,366) | (3,765) | (Surplus) / Deficit on Provision of Services | 788,696 | (686,860) | 101,836 |
| | | | Other Comprehensive Income & Expenditure: | | | |
| 3,023 | (95,698) | (92,675) | (Gains) / Losses on Revaluation of Property, Plant & Equipment Assets | 5,649 | (108,999) | (103,350) |
| 111 | - | 111 | (Gains) / Losses on Revaluation of Financial Instruments | - | - | - |
| 16,724 | - | 16,724 | Actuarial (Gains) / Losses on Pension Assets / Liabilities | - | (144,606) | (144,606) |
| 19,858 | (95,698) | (75,840) | Other Comprehensive Income & Expenditure | 5,649 | (253,605) | (247,956) |
| 672,459 | (752,064) | (79,605) | Total Comprehensive Income & Expenditure | 794,345 | (940,465) | (146,120) |

STATEMENT OF ACCOUNTS 2021/22

BALANCE SHEET AS AT 31st MARCH 2022

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

| 2020/21 £000s | | 2021/22 £000s | 2021/22 £000s | Note / Statement |
|--------------------|--|------------------|--------------------|---------------------------|
| | NON-CURRENT ASSETS | | | |
| | Property Plant and Equipment: | | | |
| 647,463 | - Council Dwellings | 715,990 | | 19 |
| 282,683 | - Other Land & Buildings | 303,569 | | 19 |
| 8,863 | - Vehicles, Plant, Furniture & Equipment | 8,308 | | 19 |
| 283,291 | - Infrastructure Assets | 299,733 | | 19 |
| 107,118 | - Assets Under Construction | 8,592 | | 19 |
| 1,769 | - Surplus Assets | 2,228 | | 19 |
| 1,331,187 | | | 1,338,420 | |
| 11,215 | Heritage Assets | 11,659 | | 21 |
| 815 | Intangible Assets | 548 | | 22 |
| 4,281 | Long Term Investments | 4,254 | | 27 |
| 1,948 | Long Term Debtors | 3,140 | | 27 |
| 18,259 | | | 19,601 | |
| 1,349,446 | Total Non-Current Assets | | 1,358,021 | |
| | CURRENT ASSETS | | | |
| 8,413 | Assets 'Held for Sale' | 4,664 | | 23 |
| 60,048 | Short Term Investments | 134,594 | | 27 |
| 1,186 | Inventories | 1,513 | | 29 |
| 10,290 | Local Taxation Debtors | 10,341 | | 30 |
| (10,243) | Impairment of Local Taxation Debtors | (10,341) | | 30 |
| 47,848 | Other Short Term Debtors | 55,483 | | 31 |
| (6,490) | Impairment of Short Term Debtors | (6,430) | | 31 |
| 53,010 | Cash & Cash Equivalents | 56,695 | | Cash Flow |
| 164,062 | Total Current Assets | | 246,519 | |
| 1,513,508 | TOTAL ASSETS | | 1,604,540 | |
| | CURRENT LIABILITIES | | | |
| (21,788) | Short Term Borrowing | (37,307) | | 27 |
| (8,797) | Other Short Term Liabilities | (8,428) | | 27 |
| (47,929) | Short Term Creditors | (71,233) | | 32 |
| (6,368) | Short Term Provisions | (4,754) | | 34 |
| (23,602) | Capital Grants Receipts in Advance | (34,528) | | 33 |
| (6,295) | Revenue Grants Receipts in Advance | (3,335) | | 33 |
| (114,779) | Total Current Liabilities | | (159,585) | |
| | LONG TERM LIABILITIES | | | |
| (628,230) | Long Term Borrowing | (653,158) | | 27 |
| (194,062) | Other Long Term Liabilities | (185,633) | | 27 |
| (4,521) | Long Term Provisions | (4,060) | | 34 |
| (443,398) | Retirement Benefit Obligations | (327,466) | | 37 |
| (1,270,211) | Total Long Term Liabilities | | (1,170,317) | |
| (1,384,990) | TOTAL LIABILITIES | | (1,329,902) | |
| 128,518 | NET ASSETS / (LIABILITIES) | | 274,638 | |

Continued overleaf

STATEMENT OF ACCOUNTS 2021/22
BALANCE SHEET AS AT 31st MARCH 2022 (CONTINUED)

| 2020/21 £000s | | 2021/22 £000s | 2021/22 £000s | Note / Statement |
|------------------|--|------------------|------------------|---------------------|
| | USEABLE RESERVES: | | | |
| 195,302 | - General Fund | 217,132 | | 4 / MIRS |
| 30,952 | - Housing Revenue Account | 28,843 | | 4 / MIRS / HRA |
| 17,086 | - Useable Capital Receipts Reserve | 25,093 | | MIRS |
| 19,014 | - Major Repairs Reserve | 18,119 | | MIRS |
| 11,062 | - Capital Grant Unapplied Reserve | 19,573 | | MIRS |
| 273,416 | TOTAL USEABLE RESERVES | | 308,760 | |
| | UNUSABLE RESERVES: | | | |
| (35,182) | - Capital Adjustment Account | (133,502) | | 5 |
| 497 | - Deferred Capital Receipts Reserve | 496 | | 5 |
| (11,473) | - Financial Instruments Adjustment Account | (10,889) | | 5 |
| (444,961) | - Pensions Reserve | (328,247) | | 5 |
| (431) | - Financial Instrument Revaluation Reserve | (431) | | 5 |
| 352,241 | - Revaluation Reserve | 442,894 | | 5 |
| (2,482) | - Accumulated Absences Account | (2,548) | | 5 |
| 8,650 | - Collection Fund Adjustment Account | 16,051 | | 5 |
| (11,757) | - DSG Deficit Adjustment Account * | (17,946) | | 5 |
| (144,898) | TOTAL UNUSABLE RESERVES | | (34,122) | |
| | | | | |
| 128,518 | TOTAL RESERVES | | 274,638 | |

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

I certify that these accounts replace the draft accounts that were placed on account with the Council's external auditors, Grant Thornton LLP on 29th July 2022.

Mayor Cllr. Sarah-Jane Tattersall

Date:

STATEMENT OF ACCOUNTS 2021/22

CASH FLOW STATEMENT

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

| 2020/21 £000s | | 2021/22 £000s | 2021/22 £000s | Note |
|------------------|--|------------------|------------------|-------------------------------|
| (3,765) | Net (Surplus) / Deficit on Provision of Services | | 101,836 | CI&ES |
| | <u>Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:</u> | | | |
| (79,530) | - Depreciation & Impairment | (167,339) | | |
| (20,661) | - Pension Fund Adjustments | (28,674) | | |
| (11,166) | - Carrying Amount of Non-Current Assets Sold | (15,842) | | |
| (1,147) | - (Increase) / Decrease in Provisions | 2,025 | | |
| 85 | - Increase / (Decrease) in Inventories | 327 | | |
| (13,536) | - Increase / (Decrease) in Debtors | 1,699 | | |
| (8,051) | - (Increase) / Decrease in Creditors | (12,337) | | |
| 607 | - Other Non-Cash Adjustments | 544 | | |
| (133,399) | | | (219,597) | |
| | <u>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</u> | | | |
| 35,966 | - Capital Grants Recognised Through Comprehensive Income & Expenditure Statement | 46,170 | | |
| - | - Premiums Paid on Early Settlement of Debt | | | |
| 6,088 | - Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets | 13,444 | | |
| 42,054 | | | 59,614 | |
| (95,110) | Net Cash (Inflow) / Outflow From Operating Activities | | (58,147) | |
| 64,447 | Net Cash (Inflow) / Outflow From Investing Activities | | 90,725 | 39 |
| 46,222 | Net Cash (Inflow) / Outflow From Financing Activities | | (36,263) | 40 |
| 15,559 | Net (Increase) / Decrease in Cash & Cash Equivalents | | (3,685) | |
| 68,569 | Cash & Cash Equivalents as at 1st April | | 53,010 | |
| (15,559) | Net Increase / (Decrease) in Cash & Cash Equivalents | | 3,685 | |
| 53,010 | Cash & Cash Equivalents as at 31st March | | 56,695 | Balance Sheet |
| | Made Up Of The Following Elements: | | | |
| 2 | Cash Held By The Council | | 7 | |
| (12,314) | Cash in Transit * | | (3,542) | |
| 10,310 | Bank Current Accounts | | 5,720 | |
| 55,012 | Short Term Deposits With Financial Institutions | | 54,510 | |
| 53,010 | Total Cash & Cash Equivalents | | 56,695 | |

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

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

STATEMENT OF ACCOUNTS 2021/22

SECTION 5 – NOTES TO THE CORE FINANCIAL STATEMENTS

THE EXPENDITURE AND FUNDING ANALYSIS

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

| 2020/21 | | | | 2021/22 | | |
|---|--|---|---|---|--|---|
| 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 |
| 38,685 | 8,713 | 47,398 | Children's Services | 47,006 | 14,588 | 61,594 |
| 44,096 | 31,952 | 76,048 | Place | 45,033 | 130,168 | 175,201 |
| (16,801) | 17,089 | 288 | Housing Revenue Account | (15,572) | 23,421 | 7,849 |
| 45,441 | 3,987 | 49,428 | Adults & Communities | 47,774 | 5,962 | 53,736 |
| 1,469 | 488 | 1,957 | Public Health | 1,613 | 857 | 2,470 |
| (5,431) | 16,662 | 11,231 | Core Services | (5,767) | 6,148 | 381 |
| (17,040) | 189 | (16,851) | Corporate Services | (10,727) | 198 | (10,529) |
| 10,395 | - | 10,395 | Exceptional Item – COVID 19 | 849 | - | 849 |
| 100,814 | 79,080 | 179,894 | Net Cost of Services | 110,209 | 181,342 | 291,551 |
| 414 | 6,869 | 7,283 | Other Operating Income & Expenditure | 468 | 4,299 | 4,767 |
| 43,030 | 9,537 | 52,567 | Financing & Investment Income & Expenditure | 41,319 | 9,499 | 50,818 |
| (218,876) | (24,633) | (243,509) | Taxation & Non Specific Grant Income | (191,730) | (53,570) | (245,300) |
| (74,618) | 70,853 | (3,765) | (Surplus) / Deficit on Provision of Services | (39,734) | 141,570 | 101,836 |
| 19,280 | (19,280) | - | Items Presented Within The Movement in Reserves Statement | 20,015 | (20,015) | - |
| (55,338) | 51,573 | (3,765) | TOTAL | (19,719) | 121,555 | 101,836 |
| Note 1 / MIRS | Split Between: | CI&ES | | Note 1 / MIRS | Split Between: | CI&ES |
| General Fund | 42,593 | | | General Fund | 102,433 | |
| HRA | 8,980 | | | HRA | 19,122 | |
| | 51,573 | | | | 121,555 | |
| | Note 2 / Note 3 / MIRS | | | | Note 2 / Note 3 / MIRS | |

STATEMENT OF ACCOUNTS 2021/22

THE EXPENDITURE AND FUNDING ANALYSIS (CONTINUED)

| 2020/21 | | | Movement on Reserves: | 2021/22 | | |
|----------------|-------------------------|----------------|---|----------------|-------------------------|----------------|
| General Fund | Housing Revenue Account | Total | | General Fund | Housing Revenue Account | Total |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| 133,875 | 31,817 | 165,692 | Opening Balances as at 1st April | 195,302 | 30,952 | 226,254 |
| 5,224 | - | 5,224 | Reporting of Schools Budget Deficit to New Adjustment Account at 1st April 2020 | - | - | - |
| 139,099 | 31,817 | 170,916 | Revised Balances as at 1st April | 195,302 | 30,952 | 226,254 |
| 56,203 | (865) | 55,338 | Plus/(Less) Surplus or (Deficit) on General Fund & HRA Balances in Year | 21,830 | (2,109) | 19,721 |
| 195,302 | 30,952 | 226,254 | Closing Balances as at 31st March | 217,132 | 28,843 | 245,975 |

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

[Note 4 / MIRS](#)

Note A – Prior Period Adjustments

| | |
|--------------|--|
| Description: | This note provides explanation of the prior period adjustment applied in the comparative prior year position including the overall impact on the key statements and notes contained therein. |
|--------------|--|

There have been no significant prior period adjustments since the publication of the 2020/21 financial statements.

STATEMENT OF ACCOUNTS 2021/22

NOTES PRIMARILY RELATING TO THE EXPENDITURE & FUNDING ANALYSIS

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

Description: This note provides a reconciliation between the Council's Management Accounts and the first column of the Expenditure & Funding Analysis which represents the actual movement on the Council's useable reserves for the year. The respective adjustments are outlined in the explanatory notes in the pages overleaf.

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

EFA

STATEMENT OF ACCOUNTS 2021/22

| Adjustments from Management Accounts to Financial Reporting Format | 2020/21 | | | | | |
|---|--|---|--|---|---|---|
| | Management Accounts as Per Final Accounts Report (Note 1A) | Presentational Adjustments from Management Accounts to Financial Accounts (Note 1B) | Items Not Included in Net Cost of Services (Note 1C) | Items Not Included Within The CI&ES (Note 1D) | Corporate Funding / Expenditure (Note 1E) | Net Expenditure Chargeable to the General Fund and HRA Balances (Note 1F) |
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Children's Services | 34,132 | 4,553 | - | - | - | 38,685 |
| Place | 50,987 | (7,115) | 224 | - | - | 44,096 |
| Housing Revenue Account | 865 | (865) | (10,404) | (6,397) | - | (16,801) |
| Adults & Communities | 76,214 | (30,773) | - | - | - | 45,441 |
| Public Health | 6,189 | (4,720) | - | - | - | 1,469 |
| Core Services | (2,019) | (3,341) | (56) | (15) | - | (5,431) |
| Corporate Services | 66,982 | (78,577) | 13,091 | (18,536) | - | (17,040) |
| Exceptional Item – COVID 19 | (36,586) | 46,981 | - | - | - | 10,395 |
| Net Cost of Services | 196,764 | (73,857) | 2,855 | (24,948) | - | 100,814 |
| Other Operating Income & Expenditure | - | - | - | - | 414 | 414 |
| Financing & Investment Income & Expenditure | - | - | 43,030 | - | - | 43,030 |
| Taxation & Non Specific Grant Income | - | - | (45,885) | - | (172,991) | (218,876) |
| (Surplus) / Deficit on Provision of Services | 196,764 | (73,857) | - | (24,948) | (172,577) | (74,618) |
| Items Presented Within The Movement in Reserves Statement (Note 1G) | - | - | - | 18,415 | 865 | 19,280 |
| TOTAL NET EXPENDITURE | 196,764 | (73,857) | - | (6,533) | (171,712) | (55,338) |

[EFA](#)

Adjustments From Management Accounts to Financial Reporting Format – Explanatory Notes

Note 1A: Management Accounts as Per Final Accounts Report

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

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

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

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

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

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

STATEMENT OF ACCOUNTS 2021/22

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

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

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

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

Note 1E: Corporate Funding / Expenditure

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

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

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

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

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

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

STATEMENT OF ACCOUNTS 2021/22

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. |
|--------------|---|

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

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STATEMENT OF ACCOUNTS 2021/22

| <u>Adjustments from General Fund / HRA to Arrive at the Comprehensive Income and Expenditure Statement Amounts</u> | 2020/21 | | | |
|---|--|---|-----------------------------|--------------------------|
| | Adjustments for Capital Purposes (Note 2A) | Net Change for the Pensions Adjustments (Note 2B) | Other Differences (Note 2C) | Total Adjustments |
| | £000s | £000s | £000s | £000s |
| Children's Services | 3,862 | 5,343 | (492) | 8,713 |
| Place | 29,765 | 2,182 | 5 | 31,952 |
| Housing Revenue Account | 17,089 | - | - | 17,089 |
| Adults & Communities | 2,728 | 1,263 | (4) | 3,987 |
| Public Health | - | 488 | - | 488 |
| Core Services | 14,932 | 1,770 | (40) | 16,662 |
| Corporate Services | 105 | 78 | 6 | 189 |
| Net Cost of Services | 68,481 | 11,124 | (525) | 79,080 |
| Other Operating Income & Expenditure | 6,869 | - | - | 6,869 |
| Financing & Investment Income & Expenditure | - | 9,537 | - | 9,537 |
| Taxation & Non Specific Grant Income | (35,966) | - | 11,333 | (24,633) |
| Difference Between General Fund /HRA Surplus or Deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on the Provision of Services | 39,384 | 20,661 | 10,808 | 70,853 |
| Items Presented Within The Movement in Reserves Statement | (24,449) | (781) | 5,950 | (19,280) |
| TOTAL NET EXPENDITURE | 14,935 | 19,880 | 16,758 | 51,573 |

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Adjustments between Funding and Accounting Basis per Directorate – Explanatory Notes

Note 2A: Adjustments for Capital Purposes

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

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

STATEMENT OF ACCOUNTS 2021/22

Note 2B: Net Change for the Pensions Adjustments

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

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

Note 2C: Other Differences

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

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

STATEMENT OF ACCOUNTS 2021/22

NOTES PRIMARILY RELATING TO THE MOVEMENT IN RESERVES STATEMENT

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

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

General Fund Balances

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

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

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

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

Housing Revenue Account (HRA) Balances

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

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

Useable Capital Receipts Reserve

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

Major Repairs Reserve

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

Capital Grants Unapplied Reserve

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

STATEMENT OF ACCOUNTS 2021/22

Note 3

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

STATEMENT OF ACCOUNTS 2021/22

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 |
| 2020/21 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>) | 19,880 | - | - | - | - | (19,880) |
| Financial Instruments (<i>Transferred to the Financial Instruments Adjustments Account</i>) | (545) | (38) | - | - | - | 583 |
| Dedicated Schools Grant Deficit (<i>Transfers to or from DSG Adjustment Account</i>) | 6,533 | | - | - | - | (6,533) |
| Council Tax and NDR (<i>Transfers to or from Collection Fund Adjustment Account</i>) | 11,333 | - | - | - | - | (11,333) |
| Holiday Pay (<i>Transferred to the Accumulated Absences Reserve</i>) | (525) | - | - | - | - | 525 |
| 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>) | 58,820 | 20,826 | - | 16,524 | - | (96,170) |
| Sub Total – Adjustments to Revenue Resources | 95,496 | 20,788 | - | 16,524 | - | (132,808) |
| Adjustments Between Revenue and Capital Resources | | | | | | |
| Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve | (1,505) | (4,584) | 5,652 | - | - | 437 |
| Administrative Costs of Non-Current Asset Disposals (<i>Funded by a Contribution from the Capital Receipts Reserve</i>) | 127 | - | (127) | - | - | - |
| Payments to the Government Housing Receipts Pool (<i>Funded by a Transfer from the Capital Receipts Reserve</i>) | 1,666 | - | (1,666) | - | - | - |
| Posting of HRA Resources from Revenue to the Major Repairs Reserve | - | (4,625) | - | 4,625 | - | - |
| Statutory Provision for the Repayment of Debt (<i>Transfer from the Capital Adjustment Account</i>) | (8,671) | - | - | - | - | 8,671 |
| Capital Expenditure Financed from Revenue Balances (<i>Transfer to the Capital Adjustment Account</i>) | (8,554) | (2,599) | - | - | - | 11,153 |
| Sub Total – Adjustments Between Revenue & Capital Resources | (16,937) | (11,808) | 3,859 | 4,625 | - | 20,261 |
| Adjustments to Capital Resources | | | | | | |
| Use of the Capital Receipts Reserve to Finance Capital Expenditure | - | - | (3,584) | - | - | 3,584 |
| Use of the Major Repairs Reserve to Finance Capital Expenditure | - | - | - | (16,956) | - | 16,956 |
| Application of Capital Grants to Finance Capital Expenditure / Write Down Debt | (32,418) | - | - | - | (1,340) | 33,758 |
| Capital Grants Recognised, Not Yet Applied | (3,548) | - | - | - | 3,548 | - |
| Use of Resources to Write Down Debt | - | - | - | - | - | - |
| Receipts Received Relating to Loans/Investments Repaid in Year, Originally Funded From Capital Resources | - | - | - | - | - | - |
| Cash Payments in Relation to Deferred Capital Receipts | - | - | 1 | - | - | (1) |
| Sub Total – Adjustments to Capital Resources | (35,966) | - | (3,583) | (16,956) | 2,208 | 54,297 |
| Total Adjustments | 42,593 | 8,980 | 276 | 4,193 | 2,208 | (58,250) |
| | MIRS / EFA | MIRS / EFA | MIRS | MIRS | MIRS | MIRS |

STATEMENT OF ACCOUNTS 2021/22

| 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 2020 | Adj. to Opening Reserves Balance * | Transfers Out 2020/21 | Transfers In 2020/21 | Balance at 31 st March 2021 | Transfers Out 2021/22 | Transfers in 2021/22 | Balance at 31 st March 2022 |
|--|---|---|-----------------------------|----------------------------|---|-----------------------------|----------------------------|---|
| General Fund: | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| <u>Service Earmarked Reserves:</u> | | | | | | | | |
| <u>Children's Directorate:</u> | | | | | | | | |
| School Balances | 2,051 | - | (2,051) | 5,267 | 5,267 | (5,267) | 4,844 | 4,844 |
| Centrally Retained DSG Budgets | (5,224) | 5,224 | - | - | - | - | - | - |
| Future Demography / Social Care Pressures | 10,000 | - | - | 6,000 | 16,000 | - | 4,000 | 20,000 |
| Other People Directorate Earmarkings | 1,099 | - | (1,099) | 942 | 942 | (881) | 975 | 1,036 |
| <u>Place Directorate:</u> | | | | | | | | |
| Adult Learning - Grants | 618 | - | (12) | 561 | 1,167 | (95) | - | 1,072 |
| Waste Disposal - Transfer Loading Station | 348 | - | (348) | - | - | - | - | - |
| Other Place Directorate Earmarkings | 4,109 | - | (2,367) | 1,205 | 2,947 | (857) | 2,193 | 4,283 |
| <u>Adults & Communities Directorate:</u> | | | | | | | | |
| Area Council Funding | 1,088 | - | (1,088) | 1,127 | 1,127 | - | - | 1,127 |
| CCG Funding | - | - | - | - | - | - | 7,870 | 7,870 |
| Libraries Review | 1,000 | - | (1,000) | - | - | - | - | - |
| Other Communities Directorate Earmarkings | 8,243 | - | (6,646) | 14,529 | 16,126 | (11,647) | 5,077 | 9,556 |
| <u>Public Health Directorate:</u> | | | | | | | | |
| Public Health Earmarkings | 1,267 | - | (1,267) | 1,454 | 1,454 | (602) | 1,504 | 2,356 |
| <u>Core Services Directorate:</u> | | | | | | | | |
| PFI / BSF Programme | 6,014 | - | (571) | 1,836 | 7,279 | (42) | 1,154 | 8,391 |
| Other Core Services Directorate Earmarkings | 5,273 | - | (515) | 681 | 5,439 | (236) | 2,508 | 7,711 |
| <u>Corporate Earmarked Reserves:</u> | | | | | | | | |
| <u>Capital Programme Earmarkings:</u> | | | | | | | | |
| Capital Investment Priorities | 46,080 | - | (14,341) | 20,732 | 52,471 | (10,469) | 34,141 | 76,143 |
| <u>Corporate Earmarkings</u> | | | | | | | | |
| Revenue Investments – 20/21 Budgets | 265 | - | (4,120) | 8,436 | 4,581 | (2,116) | - | 2,465 |
| Restructuring Costs | 4,869 | - | (1,030) | 3,067 | 6,906 | (1,168) | 4,262 | 10,000 |
| Insurance Fund Reserve | 6,703 | - | (554) | - | 6,149 | - | 49 | 6,198 |
| Invest to Grow | 617 | - | (91) | - | 526 | (77) | - | 449 |
| Commercial Fund | 710 | - | (62) | - | 648 | (94) | - | 554 |
| MRP Future Years | 6,023 | - | - | 1,613 | 7,636 | - | 3,071 | 10,707 |
| MTFS 22/23 & 23/24 Mitigation | - | - | - | - | - | - | 5,700 | 5,700 |

STATEMENT OF ACCOUNTS 2021/22

| | Balance at 31 st March 2020 | Adj. to Opening Reserves Balance * | Transfers Out 2020/21 | Transfers In 2020/21 | Balance at 31 st March 2021 | Transfers Out 2021/22 | Transfers In 2021/22 | Balance at 31 st March 2022 |
|--|---|---|-----------------------------|----------------------------|---|-----------------------------|----------------------------|---|
| General Fund: | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| COVID 19 - Recovery Strategy | 1,909 | - | - | - | 1,909 | (956) | - | 953 |
| S31 Grant For Business Rate Reliefs (To be Repaid to Government) | 6,736 | - | - | 24,420 | 31,156 | (31,156) | 11,388 | 11,388 |
| Other Corporate Earmarkings | 4,077 | - | (514) | 2,009 | 5,572 | (3,424) | 2,181 | 4,329 |
| Sub Total – G/F Earmarked Reserves | 113,875 | 5,224 | (37,676) | 93,879 | 175,302 | (69,087) | 90,917 | 197,132 |
| Non-Earmarked Reserves: | | | | | | | | |
| Minimum Working Balances (Contingency for Unforeseen Events) | 20,000 | - | - | - | 20,000 | - | - | 20,000 |
| In Year Surplus / (Deficit) | - | - | - | - | - | - | - | - |
| Sub Total – G/F Non-Earmarked Reserves | 20,000 | - | - | - | 20,000 | - | - | 20,000 |
| Total – General Fund Reserves | 133,875 | 5,224 | (37,676) | 93,879 | 195,302 | (69,087) | 90,917 | 217,132 |
| Total General Fund Movement | | | 56,203 | | Balance Sheet | 21,830 | | Balance Sheet |
| | | | EFA / MIRS | | Balance Sheet | EFA / MIRS | | Balance Sheet |

