

Draft

METROPOLITAN BOROUGH OF ROTHERHAM

STATEMENT OF ACCOUNTS 2023/24

Contents	Page Number
Notice of Public Rights	1
Statement of Responsibilities for the Statement of Accounts	2
Explanation of the Financial Statements	3
Main Financial Statements and Notes to the Core Financial Statements	5
Comprehensive Income and Expenditure Statement	6
Movement in Reserves Statement	7
Balance Sheet	9
Cash Flow Statement	10
Statement of Accounting Concepts and Policies	12
Accounting Standards not yet adopted	31
Critical Judgements in applying Accounting Policies	32
Assumptions made about future and other major sources of estimations	33
Notes to the Core Financial Statements	34
Housing Revenue Account (HRA) Income and Expenditure Account	108
Movement on the HRA Statement	109
Collection Fund	116
Certification	119
Glossary	121

AUDIT OF ACCOUNTS 2023/24**ROTHERHAM METROPOLITAN BOROUGH COUNCIL****Statement of Accounts 2023/24 Public Inspection Notice****Notice of the Commencement of the Period for the Exercise of Public Rights
Local Audit and Accountability Act 2014 Sections 26 and 27
Accounts and Audit (England) Regulations 2015 Regulations, 14 and 15**

The period for the Exercise of Public Rights commences at 9.30am on Monday 3 June 2024 and will conclude at 4pm on Friday 12 July 2024.

The following documents will be made available:

- The Draft Statement of Accounts
- The Annual Governance Statement
- The Narrative Report

The draft Statement of Accounts may be subject to change.

The above Council's accounts are subject to external audit by Grant Thornton UK LLP, Michael Green, No 1 Whitehall Riverside, Leeds, LS1 4BN. Members of the public and local government electors have certain rights in the audit process:-

1. The period for the Exercise of Public Rights commences on Monday 3 June 2024 and will conclude on Friday 12 July 2024 (between 9.30am and 4.00 pm Monday to Friday). Any person interested, on application to the Strategic Director of Finance and Customer Services, Rotherham Metropolitan Borough Council, Riverside House, Main Street, Rotherham, S60 1AE, may inspect and make copies of the accounts of the above-named Council for the year ended 31 March 2024, and all books, deeds, contracts, bills, vouchers and receipts relating thereto.
2. Notice is also given that on or after Monday 3 June 2024 until Friday 12 July 2024, a local government elector for the area to which the accounts relate or his/her representative may ask any questions of the auditor. Please contact the auditor at the above address to make arrangements to ask any questions.
3. These rights do not permit a person to require disclosure of personal information as defined in section 26 of the Local Audit and Accountability Act 2014.
4. From 9.30am on Monday 3 June 2024 until Friday 12 July 2024, a local government elector for the area of the Authority, or his/her representative, may object to the Council's accounts asking that the auditor issue a report in the public interest (schedule 7, Local Audit and Accountability Act 2014) and/or apply to the Court for a declaration that an item in the accounts is contrary to law (section 27, Local Audit and Accountability Act 2014). No such objection may be made unless the Auditor has previously received written notice of the objection and the grounds on which it is made and a copy of that notice has been provided to the Strategic Director of Finance and Customer Services, Rotherham Metropolitan Borough Council.

Judith Badger CPFA
Strategic Director - Finance and Customer Services
Finance and Customer Services Directorate,
Riverside House,
Main Street,
Rotherham,
S60 1AE

31 May 2024

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority'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 (the Chief Financial Officer) has responsibility for the administration of those affairs;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority 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.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2024 and of its income and expenditure for the year then ended.



Judith Badger CPFA
Strategic Director - Finance and Customer Services
31 May 2024

Explanation of the Financial Statements

The Statement of Accounts summarises the Council's financial performance during the year ended 31 March 2024 and shows its overall financial position at the end of that period.

The Statement is prepared in accordance with the Code of Practice on Local Authority Accounting (the Code), as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code is based on approved accounting standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), except where these are inconsistent with specific statutory requirements.

The principle basis, conventions, rules and practices that specify how the effects of transactions and other events are reflected in the financial statements of the Council are set out in the section of this report headed 'Statement of Accounting Policies'. These accounting policies are kept under review and updated where appropriate to take account of changes in accounting practice adopted within the Code.