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

STATEMENT OF ACCOUNTS 2021/22

| | Balance at 31 st March 2020 | Transfers Out 2020/21 | Transfers In 2020/21 | Balance at 31 st March 2021 | Transfers Out 2021/22 | Transfers In 2021/22 | Balance at 31 st March 2022 |
|--|---|-----------------------------|----------------------------|---|-----------------------------|----------------------------|---|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Housing Revenue Account: | | | | | | | |
| Earmarked Reserves: | | | | | | | |
| Housing Growth | 19,228 | (2,572) | 1,000 | 17,656 | (2,461) | 3,362 | 18,557 |
| Welfare Reform | 3,000 | (1,000) | - | 2,000 | - | - | 2,000 |
| New Build Bungalows | 381 | (27) | - | 354 | (354) | - | - |
| Held Pending Review of 30 Year Business Plan | 874 | - | 2,269 | 3,143 | (3,008) | - | 135 |
| COVID 19 Financial Recovery | 590 | (590) | - | - | - | - | - |
| Electrical Testing | 552 | (156) | - | 396 | - | - | 396 |
| Legionella Testing | 92 | (92) | - | - | - | - | - |
| Asbestos Programme | 100 | (100) | - | - | - | - | - |
| Floor Replacement Scheme | - | - | - | - | - | 470 | 470 |
| Repairs & Maintenance Slippage | - | - | 273 | 273 | (273) | - | - |
| Investment in Council HRA System | - | - | 100 | 100 | - | - | 100 |
| Legal Fees | - | - | 30 | 30 | - | - | 30 |
| Sub Total – HRA Earmarked Reserves | 24,817 | (4,537) | 3,672 | 23,952 | (6,096) | 3,832 | 21,688 |
| Non-Earmarked Reserves: | | | | | | | |
| Minimum Working Balances (Contingency for Unforeseen Events) | 7,000 | - | - | 7,000 | - | - | 7,000 |
| In Year Surplus | - | - | - | - | - | 155 | 155 |
| Sub Total – HRA Non-Earmarked Reserves | 7,000 | - | - | 7,000 | - | 155 | 7,155 |
| Total – HRA Reserves | 31,817 | (4,537) | 3,672 | 30,952 | (6,096) | 3,987 | 28,843 |
| Total HRA Movement | | (865) | | Balance Sheet / HRA | (2,109) | | Balance Sheet / HRA |
| | | EFA / MIRS | | | EFA / MIRS | | |

STATEMENT OF ACCOUNTS 2021/22

Note 5 – Unusable Reserves

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

| 31 st March 2020 £000s | 31 st March 2021 £000s | | 31 st March 2022 £000s |
|--------------------------------------|--------------------------------------|---|--------------------------------------|
| (24,780) | (35,182) | Capital Adjustment Account | (133,502) |
| 60 | 497 | Deferred Capital Receipts Reserve | 496 |
| (12,057) | (11,473) | Financial Instruments Adjustment Account | (10,889) |
| (408,352) | (444,961) | Pensions Reserve | (328,247) |
| (320) | (431) | Financial Instruments Revaluation Reserve | (431) |
| 271,208 | 352,241 | Revaluation Reserve | 442,894 |
| (3,007) | (2,482) | Accumulated Absences Account | (2,548) |
| 19,984 | 8,650 | Collection Fund Adjustment Account | 16,051 |
| - | (11,757) | DSG Deficit Adjustment Account | (17,946) |
| (157,264) | (144,898) | Total Unusable Reserves | (34,122) |

[Balance Sheet](#)

Capital Adjustment Account

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

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

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

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

| 2020/21 £000s | | 2021/22 £000s | 2021/22 £000s |
|------------------|---|------------------|------------------|
| (24,780) | Balance at 1st April | | (35,182) |
| | Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income & Expenditure Statement: | | |
| (79,250) | - Charges for Depreciation & Impairment of Non-Current Assets | (167,071) | |
| (280) | - Amortisation of Intangible Assets | (267) | |
| (5,471) | - Revenue Expenditure Funded From Capital Under Statute | (11,346) | |
| (11,166) | - Amounts of Non-Current Assets Written Off on Disposal or Sale as Part of Gain / Loss on Disposal to the Comprehensive Income & Expenditure Statement | (15,842) | |
| (96,167) | | | (194,526) |
| 11,642 | Adjusting Amount Written Out to the Revaluation Reserve | | 12,697 |
| (84,525) | Net Written Out Amount of the Cost of Non-Current Assets Consumed in Year | | (181,829) |
| | Capital Financing Applied in Year: | | |
| 3,584 | - Use of the Capital Receipts Reserve to Finance New Expenditure | 1,910 | |
| 51 | - Use of the Capital Receipts Reserve to Write Down Debt Requirement | 1,703 | |
| 32,419 | - Capital Grants & Contributions Credited to the Comprehensive Income & Expenditure Statement That Have Been Applied to Capital Financing / Write Down Debt | 36,123 | |
| 16,956 | - Use of Major Repairs Reserve to Finance New Capital Expenditure | 21,166 | |
| 1,340 | - Application of Grants to Capital Financing From Capital Grants Unapplied Account | 1,535 | |
| 8,671 | - Statutory Provision for the Financing of Capital Investment Charged Against the General Fund & HRA Balances | 7,165 | |
| 11,153 | - Capital Expenditure Charged Against the General Fund & HRA Balances | 13,987 | |
| 74,174 | | | 83,589 |

STATEMENT OF ACCOUNTS 2021/22

| 2020/21 £000s | | 2021/22 | |
|------------------|--|---------|------------------|
| | | £000s | £000s |
| - | Movement in the Market Value of Investment Properties Debited / Credited to the Comprehensive Income & Expenditure Statement | - | |
| (51) | Receipts Received Relating to Loans, Advances & Investments Made By The Council, Originally Funded From Capital Resources, Thus Reducing The Ongoing Requirement to Borrow | (80) | |
| (51) | | | (80) |
| (35,182) | Balance at 31st March | | (133,502) |

Deferred Capital Receipts Reserve

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

| 2020/21 £000s | | 2021/22 | |
|------------------|--|---------|------------|
| | | £000s | £000s |
| 60 | Balance at 1st April | | 497 |
| 438 | 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) | |
| 497 | Balance at 31st March | | 496 |

Financial Instruments Adjustment Account

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

| 2020/21 £000s | | 2021/22 | |
|------------------|--|---------|-----------------|
| | | £000s | £000s |
| (12,057) | Balance at 1st April | | (11,473) |
| - | Premiums Incurred in the Year & Charged to the Comprehensive Income & Expenditure Statement | - | |
| 584 | Proportion of Premiums Incurred in Previous Financial Years to be Charged Against the General Fund Balance in Accordance With Statutory Requirements | 584 | |
| 584 | Amount by Which Finance Costs Charged to the Comprehensive Income & Expenditure Statement are Different from Finance Costs Chargeable in the Year in Accordance with Statutory Requirements | | 584 |
| | | | |
| (11,473) | Balance at 31st March | | (10,889) |

Pensions Reserve

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

STATEMENT OF ACCOUNTS 2021/22

| 2020/21 | | 2021/22 |
|------------------|--|------------------|
| £000s | | £000s |
| (408,352) | Balance at 1st April | (444,961) |
| (16,724) | Actuarial Gains or (Losses) on Pensions Assets & Liabilities | 144,606 |
| (39,242) | 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 | (47,612) |
| 19,357 | Employer's Pensions Contributions | 19,720 |
| (444,961) | Balance at 31st March | (328,247) |

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Financial Instruments Revaluation Reserve

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

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

| 2020/21 | | 2021/22 | |
|--------------|---|---------|--------------|
| £000s | | £000s | £000s |
| (320) | Balance at 1st April | | (431) |
| - | Upward Revaluation of Investments | - | |
| (111) | Downward Revaluation of Investments | - | |
| - | Change in Impairment Loss Allowance | - | |
| (111) | | | - |
| - | Accumulated Gains or Losses on Assets Sold and Maturing Assets Written Out to the Comprehensive Income & Expenditure Statement as Part of Other Investment Income | - | |
| - | Accumulated Gains or Losses on Assets Sold and Maturing Assets Written Out to the General Fund Balance for Financial Assets Designated to Fair Value Through Other Comprehensive Income | - | |
| - | | | - |
| (431) | Balance at 31st March | | (431) |

STATEMENT OF ACCOUNTS 2021/22

Revaluation Reserve

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

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

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

| 2020/21 £000s | | 2021/22 | |
|------------------|--|---------|-----------------|
| | | £000s | £000s |
| 271,208 | Balance at 1st April | | 352,241 |
| 97,958 | Upward Revaluation of Assets | 113,225 | |
| (3,022) | Downward Revaluation of Assets & Impairment Losses Not Charged to the Surplus / Deficit on the Provision of Services | (5,649) | |
| (2,259) | Reversal Of Revaluation Loss (Net of Depreciation) | (4,226) | |
| 92,677 | Surplus or Deficit on Revaluation of Non-Current Assets Not Posted to The Surplus or Deficit on the Provision of Services | | 103,350 |
| (7,398) | Difference Between Fair Value Depreciation & Historical Cost Depreciation | (8,520) | |
| - | Revaluation Reserve Balances of Investment Properties Written Out on Transfer of Asset Category | - | |
| (4,246) | Accumulated Gains on Assets Sold or Scrapped | (4,177) | |
| (11,644) | Amount Written Off to the Capital Adjustment Account | | (12,697) |
| | | | |
| 352,241 | Balance at 31st March | | 442,894 |

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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 2021. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfer to or from the Account.

| 2020/21 £000s | | 2021/22 | |
|------------------|--|---------|----------------|
| | | £000s | £000s |
| (3,007) | Balance at 1st April | | (2,482) |
| 3,007 | Settlement or Cancellation of Accrual Made at the End of the Preceding Year | 2,482 | |
| (2,482) | Amounts Accrued at the End of the Current Year | (2,548) | |
| 525 | 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 | | (66) |
| | | | |
| (2,482) | Balance at 31st March | | (2,548) |

STATEMENT OF ACCOUNTS 2021/22

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.

| 2020/21 | | 2021/22 |
|----------------|--|----------------|
| £000s | | £000s |
| 19,984 | Balance at 1st April | 8,650 |
| (11,334) | 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 | 7,401 |
| 8,650 | Balance at 31st March | 16,051 |

[Collection Fund](#)

Dedicated Schools Grant Deficit Adjustment Account

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

| 2020/21 | | 2021/22 |
|-----------------|--|-----------------|
| £000s | | £000s |
| - | Balance at 1st April | (11,757) |
| (5,224) | Reporting of Opening Schools' Budget Deficit | - |
| (5,224) | Revised Balance at 1st April | (11,757) |
| (6,533) | Deficit Charged in Year | (6,189) |
| (11,757) | Balance at 31st March | (17,946) |

STATEMENT OF ACCOUNTS 2021/22

NOTES PRIMARILY RELATING TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

Note 6 – Expenditure & Income Analysed By Nature

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

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

| Expenditure / Income | 2020/21 £000s | 2021/22 £000s |
|--|--------------------------|--------------------------|
| Expenditure: | | |
| Employee Benefits Expenses | 178,728 | 193,850 |
| Other Services Expenses | 322,868 | 345,532 |
| Support Service Recharges | - | - |
| Depreciation, Amortisation, Impairment * | 85,005 | 178,687 |
| Interest Payments | 52,755 | 52,652 |
| Precepts & Levies | 414 | 468 |
| Payments to Housing Capital Receipts Pool | 1,666 | 1,666 |
| Write Out NBV Relating to the Disposal of Assets | 11,165 | 15,841 |
| Total Expenditure | 652,601 | 788,696 |
| Income: | | |
| Fees, Charges & Other Service Income | (133,607) | (143,033) |
| Interest & Investment Income | (932) | (1,086) |
| Income From Council Tax & Non-Domestic Rates | (117,470) | (129,599) |
| Government Grants & Contributions | (398,395) | (399,934) |
| Sale Proceeds Relating to the Disposal of Assets | (5,962) | (13,208) |
| Total Income | (656,366) | (686,860) |
| Surplus or Deficit on the Provision of Services | (3,765) | 101,836 |

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[Note 15](#)

* The increase in Depreciation, Amortisation & Impairments from 2020/21 to 2021/22 mainly relates to the change in valuation basis of the Glassworks Phase 2. This asset was held at 'historic cost' as an non operational, Asset Under Construction at the start of the year. During 2021/22, as it became operational and started to contribute towards the Council's strategic objectives, it was subsequently valued under the 'existing use' methodology in line with the Code of Practice. These charges have no impact on the Council Tax payer as are reversed out of the General Fund Balance in accordance with statutory provisions.

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

STATEMENT OF ACCOUNTS 2021/22

| <u>TOTAL INCOME</u> | 2021/22 | | | | | |
|--------------------------------|---|------------------------------------|---|---|---|------------------|
| | 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 |
| Children's Services | (1,578) | - | - | (96,739) | - | (98,317) |
| Place | (23,128) | (52) | - | (16,183) | - | (39,363) |
| HRA | (72,817) | (30) | - | (654) | - | (73,501) |
| Adults & Communities | (16,821) | - | - | (34,302) | - | (51,123) |
| Public Health | (378) | - | - | (8,265) | - | (8,643) |
| Core Services | (22,500) | (848) | - | (79,507) | - | (102,855) |
| Corporate Services | (5,811) | (156) | 7,284 | (37,325) | - | (36,008) |
| Exceptional Item – COVID 19 | - | - | - | (23,217) | - | (23,217) |
| Non Directorate | - | - | (136,883) | (103,742) | (13,208) | (253,833) |
| Total | (143,033) | (1,086) | (129,599) | (399,934) | (13,208) | (686,860) |

| <u>TOTAL EXPENDITURE (Prior Year Comparator)</u> | 2020/21 | | | | | | | |
|---|----------------------------------|----------------------------|---|----------------------|----------------------|--|---|----------------|
| | Employee Benefits Expenses | Other Services Expenses | Depreciation, Amortisation Impairment | Interest Payments | Precepts & Levies | Payments to Housing Capital Receipts Pool | Write Out NBV Relating to the Disposal of Assets | TOTAL |
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Children's Services | 73,384 | 66,381 | 3,862 | - | - | - | - | 143,627 |
| Place | 35,682 | 40,059 | 29,765 | - | - | - | - | 105,506 |
| HRA | 836 | 38,332 | 33,613 | 10,512 | - | - | - | 83,293 |
| Adults & Communities | 20,689 | 68,728 | 2,728 | - | - | - | - | 92,145 |
| Public Health | 7,682 | 2,641 | - | - | - | - | - | 10,323 |
| Core Services | 30,201 | 70,887 | 14,932 | - | - | - | - | 116,020 |
| Corporate Services | 10,254 | 2,903 | 105 | 32,706 | - | - | - | 45,968 |
| Exceptional Item – COVID 19 | - | 32,937 | - | - | - | - | - | 32,937 |
| Non Directorate | - | - | - | 9,537 | 414 | 1,666 | 11,165 | 22,782 |
| Total | 178,728 | 322,868 | 85,005 | 52,755 | 414 | 1,666 | 11,165 | 652,601 |

| <u>TOTAL INCOME (Prior Year Comparator)</u> | 2020/21 | | | | | |
|--|---|------------------------------------|---|---|---|------------------|
| | 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 |
| Children's Services | (2,440) | - | - | (93,788) | - | (96,228) |
| Place | (17,796) | (127) | - | (11,760) | - | (29,683) |
| HRA | (72,218) | (108) | - | (275) | - | (72,601) |
| Adults & Communities | (14,408) | - | - | (28,308) | - | (42,716) |
| Public Health | (286) | - | - | (8,080) | - | (8,366) |
| Core Services | (21,177) | (389) | - | (83,167) | - | (104,733) |
| Corporate Services | (5,282) | (308) | (779) | (69,543) | - | (75,912) |
| Exceptional Item – COVID 19 | - | - | - | (22,542) | - | (22,542) |
| Non Directorate | - | - | (116,691) | (80,932) | (5,962) | (203,585) |
| Total | (133,607) | (932) | (117,470) | (398,395) | (5,962) | (656,366) |

STATEMENT OF ACCOUNTS 2021/22

Note 7 – Revenue From Contracts With Service Recipients

| | |
|--------------|---|
| Description: | This note shows the level of revenue received by the Council from its contractual arrangements. |
|--------------|---|

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

| 2020/21 £000s | | 2021/22 £000s |
|------------------|---|------------------|
| (107,743) | Revenue From Contracts With Service Recipients | (127,438) |
| (107,743) | Total Included in Comprehensive Income & Expenditure Statement | (127,438) |

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

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

| | |
|-------------------------------|---|
| Description: | <p>The first part of this note identifies any material items of income or expense that occurred during 2021/22, defined as any material individual transaction to or from a single vendor or customer.</p> <p>The second part of the note identifies any exceptional items which are items of income or expenditure which are material in net terms, in respect of the Council's overall expenditure and are not expected to recur frequently or regularly.</p> |
| Relevant Accounting Policies: | Accounting Policy 6 |

Material Items of Income & Expense

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

COVID

During 2021/22, the Council incurred significant expenditure as a result of the COVID-19 global pandemic, along with a number of significant grants provided by the Government, to fund such expenditure.

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

Exceptional Items

These exceptional items are exceptional under the definition and do have a material net effect on the Council's statements:

COVID Expenditure and Specific COVID Related Grants

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

The Council incurred COVID related costs totalling £24.1M during 2021/22 (£33.2M in 2020/21), broken down as follows:

| Area of Spend | Value £M | Description |
|---|-------------|---|
| Infection Control | 7.4 | Support to the Council's care providers for staffing, PPE and outbreak control |
| Test and Trace / Outbreak Control | 3.2 | Provision of intervention to prevent outbreaks across the borough including marketing and communication |
| Household Support / Support to Vulnerable | 8.4 | Support to individuals and families required to self-isolate / financial support for council tax. |
| Additional Social Care | 0.3 | Additional costs relating to Social Care |
| Waste | 1.2 | Additional costs of waste collection due to people being at home as well as social distancing measures at waste recycling sites |
| Business Support | 1.5 | Provision of support to businesses in the Borough |

STATEMENT OF ACCOUNTS 2021/22

| Area of Spend | Value £M | Description |
|----------------|-------------|---|
| Other Recovery | 1.8 | Cost of security and cleaning to safely open public buildings |
| Other | 0.3 | |
| Total | 24.1 | |

The Council accounted for specific grants and income totalling £23.217M during 2021/22 (£22.542M in 2020/21). The £23.217M above includes other contributions / income that are not accounted for as grants, totalling £0.985M. A breakdown of the grants, totalling £23.232M is provided in [Note 15](#) to these accounts.

General COVID Related Grants

Where such grants were accounted for during the year, that had no restrictions and were therefore deemed as general grants, these grants have been accounted for within the Taxation and Non Specific Grant Income section of the [Comprehensive Income & Expenditure Statement](#).

The Council accounted for £8.215M during 2021/22 (£19.459M in 2020/21). A breakdown of these grants is provided in [Note 15](#) to these accounts.

The Council Acting as an Agent on Behalf of The Government

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

The Council recognised a creditor totalling £16.050M and a debtor totalling £1.806M in 2021/22 (£4.480M creditor / £nil debtor in 2020/21), the table shows the composition of these positions.

| As At 31 st March 2021 | | | | | As At 31 st March 2022 | | | |
|-----------------------------------|-----------------|------------|----------------|-------------------------------|-----------------------------------|-----------------|--------------|-----------------|
| Payments Made | Grant Received | Net Debtor | Net (Creditor) | | Payments Made | Grant Received | Net Debtor | Net (Creditor) |
| £000s | £000s | £000s | £000s | | £000s | £000s | £000s | £000s |
| 30,520 | (30,520) | - | - | BEIS Business Support Grant | - | - | - | - |
| 19,646 | (23,828) | - | (4,182) | Local Restrictions Grant | 376 | (453) | - | (77) |
| 384 | (458) | - | (74) | Test and Trace Payments | 992 | (814) | 178 | - |
| 4,232 | (4,456) | - | (224) | Additional Restrictions Grant | 1,125 | (1,295) | - | (170) |
| - | - | - | - | Restart Grant | 11,648 | (10,020) | 1,628 | |
| - | - | - | - | Council Tax Rebate 22/23 | - | (15,803) | - | (15,803) |
| 54,782 | (59,262) | - | (4,480) | Total | 14,141 | (28,385) | 1,806 | (16,050) |

School Academy Conversions

Where a maintained school transfers to Academy status, the Council's assets are leased to the respective academy trust. In accounting terms, the academy trust controls these assets; therefore, the transfer is accounted for as a disposal (see arrangements at [Note 25](#)). The amounts written out of the Council's Balance Sheet are as follows:

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

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| 2020/21 | Other Land & Buildings | Vehicles, Plant, Furniture & Equipment | Total |
|---------------------------|------------------------|--|--------------|
| Assets Relating To: | £000s | £000s | £000s |
| Athersley South Primary | 2,599 | - | 2,599 |
| Dearne Goldthorpe Primary | 4,170 | - | 4,170 |
| Total | 6,769 | - | 6,769 |

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

STATEMENT OF ACCOUNTS 2021/22

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.

Details of those units are as follows:

| 2020/21 | | Trading Service | 2021/22 | |
|--------------------|---------|---|---|---------|
| £000s | £000s | | £000s | £000s |
| (1,221) 717 | (504) | Waste & Recycling | Turnover Expenditure (1,458) 869 | (589) |
| | | | (Surplus)/Deficit | |
| (13,208) 10,702 | (2,506) | Engineering Services | Turnover Expenditure (14,639) 11,001 | (3,638) |
| | | | (Surplus)/Deficit | |
| (4,372) 9,947 | 5,575 | Building Services | Turnover Expenditure (9,569) 15,236 | 5,667 |
| | | | (Surplus)/Deficit | |
| (3,093) 4,847 | 1,754 | Fleet Services | Turnover Expenditure (3,802) 5,637 | 1,835 |
| | | | (Surplus)/Deficit | |
| (1,428) 2,651 | 1,223 | Schools Catering | Turnover Expenditure (2,933) 3,023 | 90 |
| | | | (Surplus)/Deficit | |
| (3,440) 1,690 | (1,750) | Cemetery, Crem, Mortuary | Turnover Expenditure (3,214) 1,770 | (1,444) |
| | | | (Surplus)/Deficit | |
| (138) 822 | 684 | Markets | Turnover Expenditure (822) 958 | 136 |
| | | | (Surplus)/Deficit | |
| (1,903) 3,743 | 1,840 | Neighbourhood Services | Turnover Expenditure (2,112) 4,220 | 2,108 |
| | | | (Surplus)/Deficit | |
| (4,241) 5,805 | 1,564 | The Consolidated Results of the Other Trading Units | Turnover Expenditure (4,793) 5,561 | 768 |
| | | | (Surplus)/Deficit | |
| (33,044) 40,924 | | TOTALS | Turnover Expenditure (43,342) 48,275 | |
| 7,880 | | Net (Surplus) / Deficit on Trading Operations | | 4,933 |

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

| 2020/21 £000s | | 2021/22 £000s |
|------------------|---|------------------|
| 7,880 | Net Deficit on Trading Operations | 4,933 |
| 2,587 | Services to the Public Included in the Net Cost of Services | 2,746 |
| (10,119) | Support Services Reported in the Net Cost of Services | (8,476) |
| 348 | Net Deficit / (Surplus) Posted to Financing & Investment Income & Expenditure | (797) |

[CI&ES](#)

STATEMENT OF ACCOUNTS 2021/22

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 2021/22, the Council has recognised impairment / revaluation losses of £130.324M (£44.437M in 2020/21) through the Comprehensive Income & Expenditure Statement as shown below:

| 2020/21 £000s | Asset Categories: | 2021/22 £000s |
|------------------|---|------------------|
| | Charged to Net Cost of Services: | |
| 17,096 | Council Dwellings | 22,724 |
| 28,541 | Other Land & Buildings * | 107,647 |
| (1,168) | Surplus Assets | (14) |
| (32) | Assets Held for Sale | (33) |
| 44,437 | Total Charged to Net Cost of Services | 130,324 |
| | Charged to Financing & Investment Income & Expenditure: | |
| - | Investment Properties | - |
| - | Total Charged to Financing & Investment Income & Expenditure | - |
| 44,437 | Total Charged to Comprehensive Income & Expenditure Statement | 130,324 |

* The significant increase in revaluation losses being charged to the Net Cost of Services in 2021/22 relates to the transfer of assets from Assets Under Construction to Operational Land & Buildings as these assets became operational during 2021/22. The change in asset category also means a change in valuation methodology which has resulted in these charges in 2021/22.

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. |
|--------------|---|

Children & Young People Service Aligned Budget Arrangement

The Council 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 Council.

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.

| 2020/21 £000s | | People Directorate £000s | Revenue Account £000s | 2021/22 £000s |
|------------------|--|--------------------------------|-----------------------------|------------------|
| | Value of Aligned Budgets: | | | |
| (4,814) | Opening Balance at 1 st April | | | (3,120) |
| (34,790) | BCCG | (3,120) | - | (34,409) |
| (39,604) | Barnsley MBC | (34,409) | - | (37,529) |
| | Total | (37,529) | - | (37,529) |
| | Value of Commissioned Services: | | | |
| 1,656 | SWYPFT* | 35,422 | - | 35,422 |
| 35,792 | Barnsley MBC | 1,696 | - | 1,696 |
| 2,156 | BCCG | 411 | - | 411 |
| (1,665) | Balance on Revenue Account | - | 4,006 | 4,006 |
| 37,939 | Total | 37,529 | 4,006 | 41,535 |
| (1,665) | Balance as at 31st March | - | 4,006 | 4,006 |

*SWYPFT – South & West Yorkshire Partnership Foundation Trust.

STATEMENT OF ACCOUNTS 2021/22

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--|------------------|
| (1,208) | Distribution of Over / (Under) Spend: | (35) |
| (457) | BCCG | 4,041 |
| | Barnsley MBC | |
| (1,665) | Total | 4,006 |

Income & Expenditure Account

| 2020/21 £000s | | 2021/22 £000s |
|------------------|-----------------------------------|------------------|
| | Income from Pooled Budget: | |
| - | Balance Brought Forward | - |
| (39,604) | Pooled Budget Income | 37,529 |
| - | Other Funding | - |
| (39,604) | Total | 37,529 |
| | Provider Expenditure: | |
| 948 | Barnsley CCG | 376 |
| 35,450 | Barnsley MBC (CYP&F / PH) | 39,578 |
| 1,541 | SWYPFT | 1,581 |
| 37,939 | Total | 41,535 |
| | | |
| (1,665) | Over / (Under) Spend | 4,006 |
| - | Ring-Fenced & Carried Forward | - |
| (1,665) | NET EXPENDITURE | 4,006 |

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 Council 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 2021/22 financial year.

STATEMENT OF ACCOUNTS 2021/22

A summary of the pooled budget is shown below:

| 2020/21 £000s | BCF Pooled Account | 2021/22 £000s |
|----------------------|--|----------------------|
| - | Balance as at 1st April | |
| (20,736) (16,432) | Contribution to the BCF Pool: Barnsley Clinical Commissioning Group Barnsley Metropolitan Borough Council | (22,844) (16,432) |
| (37,168) | Total | (39,276) |
| 27,610 9,558 | Value of Commissioned Services: Barnsley Clinical Commissioning Group Barnsley Metropolitan Borough Council | 29,208 10,068 |
| 37,168 | Total | 39,276 |
| - | Balance as at 31st March | |

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** – Represents the net shortfall of funding across the pool, based on actual expenditure incurred against the resources made available by both organisations.
- **Distribution of Overspend** – Represents the additional contribution required from both organisations in order to fund the over-spend and hence balance the pool.
- **Income and Expenditure Account** – Represents the value of services commissioned from the pool (budget) and the actual costs incurred by the providers in delivering those services, resulting in a net over / underspend across the pool. This net over / underspend is reflected in the Services Commissioned from Pooled Budget table.

Note 12 – Members' Allowances

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

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

| 2020/21 £000s | | 2021/22 £000s |
|------------------|-----------------------------------|------------------|
| 719 | Basic Allowances | 744 |
| 257 | Special Responsibility Allowances | 267 |
| 10 | Expenses | 12 |
| 986 | Total | 1,023 |

Note 13 – Officers' Remuneration & Exit Packages

| | |
|-------------------------------|---|
| Description: | This note shows: <ul style="list-style-type: none"> • The Senior Executive Officers remuneration; • An analysis of other Council employees with remuneration of greater than £50k; • The cost to the Council of exit packages given. |
| Relevant Accounting Policies: | Accounting Policy 9 |

STATEMENT OF ACCOUNTS 2021/22

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

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

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

Explanatory Notes:

A Post holder left their post on 31st January 2022

| Post | 2020/21 | | | | |
|---|--------------|------------------------|-----------------------|---------------------------|-------------------------|
| | Remuneration | Redundancy / Severance | Expenses / Allowances | Total Direct Remuneration | Pension Contributions * |
| | £000s | £000s | £000s | £000s | £000s |
| Sarah Norman - Chief Executive | 180 | - | 11 | 191 | 29 |
| Rachel Dickinson - Executive Director – People A | 37 | 125 | - | 162 | 6 |
| Executive Director – Childrens Services B | 118 | - | - | 118 | 19 |
| Executive Director – Place | 128 | - | - | 128 | 21 |
| Executive Director – Adults & Communities | 128 | - | - | 128 | 21 |
| Executive Director – Public Health | 127 | - | - | 127 | 18 |
| Executive Director – Core Services C | 21 | - | - | 21 | 3 |
| Executive Director – Core Services D | 112 | - | - | 112 | 18 |
| Service Director – Finance – Chief Financial Officer (S151 Officer) | 98 | - | - | 98 | 16 |

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

Explanatory Notes:

- A** Post holder left their post on 30th June 2020
- B** Post holder commenced employment in this role on 1st May 2020
- C** Post holder left their post on 31st May 2020
- D** Post holder commenced employment on 19th May 2020.

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

STATEMENT OF ACCOUNTS 2021/22

| Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.) | | Remuneration Only | | Total Including One Off Payments (Redundancy, Equal Pay Claims, and Expenses etc.) | | Remuneration Only |
|--|-----------------------|--------------------------------|---------------------|--|-----------------------|--------------------------------|
| 2020/21 Council Officers Total | 2020/21 Schools Total | 2020/21 Council Officers Total | Remuneration Band | 2021/22 Council Officers Total | 2021/22 Schools Total | 2021/22 Council Officers Total |
| 45 | 18 | 46 | £50,000 - £54,999 | 49 | 25 | 49 |
| 21 | 13 | 20 | £55,000 - £59,999 | 17 | 13 | 16 |
| 25 | 10 | 25 | £60,000 - £64,999 | 20 | 9 | 20 |
| 12 | 7 | 10 | £65,000 - £69,999 | 14 | 12 | 14 |
| 15 | 7 | 11 | £70,000 - £74,999 | 6 | 11 | 7 |
| 8 | 4 | 8 | £75,000 - £79,999 | 14 | 3 | 13 |
| 8 | - | 7 | £80,000 - £84,999 | 10 | - | 10 |
| 1 | 1 | 2 | £85,000 - £89,999 | 1 | - | 1 |
| 2 | 1 | 4 | £90,000 - £94,999 | 2 | - | 2 |
| 10 | - | 10 | £95,000 - £99,999 | 7 | - | 7 |
| - | 1 | - | £100,000 - £104,999 | 5 | 1 | 5 |
| 1 | - | 1 | £105,000 - £109,999 | - | - | - |
| - | - | - | £110,000 - £114,999 | 1 | - | 2 |
| 1 | - | - | £115,000 - £119,999 | - | - | - |
| 1 | - | - | £120,000 - £124,999 | - | - | - |
| 1 | - | - | £125,000 - £129,999 | - | - | - |
| 1 | - | - | £130,000 - £134,999 | - | - | - |
| - | - | - | £175,000 - £179,999 | 1 | - | - |
| 152 | 62 | 144 | | 147 | 74 | 146 |

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 | |
|---|------------------------|-----------|----------------------------|----------|-------------------------------|-----------|-----------------------------|---------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | £000s 2020/21 | £000s 2021/22 |
| £0 - £20,000 | 19 | 8 | 3 | 7 | 22 | 15 | 230 | 180 |
| £20,001 - £40,000 | 14 | 2 | - | 1 | 14 | 3 | 368 | 68 |
| £40,001 - £60,000 | - | - | - | - | - | - | - | - |
| £60,001 - £80,000 | - | - | - | 1 | - | 1 | - | 66 |
| £80,001 - £100,000 | - | - | - | - | - | - | - | - |
| £100,001 - £150,000 | - | - | - | - | - | - | - | - |
| Total Number of Exit Packages | 33 | 10 | 3 | 9 | 36 | 19 | | |
| Total Cost Included In Bandings | | | | | | | 598 | 314 |
| Add: Amounts Provided For in CI&ES Not Included In Bandings | | | | | | | - | - |
| Total Cost Included In The CI&ES | | | | | | | 598 | 314 |

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.

| 2020/21 £000s | | 2021/22 £000s |
|---------------|--|---------------|
| 180 | Fees Payable for External Audit Services Carried Out by the Appointed Auditor for the Year (Year End Accounts / VfM) | 180 |
| - | Additional Fees Payable for External Audit Services Carried Out by the Appointed Auditor for the Year - Agreed by PSAA | - |
| 33 | Fees Payable for the Certification of Grant Claims and Returns carried out by the Appointed Auditor for the Year | 45 |
| 213 | Total | 225 |

The Council's appointed external auditor for 2020/21 and 2021/22 was Grant Thornton UK LLP. The above table shows the cost of the audit services in respect of external audit work relating to both financial years. In practice, due to when

STATEMENT OF ACCOUNTS 2021/22

the work is undertaken by the auditors, these costs can be charged in different financial years to the one in which their work relates.

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

| | |
|-------------------------------|--|
| Description: | Grants are recognised through the Comprehensive Income & Expenditure Statement when the specific conditions of the grants are satisfied. This note details these grants in respect of the Council. |
| Relevant Accounting Policies: | Accounting Policy 12 |

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

| 2020/21 £000s | | 2021/22 £000s |
|------------------|---|------------------|
| | Credited to Taxation & Non-Specific Grant Income | |
| (12,954) | Revenue Support Grant | (13,026) |
| (32,735) | Business Rates Retention Scheme – Top Up Grant | (32,735) |
| (19,459) | COVID-19 – General Grants (See Table Below) | (8,215) |
| (24,924) | Section 31 Grant | (15,555) |
| (32,205) | Capital Grants | (39,498) |
| (3,761) | Capital Contributions | (6,672) |
| (126,038) | Total Credited to Taxation & Non-Specific Grant Income | (115,701) |
| | Credited to Services | |
| (47,095) | Housing Benefit Subsidy | (43,689) |
| (83,521) | Dedicated Schools Grant | (88,824) |
| (32,195) | PFI Grant | (32,195) |
| (4,153) | New Homes Bonus | (2,410) |
| (17,063) | Public Health Grant | (18,237) |
| (11,179) | Better Care Fund | (11,776) |
| (11,817) | Improved Better Care Fund | (13,055) |
| (7,793) | Adult Social Care Support Grant | (10,130) |
| (22,307) | COVID-19 – Specific Grants (See Table Below) | (23,232) |
| (26,667) | Other Grants | (26,590) |
| (8,567) | Other Contributions | (14,095) |
| (272,357) | Total Credited to Services | (284,233) |
| (398,395) | Total Credited to The Comprehensive Income & Expenditure Statement | (399,934) |

| 2020/21 £000s | <u>COVID Related Grants</u> | 2021/22 £000s |
|------------------|---|------------------|
| | Credited to Taxation & Non-Specific Grant Income | |
| (14,811) | Local Authority Support Grant | (7,835) |
| (816) | Taxation Losses Compensation Grant | - |
| (3,832) | Fee & Charges Income Losses Compensation Grant | (380) |
| (19,459) | Total Credited to Taxation & Non-Specific Grant Income | (8,215) |
| | Credited to Services | |
| - | Additional Relief Fund | (3,930) |
| (5,056) | Contain Outbreak Control Management | (3,596) |
| (5,325) | Infection & Prevention Control | (2,731) |
| - | Workforce Recruitment & Retention | (2,387) |
| - | DWP Household Support Grant | (2,351) |
| (752) | Lateral Testing | (1,626) |
| (348) | Test & Trace Payments - Discretionary Element | (1,449) |
| - | DWP Local Support Grant | (1,113) |
| (475) | Outbreak Control | (1,094) |
| - | Practical Support | (741) |
| (136) | Test & Trace Administration | (360) |
| - | Omicron Support | (310) |
| - | ERDF Re-opening High Streets | (309) |
| - | Add/New Burden Funding | (307) |
| (652) | SCR Additional Restrictions Grant – Discretionary Element | (306) |
| - | ERDF Restart & Recovery Grants | (286) |
| (318) | Community Testing | (194) |
| - | Community Champion | (96) |
| (845) | Clinically Extremely Vulnerable | (30) |
| (2,630) | Hardship Fund | (16) |
| (2,166) | BEIS Business Support Grant – Discretionary Element | - |

STATEMENT OF ACCOUNTS 2021/22

| | | |
|-----------------|---|-----------------|
| (339) | BEIS Additional Restrictions Grant - Discretionary Element | - |
| (156) | COVID Marshalls | - |
| (172) | Next Steps Accommodation | - |
| (760) | SCR Enterprise Grant | - |
| (351) | Welfare Emergency Assistance Grant | - |
| (619) | Workforce Capacity Fund | - |
| (1,207) | Winter Grant Scheme | - |
| (22,307) | Total Credited to Services | (23,232) |
| (41,766) | Total Credited to The Comprehensive Income & Expenditure Statement | (31,447) |

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. |
|--------------|--|

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 a Council-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:

| 2020/21 | | 2021/22 | | |
|------------------|--|---------------------|----------------------------------|------------------|
| Total | | Central Expenditure | Individual Schools' Budget (ISB) | Total |
| £000s | | £000s | £000s | £000s |
| (204,226) | Final DSG for Year Before Academy Recoupment | | | (221,090) |
| 120,484 | Academy Figure Recouped for Year | | | 132,008 |
| (83,742) | Total DSG After Academy Recoupment | | | (89,082) |
| 58 | In Year Adjustments | (212) | 354 | 142 |
| (83,684) | Final Budgeted Distribution For Year | (26,847) | (62,093) | (88,940) |
| 29,686 | Less: Actual Central Expenditure | 33,036 | | 33,036 |
| 60,531 | Less: Actual ISB Deployed To Schools | | 62,093 | 62,093 |
| - | Plus: Council Contribution For Year | - | - | - |
| 6,533 | In Year Carry Forward To Following Year | 6,189 | - | 6,189 |
| | Analysis of DSG Unusable Reserve: | | | |
| 5,224 | Opening Balance | | | 11,757 |
| 6,533 | In Year Deficit | | | 6,189 |
| 11,757 | Closing Balance | | | 17,946 |

The Council updated the DSG Management Plan to reflect changes in costs and funding assumptions following the Government's announcement on schools' funding in October 2021. The proposed actions to bring spend to a sustainable level will also be reviewed in light of latest discussion with schools and partners and was submitted in November 2021. The Council will be reporting performance against the DSG Management Plan through its governance process i.e. SEND Oversight Board, Senior Management Team, Cabinet as well as the Audit & Governance Committee going forward.

Note 17 – Related Parties

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

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

STATEMENT OF ACCOUNTS 2021/22

The Public Sector

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions with other parties (e.g. Council Tax bills, housing benefits). Grants received from Government Departments are set out in the subjective analysis in [Note 6](#). Grant receipts outstanding at 31st March 2021 are shown in [Note 33](#) and Grants recognised through the Comprehensive Income & Expenditure statement during the year are shown in [Note 15](#).

Local Authorities

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

NHS Bodies

The Council has pooled 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 Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2021/22 is shown in [Note 12](#).

During 2021/22, no material works, or services were commissioned from companies with which a Member had an interest.

Senior Officers

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

During 2021/22, no senior officers of the Council have declared a material interest in any companies.

Subsidiaries

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

Berneslai Homes Ltd

Berneslai Homes Ltd is an Arm's Length Management Organisation responsible for managing homes on behalf of the Council. Specifically, it is responsible for managing all the landlord services for the Council's 18,264 homes including rent collection, arrears recovery, repairs and maintenance, dealing with empty properties and all tenancy matters. Berneslai Homes Ltd is an independent company committed to working in partnership with the Council and the communities in which it works to deliver high quality housing services to local people. The company came into existence in December 2002 and is a wholly owned subsidiary of the Council but overseen by a Board of Directors rather than a Committee of the Council.

The Council guarantees the full amount of the pension fund deficit of Berneslai Homes. The actuary has assessed this deficit at £25.716M as at 31st March 2022 (£39.626M as at 31st March 2021). However, as the Council considers it unlikely that this guarantee will be exercised, the £25.716M is disclosed as a contingent liability in the Council's own accounts.

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

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

STATEMENT OF ACCOUNTS 2021/22

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

| <u>Profit / Loss Account:</u> | 2020/21 (Restated) £000s | 2021/22 £000s |
|--|---|--------------------------|
| Income | (33,277) | (39,285) |
| Expenditure | 39,147 | 44,665 |
| (Profit) / Loss | 5,870 | 5,380 |
| Actuarial (Gain) / Loss on Pension Scheme | 3,922 | (18,921) |
| Total Comprehensive (Income) / Expenditure for the Year | 9,792 | (13,541) |

| <u>Balance Sheet:</u> | 2020/21 (Restated) £000s | 2021/22 £000s |
|------------------------------|---|--------------------------|
| Assets | 15,571 | 15,794 |
| Liabilities | (43,378) | (30,059) |
| Net Assets | (27,807) | (14,265) |
| | | |
| Retained Surplus / (Deficit) | 11,819 | 11,451 |
| Pension Deficit | (39,626) | (25,716) |
| Net Reserves | (27,807) | (14,265) |

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

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

| <u>Related Party Transactions:</u> | 2020/21 (Restated) £000s | 2021/22 £000s |
|---|---|--------------------------|
| Income | (32,437) | (39,495) |
| Expenditure | 998 | 1,022 |
| Assets | 5,257 | 3,290 |
| Liabilities | (32) | (652) |

STATEMENT OF ACCOUNTS 2021/22

Joint Ventures

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

| Organisation | Oakwell Community Assets Ltd (OCAL) | | Burleigh Court (Barnsley) Management Ltd | | Barnsley Estates Partnership Ltd | |
|---------------------------------|--|----------------|---|-------------|--|--------------|
| Incorporation Date | 30 th September 2003 | | 20 th May 1992 | | 23 rd June 2003 | |
| Council Share | 50% of the share capital of the company | | Ownership of shares – More than 25% but not more than 50% | | 10% of the share capital of the company | |
| Nature of the Activities | The purchase of land and buildings at Oakwell which are subsequently leased to Barnsley Football Club 2002 Ltd | | Residents' property management | | To provide management services to its subsidiaries, Barnsley Community Solutions Limited (Tranches 1, 2 and 3) | |
| Financials (P&L): | 2019/20 | 2020/21 | 2019 | 2020 | 2019 | 2020 |
| Income | (138) | (150) | (9) | (4) | (3,749) | (1,204) |
| Expenditure | 57 | 34 | 9 | 4 | 3,610 | 1,082 |
| (Profit) / Loss | (81) | (116) | 0 | 0 | (139) | (122) |
| Financials (Bal. Sheet): | 2019/20 | 2019/20 | 2019 | 2020 | 2019 | 2020 |
| Assets | 5,955 | 5,509 | 61 | 64 | 5,442 | 5,386 |
| Liabilities | (1,636) | (1,074) | (61) | (64) | (5,201) | (5,023) |
| Net Assets | 4,319 | 4,435 | - | - | 241 | 363 |
| Reserves | 4,319 | 4,435 | - | - | 241 | 363 |
| Total Reserves | 4,319 | 4,435 | - | - | 241 | 363 |

| Organisation | Barnsley Local Education Partnership Ltd | | Modern Schools Barnsley | | BDR (Property) Limited | | Municipal Bonds Agency | |
|---------------------------------|--|-------------|---|----------------|---|----------------|---|--------------|
| Incorporation Date | 11 th March 2009 | | 14 th October 2004 | | 3 rd May 1998 | | 3 rd June 2014 | |
| Council Share | 10% of the share capital of the company | | Has significant influence on the company | | 6.66% of the share capital of the company | | £0.010M shareholding | |
| Nature of the Activities | The construction and operations of 3 schools in the Barnsley area and ICT services on 11 schools | | Finance, design, develop, construct and then maintain and part operate thirteen schools | | Management of the joint Waste disposal at Manvers | | To provide the Local Government bodies an alternative for borrowing | |
| Financials (P&L): | 2020 | 2021 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Income | (2,896) | (3,404) | (7,912) | (7,965) | (38) | (2,004) | (107) | (207) |
| Expenditure | 2,734 | 3,386 | 7,542 | 7,319 | 1,969 | 677 | 372 | 809 |
| (Profit) / Loss | (162) | (18) | (370) | (646) | 1,931 | (1,327) | 265 | 602 |
| Financials (Bal. Sheet): | 2020 | 2021 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Assets | 4,769 | 4,596 | 24,967 | 23,752 | - | 1,892 | 25 | 781 |
| Liabilities | (4,316) | (4,125) | (28,322) | (26,461) | (659) | (1,224) | (142) | (1,500) |
| Net Assets | 453 | 471 | (3,355) | (2,709) | (659) | 668 | (117) | (719) |
| Reserves | 453 | 471 | (3,355) | (2,709) | (659) | 668 | (117) | (719) |
| Total Reserves | 453 | 471 | (3,355) | (2,709) | (659) | 668 | (117) | (719) |

STATEMENT OF ACCOUNTS 2021/22

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 Council and GLE Enterprise Partners Ltd and is limited by guarantee without share capital.

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

Barnsley Premier Leisure

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

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

Penistone Grammar School Foundation Trust

The charity was originally incorporated in 1957 but started operating on 24th August 1965. The main activities of the charity are to give grants to individuals or organisations that benefit the ancient Parish of Penistone. The Council is the only trustee of the charity with 7 volunteers making up the rest of the board.

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

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

Joint Arrangements:

Waste Private Finance Initiative (PFI)

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

Other Arrangements:

Agency Arrangements

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

NOTES PRIMARILY RELATING TO THE BALANCE SHEET

Note 18 – Events After The Balance Sheet Date

| | |
|-------------------------------|--|
| Description: | This note explains any significant event that occurs following the balance sheet date. |
| Relevant Accounting Policies: | Accounting Policy 10 |

The Statement of Accounts was submitted to the Council's External Auditors by the Section 151 Officer, the Service Director for Finance, on 31st July 2022. 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 2022, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

STATEMENT OF ACCOUNTS 2021/22

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 |

| 2021/22 | 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 2021 | 663,395 | 303,183 | 15,924 | 399,265 | 107,118 | 1,773 | 1,490,658 | 38,752 |
| Additions / Enhancements | 51 | 13,893 | 1,327 | 23,065 | 5,610 | - | 43,946 | - |
| Additions / Enhancements – Non-Value Adding | 22,680 | 16,059 | - | 481 | - | - | 39,220 | - |
| Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve | 56,445 | 2,623 | - | - | - | 491 | 59,559 | (197) |
| Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services | - | (91,588) | - | - | - | 14 | (91,574) | (32) |
| Impairments – Non-Value Adding Expenditure | (22,680) | (16,059) | - | (481) | - | - | (39,220) | - |
| De-recognition – Disposals | (7,684) | (3,739) | (2,358) | (889) | - | (36) | (14,706) | - |
| Assets Reclassified (To) / From Held for Sale | - | 10 | - | - | - | (150) | (140) | - |
| Transfer | 3,786 | 97,049 | - | 3,041 | (104,136) | 141 | (119) | - |
| At 31st March 2022 | 715,993 | 321,431 | 14,893 | 424,482 | 8,592 | 2,233 | 1,487,624 | 38,523 |
| Accumulated Depreciation: | | | | | | | | |
| At 1st April 2021 | (15,932) | (20,500) | (7,061) | (115,974) | - | (4) | (159,471) | (4,042) |
| Depreciation Charge | (16,031) | (8,727) | (1,882) | (9,664) | - | (7) | (36,311) | (644) |
| Depreciation Written Out to the Revaluation Reserve | 32,000 | 11,012 | - | - | - | 6 | 43,018 | 970 |
| De-recognition – Disposals | - | 313 | 2,358 | 889 | - | - | 3,560 | - |
| Transfers | (40) | 40 | - | - | - | - | - | - |
| At 31st March 2022 | (3) | (17,862) | (6,585) | (124,749) | - | (5) | (149,204) | (3,716) |
| Net Book Value: | | | | | | | | |
| At 1st April 2021 | 647,463 | 282,683 | 8,863 | 283,291 | 107,118 | 1,769 | 1,331,187 | 34,710 |
| At 31st March 2022 | 715,990 | 303,569 | 8,308 | 299,733 | 8,592 | 2,228 | 1,338,420 | 34,807 |
| | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | Balance Sheet | |

STATEMENT OF ACCOUNTS 2021/22

| Comparative Movements in 2020/21 | 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 |
| <u>Cost or Valuation</u> | | | | | | | | |
| At 1st April 2020 | 594,712 | 321,749 | 15,537 | 372,621 | 70,118 | 2,928 | 1,377,665 | 38,309 |
| Additions / Enhancements | - | 7,899 | 1,525 | 26,192 | 45,331 | - | 80,947 | 94 |
| Additions / Enhancements – Non-Value Adding | 17,182 | 6,688 | - | - | - | - | 23,870 | - |
| Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve | 66,579 | 4,707 | - | - | - | (469) | 70,817 | 364 |
| Revaluation Increases / (Decreases) Recognised in the Surplus / Deficit on the Provision of Services | 87 | (21,854) | - | - | - | 1,168 | (20,599) | (15) |
| Impairments – Non-Value Adding Expenditure | (17,183) | (6,687) | - | - | - | - | (23,870) | - |
| De-recognition – Disposals | (3,565) | (7,310) | (1,138) | (1,191) | - | (37) | (13,241) | - |
| Assets Reclassified (To) / From Held for Sale | - | - | - | - | - | (4,931) | (4,931) | - |
| Transfer | 5,583 | (2,009) | - | 1,643 | (8,331) | 3,114 | - | - |
| At 31st March 2021 | 663,395 | 303,183 | 15,924 | 399,265 | 107,118 | 1,773 | 1,490,658 | 38,752 |
| <u>Accumulated Depreciation</u> | | | | | | | | |
| At 1st April 2020 | (14,283) | (20,155) | (6,102) | (108,022) | - | (4) | (148,566) | (4,660) |
| Depreciation Charge | (15,929) | (7,534) | (2,097) | (9,143) | - | (4) | (34,707) | (1,424) |
| Depreciation Written Out to the Revaluation Reserve | 14,509 | 6,289 | - | - | - | 274 | 21,072 | 2,042 |
| De-recognition – Disposals | - | 401 | 1,138 | 1,191 | - | - | 2,730 | - |
| Transfers | (229) | 499 | - | - | - | (270) | - | - |
| At 31st March 2021 | (15,932) | (20,500) | (7,061) | (115,974) | - | (4) | (159,471) | (4,042) |
| <u>Net Book Value</u> | | | | | | | | |
| At 1st April 2020 | 580,429 | 301,594 | 9,435 | 264,599 | 70,118 | 2,924 | 1,229,099 | 33,649 |
| At 31st March 2021 | 647,463 | 282,683 | 8,863 | 283,291 | 107,118 | 1,769 | 1,331,187 | 34,710 |
| | 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 2022, the Council had contractually committed to £58.8M of capital works within its capital programme. The corresponding amount contractually committed as at 31st March 2021 was £44.4M. The major commitments are:

- HRA PRIP - £5.2M
- Glassworks Development - £12.8M
- Market Gate Bridge - £7.2M
- M1 J37 Phase 2 - £8.9M
- New Build St Michaels - £5.5M
- Others - £19.2M

Effects of Changes in Estimates:

There have been no changes to the depreciation methodologies used during 2021/22.