The Statement of Accounts comprises:

- **Statement of Responsibilities for the Statement of Accounts** (Page 2) – which details the respective responsibilities of the Council and its Chief Financial Officer for the accounts;
- **An Explanation of the Financial Statements** (Page 3) – which details the components of the Financial Statements;
- **A Statement of Accounting Concepts and Policies** (Page 12) – These are the principle bases, conventions, rules and practices that specify how the effects of transactions and other events are reflected in the financial statements. The accounting concepts and policies that have been applied in preparing the Council's 2023/24 financial statements are detailed on Page 12;
- **Financial Statements and Related Disclosure notes** – which are explained further below.

For the sake of clarity, the Accounts and Audit Regulations 2015 clarified that the Annual Governance Statement does not form part of the Statement of Accounts although there is an expectation that it is published alongside the Statement of Accounts. The Council follows this practice.

To comply with the Accounts and Audit Regulations 2015 and the Code, the Narrative Report will be published alongside the Statement of Accounts.

Financial Statements

The Financial Statements report the Council's financial performance for the year and its financial position.

The Council's financial performance is reported through the:

- **Comprehensive Income and Expenditure Statement (CIES)** (Page 6) – The Comprehensive Income and Expenditure 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 or rents. The Council utilises income generated from local taxpayers and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The amount to be met from local taxpayers and housing rents is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement
- **Movement in Reserves Statement (MIRS)** (Page 7) – The Movement in Reserves Statement shows the net change in the balances on reserves allowing for the aforementioned statutory adjustments. Reserves are analysed into usable reserves and unusable reserves. Usable reserves represent revenue or capital resources which are available to fund revenue or capital expenditure or repay debt in the future, subject to the need to maintain a prudent level of reserves to cover contingencies and unforeseen commitments. Unusable Reserves are those that the Council is not able to use to provide services, they are used to hold unrealised gains and losses, for example the revaluation reserve or to hold balances in relation to adjustments between accounting basis and funding basis under regulations.

- **The Cash Flow Statement** (Page 10) – This Statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.
- **The Housing Revenue Account (HRA) Income and Expenditure Account** (Page 108) – This Account summarises the income and expenditure in respect of the provision of local Council housing accommodation. Councils' are required by statute to account separately for all transactions relating to the cost of providing such accommodation.
- **Collection Fund Account** (Page 116) – By statute, Billing Authorities are required to maintain a separate Collection Fund which shows the level of National Non Domestic Rates and Council Tax received by the Council during the accounting period and the distribution of these funds.

The Council's financial position is reported through the:

- **Balance Sheet** (Page 9) - The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) represent the Council's net worth and are matched by the reserves held by the Council. Reserves are analysed into usable and unusable in the same way as in the MIRS.

The financial statements described above include the income, expenditure, assets, liabilities, reserves and cash flows of maintained schools within the control of the Council.

The **Expenditure and Funding Analysis**, included as Note 1 (Page 35) in the Notes to the Accounts, accompanies the Comprehensive Income and Expenditure Statement. It takes the net expenditure that is chargeable to taxation and rents (i.e. the General Fund and Housing Revenue Account) and reconciles it to the Comprehensive Income and Expenditure Statement.

Main Financial Statements and Notes to the Core Financial Statements

Comprehensive Income and Expenditure Statement

Movement in Reserves Statement

Balance Sheet

Cash Flow Statement

Notes to the Core Financial Statements

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure 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 or rents. The Council utilises income generated from local taxpayers and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The amount to be met from local taxpayers and housing rents is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement

All of the Council's income and expenditure relates to continuing operations.

None of the items included within other comprehensive income and expenditure can be reclassified within the surplus or deficit on provision of services.

The reportable segments shown below are those used for internal management reporting including budget monitoring reported to Senior Leadership Team and Cabinet.