STATEMENT OF ACCOUNTS 2021/22

Revaluations:

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

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 | - | - | 14,891 | 424,482 | 8,592 | - | 447,965 |
| Valued at Fair Value: | | | | | | | |
| 2021/22 | 715,992 | 274,027 | - | - | - | 2,233 | 992,252 |
| 2020/21 | - | 24,413 | - | - | - | - | 24,413 |
| 2019/20 | - | 6,515 | - | - | - | - | 6,515 |
| 2018/19 | - | 8,917 | - | - | - | - | 8,917 |
| 2017/18 | - | 7,558 | - | - | - | - | 7,558 |
| Gross Book Value | 715,992 | 321,430 | 14,891 | 424,482 | 8,592 | 2,233 | 1,487,620 |

Fair Value Measurement of Surplus Assets:

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

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

[Balance Sheet](#)

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 2021 £000s | Accumulated Depreciation £000s | Net Book Value as at 31 st March 2021 £000s |
|--|--|---|---|---|-----------------------------------|---|
| Surplus Buildings | - | 41 | - | 41 | (4) | 37 |
| Surplus Land – Amenity Land | - | 2 | - | 2 | - | 2 |
| Surplus Land – Garden Land | - | 5 | - | 5 | - | 5 |
| Surplus Land – Grazing Land | - | 37 | - | 37 | - | 37 |
| Surplus Land – Residential | - | 1,689 | - | 1,689 | - | 1,689 |
| Net Book Value | - | 1,773 | - | 1,773 | (4) | 1,769 |

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2021/22

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 |

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

Note 21 – Heritage Assets

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

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

| | Ceramics £000s | Art Collections £000s | Other £000s | Total Assets £000s |
|--------------------------------------|-------------------|-----------------------------|----------------|-----------------------|
| Cost or Valuation | | | | |
| At 1st April 2020 | 594 | 8,355 | 1,478 | 10,427 |
| Additions / Enhancements | - | - | - | - |
| Disposals | - | - | - | - |
| Revaluations | - | 788 | - | 788 |
| Transfers | - | - | - | - |
| At 31st March 2021 | 594 | 9,143 | 1,478 | 11,215 |
| Additions / Enhancements | - | - | 325 | 325 |
| Disposals | - | - | - | - |
| Revaluations | - | - | - | - |
| Transfers | - | - | 119 | 119 |
| At 31st March 2022 | 594 | 9,143 | 1,922 | 11,659 |
| Net Book Value | | | | |
| At 31st March 2021 | 594 | 9,143 | 1,478 | 11,215 |
| At 31st March 2022 | 594 | 9,143 | 1,922 | 11,659 |

[Balance Sheet](#)

[Balance Sheet](#)

Detail of Movements in Heritage Assets: Additions / Enhancements

During 2021/22, the Council spent £0.325M on Heritage Assets (nil in 2020/21).

STATEMENT OF ACCOUNTS 2021/22

Detail of Movements in Heritage Assets: Disposals

There were no disposals of heritage assets during 2021/22 (nil in 2020/21).

Detail of Movements in Heritage Assets: Revaluations

There was no revaluation of heritage assets during 2021/22 (£0.788M in 2020/21).

Intangible Heritage Assets

There are no intangible heritage assets held by the Council as at 31st March 2022 (nil as at 31st March 2021).

Further Details of Heritage Assets

Ceramics, Porcelain Work and Figurines

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

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

Art Collection

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

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

Other

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

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

Note 22 – Intangible Assets

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

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

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

The carrying amount of intangible assets are amortised on a straight-line basis. The amortisation of £0.268M has been charged to the Net Cost of Services within the Comprehensive Income and Expenditure Statement.

STATEMENT OF ACCOUNTS 2021/22

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

| 2020/21 Purchased Software £000s | | 2021/22 Purchased Software £000s |
|--|---|--|
| | Balance at 1st April: | |
| 1,702 | - Gross Carrying Amounts | 1,872 |
| (777) | - Accumulated Amortisation | (1,057) |
| 925 | Net Carrying Amount at 1st April | 815 |
| | Additions: | |
| 170 | Purchases | - |
| | Disposals: | |
| - | Other Disposals – Gross Carrying Amounts | - |
| - | Other Disposals – Accumulated Amortisation | - |
| | Amortisation: | |
| (280) | Amortisation for the Period | (267) |
| 815 | Net Carrying Amount at 31st March | 548 |
| | Comprising: | |
| 1,872 | Gross Carrying Amounts | 1,872 |
| (1,057) | Accumulated Amortisation | (1,324) |
| 815 | | 548 |

[Balance Sheet](#)

Note 23 – Assets Held for Sale

Description:

Assets Held for Sale are Council assets that are:

- Being actively marketed for sale;
- Expected to sell in the next 12 months.

This note shows the value and movement in those assets.

| 2020/21 £000s | <u>Current Assets</u> | 2021/22 £000s |
|------------------|---|------------------|
| 4,108 | Balance Outstanding at 1st April | 8,413 |
| 4,931 | Assets Newly Classified as Held for Sale: - Surplus Assets | 150 |
| 68 | Revaluation Gains | 807 |
| (39) | Revaluation Losses | - |
| - | Assets Declassified as Held for Sale: - Surplus Assets | (10) |
| (655) | Assets Sold | (4,696) |
| 8,413 | Balance Outstanding at 31st March | 4,664 |

[Balance Sheet](#)

Fair Value Measurement of Assets Held for Sale:

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

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

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2021/22

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 2021 £000s |
|--|--|---|---|--|
| Surplus Buildings | - | 1,480 | - | 1,480 |
| Surplus Land – Commercial | - | 2,898 | - | 2,898 |
| Surplus Land – Garden Land | - | 2 | - | 2 |
| Surplus Land – Residential | - | 4,033 | - | 4,033 |
| Net Book Value | - | 8,413 | - | 8,413 |

[Balance Sheet](#)

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

Significant Observable Inputs – Level 2 – Market Approach

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

Significant Observable Inputs – Level 2 – Income Approach

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

Note 24 – Capital Expenditure and Capital Financing

| | |
|--------------|---|
| Description: | This note shows the Council's capital financing requirement (CFR), which is the underlying requirement to borrow, and how that has changed during the year. |
|--------------|---|

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

| 2020/21 | | | | 2021/22 | | |
|----------------|----------------|------------------|---|----------------|----------------|------------------|
| General Fund | HRA | Total | | General Fund | HRA | Total |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| 751,555 | 271,734 | 1,023,289 | Opening Capital Financing Requirement | 790,425 | 271,734 | 1,062,159 |
| | | | <i>Capital Investment:</i> | | | |
| - | 17,183 | 17,183 | Council Dwellings | - | 22,731 | 22,731 |
| 11,061 | 3,525 | 14,586 | Other Land & Buildings | 28,489 | 1,462 | 29,951 |
| 1,525 | - | 1,525 | Vehicles, Plant, Furniture & Equipment | 1,326 | - | 1,326 |
| 26,192 | - | 26,192 | Infrastructure Assets | 23,546 | - | 23,546 |
| 45,265 | 67 | 45,332 | Assets Under Construction | 3,708 | 1,901 | 5,609 |
| - | - | - | Heritage Assets | 325 | - | 325 |
| 170 | - | 170 | Intangible Assets | - | - | - |
| - | - | - | Long Term Investment | - | - | - |
| 720 | - | 720 | Long Term Debtors | - | - | - |
| 5,471 | - | 5,471 | Revenue Expenditure Funded from Capital Under Statute | 10,657 | 689 | 11,346 |
| | | | | | | |
| 90,404 | 20,775 | 111,179 | Total Capital Investment | 68,051 | 26,783 | 94,834 |
| | | | <i>Sources of Finance – For Capital Expenditure Purposes:</i> | | | |
| (2,459) | (1,125) | (3,584) | Capital Receipts | (743) | (1,167) | (1,910) |
| (33,357) | (137) | (33,494) | Government Grants & Other Contributions | (35,998) | (759) | (36,757) |
| (8,597) | (19,513) | (28,110) | Other Revenue Funding | (10,295) | (24,857) | (35,152) |
| | | | | | | |

STATEMENT OF ACCOUNTS 2021/22

| 2020/21 | | | | 2021/22 | | |
|--------------|----------|-----------|---|--------------|----------|-----------|
| General Fund | HRA | Total | | General Fund | HRA | Total |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| (44,413) | (20,775) | (65,188) | Total Resources Utilised to Fund In Year Capital Expenditure | (47,036) | (26,783) | (73,819) |
| | | | | | | |
| 45,991 | - | 45,991 | Increase in Capital Financing Requirement as a Result of In Year Capital Expenditure | 21,015 | - | 21,015 |
| | | | <i>Sources of Finance – Set Aside to Repay Debt:</i> | | | |
| - | - | - | Capital Receipts | (1,623) | - | (1,623) |
| - | - | - | Other Revenue Funding | - | - | - |
| (264) | - | (264) | Other | (902) | - | (902) |
| (51) | - | (51) | Repayment of Long Term Debtors / Investments | (80) | - | (80) |
| (6,806) | - | (6,806) | MRP | (7,165) | - | (7,165) |
| | | | | | | |
| (7,121) | - | (7,121) | Total Set Aside to Repay Debt | (9,770) | - | (9,770) |
| | | | | | | |
| 790,425 | 271,734 | 1,062,159 | Closing Capital Financing Requirement | 801,670 | 271,734 | 1,073,404 |

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

| 2020/21 | | | | 2021/22 | | |
|--------------|-------------------------|---------|---|--------------|-------------------------|---------|
| General Fund | Housing Revenue Account | Total | | General Fund | Housing Revenue Account | Total |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| 45,991 | - | 45,991 | Explanation of Movements in Year | 20,915 | - | 20,915 |
| - | - | - | Increase / (Decrease) in Underlying Need to Borrow (Funded from Council's Own Base Resources) | 100 | - | 100 |
| - | - | - | Assets Acquired Under Finance Leases | - | - | - |
| (6,806) | - | (6,806) | Assets Acquired Under PFI / PPP Contracts | (7,165) | - | (7,165) |
| (315) | - | (315) | Amounts Set Aside to Repay Debt – Statutory | (2,605) | - | (2,605) |
| | | | Amounts Set Aside to Repay Debt – Voluntary | | | |
| 38,870 | - | 38,870 | Increase / (Decrease) in Capital Financing Requirement | 11,245 | - | 11,245 |

Note 25 – Leases

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

Council as Lessee

Finance Leases

Other Land and Buildings – There are currently 6 buildings recognised within the Council's Balance Sheet acquired via finance lease. The first relates to a 15 year lease in respect of a residential bungalow. The rentals payable in 2021/22 were £0.030M (£0.030M in 2020/21) - accounted for as £0.024M principal payment and £0.006M finance costs.

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

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

In 2019/20, Wentworth Castle & Gardens was accounted for as a finance lease and recognised at an acquisition cost of £0 on the basis that the Council assumed the existing lease between Wentworth Castle Trust. The lease was for 99

STATEMENT OF ACCOUNTS 2021/22

years at inception in 2007, with rentals payable for the duration of the term being nil. Subsequently, several sub-leases of specific buildings on the site have also been assumed by the Council, with the Council as lessor. These leases, which have a 25 year lease term, have been accounted for as operating leases.

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

Vehicle, Plant, Furniture and Equipment – The Council has 7 agreements in place in 2021/22 for various types of asset including wheeled bins and vehicles, accounted for as finance leases. The rentals payable in 2021/22 were £0.599M (£0.680M in 2020/21) – accounted for as £0.547M principal payment and £0.052M finance costs.

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

| 31st March 2021 (Restated) * £000s | | 31st March 2022 £000s |
|--|--|---|
| 3,338 | Other Land & Buildings | 3,466 |
| 2,351 | Vehicles, Plant, Furniture & Equipment | 1,749 |
| 5,689 | Total | 5,215 |

* This restatement corrects a historic error relating to the lease of the Metrodome, which was valued at £20.147M as at 31st March 2021.

It was identified during 2021/22 that this asset was incorrectly classified as a leased asset under a finance lease. However, the Council had all the risks and rewards of using this asset and was always reported in the Council's Balance Sheet in previous years. Additionally, there was no rentals paid historically to any third party in relation to this asset. Therefore, no impact to brought forward usable or unusable reserves. The asset has always been depreciated and revalued as an owned asset.

Under IAS 8, this amendment constitutes a Prior Period Adjustment (PPA). There is no impact of this change on the Council's four core statements [Movement in Reserves Statement, Comprehensive Income & Expenditure Statement, Balance Sheet and Cash Flow Statement] including the Council's useable reserve balances. The only impact of this amendment is within the disclosure above relating to leased assets which has been restated accordingly.

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

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

| 31st March 2021 £000s | | 31st March 2022 £000s |
|---|--|---|
| 572 | Finance Lease Liabilities (Net Present Value of Minimum Lease Payments): | 547 |
| 2,036 | - Current | 1,488 |
| | - Non-Current | |
| 121 | Finance Costs Payable in Future Years | 64 |
| 2,729 | Minimum Lease Payments | 2,099 |

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

| 31st March 2021 | | | 31st March 2022 | |
|-----------------------------------|----------------------------------|---|-----------------------------------|----------------------------------|
| Minimum Lease Payments | Finance Lease Liabilities | | Minimum Lease Payments | Finance Lease Liabilities |
| £000s | £000s | | £000s | £000s |
| 629 | 572 | Not later than one year | 587 | 547 |
| 1,955 | 1,891 | Later than one year and not later than five years | 1,512 | 1,488 |
| 145 | 145 | Later than five years | - | - |
| 2,729 | 2,608 | | 2,099 | 2,035 |

STATEMENT OF ACCOUNTS 2021/22

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

Operating Leases

Other Land and Buildings – The Council leases 38 properties, which have been accounted for as operating leases. The length of each lease varies with the maximum lease being 125 years. Total amounts paid under these leases in 2021/22 was £1.771M (£1.777M in 2020/21).

Vehicles, Plant, Furniture and Equipment – The Council uses cars and wheeled waste bins financed under the terms of an operating lease. The amount paid under these arrangements in 2021/22 was £0.932M (£0.679M in 2020/21). The Code requires charges to be made evenly throughout the period of the lease.

Commitments Under Operating Leases – The Council was committed at 31st March 2022 to making payments of £30.807M under operating leases (£31.536M as at 31st March 2021), comprising of the following elements:

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

| 31 st March 2021 £000s | | 31 st March 2022 £000s |
|--------------------------------------|---|--------------------------------------|
| 2,344 | Not Later Than One Year | 2,532 |
| 7,825 | Later Than One Year & Not Later Than Five Years | 8,520 |
| 21,367 | Later Than Five Years | 19,755 |
| 31,536 | | 30,807 |

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:

| 2020/21 £000s | | 2021/22 £000s |
|------------------|-------------------------------|------------------|
| 2,456 | Minimum Lease Payments | 2,703 |
| - | Contingent Rents | - |
| - | Sub-Lease Payments Receivable | - |
| 2,456 | | 2,703 |

Council as Lessor

Finance Leases

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

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

The minimum lease payments expected to be received comprise of settlement of the long-term debtor for the interest in the property acquired and finance income to be received over the life of the lease. In the majority of cases, a premium payment is received at commencement of the lease which is used to immediately write down the debtor recognised. In addition to this premium payment, an annual peppercorn rent is often receivable for the property let. However, due to the immateriality of these payments (total undiscounted) of £0.297M due over their remaining lives as at 31st March 2022 and the length over which they are payable, no debtor is recognised in respect of these residual lease payments and the full amount received is accounted for as trade income in the year in which it is received.

The Council also leases an outdoor activity centre which has been identified as a finance lease. The 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 Council's Balance Sheet with a corresponding debtor recognised totalling £0.066M representing the sale proceeds due from the asset. The agreement of the lease states that the property will be let rent free for a period of 5 years. 2012/13 represented the first year where income had been received (£0.013M). The rentals received in 2021/22 were £0.025M. This income is split between the land and buildings element of the lease and then for the building's element, split between principal and interest paid. The amount relating to the building element equates to £0.011M with the principal element being £0.001M. Therefore, the debtor is reduced to £0.059M.

In 2020/21, the Council entered into a Development Agreement Lease with Keepmoat Homes to build out the site at St Helens Boulevard for residential development. This has been accounted for as a finance lease. At the commencement

STATEMENT OF ACCOUNTS 2021/22

of the lease, the land was de-recognised from the Council's Balance Sheet with a corresponding long-term debtor recognised, totalling £0.437M, representing the sale premium for the site as a whole. Over time, as individual plots are sold to the end purchaser of those properties, those receipts will be transferred into the Council's useable capital receipts reserve.

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

Operating Leases

The Council leases out a number of properties to Community Organisations, Public Bodies and Housing Associations for an ongoing rental.

Total amounts received under these leases in 2021/22 was £3.594M (£2.341M in 2020/21).

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

| 31st March 2021 £000s | | 31st March 2022 £000s |
|---|---|---|
| 2,158 | Not Later Than One Year | 3,355 |
| 6,922 | Later Than One Year & Not Later Than Five Years | 11,437 |
| 31,296 | Later Than Five Years | 35,048 |
| 40,376 | | 49,840 |

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

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

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

The amount released to the Comprehensive Income & Expenditure Account in 2021/22 was £0.003M.

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

| 31st March 2021 £000s | | 31st March 2022 £000s |
|---|---|---|
| 3 | Not Later Than One Year | 3 |
| 12 | Later Than One Year & Not Later Than Five Years | 12 |
| 674 | Later Than Five Years | 671 |
| 689 | | 686 |

Academies

Community Schools

The Council also leases a number of schools to charitable trusts. Using powers derived from the Academies Act 2010, one Primary School (Milefield) converted to Academy status during 2021/22. As part of those agreements, the school and associated land is leased from the Council to the Academy Trust, over a period of 125 years. The lease of the school buildings has been treated as a finance lease whereas the lease of the school land has been treated as an operating lease.

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

The building assets relating to the schools outlined above have been de-recognised from within the Council's Balance Sheet as a disposal for nil consideration in the year of transfer. Due to the nature of the agreements, no rental

STATEMENT OF ACCOUNTS 2021/22

payments are due and therefore no long term debtor is recognised. The land assets in respect of the schools outlined above are treated as operating leases and remain on the Council's Balance Sheet.

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

No Voluntary Aided Primary Schools have converted during 2021/22.

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

Academy Summary

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

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

STATEMENT OF ACCOUNTS 2021/22

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

Primary Schools PFI

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

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

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

Local Improvement Financial Trusts (LIFT) Schemes

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

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

Building Schools for the Future (BSF) Programme

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

STATEMENT OF ACCOUNTS 2021/22

| 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 Council's Balance Sheet.

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

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

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

Waste PFI

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

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

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

Property, Plant and Equipment

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

Payments

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. Payments remaining to be made under the PFI and similar contracts at 31st March 2022 (excluding any estimation of inflation and availability / performance deductions) are as follows:

STATEMENT OF ACCOUNTS 2021/22

| | Payment for Services £000s | Reimbursement of Capital Expenditure £000s | Interest £000s | Total £000s |
|--|----------------------------------|--|-------------------|----------------|
| Payable in 2022/23 | 21,946 | 7,879 | 18,233 | 48,058 |
| Payable Within Two to Five Years | 94,210 | 37,241 | 66,179 | 197,630 |
| Payable Within Six to Ten Years | 139,524 | 61,157 | 60,766 | 261,447 |
| Payable Within Eleven to Fifteen Years | 115,012 | 76,675 | 34,014 | 225,701 |
| Payable Within Sixteen to Twenty Years | 32,984 | 8,387 | 1,959 | 43,330 |
| Payable Within Twenty One to Twenty Five Years | - | - | - | - |
| Total | 403,676 | 191,339 | 181,151 | 776,166 |

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:

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--|------------------|
| 206,569 | Balance As At 1st April | 199,562 |
| (7,007) - | Payments During the Year Capital Expenditure Incurred in the Year | (8,223) - |
| 199,562 | Balance As At 31st March | 191,339 |

Note 27 – Financial Instruments

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

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

| 31 st March 2021 | | | 31 st March 2022 | | |
|-----------------------------|---------------------|---|-----------------------------|---------------------|-------------------------------|
| Long Term £000s | Short Term £000s | | Long Term £000s | Short Term £000s | |
| | | Investments: | | | |
| 2,281 | 60,048 | Amortised Cost | 2,254 | 134,594 | |
| 2,000 | - | Fair Value through Other Comprehensive Income - Designated Equity Instruments | 2,000 | - | |
| 4,281 | 60,048 | Total Investments | 4,254 | 134,594 | Balance Sheet |
| | | Debtors: | | | |
| 1,300 | - | Loan and Finance Lease Receivables at Amortised Cost | 2,527 | - | |
| - | 35,165 | Other Debtors at Amortised Cost | - | 42,731 | |
| 1,300 | 35,165 | Total Debtors * | 2,527 | 42,731 | Balance Sheet |
| | | Cash Equivalents: | | | |
| - | 55,012 | Amortised Cost | - | 54,510 | Cash Flow |
| - | 55,012 | Total Cash Equivalents ** | | 54,510 | Balance Sheet |
| 5,581 | 150,225 | Total Financial Assets | 6,781 | 231,835 | |
| | | Borrowing: | | | |
| (628,230) | (21,788) | Amortised Cost | (653,158) | (37,307) | |
| (628,230) | (21,788) | Total Borrowing | (653,158) | (37,307) | Balance Sheet |
| | | Creditors: | | | |
| - | (30,524) | Creditors at Amortised Cost | - | (46,189) | |
| - | (30,524) | Total Creditors * | - | (46,189) | |
| | | Other Liabilities: | | | |

STATEMENT OF ACCOUNTS 2021/22

| | | | | | |
|------------------|-----------------|------------------------------------|------------------|-----------------|-------------------------------|
| (194,062) | (8,797) | Amortised Cost | (185,633) | (8,428) | |
| (194,062) | (8,797) | Total Other Liabilities | (185,633) | (8,428) | Balance Sheet |
| (822,292) | (61,109) | Total Financial Liabilities | (838,791) | (91,924) | Balance Sheet |

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

- Debtors - £12.752M (£12.682M in 2020/21) comprising local taxation debtors, prepayments and amounts owed in respect of VAT; and
- Creditors - £25.044M (£17.405M in 2020/21) comprising receipts in advance, payroll creditors, NNDR, Council Tax and other amounts payable in relation to VAT and other social security.

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

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

Reclassifications:

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

Impairment:

Also reflected in the above table is the loss allowance recognised of £0.050M (£0.396M in 2020/21) - following the transition from an incurred losses model to an expected losses model for impairment calculations - there was no reduction in fair value of financial assets (£0.111M in 2020/21) following remeasurement. These amounts are shown separately in the table below:

Income, Expense, Gains and Losses:

| 2020/21 | | | | 2021/22 | | | | |
|---|---|---|---------------|--|---|---|---|----------------|
| Financial Liabilities: Measured at Amortised Cost | Financial Assets: Loans and Receivables at Amortised Cost | Financial Assets: Fair Value Through Other Comprehensive Income | Total | | Financial Liabilities: Measured at Amortised Cost | Financial Assets: Loans and Receivables at Amortised Cost | Financial Assets: Fair Value Through Other Comprehensive Income | Total |
| £000s | £000s | £000s | £000s | | £000s | £000s | £000s | £000s |
| 23,727 | - | - | 23,727 | Interest Expense | 23,475 | - | - | 23,475 |
| 20 | - | - | 20 | Fee Expenses | 38 | - | - | 38 |
| 396 | - | - | 396 | Expected Credit Losses | 50 | - | - | 50 |
| 24,143 | - | - | 24,143 | Total Expense in Surplus or Deficit on the Provision of Services | 23,563 | - | - | 23,563 |
| - | (809) | (113) | (922) | Interest / Dividend Income | - | (631) | (446) | (1,077) |
| - | (809) | (113) | (922) | Total Income in Surplus or Deficit on the Provision of Services | - | (631) | (446) | (1,077) |
| - | - | 111 | 111 | (Surplus) / Deficit Arising on Revaluation of Financial Assets in Other Comprehensive Income & Expenditure | - | - | - | - |
| 24,143 | (809) | (2) | 23,332 | Net (Gain) / Loss for the Year | 23,563 | (631) | (446) | 22,486 |

STATEMENT OF ACCOUNTS 2021/22

Fair Values of Assets: Assets Carried at Fair Value:

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

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

Prior Year Comparator:

| Recurring Fair Value Measurements Using: | 2020/21 | | | |
|---|--|---|---|--|
| | 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 2021 £000s |
| <u>Designated Equity Investments:</u> | | | | |
| Oakwell Community Assets Limited | - | 2,000 | - | 2,000 |
| Carrying Value | | 2,000 | | 2,000 |
| BDR Property Limited (formerly known as Arpley Gas Ltd) | - | 405 | - | 405 |
| <i>Less Reduction in Fair Value Following Remeasurement</i> | - | (405) | - | (405) |
| Carrying Value | | - | | - |
| BSF Programme (Building Schools for the Future) | - | 16 | - | 16 |
| | - | (16) | - | (16) |
| Carrying Value | - | - | - | - |
| UK Municipal Bonds Agency | - | 10 | - | 10 |
| <i>Less Reduction in Fair Value Following Remeasurement</i> | - | (10) | - | (10) |
| Carrying Value | - | - | - | - |
| Total Carrying Value | - | 2,000 | - | 2,000 |

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

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

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

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

STATEMENT OF ACCOUNTS 2021/22

closely monitor the situation and where required any expected credit loss provision and/or movement in fair value will be reported and recognised during the 2022/23 financial year.

Fair Values of Assets: Assets Not Measured at Fair Value

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

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

[Balance Sheet](#)

Prior Year Comparator:

| | Carrying Value as at 31 st March 2021 £000s |
|-------------------------------------|--|
| Fixed Term Local Authority Deposits | 60,048 |
| Fixed Term Bank Deposits | - |
| Money Market Funds | 25,500 |
| Call and Notice Bank Accounts | 29,512 |
| Other Loans and Receivables | 3,581 |
| Total Valuation | 118,641 |

[Balance Sheet](#)

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

Fair Values of Liabilities: Liabilities Not Measured at Fair Value

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

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

| Recurring Fair Value Measurements Using: | Carrying Value as at 31 st March 2022 £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 2022 £000s |
|---|--|--|--|---|---|
| PWLB Borrowings | (579,616) | - | (648,237) | - | (648,237) |
| LOBOs | (56,651) | - | (30,813) | - | (30,813) |
| Temporary Loans | (52,440) | - | (52,287) | - | (52,287) |
| Other | (1,758) | - | (1,419) | - | (1,419) |
| Total Borrowing | (690,465) | - | (732,756) | | (732,756) |

[Balance Sheet](#)

Within the Council's total borrowings are three LOBO (Lender Option, Borrower Option) loans, where the lender has the option to increase the interest rate at any 6 month interval. Should this option be triggered, the Council has the option to repay the loan without penalty. However, this would mean having to borrow an additional £55.000M within the next few years to replace the principal repaid. This option is considered unlikely since the rate on these loans (4.75%) is much higher than today's PWLB rates.

STATEMENT OF ACCOUNTS 2021/22

| Recurring Fair Value Measurements Using: | Carrying Value as at 31 st March 2022 £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 2022 £000s |
|--|---|---|--|--|---|
| PFI Liabilities | (191,339) | - | (246,546) | - | (246,546) |
| Finance Lease Liabilities | (2,036) | - | (2,036) | - | (2,036) |
| Other Local Authority Debt | - | - | - | - | - |
| Other Liabilities | (686) | - | (686) | - | (686) |
| Total Other Liabilities | (194,061) | - | (249,268) | - | (249,268) |

[Balance Sheet](#)

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

Prior Year Comparator:

| Recurring Fair Value Measurements Using: | Carrying Value as at 31 st March 2021 £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 2021 £000s |
|--|---|---|--|--|---|
| PWLB Borrowings | (524,882) | - | (674,068) | - | (674,068) |
| LOBOs | (56,686) | - | (106,426) | - | (106,426) |
| Temporary Loans | (66,692) | - | (78,740) | - | (78,740) |
| Other | (1,758) | - | (1,500) | - | (1,500) |
| Total Valuation | (650,018) | - | (860,734) | - | (860,734) |

[Balance Sheet](#)

| Recurring Fair Value Measurements Using: | Carrying Value as at 31 st March 2021 £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 2021 £000s |
|--|---|---|--|--|---|
| PFI Liabilities | (199,562) | - | (349,894) | - | (349,894) |
| Finance Lease Liabilities | (2,608) | - | (2,608) | - | (2,608) |
| Other Local Authority Debt | - | - | - | - | - |
| Other Liabilities | (689) | - | (689) | - | (689) |
| Total Other Liabilities | (202,859) | - | (353,191) | - | (353,191) |

[Balance Sheet](#)

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

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

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

STATEMENT OF ACCOUNTS 2021/22

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

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

| | |
|--------------|---|
| Description: | This note explains the risk of the financial instruments detailed in Note 27 in respect of credit risk, liquidity risk and market risk. |
|--------------|---|

Financial Instruments – Risks

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

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

Overall Procedures for Managing Risk

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

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

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

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The effective management of credit risk and safeguarding the security of the Council's investments was a key Treasury Management priority in 2021/22.

Regular Treasury Investments

The Treasury Management Strategy includes an Annual Investment Strategy (AIS) in compliance with the DLUHC's Investment Guidance. The AIS aims to reduce credit risk by requiring that deposits are not made with financial institutions unless they meet specified criteria. During 2021/22 the **minimum** criteria for investments has remained as a long term Fitch rating of A-, or the equivalent rating from other agencies.

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

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

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

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

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

STATEMENT OF ACCOUNTS 2021/22

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

Trade Debtors

In addition to its regular treasury investments, the Council had £11.716M of trade debt outstanding at the year end. The Council does not generally allow credit for its trade debtors, such that £5,434M of the outstanding balance is past its due date for payment (£3.894M of £11.396M in 2020/21). The past due amount can be analysed by age as follows:

| 31st March 2021 £000s | Aged Debt Analysis: | 31st March 2022 £000s |
|---|----------------------------|---|
| 1,481 | Less Than Three Months | 2,755 |
| 665 | Three to Six Months | 782 |
| 667 | Six Months to One Year | 729 |
| 1,081 | More Than One Year | 1,168 |
| 3,894 | | 5,434 |

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

Third Party Loans

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

Liquidity Risk

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

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

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

| 2020/21 Carrying Value £000s | 2020/21 Percentage % | Years | 2021/22 Carrying Value £000s | 2021/22 Percentage % |
|---|-------------------------------------|---------------------------|---|-------------------------------------|
| 115,060 | 100 | Less Than One Year | 189,104 | 100 |
| - | - | Between One & Two Years | - | - |
| - | - | Between Two & Three Years | - | - |
| - | - | More Than Three Years | - | - |
| - | - | Uncertain Date | - | - |
| 115,060 | 100 | Carrying Value | 189,104 | 100 |

STATEMENT OF ACCOUNTS 2021/22

Refinancing Risk

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

The maturity analysis of the carrying amount of the Council's borrowing as at 31st March 2022 is as follows:

| 2020/21 Carrying Value | 2020/21 Percentage | Years | 2021/22 Carrying Value | 2021/22 Percentage |
|---------------------------|-----------------------|-------------------------------|---------------------------|-----------------------|
| £000s | % | | £000s | % |
| (17,394) | 3 | Less Than 1 Year | (32,739) | 5 |
| (39,136) | 6 | Between One & Two Years | (18,435) | 3 |
| (29,276) | 5 | Between Two & Five Years | (24,703) | 4 |
| (35,428) | 6 | Between Five & Ten Years | (29,420) | 4 |
| (29,890) | 5 | Between Ten & Twenty Years | (29,500) | 4 |
| (83,126) | 13 | Between Twenty & Thirty Years | (91,061) | 13 |
| (160,900) | 24 | Between Thirty & Forty Years | (173,930) | 26 |
| (192,030) | 30 | More Than Forty Years | (227,700) | 33 |
| (56,757) | 8 | Uncertain Date * | (56,757) | 8 |
| (643,937) | 100 | Total | (684,245) | 100 |

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

* The Council has £55M of "Lender's Option, Borrower's Option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. The maturity date is therefore uncertain.

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

Market Risk

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

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

The Council has a number of strategies for managing interest rate risk which are set out in the Annual Treasury Management Strategy. The main control is to set an upper limit on variable interest rate exposures, measured against the Council's **overall borrowing requirement** (including temporary loans, where the rate available is dependent on market conditions at the time and LOBO loans, where the lender has the option to propose an increase in the rate payable. It also includes the Council's under-borrowed position). As illustrated in the table below, the Council was well within the limits set as at 31st March 2022.

| Limit on Variable Rate Borrowing / Unfinanced CFR | Actual (%) | Limit (%) |
|--|------------|-----------|
| Measured against the Council's overall borrowing requirement | 26 | 35 |

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.

STATEMENT OF ACCOUNTS 2021/22

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

| | £000s |
|--|--------------|
| Impact on the Provision of Services (Surplus) / Deficit: | |
| Increase in Interest Payable on Variable Rate Borrowings | - |
| Decrease in Interest Payable on Variable Rate Investments | (545) |
| Impact on the Provision of Services (Surplus) / Deficit | (545) |
| Share of Overall Impact Debited / Credited to HRA | |
| Share of Overall Impact Debited / Credited to General Fund | (545) |
| | (545) |
| 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) | (176,536) |
| Decrease in Fair Value of Fixed Rate Borrowings (New Loan Rate) | (73,984) |
| 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 (with the exception of variable rate investments as the rate of return is currently <1%).

Whilst a 1% change in interest rates has a significant impact on the revenue account, current forecasts are for the interest rate to be adjusted in smaller increments, by 0.25% or 0.50%. Due to current uncertainties within the economy, officers continue to closely monitor interest rate forecasts.

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

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

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

Note 29 – Inventories

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

| 2020/21 | | | | | 2021/22 | | | |
|-------------------|-----------------------|------------------------------------|---------|--|-------------------|-----------------------|------------------------------------|---------|
| 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 |
| 109 | 992 | - | 1,101 | Balance Outstanding at 1 st April | 120 | 1,066 | - | 1,186 |
| 806 | 2,148 | | 2,954 | Purchases | 1,067 | 1,865 | | 2,932 |
| (795) | (2,069) | | (2,864) | Recognised as an Expense in the Year | (1,005) | (1,599) | | (2,604) |
| | | | - | Transfers | | | | - |
| | (5) | | (5) | Written off Balance | | (1) | | (1) |
| 120 | 1,066 | - | 1,186 | Balance Outstanding 31 st March | 182 | 1,331 | - | 1,513 |

[Balance Sheet](#)

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2021/22

Note 30 – Local Taxation Debtors

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

| 31 st March 2021 | | | | 31 st March 2022 | | |
|-------------------------------|--------------------------------------|--------------|-------------------------------|-------------------------------|--------------------------------------|--------------|
| Debtors £000s | Impairment for Bad Debts £000s | Net £000s | | Debtors £000s | Impairment for Bad Debts £000s | Net £000s |
| 720 | (715) | 5 | Business Rates | 553 | (553) | - |
| 9,570 | (9,528) | 42 | Council Tax | 9,788 | (9,788) | - |
| 10,290 | (10,243) | 47 | Local Taxation Debtors | 10,341 | (10,341) | - |
| Balance Sheet | Balance Sheet | | | Balance Sheet | Balance Sheet | |

Note 31 – Other Short Term Debtors

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

| 31 st March 2021 | | | | 31 st March 2022 | | |
|-------------------------------|---|----------------|------------------------------------|-------------------------------|---|----------------|
| Total Debtors £000s | Impairment For Bad Debts £000s | Total £000s | | Total Debtors £000s | Impairment For Bad Debts £000s | Total £000s |
| 11,837 | (6,490) | 5,347 | Trade Receivables | 11,718 | (6,430) | 5,288 |
| 13,661 | - | 13,661 | Prepayments & Accrued Grant Income | 16,330 | - | 16,330 |
| 22,350 | - | 22,350 | Other Receivable Amounts | 27,435 | - | 27,435 |
| 47,848 | (6,490) | 41,358 | Total | 55,483 | (6,430) | 49,053 |
| Balance Sheet | Balance Sheet | | | Balance Sheet | Balance Sheet | |

Note 32 – Short Term Creditors

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

| 31 st March 2021 £000s | | 31 st March 2022 £000s |
|--------------------------------------|-----------------------------|--------------------------------------|
| (9,950) | Trade Creditors | (11,022) |
| (16,778) | Other Creditors | (28,313) |
| (3,722) | Capital Creditors | (6,792) |
| (5,229) | Receipts in Advance | (3,945) |
| (4,104) | Payroll Creditors | (6,230) |
| (1,120) | NNDR | (7,432) |
| (4,929) | Council Tax | (4,581) |
| (2,097) | Other Tax & Social Security | (2,918) |
| (47,929) | Total | (71,233) |
| Balance Sheet | | Balance Sheet |

STATEMENT OF ACCOUNTS 2021/22

Note 33 – Grants & Contributions Receipts in Advance

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

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

| 31 st March 2021 £000s | Current Liabilities - Capital | 31 st March 2022 £000s |
|--------------------------------------|---|--------------------------------------|
| | Capital Grants Receipts in Advance: | |
| (615) | Place - Highways England Grant | (134) |
| (5,648) | Place - BEIS Public Sector Decarbonisation Grant | (1,214) |
| - | Place - Social Housing Decarb Fund | (1,674) |
| - | Place - Sustainable Warmth - LAD | (4,791) |
| - | Place - Sustainable Warmth - HUG | (522) |
| - | Place - Market Gate Bridge | (1,055) |
| - | Place - J37 Phase 2 | (5,502) |
| (563) | People – Devolved Formula Capital (DFC) | (507) |
| (4,941) | Communities – Disabled Facilities Grant (DFG) | (5,839) |
| (2,579) | Other Grants | (2,948) |
| (14,346) | Total Capital Grants Receipts in Advance | (24,186) |
| | Capital Contributions Receipts in Advance: | |
| (7,310) | Section 106 Contributions | (9,150) |
| (597) | Place - Network Rail Contribution | - |
| (1,349) | Other Contributions | (1,192) |
| (9,256) | Total Capital Contributions Receipts in Advance | (10,342) |
| | | |
| (23,602) | Total Capital Grants & Contributions Receipts in Advance | (34,528) |

[Balance Sheet](#)

| 31 st March 2021 £000s | Current Liabilities - Revenue | 31 st March 2022 £000s |
|--------------------------------------|---|--------------------------------------|
| | Revenue Grants Receipts in Advance: | |
| (209) | People - Adoption Support Fund | (43) |
| (8) | Place - Business Energy & Industrial Strategy Grant | - |
| - | Place – Community Renewal Fund | (582) |
| (3,535) | Various – COVID Grants | (72) |
| (356) | Other | (698) |
| (4,108) | Total Revenue Grants Receipts in Advance | (1,395) |
| | Revenue Contributions Receipts in Advance: | |
| (1,654) | Place – Section 278 Contributions | (1,537) |
| (407) | Place – Maintenance Agreements | (341) |
| (71) | People – Children’s Social Work Matters | (62) |
| (55) | Other | - |
| (2,187) | Total Revenue Contributions Receipts in Advance | (1,940) |
| | | |
| (6,295) | Total Revenue Grants & Contributions Receipts in Advance | (3,335) |

[Balance Sheet](#)

STATEMENT OF ACCOUNTS 2021/22

Note 34 – Provisions

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

| | Insurance Fund | Municipal Mutual Insurance | Trading Standards Legal Case | Rating List / NDR Appeals | LGYH | Other | Total |
|--|----------------|----------------------------|------------------------------|---------------------------|--------------|-------------|-----------------|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Balance at 31st March 2020 | (3,542) | (183) | (388) | (5,879) | (100) | (13) | (10,105) |
| Additional Provisions Made in 2020/21 | (3,117) | 42 | - | (480) | - | - | (3,555) |
| Amounts Used in 2020/21 | 1,133 | - | - | 492 | - | - | 1,625 |
| Unused Amounts Reversed in 2020/21 | 1,146 | - | - | - | - | - | 1,146 |
| Balance at 31st March 2021 | (4,380) | (141) | (388) | (5,867) | (100) | (13) | (10,889) |
| Additional Provisions Made in 2021/22 | (2,605) | - | - | - | - | - | (2,605) |
| Amounts Used in 2021/22 | 957 | - | - | 460 | - | - | 1,417 |
| Unused Amounts Reversed in 2021/22 | 2,016 | 93 | - | 1,154 | - | - | 3,263 |
| Balance at 31st March 2022 | (4,012) | (48) | (388) | (4,253) | (100) | (13) | (8,814) |
| Short Term Provisions | - | - | (388) | (4,253) | (100) | (13) | (4,754) |
| Long Term Provisions | (4,012) | (48) | - | - | - | - | (4,060) |

[Balance Sheet](#)

Insurance Fund

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

In order to fund the cost of these claims, a provision has been made by the Council. The provision included in the 2021/22 accounts is £4.012M (£4.380M in 2020/21) and is based upon 80% of total identified outstanding claims. This level of provision is considered appropriate to fund the cost of claims on the basis of past experience and timescales in resolving outstanding claims.

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

Municipal Mutual Insurance (MMI)

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

During 2021/22, £0.093M has been utilised, leaving £0.48M remaining on the provision as at 31st March 2022.

South Yorkshire Trading Standards

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

STATEMENT OF ACCOUNTS 2021/22

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 2022 has been set at £8.679M, based on a combination of information provided by Analyse Local (a system developed to calculate the value of outstanding appeals using an extensive range of property and historical rating information, used by a number of local authorities across the country) and local knowledge. The total decrease in provision is £3.294M, taking into account settled appeals and including the respective preceptors' share, which is shown within the [Collection Fund Statement](#). The Council's share of this provision as at 31st March 2022 equated to £4.253M.

Local Government Yorkshire & Humber

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

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

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

Other Provisions – Section 117 Provision

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

Note 35 – Contingent Liabilities

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

Municipal Mutual Insurance

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

Pension Guarantee – Berneslai Homes

The Council guarantees the full amount of the pension fund deficit of Berneslai Homes Ltd estimated at £25.716M as at 31st March 2022 (£39.626M as at 31st March 2021), although the Council considers it highly unlikely that this guarantee will be called in.

Business Rate Appeals

As highlighted above, the Council has included a provision of £4.253M in relation to business rates appeals outstanding as at 31st March 2022. It is difficult to estimate the likelihood of businesses both submitting and being successful with an appeal and the Council has therefore made no provision in the accounts in relation to un-lodged appeals.

Term Time Holiday Pay

The Council may be subject to a legal challenge from its part time employees over the calculation of their holiday entitlement as a result of the ongoing legal case - *Brazel v The Harper Trust*. As at the 31st March 2022, the case was still ongoing where the defendant was given the right to appeal in the Supreme Court.

STATEMENT OF ACCOUNTS 2021/22

Note 36 – Defined Contribution Pension Schemes

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

Teachers' Pensions Scheme

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

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

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

In 2021/22, the council paid £5.252M to teachers' Pensions in respect of teachers' retirement benefits representing 23.68% of pensionable pay. 2020/21, payments were £5.226M representing 23.68% of pensionable pay. There were no contributions remaining payable at the year end.

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

NHS Pensions Scheme

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

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

The Scheme is a multi-employer defined benefit scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer. In 2021/22, the Council paid £0.254M to NHS Pensions in respect of Public Health employees' retirement benefits, representing 14.48% of pensionable pay, with 0.08% of this being a levy cost. The comparative figures for 2020/21 were £0.245M representing 14.48% of pensionable pay.

Note 37 – Defined Benefit Pension Schemes

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

Participation in Pension Schemes

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

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

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

STATEMENT OF ACCOUNTS 2021/22

Transactions Relating to Post-Employment Benefits

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

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--|------------------|
| | <u>Comprehensive Income & Expenditure Statement:</u> | |
| | <i>Cost of Services:</i> | |
| 28,677 | - Current Service Cost | 38,448 |
| - | - Past Service Costs | 292 |
| 565 | - Settlements & Curtailments | (626) |
| 459 | - Administration Expenses | - |
| | <i>Financing & Investment Income & Expenditure:</i> | |
| 9,537 | - Net Interest Cost | 9,499 |
| 39,238 | Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services | 47,613 |
| | <i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement:</i> | |
| | <i>Re-measurement of The Net Benefit Liability Comprising:</i> | |
| (178,676) | - Return on Plan Assets (Excluding The Amount Included In Net Interest Expense) | (86,081) |
| (29,669) | - Experience (Gains) / Losses | 3,739 |
| - | - Actuarial (Gains) and Losses On Changes in Demographic Assumptions | - |
| 225,069 | - Actuarial (Gains) and Losses On Changes in Financial Assumptions | (62,264) |
| - | - Business Combinations | - |
| 16,724 | Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure * | (144,606) |
| 55,962 | Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement | (96,993) |

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

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31st March 2022 is a loss of £8.241M (£152.847M loss as at 31st March 2021).

| 2020/21 £000s | | 2021/22 £000s |
|------------------|---|------------------|
| | <u>Movement in Reserves Statement:</u> | |
| (39,238) | - Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with The Code | (47,613) |
| | <u>Actual Amount Charged Against the General Fund Balance for Pensions for the Year:</u> | |
| 19,357 | Employers' Contributions Payable to Scheme | 19,720 |
| - | Retirement Benefits Payable to Pensioners | - |
| (19,881) | Net Adjustment to Surplus or Deficit for the Provision of Services | (27,893) |

[Note 3](#)

[Note 3](#)

STATEMENT OF ACCOUNTS 2021/22

Pension Assets and Liabilities Recognised in the Balance Sheet

| 2020/21 | | 2021/22 |
|-------------------------------|--|-------------------------------|
| £000s | | £000s |
| (1,592,047) | Present Value of The Defined Benefit Obligation | (1,569,445) |
| 1,148,649 | Fair Value of Plan Assets | 1,241,979 |
| (443,398) | Net Liability Arising From Defined Benefit Obligation | (327,466) |
| Balance Sheet | | Balance Sheet |

The defined benefit obligation includes £37.030M which relates to unfunded obligations as at 31st March 2022 (£38.978M as at 31st March 2021).