2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Cost £000		2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Cost £000	Notes
138,148	(56,905)	81,243	Adult Care and Housing	160,284	(66,637)	93,647	48
70,958	(88,811)	(17,853)	Local Authority Housing (HRA)	91,344	(95,765)	(4,421)	
137,719	(67,259)	70,460	CYPS Excl Schools	144,430	(73,601)	70,829	
60,555	(54,666)	5,889	Schools	54,961	(52,174)	2,787	
113,446	(45,195)	68,251	Regeneration and Environment Services	120,870	(50,129)	70,741	
18,424	(18,410)	14	Public Health	18,008	(19,129)	(1,121)	
12,362	(4,310)	8,052	Assistant Chief Executive Office	11,231	(2,849)	8,382	
32,069	(5,516)	26,553	Finance and Customer Services	28,226	(3,980)	24,246	
73,261	(93,268)	(20,007)	Central Services	76,303	(110,589)	(34,286)	
656,942	(434,340)	222,602	Cost of Services	705,658	(474,853)	230,804	
16,211	(36)	16,175	Other Operating Expenditure	27,609	(57)	27,552	4
40,747	(5,014)	35,733	Financing and Investment Income and Expenditure	28,191	(4,703)	23,488	5
0	(295,258)	(295,258)	Taxation & Non-Specific Grant Income and expenditure	0	(292,392)	(292,392)	7
713,900	(734,648)	(20,748)	Deficit/(Surplus) on Provision of Services	761,458	(772,005)	(10,548)	
		(53,386)	(Surplus) on Revaluation of Non Current Assets			(79,836)	37b
		(481,577)	Remeasurements of the Pensions Net Defined Benefit Liability/Asset			110,062	18
		(534,963)	Other Comprehensive Income & Expenditure			30,226	
		(555,711)	Total Comprehensive Income & Expenditure			19,678	

Movement in Reserves Statement

This Statement shows the movement from the start of the year to the end of the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation and are detailed in Note 36) and 'unusable reserves' (which are not available for use and are detailed in Note 37). The movement in reserves statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax or rents for the year. The net increase/decrease line shows the statutory General Fund Balance and Housing Revenue Account balance movements in the year following those adjustments.

2022/23	General Fund (GF) Balance including GF Earmarked Reserves £000	Housing Revenue Account (HRA) Balance including HRA Earmarked Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Council Reserves £000	Notes
Balance as at 1 April 22	91,221	10,526	19,572	23,965	25,355	170,639	116,881	287,520	36/37
Movement in reserves during the year:									
Total Comprehensive Income and Expenditure	13,994	6,754	0	0	0	20,748	534,963	555,711	
Adjustments from income & expenditure charged under the accounting basis to the funding basis	(23,155)	(3,246)	7,844	(7,944)	18,614	(7,887)	7,887	0	
Increase / (Decrease) in Year	(9,161)	3,508	7,844	(7,944)	18,614	12,861	542,850	555,711	
<i>Schools Balances transferred out on conversion to academy</i>	0					0	0	0	
Balance as at 31 March 23 carried forward	82,060	14,034	27,416	16,021	43,969	183,500	659,731	843,230	

2023/24	General Fund (GF) Balance including GF Earmarked Reserves £000	Housing Revenue Account (HRA) Balance including HRA Earmarked Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserves £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Council Reserves £000	Notes
Balance as at 1 April 23	82,060	14,034	27,416	16,021	43,969	183,500	659,731	843,230	36/37
Movement in reserves during the year:									
Total Comprehensive Income and Expenditure	17,607	(7,059)	0	0	0	10,548	(30,226)	(19,678)	
Adjustments from income & expenditure charged under the accounting basis to the funding basis	(17,981)	11,520	407	(6,593)	19,226	6,579	(6,579)	0	
Increase / (Decrease) in Year	(374)	4,461	407	(6,593)	19,226	17,127	(36,805)	(19,678)	
<i>Schools Balances transferred out on conversion to academy</i>	(402)					(402)	0	(402)	
Balance as at 31 March 24 carried forward	81,284	18,495	27,823	9,428	63,195	200,225	622,926	823,151	

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. 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 are usable 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 are those that the Council is not able to use to provide services. This category of reserves 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 are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

2022/23 £000		2023/24 £000	Notes
1,421,695	Property, Plant and Equipment	1,533,917	19
8,529	Heritage Assets	9,017	23
24,997	Investment Property	33,897	20
4,023	Intangible Assets	3,709	21
109,510	Pensions Asset	0	18
190	Long Term Investments	190	29
940	Long Term Debtors	837	32
1,569,883	Long Term Assets	1,581,567	
0	Short Term Investments	0	24
6,198	Assets Held For Sale	3,791	22
867	Inventories (Stock)	578	30
72,841	Short Term Debtors	76,993	32
94,042	Cash and Bank Balances	33,404	33
173,948	Current Assets	114,766	
0	Bank Overdraft	(84)	33
(60,590)	Short Term Borrowing	(34,761)	24
(31,837)	Revenue Grants Received in Advance	(25,252)	34a
(69,253)	Short Term Creditors	(65,813)	34b
(2,807)	Short Term Provisions	(3,487)	35
(164,488)	Current Liabilities	(129,397)	
(7,457)	Long Term Provisions	(8,776)	35
(19)	Long Term Creditors	(19)	34
(597,456)	Long Term Borrowing	(607,233)	24
(127,825)	Other Long Term Liabilities	(123,518)	49
(3,355)	Capital Grants Received in Advance	(4,239)	8
(736,112)	Long Term Liabilities	(743,785)	
843,230	Net Assets	823,151	
(183,500)	Usable Reserves	(200,225)	36
(659,730)	Unusable Reserves	(622,926)	37
(843,230)	Total Reserves	(823,151)	

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period.