Reconciliation of Fair Value of the Scheme (Plan) Assets

| 2020/21 | | 2021/22 |
|------------------|--|------------------|
| £000s | | £000s |
| 963,028 | Opening Balance at 1st April | 1,148,649 |
| 22,933 | Interest Income | 23,924 |
| | <i>Re-measurement Gains and (Losses):</i> | |
| 178,676 | - The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense | 86,081 |
| (461) | Administration Expenses | - |
| - | Business Combinations | - |
| (1,714) | Settlements | (639) |
| 20,920 | Employer Contributions | 18,939 |
| 6,079 | Contributions by Scheme Participants | 6,436 |
| (40,812) | Benefits Paid | (41,411) |
| 1,148,649 | Closing Balance at 31st March | 1,241,979 |

Local Government Pension Scheme Assets Comprised:

| Asset Type | 2020/21 | |
|--|--------------------------------------|--------------------------|
| | Fair Value of Scheme Assets £000s | Percentage of Total % |
| Cash & Cash Equivalents | 13,784 | 1.20 |
| Total Cash & Cash Equivalents | 13,784 | 1.20 |
| <u>Equity Instruments:</u> | | |
| UK Quoted | 119,460 | 10.40 |
| UK Unquoted | - | - |
| Overseas Quoted | 441,081 | 38.40 |
| Overseas Unquoted | - | - |
| Total Equity Instruments | 560,541 | 48.80 |
| <u>Bonds:</u> | | |
| UK Government Fixed | - | - |
| UK Government Indexed | 120,608 | 10.50 |
| Overseas Government Fixed | 29,865 | 2.60 |
| Overseas Government Indexed | - | - |
| UK Other | 57,432 | 5.00 |
| Overseas Other | 33,311 | 2.90 |
| Total Bonds | 241,216 | 21.00 |
| <u>Property:</u> | | |
| UK Direct | 89,595 | 7.80 |
| Overseas | - | - |
| Property Funds | 11,486 | 1.00 |
| Total Property | 101,081 | 8.80 |
| <u>Other Investment Funds:</u> | | |
| Pooled Investment Vehicles | 232,027 | 20.20 |
| Total Other Investment Funds | 232,027 | 20.20 |
| Total Scheme Assets | 1,148,649 | 100.00 |

STATEMENT OF ACCOUNTS 2021/22

The Council's actuary for 2021/22 classifies the assets in different way to the previous actuary so a separate table is provided.

| Asset Type | 2021/22 | | | |
|--|-----------------|-------------------|------------------|--------------------------|
| | Quoted £000s | Unquoted £000s | Total £000s | Percentage of Total % |
| Cash & Cash Equivalents | 13,851 | - | 13,851 | 1.12 |
| Total Cash & Cash Equivalents | 13,851 | - | 13,851 | 1.12 |
| Equity Securities | 2,982 | 6 | 2,988 | 0.24 |
| Total Equity Securities | 2,982 | 6 | 2,988 | 0.24 |
| Debt Securities: | | | | |
| Corporate Bonds (Non-Investment Grade) | - | 135 | 135 | 0.01 |
| UK Government | - | 7,411 | 7,411 | 0.60 |
| Other | 3,527 | 58,436 | 61,963 | 4.99 |
| Total Debt Securities | 3,527 | 65,982 | 69,509 | 5.60 |
| Private Equity | 2,672 | 119,065 | 121,737 | 9.80 |
| Total Private Equity | 2,672 | 119,065 | 121,737 | 9.80 |
| Real Estate: | | | | |
| UK | 2,057 | 102,620 | 104,677 | 8.43 |
| Overseas | - | 1,673 | 1,673 | 0.13 |
| Total Real Estate | 2,057 | 104,293 | 106,350 | 8.56 |
| Investment Funds & Unit Trusts: | | | | |
| Equities | - | 578,694 | 578,694 | 46.59 |
| Bonds | - | 223,082 | 223,082 | 17.96 |
| Infrastructure | 15,948 | 86,655 | 102,603 | 8.26 |
| Other | - | 23,165 | 23,165 | 1.87 |
| Total Investment Funds & Unit Trust | 15,948 | 911,596 | 927,544 | 74.68 |
| Total Scheme Assets | 41,037 | 1,200,942 | 1,241,979 | 100.00 |

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

| 2020/21 £000s | | 2021/22 £000s |
|--------------------|--|--------------------|
| (1,371,380) | Opening Balance at 1st April | (1,592,047) |
| (28,678) | Current Service Cost | (38,448) |
| - | Past Service Cost | (292) |
| (32,470) | Interest Cost | (33,423) |
| (6,079) | Contributions by Scheme Participants | (6,436) |
| | <i>Re-measurement Gains and (Losses):</i> | |
| 29,669 | - Experience Gains / (Losses) | (3,739) |
| - | - Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions | - |
| (225,069) | - Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions | 62,264 |
| (2,035) | Gains / (Losses) Curtailments | - |
| 40,812 | Benefits Paid | 41,411 |
| 3,183 | Liabilities Extinguished on Settlements | 1,265 |
| - | Business Combinations | - |
| (1,592,047) | Closing Balance at 31st March | (1,569,445) |

Basis for Estimating Assets and Liabilities

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

STATEMENT OF ACCOUNTS 2021/22

The principal assumptions used by the actuary have been:

| 2020/21 | | | 2021/22 | |
|-----------------------|------------------------|---|-----------------------|------------------------|
| 1 st April | 31 st March | | 1 st April | 31 st March |
| Years | Years | Mortality Assumptions: | Years | Years |
| 22.4 | 22.5 | Longevity at 65 for Current Pensioners (Male) | 22.5 | 22.6 |
| 25.2 | 25.3 | Longevity at 65 for Current Pensioners (Female) | 25.3 | 25.4 |
| 23.9 | 24.0 | Longevity at 65 for Future Pensioners (Male) | 24.0 | 24.1 |
| 27.1 | 27.2 | Longevity at 65 for Future Pensioners (Female) | 27.2 | 27.3 |
| % | % | Other: | % | % |
| 2.1 | 2.7 | Rate of CPI | 2.8 | 3.2 |
| 3.35 | 3.95 | Rate of Increase in Salaries | 3.95 | 4.2 |
| 2.2 | 2.8 | Rate of Increase in Pensions | 2.8 | 3.2 |
| 2.4 | 2.1 | Discount Rate | 2.1 | 2.7 |

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

| 2020/21 | | 2021/22 |
|---------------------------------|---|---------------------------------|
| Increase in Assumption £000s | Impact on the Defined Benefit Obligation in the Scheme * | Increase in Assumption £000s |
| (48,448) | - Longevity (Increase or Decrease in 1 Year) | (62,748) |
| (26,854) | - Rate of Inflation (Increase or Decrease by 0.1%) | (23,535) |
| (2,767) | - Rate of Increase in Salaries (Increase or Decrease by 0.1%) | (3,659) |
| 26,408 | - Rate of Discounting Scheme Liabilities (Increase or Decrease by 0.1%) | 27,430 |

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

Furthermore, changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could all affect the fair value of property-based investments. The total value of property investments in the Net Assets Statement for 2021/22 totals £106.4M (£101.1M in 2020/21) based on property held in the pension fund. At 31st March 2022, there are a range of potential outcomes. For illustrative purposes, falls of 5% or 10% would result in reductions to the values in the Net Assets Statement of £5.25M or £10.5M respectively. However, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

Other Considerations

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

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

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

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at a relatively constant rate, as much as practically possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 16 years. Funding levels are monitored on an annual basis. The latest triennial valuation that the 2021/22 figures are based was completed on 31st March 2020 in respect of the 3 year period 2020/21 – through 2022/23.

STATEMENT OF ACCOUNTS 2021/22

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

The Council anticipates paying £15.876M expected contributions to the scheme in 2022/23.

The weighted average duration of the defined benefit obligation for scheme members is 18 years during 2021/22.

NOTES PRIMARILY RELATING TO THE CASHFLOW STATEMENT

Note 38 – Cash Flow Statement – Operating Activities

| | |
|--------------|--|
| Description: | Operating activities are the activities of the Council that are not investing or financing activities. |
|--------------|--|

Included within the cash flows for operating activities include the following items:

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--------------------|------------------|
| 43,342 | Interest Paid | 43,014 |
| (819) | Interest Received | (805) |
| (113) | Dividends Received | (113) |

Note 39 – Cash Flow Statement – Investing Activities

| | |
|--------------|---|
| Description: | Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. |
|--------------|---|

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--|------------------|
| 108,909 | Purchase of Property, Plant & Equipment, Investment Property & Intangible Assets | 81,206 |
| 720 | Other Payments for Investing Activities | - |
| (5,651) | Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets | (13,445) |
| 3,033 | Net (Receipts) / Payments From Short Term & Long Term Investments | 75,013 |
| (42,564) | Other Receipts From Investing Activities | (52,049) |
| 64,447 | Net Cash (Inflows) / Outflows From Investing Activities | 90,725 |

[Cash Flow](#)

Note 40 – Cash Flow Statement – Financing Activities

| | |
|--------------|--|
| Description: | Financing activities are activities that result in changes in the size and composition of the principal, received from or repaid to external providers of finance. |
|--------------|--|

| 2020/21 £000s | | 2021/22 £000s |
|------------------|--|------------------|
| 27,269 | Net (Receipts) / Payments From Short Term & Long Term Borrowing | (37,758) |
| 11,333 | Council Tax & NNDR Adjustment / Collection Fund | (7,400) |
| 7,620 | Cash Payments for the Reduction of the Outstanding Liabilities Relating to Finance Leases & On-Balance Sheet PFI Contracts | 8,895 |
| 46,222 | Net Cash (Inflows) / Outflows From Financing Activities | (36,263) |

[Cash Flow](#)

STATEMENT OF ACCOUNTS 2021/22

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

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

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

| | 2020/21 | | | | |
|---|---------------------|----------------------|---------------------------|----------------------------------|---|
| | 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 | (645,650) | (33,094) | (3,242) | (206,568) | (888,554) |
| Financing Cash Flows | 17,420 | 9,849 | 614 | 7,006 | 34,889 |
| Non Cash Changes: | | | | | |
| - Acquisition | - | - | - | - | - |
| - Other Non-Cash Changes | - | 1,457 | 20 | - | 1,477 |
| Closing Balance at 31st March | (628,230) | (21,788) | (2,608) | (199,562) | (852,188) |

NOTES RELATING TO OTHER DISCLOSURES

Note 42– Trust Funds & Other Third Party Funds

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

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

| 2020/21 £000s | Trust Funds / Charities | Details | 2021/22 £000s |
|------------------|--|--|------------------|
| 160 | Sole / Custodian Trustees: | | 161 |
| 297 | Hoyland Nether Recreation Ground | Land left in trust to benefit the residents of Hoyland | 297 |
| 50 | Captain Allots | Assist groups / clubs in Hemmingfield & Jump | 47 |
| 10 | Amenity Funds | Monies for residents of Social Services Residential Homes | 10 |
| 36,252 | Cutlers Charity | Relief of financial hardship within the Barnsley Borough | 32,770 |
| - | Penistone Grammar School – Foundation Fund | Provide special benefits not normally provided by the LEA for Penistone Grammar School | - |
| - | Others | Various Other Funds | - |
| 36,769 | | | 33,285 |
| 115 | Other Funds: | | 123 |
| 59 | Prisoner of War Fund | Grants / Loans for the benefit of ex-service personnel | 59 |
| 109 | Goldthorpe Recreation Ground | Benefits the community of Goldthorpe | 110 |
| 283 | Others | Other Funds | 292 |
| 37,052 | Total Capital Value of Funds | | 33,577 |

STATEMENT OF ACCOUNTS 2021/22

The assets shown below represent the above fund balances:

| 2020/21 | | 2021/22 |
|---------------|---|---------------|
| £000s | Balance Sheet at 31 st March | £000s |
| | Assets: | |
| 35,868 | Fixed Assets | 32,310 |
| 598 | Investments | 630 |
| 442 | Cash | 495 |
| 144 | Other Net Assets | 142 |
| 37,052 | | 33,577 |
| | Represented by: | |
| 37,052 | Fund Balances | 33,577 |

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 2021/22

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.

| 2020/21 £000s | | 2021/22 £000s | |
|------------------|---|------------------|---------------------------|
| | Income | | |
| (70,231) | Dwelling Rents (Gross) | (71,133) | |
| (339) | Non-Dwelling Rents (Gross) | (297) | |
| (1,070) | Charges for Services and Facilities | (1,031) | |
| (853) | Contributions Towards Expenditure | (1,010) | |
| (72,493) | Total Income | (73,471) | CI&ES |
| | Expenditure | | |
| 20,053 | Repairs & Maintenance | 21,551 | |
| 18,000 | Supervision & Management | 18,433 | |
| 216 | HRA Share of Corporate & Democratic Core | 240 | |
| 251 | Rents, Rates, Taxes & Other Charges | 295 | |
| 16,524 | Depreciation | 16,580 | Note E |
| 647 | Impairment of Bad Debts | 800 | |
| 17,090 | Impairment / (Reversal of Previous Years' Impairments) of Non-Current Assets | 22,732 | Note F |
| - | Revenue Expenditure Funded By Capital Under Statute | 689 | Note G |
| 72,781 | Total Expenditure | 81,320 | CI&ES |
| 288 | Net Cost of HRA Services as Included in the Comprehensive Income & Expenditure Statement | 7,849 | CI&ES |
| | HRA Share of Other Operating Income & Expenditure in The CI&ES | | |
| (847) | (Gain) / Loss on Disposal of HRA Fixed Assets | 3,145 | |
| (847) | | 3,145 | |
| | HRA Share of Financing & Investment Income & Expenditure in The CI&ES | | |
| 10,512 | Interest Payable & Similar Charges | 10,267 | |
| - | Premium Incurred on Early Redemption of Debt | - | |
| (108) | Interest & Investment Income | (30) | |
| 10,404 | | 10,237 | |
| 9,845 | (Surplus) / Deficit for the Year on HRA Services | 21,231 | MIRS |

MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE

| 2020/21 £000s | | 2021/22 £000s | |
|------------------|---|------------------|--|
| 31,817 | Balance on the HRA at the End of the Previous Year | 30,952 | |
| (9,845) | Surplus or (Deficit) for the Year on the HRA Income & Expenditure Statement | (21,231) | MIRS |
| 8,980 | Adjustments Between Accounting Basis and Funding Basis Under Statute | 19,122 | Note 3 / MIRS |
| (865) | Increase / (Decrease) in the Housing Revenue Account Balance | (2,109) | |
| 30,952 | Balance on the HRA at the End of the Current Year | 28,843 | EFA / Note 4 |

STATEMENT OF ACCOUNTS 2021/22

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 2021 | Analysis of Housing Stock | 31 st March 2022 |
|-----------------------------|-------------------------------|-----------------------------|
| 8,570 | Detached/Semi Detached Houses | 8,430 |
| 1,908 | Terraced House | 1,887 |
| 4 | House/Shop | 4 |
| 3,124 | Flats / Bedsits | 3,117 |
| 4,640 | Bungalows | 4,638 |
| 18 | Maisonette | 19 |
| 18,264 | Total | 18,095 |

HRA Balance Sheet Information:

| 2020/21 | Asset Category | 2021/22 |
|---------------------------------|--|---------------------------------|
| Value as at 31st March £000s | | Value as at 31st March £000s |
| 647,463 | Dwellings | 715,990 |
| 23,636 | Other Land & Buildings | 20,941 |
| 293 | Vehicles, Plant, Furniture & Equipment | 204 |
| 119 | Infrastructure Assets | 110 |
| 510 | Assets Under Construction | 2,026 |
| 525 | Surplus Assets | 692 |
| 34 | Intangible Assets | 20 |
| - | Assets Held for Sale | - |
| 672,580 | Total | 739,983 |

Note B – Vacant Possession Value of Council Housing Stock

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

The vacant possession value of dwellings within the HRA as at 31st March 2022 was £1.746 Billion (31st March 2021 value: £1.618 Billion).

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

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

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

| 2020/21 £000s | Major Repairs Reserve | 2021/22 £000s |
|------------------|--|------------------|
| (14,822) | Balance Brought Forward | (19,014) |
| | Credits: | |
| (16,524) | In Year Depreciation Charge | (16,580) |
| (4,624) | Additional Contribution to Major Repairs Reserve | (3,690) |
| (21,148) | | (20,270) |
| | Debits: | |
| 16,956 | Capital Expenditure for HRA Purposes | 21,165 |
| 16,956 | | 21,165 |
| (19,014) | Balance to Carry Forward | (18,119) |

[Note E](#)

STATEMENT OF ACCOUNTS 2021/22

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. |
|--------------|---|

An analysis of capital expenditure within the HRA and sources of finance:

| 2020/21 £000s | Capital Financing | 2021/22 £000s |
|------------------|---|------------------|
| - | Borrowing | - |
| 1,125 | Capital Receipts | 1,167 |
| - | Revenue Contributions | 1,255 |
| 2,556 | Reserves | 2,437 |
| 16,956 | Major Repairs Reserve | 21,165 |
| 137 | Grants and Contributions | 759 |
| 20,774 | Total Capital Expenditure Within the HRA | 26,783 |

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

| 2020/21 £000s | Capital Receipts | 2021/22 £000s |
|------------------|------------------------------------|------------------|
| 4,458 | Council House Sales (Net) | 4,584 |
| - | Other Land | - |
| - | Other Buildings | - |
| - | Non Disposals | - |
| - | Mortgages and Housing Act Advances | - |
| 4,458 | Total | 4,584 |

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. |
|--------------|--|

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.

| 2020/21 £000s | Depreciation | 2021/22 £000s |
|------------------|---------------------------------------|------------------|
| 15,929 | Council Dwellings | 16,031 |
| 471 | Other Land & Buildings | 436 |
| 98 | Vehicle, Plant, Furniture & Equipment | 90 |
| 9 | Infrastructure Assets | 9 |
| - | Surplus Assets Not Held for Sale | - |
| 17 | Intangible Assets | 14 |
| 16,524 | Total | 16,580 |

Note F – HRA Impairments / Revaluation Losses

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

In the 5 year period between 2012/13 to 2016/17 inclusive, the revaluation/impairment losses incurred against the Council's HRA non-dwellings were required to be charged against the Housing Revenue Account balance in its entirety, in accordance with The Code of Practice.

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.

STATEMENT OF ACCOUNTS 2021/22

| 2020/21 £000s | Impairments / Revaluation Losses | 2021/22 £000s |
|------------------|--|------------------|
| 17,221 | Impairments / Revaluations Losses – Non-Value Adding Expenditure | 22,680 |
| 10 | Impairments / Revaluations Losses | 80 |
| (141) | Reversal of Previous Revaluation Losses | (28) |
| 17,090 | Total | 22,732 |

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. |
|--------------|---|

During 2021/22, the Council's HRA incurred capital expenditure totalling £0.689M that relates to assets not controlled by the Council. The related assets are a new housing repairs system that is controlled by Berneslai Homes, on the Council's behalf.

There was no such expenditure relating to the HRA during 2020/21.

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. |
|--------------|--|

Housing rent arrears total £3.477M as at 31st March 2022 (£2.845M as at 31st March 2021).

A bad debts provision has been made in the accounts in respect of potentially uncollectable rent. The value of the provision at 31st March 2022 is £3.477M (£2.845M as at 31st March 2021). The movement in the year comprises of the value of rent arrears written off during the year totalling £0.182M (£0.365M in 2020/21) and an increase in the provision of £0.815M resulting from a review of the levels of rent arrears. Although the Council has made a provision for potentially uncollectable debts, it is still the Council'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. |
|--------------|--|

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. |
|--------------|---|

There have not been any material exceptional items within the HRA in 2021/22.

STATEMENT OF ACCOUNTS 2021/22

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.

| 2020/21 | | | COLLECTION FUND ACCOUNT | 2021/22 | | |
|------------------|-----------------|------------------|--|------------------|-----------------|------------------|
| COUNCIL TAX | BUSINESS RATES | TOTAL | | COUNCIL TAX | BUSINESS RATES | TOTAL |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| | | | INCOME: | | | |
| (123,538) | - | (123,538) | Council Tax | (128,276) | - | (128,276) |
| - | (34,150) | (34,150) | Non-Domestic Rates (Note A) | - | (44,326) | (44,326) |
| (123,538) | (34,150) | (157,688) | Total Income | (128,276) | (44,326) | (172,602) |
| | | | EXPENDITURE: | | | |
| | | | <i>Precepts and Demands on Collection Fund by Major Preceptors & the Council:</i> | | | |
| 101,226 | 24,157 | 125,383 | BMBC (Including Parish Council Precepts) (Note C) | 103,888 | 22,959 | 126,847 |
| - | 1,376 | 1,376 | Transitional Protection Payments | - | 803 | 803 |
| 12,953 | - | 12,953 | South Yorkshire Police Authority (Note C) | 13,896 | - | 13,896 |
| 4,879 | 481 | 5,360 | South Yorkshire Fire & Civil Defence Authority (Note A / Note C) | 4,962 | 455 | 5,417 |
| 119,058 | 26,014 | 145,072 | | 122,746 | 24,217 | 146,963 |
| | | | <i>Non-Domestic Rates:</i> | | | |
| - | 24,045 | 24,045 | Payment to Central Government (Note A) | - | 22,769 | 22,769 |
| - | 319 | 319 | Cost of Collection Allowance (to BMBC) (Note A) | - | 313 | 313 |
| - | 24,364 | 24,364 | | - | 23,082 | 23,082 |
| 1,542 | 476 | 2,018 | Bad Debts Written Off | 893 | 555 | 1,448 |
| 1,419 | (172) | 1,247 | Increase / (Reduction) in Provision for Non-Payment of Council Tax / Business Rates | 361 | (240) | 121 |
| - | 979 | 979 | Provision for Business Rate Appeals | - | (2,355) | (2,355) |
| 2,961 | 1,283 | 4,244 | | 1,254 | (2,040) | (786) |
| | | | <i>Estimated Surplus on Collection Fund:</i> | | | |
| 3,200 | 763 | 3,963 | Transfer to General Fund | 3,200 | (7,284) | (4,084) |
| 419 | - | 419 | Transfer to South Yorkshire Police Authority | 233 | - | 233 |
| 159 | 16 | 175 | Transfer to South Yorkshire Fire & Civil Defence Authority | 151 | (149) | 2 |
| - | 779 | 779 | Central Government | - | (7,433) | (7,433) |
| 3,778 | 1,558 | 5,336 | | 3,584 | (14,866) | (11,282) |
| 125,797 | 53,219 | 179,016 | Total Expenditure | 127,584 | 30,393 | 157,977 |
| 2,259 | 19,069 | 21,328 | (Surplus) / Deficit for Year | (692) | (13,933) | (14,625) |
| | | | COLLECTION FUND BALANCE: | | | |
| (20,335) | (5,518) | (25,853) | (Surplus) / Deficit Brought Forward | (18,076) | 13,551 | (4,525) |
| 2,259 | 19,069 | 21,328 | (Surplus) / Deficit for Year | (692) | (13,933) | (14,625) |
| (18,076) | 13,551 | (4,525) | (Surplus) / Deficit Carried Forward | (18,768) | (382) | (19,150) |
| | | | SHARE OF (SURPLUS) / DEFICIT BALANCE: | | | |
| (15,289) | 6,639 | (8,650) | Barnsley MBC | (15,863) | (191) | (16,054) |
| (2,787) | 136 | (2,651) | Precepting Authorities | (2,905) | (4) | (2,909) |
| - | 6,776 | 6,776 | Central Government | - | (187) | (187) |
| (18,076) | 13,551 | (4,525) | Total | (18,768) | (382) | (19,150) |

STATEMENT OF ACCOUNTS 2021/22

NOTES TO THE COLLECTION FUND

Note A – National Non-Domestic Rates

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

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

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

| | 2020/21 | 2021/22 |
|---------------------------------------|----------|----------|
| Total Rateable Value as at 31st March | £141,139 | £142,023 |
| Standard Multiplier | 0.512 | 0.512 |
| Small Business Multiplier | 0.499 | 0.499 |

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

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

Note B – Calculation of the Council Tax Base

| | |
|--------------|--|
| Description: | This note explains how the Council's Council Tax Base is calculated. |
|--------------|--|

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 2021/22 was £1,875.15 (£1,813.97 for 2020/21), and was based on the tax base in the table below (65,405.995 for 2020/21):

| Band | Total No of Dwellings* | Proportion of Band D Charge | Band D Equivalent | Adjusted for Estimated Collectable Band D Equivalent (95%) |
|------|------------------------|-----------------------------|-------------------|--|
| A- | 179 | 5/9 | 99.20 | 94.240 |
| A | 44,326 | 6/9 | 29,550.70 | 28,073.165 |
| B | 15,497 | 7/9 | 12,052.90 | 11,450.255 |
| C | 12,165 | 8/9 | 10,813.10 | 10,272.445 |
| D | 8,440 | 9/9 | 8,439.70 | 8,017.715 |
| E | 3,643 | 11/9 | 4,452.40 | 4,229.780 |
| F | 1,455 | 13/9 | 2,101.70 | 1,996.615 |
| G | 653 | 15/9 | 1,088.50 | 1,034.075 |
| H | 31 | 18/9 | 61.00 | 57.950 |
| | 86,389 | | 68,659.20 | 65,226.240 |

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

STATEMENT OF ACCOUNTS 2021/22

Note C – Precepts and Demands on the Collection Fund

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

| 2020/21 £000s | Demand per Collection Fund | 2021/22 £000s |
|------------------|--------------------------------|------------------|
| 98,848 | BMBC | 101,763 |
| 414 | Parish Precepts | 437 |
| 12,953 | Police Authority | 13,896 |
| 4,879 | Fire & Civil Defence Authority | 4,962 |
| 117,094 | Total Precepts | 121,058 |

STATEMENT OF ACCOUNTS 2021/22

SECTION 7 - GROUP ACCOUNTS

THE GROUP MOVEMENT IN RESERVES STATEMENT

| <u>Movement in Reserves During 2021/22</u> | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Reserve | Total Useable BMBC Reserves | Unusable BMBC Reserves | Total BMBC Reserves | Authority's Share of Reserves of Subsidiaries, Associates and Joint Ventures | Total Group Reserves |
|--|-------------------------|----------------------------|-----------------------------|--------------------------|--|--------------------------------|---------------------------|------------------------|--|-------------------------|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Balance of Reserves at 1st April 2021 | 195,302 | 30,952 | 17,086 | 19,014 | 11,062 | 273,416 | (144,898) | 128,518 | 8,452 | 136,970 |
| Total Comprehensive Expenditure & Income | (42,132) | (21,231) | - | - | - | (63,363) | 247,956 | 184,593 | (28,450) | 156,143 |
| Adjustments Between Council and Group Reserves | (38,473) | - | - | - | - | (38,473) | - | (38,473) | 38,473 | - |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations | 102,435 | 19,122 | 8,007 | (895) | 8,511 | 137,180 | (137,180) | - | - | - |
| Net Increase / (Decrease) in 2021/22 | 21,830 | (2,109) | 8,007 | (895) | 8,511 | 35,344 | 110,776 | 146,120 | 10,023 | 156,143 |
| Balance of Reserves at 31st March 2022 | 217,132 | 28,843 | 25,093 | 18,119 | 19,573 | 308,760 | (34,122) | 274,638 | 18,475 | 293,113 |

STATEMENT OF ACCOUNTS 2021/22

THE GROUP MOVEMENT IN RESERVES STATEMENT (CONTINUED)

| <u>Movement in Reserves During 2020/21</u> <u>(Restated)</u> | General Fund Balance | Housing Revenue Account | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Reserve | Total Useable BMBC Reserves | Unusable BMBC Reserves | Total BMBC Reserves | Authority's Share of Reserves of Subsidiaries, Associates and Joint Ventures | Total Group Reserves |
|--|-------------------------|----------------------------|-----------------------------|--------------------------|--|--------------------------------|---------------------------|------------------------|--|-------------------------|
| | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| | | | | | | | | | | |
| Balance of Reserves at 1st April 2020 | 133,875 | 31,817 | 16,810 | 14,821 | 8,854 | 206,177 | (157,264) | 48,913 | 15,458 | 64,371 |
| Reporting of Schools Budget Deficit to New Adjustment Account at 1st April 2020 | 5,224 | - | - | - | - | 5,224 | (5,224) | - | - | - |
| Restated Balance of Reserves at 1st April 2020 | 139,099 | 31,817 | 16,810 | 14,821 | 8,854 | 211,401 | (162,488) | 48,913 | 15,458 | 64,371 |
| Total Comprehensive Expenditure & Income | 45,049 | (9,845) | - | - | - | 35,204 | 75,840 | 111,044 | (38,445) | 72,599 |
| Adjustments Between Council and Group Reserves | (31,439) | - | - | - | - | (31,439) | - | (31,439) | 31,439 | - |
| Adjustments Between Accounting Basis & Funding Basis Under Regulations | 42,593 | 8,980 | 276 | 4,193 | 2,208 | 58,250 | (58,250) | - | - | - |
| Net Increase / (Decrease) in 2020/21 | 56,203 | (865) | 276 | 4,193 | 2,208 | 62,015 | 17,590 | 79,605 | (7,006) | 72,599 |
| Balance of Reserves at 31st March 2021 | 195,302 | 30,952 | 17,086 | 19,014 | 11,062 | 273,416 | (144,898) | 128,518 | 8,452 | 136,970 |

STATEMENT OF ACCOUNTS 2021/22

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2020/21 (Restated) | | | | 2021/22 | | |
|-------------------------------|--------------------------|-----------------------------|--|-------------------------------|--------------------------|-----------------------------|
| Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s |
| | | | Net Cost of Services: | | | |
| 143,626 | (96,228) | 47,398 | Children's Services | 159,912 | (98,318) | 61,594 |
| 103,503 | (27,454) | 76,049 | Place | 211,160 | (35,962) | 175,198 |
| 40,344 | (72,493) | (32,149) | Housing Revenue Account | 41,825 | (73,471) | (31,646) |
| 92,144 | (42,716) | 49,428 | Adults & Communities | 104,859 | (51,123) | 53,736 |
| 10,323 | (8,366) | 1,957 | Public Health | 11,414 | (8,944) | 2,470 |
| 113,222 | (100,993) | 12,229 | Core Services | 99,749 | (98,346) | 1,403 |
| 12,867 | (29,718) | (16,851) | Corporate Services | 20,348 | (30,877) | (10,529) |
| 32,937 | (22,542) | 10,395 | Exceptional Item – COVID 19 | 24,066 | (23,217) | 849 |
| 37,397 | (830) | 36,567 | Berneslai Homes | 42,806 | 218 | 43,024 |
| 646 | (62) | 584 | Penistone Grammar Trust | 585 | (65) | 520 |
| 587,009 | (401,402) | 185,607 | Net Cost of Services | 716,724 | (420,105) | 296,619 |
| | | | Other Operating Income & Expenditure: | | | |
| 414 | - | 414 | Parish Council Precepts | 468 | - | 468 |
| 1,666 | - | 1,666 | Payments to Central Government Housing Capital Receipts Pool | 1,666 | - | 1,666 |
| 4,396 | (5,962) | (1,566) | (Gains) / Losses on The Disposal of Non-Current Assets | 12,921 | (13,208) | (287) |
| 6,769 | - | 6,769 | Exceptional Item – Loss on Disposal of Non-Current Assets Relating to School Transfers | 2,920 | - | 2,920 |
| 13,245 | (5,962) | 7,283 | Total Other Operating Expenditure | 17,975 | (13,208) | 4,767 |
| | | | Financing & Investment Income & Expenditure: | | | |
| 23,747 | - | 23,747 | Interest Payable on Debt | 23,475 | - | 23,475 |
| 76 | - | 76 | Interest Element of Finance Leases | 57 | - | 57 |
| 19,395 | - | 19,395 | Interest Payable on PFI Unitary Payments | 19,621 | - | 19,621 |
| 10,289 | - | 10,289 | Net Interest on The Defined Benefit Liability / Asset | 10,374 | - | 10,374 |
| - | - | - | Movement in Fair Value of Financial Assets | - | - | - |
| 396 | - | 396 | Expected Credit Loss Model | 50 | - | 50 |
| - | - | - | Premium Incurred on Early Redemption of Debt | - | - | - |
| - | (819) | (819) | Investment Interest Income | - | (639) | (639) |
| - | (113) | (113) | Dividends Receivable | - | (446) | (446) |
| - | (10) | (10) | Interest Received on Finance Leases | - | (10) | (10) |
| 4,803 | (4,455) | 348 | (Surplus) / Deficit of Trading Undertakings or Other Operations | 5,188 | (5,985) | (797) |
| - | - | - | Subsidiary Taxation | - | - | - |
| 58,706 | (5,397) | 53,309 | Total Financing & Investment Income & Expenditure | 58,765 | (7,080) | 51,685 |

Continued overleaf.

STATEMENT OF ACCOUNTS 2021/22

THE GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

| 2020/21 (Restated) | | | | 2021/22 | | |
|-------------------------------|--------------------------|-----------------------------|---|-------------------------------|--------------------------|-----------------------------|
| Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | Gross Income £000s | Net Expenditure £000s |
| | | | Taxation & Non Specific Grant Income: | | | |
| - | (35,966) | (35,966) | Recognised Capital Grants & Contributions | - | (46,170) | (46,170) |
| - | (24,924) | (24,924) | Exceptional Item – COVID 19 Related General Grants | - | (15,555) | (15,555) |
| - | (19,459) | (19,459) | Section 31 Grant | - | (8,215) | (8,215) |
| - | (12,954) | (12,954) | Revenue Support Grant (RSG) | - | (13,026) | (13,026) |
| - | (102,437) | (102,437) | Council Tax | - | (107,693) | (107,693) |
| - | (15,034) | (15,034) | Business Rates Retention Scheme – Locally Retained | - | (21,906) | (21,906) |
| - | (32,735) | (32,735) | Business Rates Retention Scheme – Top Up Grant | - | (32,735) | (32,735) |
| - | (243,509) | (243,509) | Total Taxation & Non Specific Grant Income | - | (245,300) | (245,300) |
| | | | | | | |
| 658,960 | (656,270) | 2,690 | (Surplus) / Deficit on Provision of Services | 793,464 | (685,693) | 107,771 |
| | | | Other Comprehensive Income & Expenditure: | | | |
| 3,023 | (98,979) | (95,956) | (Gains) / Losses on Revaluation of Property, Plant & Equipment Assets | 5,649 | (106,018) | (100,369) |
| 21 | - | 21 | (Gains) / Losses on Revaluation of Financial Instruments | - | (20) | (20) |
| 16,724 | 3,922 | 20,646 | Actuarial (Gains) / Losses on Pension Assets / Liabilities | (163,527) | - | (163,527) |
| 19,768 | (95,057) | (75,289) | Other Comprehensive Income & Expenditure | (157,878) | (106,038) | (263,916) |
| | | | | | | |
| 678,728 | (751,327) | (72,599) | Total Comprehensive Income & Expenditure | 635,586 | (791,731) | (156,145) |

STATEMENT OF ACCOUNTS 2021/22

GROUP BALANCE SHEET AS AT 31st MARCH 2021

| 2020/21 (Restated) £000s | | 2021/22 £000s | 2021/22 £000s |
|--------------------------------|--|------------------|--------------------|
| | NON-CURRENT ASSETS | | |
| | Property Plant and Equipment: | | |
| 647,463 | - Council Dwellings | 715,990 | |
| 317,948 | - Other Land & Buildings | 335,255 | |
| 8,863 | - Vehicles, Plant, Furniture & Equipment | 8,308 | |
| 283,291 | - Infrastructure Assets | 299,733 | |
| - | - Community Assets | - | |
| 107,118 | - Assets Under Construction | 8,592 | |
| 1,769 | - Surplus Assets | 2,228 | |
| 1,366,452 | | | 1,370,106 |
| 11,215 | Heritage Assets | 11,659 | |
| 768 | Investment Properties | 759 | |
| 815 | Intangible Assets | 548 | |
| 4,494 | Long Term Investments | 4,487 | |
| 1,948 | Long Term Debtors | 3,140 | |
| 19,240 | | | 20,593 |
| 1,385,692 | Total Non-Current Assets | | 1,390,699 |
| | CURRENT ASSETS | | |
| 8,413 | Assets 'Held for Sale' | 4,664 | |
| 60,164 | Short Term Investments | 134,711 | |
| 1,751 | Inventories | 2,127 | |
| 10,290 | Local Taxation Debtors | 10,341 | |
| (10,243) | Impairment of Local Taxation Debtors | (10,424) | |
| 49,003 | Other Short Term Debtors | 55,860 | |
| (6,494) | Impairment of Short Term Debtors | (6,348) | |
| - | Corporation Tax Asset | - | |
| 61,473 | Cash & Cash Equivalents | 67,521 | |
| 174,357 | Total Current Assets | | 258,452 |
| 1,560,049 | TOTAL GROUP ASSETS | | 1,649,151 |
| | CURRENT LIABILITIES | | |
| (21,788) | Short Term Borrowing | (37,307) | |
| (8,797) | Other Short Term Liabilities | (8,428) | |
| (46,392) | Short Term Creditors | (71,651) | |
| - | Corporation Tax Liability | - | |
| (6,368) | Provisions | (4,754) | |
| (23,602) | Capital Grants Receipts in Advance | (34,528) | |
| (6,295) | Revenue Grants Receipts in Advance | (3,335) | |
| - | Bank Overdraft | - | |
| (113,242) | Total Current Liabilities | | (160,003) |
| | LONG TERM LIABILITIES | | |
| (628,230) | Long Term Borrowing | (653,158) | |
| (194,062) | Other Long Term Liabilities | (185,633) | |
| (4,521) | Long Term Provisions | (4,060) | |
| (483,024) | Retirement Benefit Obligations | (353,182) | |
| (1,309,837) | Total Long Term Liabilities | | (1,196,033) |
| (1,423,079) | TOTAL GROUP LIABILITIES | | (1,356,036) |
| 136,970 | GROUP NET ASSETS | | 293,115 |

Continued overleaf

STATEMENT OF ACCOUNTS 2021/22

GROUP BALANCE SHEET AS AT 31st MARCH 2021 (CONTINUED)

| 2020/21 (Restated) £000s | | 2021/22 £000s | 2021/22 £000s |
|--------------------------------|---|------------------|------------------|
| | BMBC USEABLE RESERVES: | | |
| 195,302 | - General Fund | 217,132 | |
| 30,952 | - Housing Revenue Account | 28,843 | |
| 17,086 | - Useable Capital Receipts Reserve | 25,093 | |
| 19,014 | - Major Repairs Reserve | 18,119 | |
| 11,062 | - Capital Grant Unapplied Reserve | 19,573 | |
| 273,416 | TOTAL BMBC USEABLE RESERVES | | 308,760 |
| | BMBC UNUSABLE RESERVES: | | |
| (35,182) | - Capital Adjustment Account | (133,502) | |
| 497 | - Deferred Capital Receipts Reserve | 496 | |
| (11,473) | - Financial Instruments Adjustment Account | (10,889) | |
| (444,961) | - Pensions Reserve | (328,247) | |
| (431) | - Financial Instrument Revaluation Reserve | (431) | |
| 352,241 | - Revaluation Reserve | 442,894 | |
| (2,482) | - Accumulated Absences Account | (2,548) | |
| 8,650 | - Collection Fund Adjustment Account | 16,051 | |
| (11,757) | - DSG Deficit Adjustment Account | (17,946) | |
| (144,898) | TOTAL BMBC UNUSABLE RESERVES | | (34,122) |
| 128,518 | TOTAL BMBC RESERVES | | 274,638 |
| | OTHER GROUP ENTITY USEABLE RESERVES: | | |
| 11,819 | - Berneslai Homes Retained Surplus | 11,413 | |
| 508 | - Penistone Grammar Trust – Unrestricted Funds | 588 | |
| 12,327 | TOTAL OTHER GROUP ENTITY USEABLE RESERVES | | 12,001 |
| | OTHER GROUP ENTITY UNUSABLE RESERVES: | | |
| (39,626) | - Berneslai Homes Pensions Reserve | (25,716) | |
| 35,751 | - Penistone Grammar Trust – Restricted Funds | 32,192 | |
| (3,875) | TOTAL OTHER GROUP ENTITY UNUSABLE RESERVES | | 6,476 |
| 8,452 | TOTAL OTHER GROUP ENTITY RESERVES | | 18,477 |
| 136,970 | TOTAL GROUP RESERVES | | 293,115 |

STATEMENT OF ACCOUNTS 2021/22

GROUP CASH FLOW STATEMENT

| 2020/21 (Restated) £000s | | 2021/22 £000s | 2021/22 £000s |
|--------------------------------|--|------------------|------------------|
| 2,690 | Net (Surplus) / Deficit on Provision of Services | | 107,771 |
| | <u>Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:</u> | | |
| (80,212) | - Depreciation & Impairment | (167,952) | |
| (23,512) | - Pension Fund Adjustments | (32,810) | |
| (11,166) | - Carrying Amount of Non-Current Assets Sold | (15,842) | |
| (1,147) | - (Increase) / Decrease in Provisions | 2,025 | |
| 176 | - Increase / (Decrease) in Inventories | 376 | |
| (15,898) | - Increase / (Decrease) in Debtors | (4,365) | |
| (2,736) | - (Increase) / Decrease in Creditors | (9,003) | |
| (136) | - Other Non-Cash Adjustments | (323) | |
| (134,631) | | | (227,894) |
| - | - Taxation Paid | | - |
| | <u>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</u> | | |
| 35,967 | - Capital Grants Recognised Through Comprehensive Income & Expenditure Statement | 46,170 | |
| - | - Premiums Paid on Early Settlement of Debt | - | |
| 6,088 | - Proceeds From The Sale of Property, Plant & Equipment, Investment Property & Intangible Assets | 13,444 | |
| 42,055 | | | 59,614 |
| (89,886) | Net Cash (Inflow) / Outflow From Operating Activities | | (60,509) |
| 64,494 | Net Cash (Inflow) / Outflow From Investing Activities | | 90,724 |
| 46,222 | Net Cash (Inflow) / Outflow From Financing Activities | | (36,263) |
| 20,830 | Net (Increase) / Decrease in Cash & Cash Equivalents | | (6,048) |

Reconciliation and Analysis of Group Cash & Cash Equivalent Balances

| 2020/21 £000s (Restated) | | 2021/22 £000s |
|--------------------------------|--|------------------|
| 82,303 | Group Cash & Cash Equivalents as at 1st April | 61,473 |
| (20,830) | Net Increase / (Decrease) in Cash & Cash Equivalents | 6,048 |
| 61,473 | Group Cash & Cash Equivalents as at 31st March | 67,521 |
| | Made Up Of The Following Elements: | |
| | <u>BMBC Cash & Cash Equivalents:</u> | |
| 2 | Cash Held By The Council | 7 |
| (12,314) | Cash in Transit | (3,542) |
| 10,310 | Bank Current Accounts | 5,720 |
| 55,012 | Short Term Deposits With Financial Institutions | 54,510 |
| 53,010 | Total BMBC Cash & Cash Equivalents | 56,695 |
| | <u>Other Group Entity Cash & Cash Equivalents:</u> | |
| 321 | Bank Current Accounts | 1,526 |
| 8,142 | Short Term Deposits With Financial Institutions | 9,300 |
| 8,463 | Total Other Group Entity Cash & Cash Equivalents | 10,826 |
| 61,473 | Group Cash & Cash Equivalents as at 1st April | 67,521 |

STATEMENT OF ACCOUNTS 2021/22

NOTES TO THE GROUP ACCOUNTS

Note A – Critical Judgements

| | |
|--------------|---|
| Description: | This note sets out the Council's approach to consideration of the group accounts. |
|--------------|---|

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. |
|--------------|--|

A review has been undertaken by the Council considering all companies in which it has an interest. The interests in these bodies have been analysed to consider whether the Council has the potential to control or influence the bodies' operating and financial policies.

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

Berneslai Homes Ltd

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

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

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

Penistone Grammar Trust

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

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

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

Joint Ventures

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

Note C – Prior Year Restatement

| | |
|--------------|---|
| Description: | This note outlines the restatement of the prior year comparators. |
|--------------|---|

The 2020/21 comparative figures have been amended by £2.058M ~~restated~~ in the group accounts only, where appropriate, to reflect the revised/final 2020/21 pension liability position for Berneslai Homes. This information was not available for the 2020/21 draft accounts and subsequently identified during the 2020/21 audit process. The Council considered this as not material in 2020/21, to amend the group accounts. ~~change not material to change at the time but to main the~~

However, to maintain the integrity of Berneslai Homes' 2021/22 accounts and reflect the correct opening balances for the group, the comparators have been amended. Additionally, this is not material to the group and the Council and it does not give rise to a Prior Period Adjustment under the relevant accounting principles for 2021/22.

STATEMENT OF ACCOUNTS 2021/22

Note D - 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. |
|--------------|--|

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

| Expenditure / Income | 2020/21 (Restated) £000s | 2021/22 £000s |
|--|---|--------------------------|
| Expenditure: | | |
| Employee Benefits Expenses | 195,575 | 212,489 |
| Other Services Expenses | 310,946 | 330,170 |
| Support Service Recharges | - | - |
| Depreciation, Amortisation, Impairment | 85,687 | 179,303 |
| Interest Payments | 53,507 | 53,527 |
| Precepts & Levies | 414 | 468 |
| Payments to Housing Capital Receipts Pool | 1,666 | 1,666 |
| Write Out NBV Relating to the Disposal of Assets | 11,165 | 15,841 |
| Total Expenditure | 658,960 | 793,464 |
| Income: | | |
| Fees, Charges & Other Service Income | (133,085) | (140,916) |
| Interest & Investment Income | (950) | (1,103) |
| Income From Council Tax & Non-Domestic Rates | (117,470) | (129,599) |
| Government Grants & Contributions | (398,803) | (400,867) |
| Sale Proceeds Relating to the Disposal of Assets | (5,962) | (13,208) |
| Total Income | (656,270) | (685,693) |
| Surplus or Deficit on the Provision of Services | 2,690 | 107,771 |

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. |
|--------------|---|

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

| 31st March 2021 | | | 31st March 2022 | |
|-----------------------------------|-----------------------------|---|-----------------------------------|-----------------------------|
| Long Term £000s | Short Term £000s | | Long Term £000s | Short Term £000s |
| | | Investments: | | |
| 2,281 | 60,048 | Loans & Receivables at Amortised Cost | 2,254 | 134,593 |
| 2,324 | 116 | Unquoted Equity Investment at Fair Value through Other Comprehensive Income | 2,233 | 117 |
| 4,605 | 60,164 | Total Investments | 4,487 | 134,710 |
| | | Debtors: | | |
| 1,300 | - | Amortised Cost | 2,527 | - |
| 1,300 | - | Total Debtors ** | 2,527 | - |
| | | Cash Equivalents: | | |
| - | 63,154 | Amortised Cost | - | 63,810 |
| - | 63,154 | Total Cash Equivalents * | - | 63,810 |
| 5,905 | 123,318 | Total Financial Assets | 7,014 | 198,520 |
| | | Borrowings: | | |
| (628,230) | (21,788) | Financial Liabilities at Amortised Cost | (653,157) | (37,307) |
| (628,230) | (21,788) | Total Borrowings | (653,157) | (37,307) |
| | | Other Liabilities: | | |
| (194,062) | (8,797) | Amortised Cost | (185,633) | (8,428) |
| (194,062) | (8,797) | Total Other Liabilities | (185,633) | (8,428) |
| (822,292) | (30,585) | Total Financial Liabilities | (838,790) | (45,735) |

STATEMENT OF ACCOUNTS 2021/22

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

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

Note F - Debtors

| | |
|--------------|---|
| Description: | Other Short Term Debtors are assets representing the amounts owed to the Group in respect of other debts. |
|--------------|---|

| 31 st March 2021 | | | | 31 st March 2022 | | |
|-----------------------------|--------------------------|---------------|------------------------------------|-----------------------------|--------------------------|---------------|
| Total Debtors | Impairment For Bad Debts | Total | | Total Debtors | Impairment For Bad Debts | Total |
| £000s | £000s | £000s | | £000s | £000s | £000s |
| 12,578 | (6,494) | 6,084 | Trade Receivables | 11,536 | (6,348) | 5,188 |
| 13,750 | - | 13,750 | Prepayments & Accrued Grant Income | 16,394 | - | 16,394 |
| 22,675 | - | 22,675 | Other Receivable Amounts | 27,930 | - | 27,930 |
| 49,003 | (6,494) | 42,509 | Total | 55,860 | (6,348) | 49,512 |

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 2021 £000s | | 31 st March 2022 £000s |
|--------------------------------------|-----------------------------|--------------------------------------|
| (8,099) | Trade Creditors | (10,154) |
| (15,444) | Other Creditors | (28,202) |
| (3,722) | Capital Creditors | (6,312) |
| (6,066) | Receipts in Advance | (4,777) |
| (4,104) | Payroll Creditors | (6,230) |
| (1,120) | NNDR | (7,432) |
| (4,929) | Council Tax | (4,581) |
| (2,908) | Other Tax & Social Security | (3,963) |
| (46,392) | Total | (71,651) |

STATEMENT OF ACCOUNTS 2021/22

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. |
|--------------|---|

| 2020/21 (Restated) | | | | 2021/22 | | |
|-----------------------|--------------|----------------|--|------------------|-----------------|------------------|
| BMBC £000s | BH £000s | Group £000s | | BMBC £000s | BH £000s | Group £000s |
| | | | <u>Comprehensive Income & Expenditure Statement:</u> | | | |
| | | | <i>Cost of Services:</i> | | | |
| 28,677 | 4,228 | 32,905 | - Current Service Cost | 38,448 | 5,837 | 44,285 |
| - | - | - | - Past Service Costs | 292 | - | 292 |
| 565 | 108 | 673 | - Settlements & Curtailments | (626) | - | (626) |
| 459 | 68 | 527 | - Administration Expenses | - | - | - |
| | | | <i>Financing & Investment Income & Expenditure:</i> | | | |
| 9,537 | 752 | 10,289 | - Net Interest Cost | 9,499 | 875 | 10,374 |
| 39,238 | 5,156 | 44,394 | Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services | 47,613 | 6,712 | 54,325 |
| | | | <i>Other Post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement:</i> | | | |
| | | | <i>Re-measurement of The Net Benefit Liability Comprising:</i> | | | |
| (178,676) | (21,583) | (200,259) | - Return on Plan Assets (Excluding The Amount Included In Net Interest Expense | (86,081) | (10,478) | (96,559) |
| (29,669) | (2,514) | (32,183) | - Experience (Gains) / Losses | 3,739 | 335 | 4,074 |
| - | - | - | - Actuarial (Gains) and Losses On Changes in Demographic Assumptions | - | - | - |
| 225,069 | 28,019 | 253,088 | - Actuarial (Gains) and Losses On Changes in Financial Assumptions | (62,264) | (8,778) | (71,042) |
| - | - | - | Business Combinations | - | - | - |
| 16,724 | 3,922 | 20,646 | Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure | (144,606) | (18,921) | (163,527) |
| 55,962 | 9,078 | 65,040 | Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement | (96,993) | (12,209) | (109,202) |

| 2020/21 (Restated) | | | | 2021/22 | | |
|-----------------------|-------------|-----------------|---|-----------------|-------------|-----------------|
| BMBC £000s | BH £000s | Group £000s | | BMBC £000s | BH £000s | Group £000s |
| | | | <u>Movement in Reserves Statement:</u> | | | |
| (39,238) | - | (39,238) | - Reversal of Charges Made to the Surplus or Deficit for the Provision of Services for Post-Employment Benefits in Accordance with The Code | (47,613) | - | (47,613) |
| | | | <u>Actual Amount Charged Against the General Fund Balance for Pensions for the Year:</u> | | | |
| 19,357 | - | 19,357 | Employers' Contributions Payable to Scheme | 19,720 | - | 19,720 |
| - | - | - | Retirement Benefits Payable to Pensioners | - | - | - |
| (19,881) | - | (19,881) | Net Adjustment to Surplus or Deficit for the Provision of Services | (27,893) | - | (27,893) |

STATEMENT OF ACCOUNTS 2021/22

Pension Assets and Liabilities Recognised in the Balance Sheet

| 2020/21 (Restated) | | | | 2021/22 | | |
|-----------------------|-----------------|------------------|--|------------------|-----------------|------------------|
| BMBC £000s | BH £000s | Group £000s | | BMBC £000s | BH £000s | Group £000s |
| (1,592,047) | (178,562) | (1,770,609) | Present Value of The Defined Benefit Obligation | (1,569,445) | (177,810) | (1,747,255) |
| 1,148,649 | 138,936 | 1,287,585 | Fair Value of Plan Assets | 1,241,979 | 152,094 | 1,394,073 |
| (443,398) | (39,626) | (483,024) | Net Liability Arising From Defined Benefit Obligation | (327,466) | (25,716) | (353,182) |

Reconciliation of Fair Value of the Scheme (Plan) Assets

| 2020/21 (Restated) | | | | 2021/22 | | |
|-----------------------|----------------|------------------|--|------------------|----------------|------------------|
| BMBC £000s | BH £000s | Group £000s | | BMBC £000s | BH £000s | Group £000s |
| 963,028 | 116,188 | 1,079,216 | Opening Balance at 1st April | 1,148,649 | 138,936 | 1,287,585 |
| 22,933 | 2,770 | 25,703 | Interest Income | 23,924 | 2,913 | 26,837 |
| | | - | <i>Re-measurement Gains and (Losses):</i> | | | - |
| 178,676 | 21,583 | 200,259 | - The Return on Plan Assets, Excluding the Amount Included in Net Interest Expense | 86,081 | 10,478 | 96,559 |
| (461) | (68) | (529) | Administration Expenses | - | - | - |
| - | - | - | Business Combinations | - | - | - |
| (1,714) | - | (1,714) | Settlements | (639) | - | (639) |
| 20,920 | 1,553 | 22,473 | Employer Contributions | 18,939 | 1,701 | 20,640 |
| 6,079 | 898 | 6,977 | Contributions by Scheme Participants | 6,436 | 992 | 7,428 |
| (40,812) | (3,988) | (44,800) | Benefits Paid | (41,411) | (2,926) | (44,337) |
| 1,148,649 | 138,936 | 1,287,585 | Closing Balance at 31st March | 1,241,979 | 152,094 | 1,394,073 |

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

| 2020/21 (Restated) | | | | 2021/22 | | |
|-----------------------|------------------|--------------------|--|--------------------|------------------|--------------------|
| BMBC £000s | BH £000s | Group £000s | | BMBC £000s | BH £000s | Group £000s |
| (1,371,380) | (148,289) | (1,519,669) | Opening Balance at 1st April | (1,592,047) | (178,562) | (1,770,609) |
| (28,678) | (4,228) | (32,906) | Current Service Cost | (38,448) | (5,837) | (44,285) |
| (32,470) | - | (32,470) | Past Service Costs | (33,423) | - | (33,423) |
| - | (3,522) | (3,522) | Interest Cost | (292) | (3,788) | (4,080) |
| (6,079) | (898) | (6,977) | Contributions by Scheme Participants | (6,436) | (992) | (7,428) |
| | | | <i>Re-measurement Gains and (Losses):</i> | | | |
| 29,669 | 2,514 | 32,183 | - Experience Gains / (Losses) | (3,739) | (335) | (4,074) |
| - | - | - | - Actuarial Gains / (Losses) Arising From Changes in Demographic Assumptions | - | - | - |
| (225,069) | (28,019) | (253,088) | - Actuarial Gains / (Losses) Arising From Changes in Financial Assumptions | 62,264 | 8,778 | 71,042 |
| (2,035) | (108) | (2,143) | Gains / (Losses) Curtailments | - | - | - |
| 40,812 | 3,988 | 44,800 | Benefits Paid | 41,411 | 2,926 | 44,337 |
| 3,183 | - | 3,183 | Liabilities Extinguished on Settlements | 1,265 | - | 1,265 |
| - | - | - | Business Combinations | - | - | - |
| (1,592,047) | (178,562) | (1,770,609) | Closing Balance at 31st March | (1,569,445) | (177,810) | (1,747,255) |

STATEMENT OF ACCOUNTS 2021/22

TECHNICAL ANNEX A

THE COUNCIL'S ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31st March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which those regulations require to be prepared in accordance with proper accounting practice. For local authorities, this proper accounting practice is predominantly contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (The Code), supported by International Financial Reporting Standards and statutory guidance where applicable.