	2022/23 £000	2023/24 £000	Notes
Deficit/(Surplus) on the provision of services	(20,748)	(10,548)	
Adjustments to net surplus or deficit on the provision of services for non-cash movements :			
Depreciation & Impairment	(45,466)	(60,603)	
Carrying Amount of Non- Current Assets Sold	(15,835)	(24,443)	
Pension Fund Adjustments	(48,823)	1,244	
(Increase)/Decrease in Provisions	(1,037)	(2,092)	
Increase/(Decrease) in Inventories	124	(289)	
Increase/(Decrease) in Debtors	11,831	6,372	
(Increase)/Decrease in Creditors	7,438	9,086	
Other Non Cash Adjustments	837	195	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	89,684	73,074	38
Net cash inflows from Operating Activities	(21,995)	(8,004)	
Investing Activities	(153,471)	47,051	39
Financing Activities	136,257	21,675	40
Net decrease/(Increase) in cash and cash equivalents	(39,209)	60,722	
Cash and cash equivalents at the beginning of the reporting period	54,833	94,042	33
Cash and cash equivalents at the end of the reporting period	94,042	33,320	33

Accounting Policies

- A) Statement of Accounting Policies
- B) Accounting Standards issued but not yet adopted
- C) Critical Judgements in applying Accounting Policies
- D) Assumptions made about the future and other major sources of estimation

A STATEMENT OF ACCOUNTING CONCEPTS AND POLICIES

1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. 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 practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"), supported by International Financial Reporting Standards (IFRS).

The objective of the Statement of Accounts is to provide information about the Council's financial performance, financial position and cash flows that is useful to a wide range of stakeholders in assessing the Council's stewardship of its resources.

Fundamental to making this assessment is that information is both relevant and faithfully represented.

A key feature of relevance is materiality. Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information presented in the Statement of Accounts. Conversely, there is no need to comply with the accounting principles or disclosure requirements of the Code where information is not material.

Information is faithfully represented if it is complete, unbiased and properly determined using appropriate estimation techniques and judgements.

The accounting policies are the principle bases, conventions, rules and practices that specify how the effects of transactions and other events are reflected in the Statement of Accounts. The accounting policies and estimation techniques selected are those that best assist users in their understanding of the financial information presented or disclosed in the Statement of Accounts. The expectation is that this will be achieved by selecting accounting policies that are compliant with the Code.

Consistent policies are applied both within the year and between years. Where policies have changed the reason and effect is disclosed.

The underlying assumptions made in preparing the Statement of Accounts are that financial performance is reported on an accruals basis and that the Council is a going concern.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

The CIES is reported using total cost principles under international financial reporting standards and not the way in which local government is funded. The income and expenditure reported in the CIES will not therefore correspond to the outturn charged to the General Fund and HRA reported against the Council's budget.

Note 1 in the Notes to the Core Financial Statements, the "Expenditure and Funding Analysis" provides a high level reconciliation of the expenditure analysis reported in the CIES to the net amount charged to the General Fund and HRA which is to be met by taxpayers and council house tenants together with additional disclosure on material reconciling adjustments.

2 Changes in Accounting Policies and Estimates and Errors

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 or financial performance. 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 unless the Code specifies that the change should be applied prospectively.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

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

3 Accruals of Income and Expenditure

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

The general principle is that revenue is measured at the fair value of the consideration received which, in most transactions, will be the amount of cash and cash equivalents receivable. This position is in accordance with IFRS 15 Revenue from Contracts with Customers.

Revenue is recognised when the Council satisfies a performance obligation by transferring a promised good or service to a service recipient, this can be over a period of time or at a point in time.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.

Interest payable on borrowings (other than that capitalised on qualifying assets) and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have 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 there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the Council acts as an agent for another party, income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

4 Overheads and Support Services

Support services are operated, managed and reported as separate segments they are not apportioned across services but instead reported separately in their own right in the Comprehensive Income and Expenditure Statement. Under the Council's current structure such costs predominantly fall within Assistant Chief Executive's or Finance and Customer Services Directorates.