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

2. Accruals of Income and Expenditure – General

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

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

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

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

- In its capacity as a billing authority, the Council acts as agent; it collects and distributes Council Tax / NNDR income on behalf of the major preceptors and itself;
- Whilst the income from Council Tax and NNDR for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the billing authority or paid out of the Collection Fund to major preceptors;
- The Council Tax and NNDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NNDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income & Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement;
- The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals; and

STATEMENT OF ACCOUNTS 2021/22

- 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 was no material acquired or discontinued operations during 2021/22.

5. Cash and Cash Equivalents

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

6. Material Items of Income and Expense / Exceptional Items

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

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

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

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

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

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

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

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

8. Charges to Revenue for Non-Current Assets

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

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

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

STATEMENT OF ACCOUNTS 2021/22

9. Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year end. For the Council, they typically include such benefits as wages and salaries and paid annual, flexi and sick leave. These are recognised in the accounts in the year in which the employee rendered service for the Council. An accrual has been made for the cost of holiday entitlement (including flexi-leave entitlement) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual has been based on wage and salary rates for the 2021/22 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 Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. It is the Council's policy not to offer enhanced termination benefits.

Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

1. The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE);
2. The NHS Pensions Scheme, administered by the NHS Business Services Authority; and
3. The Local Government Pension Scheme administered by the South Yorkshire Pensions Authority.

These respective schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

However, the arrangements for the Teachers' Scheme and the NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The People service line in the Comprehensive Income and Expenditure Statement is charged with contributions payable to Teachers' Pensions Scheme in the year and the Public Health line in the Comprehensive Income and Expenditure Statement is charged with contributions payable to the NHS Pensions Scheme.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

1. The liabilities of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis, using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of future earnings for current employees;
2. Liabilities are discounted to their value at current prices, using a discount rate of 2.6%, based on the weighted average of spot yields on AA rated corporate bonds;
3. The assets of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unitised securities – current bid price; and
 - Property – market value.
4. The change in the net pensions liability is analysed into the following components:

STATEMENT OF ACCOUNTS 2021/22

- Current Service Cost – the increase in liabilities as a result of a year’s service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, charged to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- Net Interest on the Net Defined Benefit Liability / Asset, i.e. Net Interest Expense for the Council – the change during the period in the net defined benefit liability / asset that arises from the passage of time, charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability / asset at the beginning of the period, taking into account any changes in the net defined benefit liability / asset during the period as a result of contribution and benefit payments;
- Re-measurements comprising:
 - a. The Return on Plan Assets – excluding amounts included in net interest on the net defined benefit liability / asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
 - b. Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the South Yorkshire Pensions Authority – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of such cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. The Council’s current policy is not to award enhancements for non-school Council employees i.e. those who are members of the Local Government Pension Scheme. However, awards are not prohibited and can be made in exceptional circumstances. Where they are made, any liabilities estimated to arise as a result are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

10. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can be identified:

1. Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events, where material; and
2. Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material impact, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

STATEMENT OF ACCOUNTS 2021/22

11. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively added to or deducted from the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of either spreading the gain / loss over the remaining term of the loan against which the premium was payable or discount receivable when it was repaid or a shorter period where it is deemed to be more prudent to do so. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account (FIAA) in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

- Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

The Council's trade debtors are not subject to internal credit rating and have been collectively assessed using provision matrices - based on historical data for defaults adjusted for current and forecast economic conditions. Debt write-off is

STATEMENT OF ACCOUNTS 2021/22

considered when normal recovery procedures have been unable to secure payment. Prior to write-off, all possible action will have been taken to secure the debt, however the extent to which it is pursued is dependent on the amount of the debt and the financial circumstances of the debtor.

With the exception of trade debtors where the simplified approach has been adopted, impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

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

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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

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

12. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants, third party contributions and donations are recognised as due to the Council when there is a reasonable assurance that:

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance under liabilities. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Net Cost of Services within the Comprehensive Income and Expenditure Statement (for service specific revenue grants) or to the Taxation and Non-Specific Grant Income line (for all capital grants, non-ring-fenced and general revenue grants).

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

13. Heritage Assets (Tangible and Intangible)

The Council's Heritage Assets are held in various locations across the Borough. These assets are held to increase people's knowledge, understanding and appreciation of the Borough's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policy on Property, Plant and Equipment (see Accounting Policy 21 below). However, some of the rules are relaxed in relation to Heritage Assets as detailed below:

- All of the Heritage Assets are deemed to have an indeterminable life with a high residual value and therefore the Council does not consider it appropriate to charge depreciation on these assets;

STATEMENT OF ACCOUNTS 2021/22

- Each category of Heritage Assets is revalued periodically by external valuers for insurance purposes and is carried on the Council's Balance Sheet at this valuation, as a proxy for open market valuations. There is no prescribed minimum period in which these valuations should occur within The Code of Practice;
- The collection of Heritage Assets held by the Council is relatively static with acquisitions and donations being rare. Where acquisitions have been made, these are initially valued at cost and subsequently revalued in accordance with the rest of the collection. Donations are recognised at valuation undertaken by an external valuer as appropriate;
- The carrying value of Heritage Assets is reviewed where there is evidence of impairment (e.g. where there is evidence of physical deterioration or breakage etc.). Any impairment identified is recognised and measured in accordance with the Council's policy on impairment of Property, Plant and Equipment (see Accounting Policy 21 below); and
- Where Heritage Assets have been disposed of, the proceeds are accounted for in accordance with the Council's policy on disposal of Property, Plant and Equipment. Disposal proceeds are accounted for in accordance with the statutory requirements relating to capital expenditure and capital receipts and are disclosed separately in the notes to the accounts.

14. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) is capitalised at cost, when it is expected that future economic benefits or service potential will flow to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and the Council will be able to generate future economic benefits or service potential from the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. No intangible asset held by the Council meets these conditions and therefore all such assets are carried at amortised cost.

The depreciable amounts for intangible assets are amortised over their useful lives and debited to the relevant services line in the Comprehensive Income and Expenditure Statement.

An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement.

The written off value of disposal is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation and impairment losses are not permitted to have an impact on the General Fund balance. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

15. Interest in Companies and Other Entities

The Council has interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures which may require it to prepare Group Accounts, where material. Included within these entities are three Trading Companies recently set up to allow the Council to trade more flexibly, in a commercial environment. Details of these companies are shown within [Note 17](#). Within the Council's own single entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

16. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

STATEMENT OF ACCOUNTS 2021/22

17. Investment Properties

Investment Properties are those that are used solely to earn rentals and / or held for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services, production of goods or is held for sale.

Investment Properties are initially measured at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.

The inputs to the measurement techniques are categorised in accordance with Accounting Policy 30 below.

Investment Properties are not depreciated but are revalued annually according to market conditions during the year. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to Investment Properties are credited to the Financing and Investment Income section of the Comprehensive Income and Expenditure Statement and result in a gain in the General Fund balance.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement on Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Revaluation / Impairment losses on HRA non-dwelling assets are not permitted to be reversed out of the HRA balance following the change to the HRA Self Financing arrangements.

18. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other parties that involve the use of assets and resources of the other parties rather than the establishment of a separate entity. The Council recognises on its Balance Sheet, the assets that it controls and the liabilities it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of Property, Plant and Equipment that are jointly controlled by the Council and other parties. The joint venture does not involve the establishment of a separate entity. The Council accounts only for its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of interests in the joint venture and income that it earns from the venture.

19. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy, where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Items of Property, Plant and Equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- A finance charge (debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement).

STATEMENT OF ACCOUNTS 2021/22

Items of Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefiting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease; even if this does not match the pattern of cash payments e.g. there is a rent free period at the commencement of the lease.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure section of the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line within the Comprehensive Income and Expenditure Statement as part of the profit or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal, matched by a long term lease debtor in the Balance Sheet for the capital value outstanding).

Subsequent lease rentals are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the long term debtor; and
- Finance income – credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium is received, this is posted out of the General Fund balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element of the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the relevant line in the Net Cost of Services in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

20. Overheads and Support Services

The costs of overheads and support services are charged to the service segments in accordance with the Council's arrangement for accountability and its financial performance arrangements.

STATEMENT OF ACCOUNTS 2021/22

21. **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and that the costs of the item can be measured reliably. Expenditure that maintains but does not add value or increase an asset's potential to deliver future economic benefits or service potential is charged as an expense to the Comprehensive Income and Expenditure Statement.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where an asset is not fully completed and is still under construction at the balance sheet date, the cumulative historic cost at that point will be treated as an Asset Under Construction. Once the asset becomes operational in a subsequent year, the total historic cost is transferred from the Asset Under Construction category to the relevant asset category that the asset falls under. Where material, the asset will be formally revalued in line with the methodology below, in the year it becomes operational. Otherwise, the asset will be formally revalued in the year following its operational status.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure Assets, Intangible Assets and Vehicles, Furniture, Plant and Equipment & Community Assets – depreciated historical cost;
- Assets Under Construction – historical cost;
- Council Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- School Buildings – current value, but due to their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value;
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective; and
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

In respect of the Council's Group Accounts, capital expenditure between the respective organisations, where material, will be recognised on the balance sheet following completion of the project where the asset becomes operational.

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued with sufficient regularity to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every 5 years. The Council's policy is to review all significant assets annually to ensure that the carrying values are materially accurate.

Where assets are revalued in year, the Council's policy is to use the standard effective date of measurement of 30th September [the midpoint of the financial year] which minimises the risk of any significant changes in the carrying values presenting themselves by the 31st March reporting date. Upon review at the reporting date, where material changes to the valuations have materialised since the 30th September effective date, the Council's policy is to use the more recent valuation and effective date.

STATEMENT OF ACCOUNTS 2021/22

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains); and
- Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusting for the depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life (e.g. freehold land and certain community assets) and assets that are not yet available for use i.e. Assets Under Construction.

Depreciation is calculated based on the average net book value using the following bases:

| Category | Basis | No. Of Years |
|------------------------------|---------------|--------------|
| Council Dwellings | Straight Line | 15 – 50 |
| Other Buildings | Straight Line | 15 – 60 |
| Plant & Equipment (Contents) | Straight Line | 3 – 24 |
| Vehicles | Straight Line | 5 – 8 |
| Surplus Assets | Straight Line | 5 – 40 |
| Land & Community Assets | N/A | Infinite |

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 |

STATEMENT OF ACCOUNTS 2021/22

Vehicles, Plant, Furniture & Equipment, Infrastructure Assets and Intangible Assets are fully depreciated down to nil based on their economic useful lives but remain on the Council's asset register until the following year. At this time, these assets are written out of the Council's books in terms of gross book value and the accumulated depreciation on the basis of prudence. Individual services may still hold the asset but due to the immaterial nature of the values involved, they are removed accordingly, based on the accounting policy for disposals as outlined below.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisations or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of, demolished or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure section of the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

A proportion of receipts relating to housing disposals are payable to Central Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and then can only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written off value of disposal is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

22. Private Finance Initiative

PFI contracts are agreements to receive services, where the responsibility for making available the Property, Plant or Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the Property, Plant or Equipment assets will pass to the Council at the end of the contracts for no additional charge, the Council carries these assets used in delivering the services on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these fixed assets at fair value (based on the cost to purchase the Property, Plant or Equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets. For the Secondary School Building Schools for the Future contract, the liability was written down by an initial capital contribution of £6.866M in 2010/11, an additional capital contribution of £25.540M in 2011/12 and a final capital contribution of £36.671M in 2012/13.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost – a notional interest charge of 9.49% (BSF Phase 1), 9.28% (BSF Phase 2), 8.08% (BSF Phase 3), 9.01% (Primary Schools PFI), 7.11% (Cudworth LIFT), 3.33% (Darton LIFT) and 7.02% (Waste PFI) on the

STATEMENT OF ACCOUNTS 2021/22

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 Council an obligation that probably requires settlement by a transfer of economic benefits, which can be reliably estimated, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case which could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not be required (or a lower settlement than anticipated is made), the provision (or part thereof) is reversed and credited back to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service line of the Comprehensive Income and Expenditure Statement if it is virtually certain that reimbursement will be received if the obligation is settled.

24. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

25. Contingent Assets

A contingent asset arises when an event has taken place that gives the Council a possible asset, whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts, where it is probable that there will be an inflow of economic benefits or service potential.

26. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and therefore are not available for use by the Council – these reserves are explained in the notes to the accounts.

27. Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year, which may be capitalised under statutory provisions but does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from

STATEMENT OF ACCOUNTS 2021/22

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

The Council is the freeholder of community school premises and has a significant role in the running of the school (e.g. administration procedures, employment and payroll of staff / management).

Accordingly, the school premises that fall under this category are recognised as Property, Plant & Equipment in the Council's Balance Sheet.

The income and expenditure of such schools is also recognised within the Council's Comprehensive Income & Expenditure Statement.

Voluntary Aided Schools

A voluntary aided school is a state-funded school in England and Wales in which a foundation or trust (usually a religious organisation) owns the school buildings, contributes to building costs and has a substantial influence in the running of the school. Such schools have more autonomy than voluntary controlled schools, which are entirely funded by the state.

Voluntary aided schools are a type of "maintained school", meaning that they receive all their income from Central Government via the Council, and do not charge fees to students. In contrast to other types of maintained school, only up to 90% of the capital costs of a voluntary aided school are met by Central Government. The foundation contributes the rest of the capital costs, owns the school's land and buildings and appoints a majority of the school governors. The governing body runs the school, employs the staff and decides the school's admission arrangements, subject to rules imposed by Central Government. Pupils follow the National Curriculum, except that faith schools may teach Religious Education according to their own faith.

Accordingly, the school premises of such schools have been de-recognised from the Council's Balance Sheet as these are controlled by the charitable organisation / trust. However, the Council does hold the freehold of the land in certain arrangements which thus remain on the Council's Balance Sheet.

The income and expenditure of such schools is recognised within the Council's Comprehensive Income & Expenditure Statement.

Voluntary Controlled Schools

A voluntary controlled school is a state-funded school in England, Wales and Northern Ireland in which a foundation or trust (usually a Christian denomination) has some formal influence in the running of the school. Such schools have less autonomy than voluntary aided schools, in which the foundation pays part of any building costs.

Voluntary controlled schools are a type of "maintained school", meaning that they are funded by Central Government via the Council, and do not charge fees to students. However, the land and buildings are typically owned by a charitable foundation or Trust organisation, which also appoints about a quarter of the school governors. However, the Council employs the school's staff and has primary responsibility for the school's admission arrangements. Pupils follow the National Curriculum.

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

The income and expenditure of such schools is recognised within the Council's Comprehensive Income & Expenditure Statement.

STATEMENT OF ACCOUNTS 2021/22

Academy Schools

An academy school in the education system in England is a type of school which is independent of Council control but is publicly funded, with some private sponsorship. The transfer of schools from the Council to an Academy generally takes the form of a 125 year lease.

The accounting for such arrangements follows the accounting policy for leases (see accounting policy 19 above).

Ordinarily, the lease of school premises is accounted for as a finance lease. Therefore, the assets relating to these arrangements are accounted for as disposals and subsequently de-recognised from the Council's Balance Sheet.

The lease of school land is generally accounted for as an operating lease. Therefore, the assets relating to these arrangements are accounted for under IAS 16 and still remain on the Council's Balance Sheet at nil value.

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

30. Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

STATEMENT OF ACCOUNTS 2021/22

TECHNICAL ANNEX B

CRITICAL JUDGEMENTS AND ASSUMPTIONS / ESTIMATIONS MADE WITHIN THE ACCOUNTS

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in [Annex A](#), the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

| No | Item | Judgements |
|----|----------------|--|
| 1 | Leases | <p>The Council is party to a significant number of lease arrangements, both as lessee and lessor. In accounting terms, the Council has to make judgements around the substance of those leases to identify whether it has effective control of the associated assets.</p> <p>The judgement uses a number of factors such as whether the lease is for a major part of the economic life of the asset, whether the lease payments represent a significant proportion of the asset value and whether there's any clauses around the Council gaining ownership at the end of the term.</p> <p>Where the balance of assumed control resides with the Council [as lessee], the assets are accounted for as Council controlled assets, i.e., recognised on the Council's balance sheet.</p> |
| 2 | Group Accounts | <p>The Council currently produces a set of Group Accounts alongside its single entity accounts. In order to establish the entities that are included in the Council's group, there are a number of judgements around whether the Council effectively controls a number of organisations. Where the Council is judged to hold effective control and are deemed material / significant, those entities are included in the Council's group boundary. For 2021/22, the Council consolidates two organisations, Penistone Grammar Trust and Berneslai Homes.</p> |
| 3 | Schools | <p>In formulating the accounts, the Council assesses each school based on its status as to determine the treatment of both the school assets, and the school's income and expenditure for the year. The Council makes judgement of each type of school based on the control etc, which is highlighted below:</p> <ul style="list-style-type: none"> • All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet. • Legal ownership of Voluntary Controlled (VC) and Voluntary Aided (VA) school land and buildings usually rests with a charity, normally by a religious body. Similarly, the services provided [education provision] from those assets are controlled by those religious bodies. Therefore, these assets are not included on the Council's Balance Sheet. • Academies are not considered to be maintained schools in the Council's control. The land and building assets are either, not owned by the Council, or let on a long-term lease (125 years) by the Council and therefore not included on the Council's Balance Sheet. |

STATEMENT OF ACCOUNTS 2021/22

Key Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future, or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31st March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

| No | Item | Uncertainties | Effect If Actual Results Differ From Assumptions |
|----|--|---|---|
| 1 | Non-Current Assets - Depreciation | Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. | If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the total annual depreciation charge for all non-current assets would increase by £2.3M in 2021/22 if the useful lives had been reduced by one year. |
| 2 | Non-Current Assets (Non Dwellings) - Valuations | The Council's non-current assets are required to be carried at an up to date valuation. The Council adopts a rolling programme of works that captures all assets within the recommended 5 year period. In addition to this, the Council also reviews the largest 100 assets in terms of valuation, which covers a large proportion of the total asset value. | As at 31st March 2022, there is an absence of any new and specific evidence to quantify the impact of COVID-19 on valuations of operational properties. A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties (excluding Council Dwellings) were to reduce by 10%, this would result in a combined reduction to the Revaluation Reserve and a charge to the Comprehensive Income and Expenditure Statement of approximately £18.5M. |
| 3 | Non-Current Assets (Dwellings) -Valuations | The value of the Council's housing dwellings stock is calculated using beacon properties. These valuations are then adjusted for the vacant possession value for the properties and to reflect their occupation by a secure tenant. This adjustment is considered to reflect the additional risk and liability that public sector landlords undertake when compared with private sector investors | The fair value of the Council's housing dwellings stock as at 31st March 2022 has been determined using MHCLG's Social Housing adjustment factor for Yorkshire and Humber of 41%. A 1% decrease in this adjustment factor would have resulted in reduction in valuation of approximately £17.4M. |
| 4 | Pensions Liability | Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. See Note 37 for further details. | The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £27.4M. However, the assumptions interact in complex ways. During 2021/22, the Council's actuaries advised that the net pension liability had increased by £115.9M as a result of estimates relating to fund assets being corrected based on experience and increased by £93.3M attributable to updating of the assumptions around pension liabilities impact of a decreased liability of £22.6M. |

STATEMENT OF ACCOUNTS 2021/22

TECHNICAL ANNEX C

ACCOUNTING STANDARDS REFERENCED BY THE CODE OF PRACTICE

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

The requirements of International Financial Reporting Standards (IFRS) and other pronouncements by the International Accounting Standards Board in effect for accounting periods commencing on or before 1 January 2015 (as adopted by the EU) apply unless specifically adapted by The Code.

IFRS's are considered a "principles based" set of standards in that they establish broad rules as well as dictating specific treatments.

International Financial Reporting Standards comprise:

- Financial Reporting Standards (FRS);
- International Accounting Standards (IAS);
- International Financial Reporting Standards (IFRS);
- International Financial Reporting Interpretations Committee (IFRIC); and
- Standing Interpretations Committee (SIC).

A further set of interpretations, specifically for the Public Sector, are International Public Sector Accounting Standards (IPSAS).

There are also some UK GAAP accounting standards that remain relevant to Local Authorities as they have no equivalent standard under IFRS and The Code interprets them accordingly.

The paragraphs below give a brief description of the accounting standards that are referred to in CIPFA's Code of Practice. Where relevant, interpretations have been grouped with the standard that they are interpreting.

Financial Reporting Standards (FRS):

| Accounting Standard | Link | Accounting Standard | Link |
|---|------------------------|--|-------------------------|
| FRS 25 – Financial Instruments: Presentation | FRS 25 | FRS 26 – Financial Instruments: Recognition & Measurement | FRS 26 |
| FRS 29 – Financial Instruments: Disclosures | FRS 27 | FRS 102 – The Financial Reporting Standard Applicable in the UK | FRS 102 |

International Accounting Standards (IAS)

| Accounting Standard | Link | Accounting Standard | Link |
|--|------------------------|--|------------------------|
| IAS 1 – Presentation of Financial Statements | IAS 1 | IAS 2 – Inventories | IAS 2 |
| IAS 7 – Statement of Cash Flows | IAS 7 | IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors | IAS 8 |
| IAS 10 – Events After the Reporting Period | IAS 10 | IAS 11 – Construction Contracts | IAS 11 |
| IAS 12 – Income Taxes | IAS 12 | IAS 16 – Property, Plant and Equipment | IAS 16 |
| IAS 17 – Leases | IAS 17 | IAS 18 – Revenue | IAS 18 |
| IAS 19 – Employee Benefits | IAS 19 | IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance | IAS 20 |
| IAS 21 – Effects of Changes in Foreign Exchange Rates | IAS 21 | IAS 23 – Borrowing Costs | IAS 23 |
| IAS 24 – Related Party Disclosures | IAS 24 | IAS 26 – Retirement Benefit Plans | IAS 26 |
| IAS 27 – Consolidated and Separate Financial Statements | IAS 27 | IAS 28 – Investments in Associates & Joint Ventures | IAS 28 |
| IAS 29 – Financial Reporting in Hyperinflationary Economies | IAS 29 | IAS 32 – Financial Instruments: Presentation | IAS 32 |
| IAS 36 – Impairment of Assets | IAS 36 | IAS 37 – Provisions, Contingent Liabilities and Assets | IAS 37 |
| IAS 38 – Intangible Assets | IAS 38 | IAS 39 – Financial Instruments: Recognition & Measurement | IAS 39 |
| IAS 40 – Investment Property | IAS 40 | IAS 41 – Agriculture | IAS 41 |

STATEMENT OF ACCOUNTS 2021/22

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 | | |

STATEMENT OF ACCOUNTS 2021/22

TECHNICAL ANNEX D

ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

A Council shall disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. A Council shall provide known, or reasonably estimable information, relevant to assessing the possible impact that application of the new IFRS will have on the Council's financial statements, including the group statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2022 for 2022/23).

The standards that may be relevant for additional disclosures that will be required in the 2021/22 financial statements in respect of accounting changes that are introduced in the 2022/23 Code are:

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS;
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard;
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material;
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code as it is envisioned that there aren't likely to be any significant effects on local authority financial statements.

- Adoption of IFRS16 – Leases. The adoption of this standard was originally scheduled to be from the 1st April 2020 (for the 2020/21 financial year). Due to the impact of the COVID-19 pandemic and external auditor market, it has been subsequently deferred to 1st April 2024 [for 2024/25 accounts]. The Council has yet to quantify the potential impact of this adoption.

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) |