5 Debtors

Debtors are recognised when the Council has delivered or tendered a supply of goods or services. They are recognised and measured at fair value when revenue has been recognised, except for a financial asset where they form part of the asset's carrying value (see accounting policy note 21). Amounts paid in advance of the receipt of goods/services are recognised as a prepayment.

6 Creditors

Creditors are recognised when the Council receives a supply of goods or services. They are recognised and measured at fair value of the consideration payable except for a financial liability where they form part of the liability's carrying value (see accounting policy note 21). If consideration is received but the revenue does not meet the revenue recognition criteria, a receipt in advance is recognised.

7 Tax Income (Council Tax, and National Non-Domestic Rates)

Council Tax

Council Tax collection is an agency arrangement. Income shown within the Comprehensive Income & Expenditure Statement is the Council's share of the year's accrued income. The difference between this and the amount transferred to the General Fund under statute (representing the demand on the Collection Fund for the year together with the Council's share of the previous year's surplus or deficit which is distributed or recovered) is taken to the Collection Fund Adjustment Account. Debtors are shown exclusive of the proportions attributable to major preceptors.

National Non-Domestic Rates (NNDR)

NNDR collection is an agency arrangement. Business rate income within the Comprehensive Income & Expenditure Statement is the Council's share of the accrued business rate income for the year. The difference between this and the amount transferred to the General Fund under statute (representing the Council's share of the estimated business rate income for the year together with the Council's share of the previous year's surplus or deficit which is distributed or recovered) is taken to the Collection Fund Adjustment Account. The central share (after allowable deductions) of business rate income is paid out of the Collection Fund to central government. Growth in business rate income in an Enterprise Zone area, business rate income from renewable energy schemes and from businesses in New Deal areas is wholly attributable to the Council and transferred in full to the General Fund on an accruals basis. Debtors are shown exclusive of the proportions attributable to major preceptors.

8 Inventories

Inventories are measured at the lower of cost and net realisable value except where acquired through a non-exchange transaction when cost is assumed to be equal to fair value at the acquisition date.

Inventories are measured at the lower of cost and current replacement cost where held for distribution at no charge or for a nominal charge.

The cost attributed to identify inventory is assigned using the first-in, first-out (FIFO) basis.

9 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognised when:

- there is a present obligation (legal/constructive) as a result of a past event,
- it is probable a resource outflow will be required to settle the obligation, and
- a reliable estimate of the amount can be made.

For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and is measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at each reporting date and adjusted to reflect current best estimates. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

If some or all of the expenditure required to settle a provision is expected to be reimbursed (e.g. an insurance claim), this is recognised when it is virtually certain that if the obligation is settled reimbursement will be received. The reimbursement is treated as an asset but the amount recognised does not exceed the amount of the provision.

Contingent Liability

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.

A contingent liability is not recognised in the financial statements but disclosed as a note to the accounts. If it becomes probable that a resource outflow will be required for an item previously dealt with as a contingent liability, a provision is recognised.

Contingent Asset

A contingent asset arises where 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.

A contingent asset is not recognised in the financial statements but disclosed as a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential. If it has become virtually certain an inflow will arise and the asset's value can be measured reliably, a debtor and related revenue are recognised.

11 Reserves

The Council sets aside specific amounts as usable reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain unusable reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council – these reserves are explained in the sections relating to the relevant policies.

12 Government and Non-Government Grants

Government grants and third-party contributions, including donated assets are recognised as due when there is reasonable assurance that;

- the Council will comply with the conditions attached to them, and
- the grants and contributions will be received.

Where conditions of grant remain outstanding which could give rise to grant being repaid, grant is carried in the balance sheet as grant received in advance.

Conditions are stipulations that give the grant funder or donor the right to the return of their monies if it is not used for the purpose specified.

Revenue grants or contributions are credited to the relevant service line within net cost of services if specific or to Taxation and Non-Specific Grant Income if general or non ring-fenced.

Capital grants are credited to Taxation and Non-Specific Grant Income as general grant, but then reversed out of the General Fund Balance in the Movement in Reserves Statement. Where capital grant has been recognised but has yet to be used to finance capital expenditure, it is credited to the Capital Grants Unapplied Account within reserves. Capital grant that has been used for financing purposes is transferred to the Capital Adjustment Account.

13 Non-current Assets – Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply 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 and creation of or which add to Property, Plant & 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 the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price,

- 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, and
- the initial estimate of the costs of dismantling, removing or restoring an asset where the Council has an obligation to do so and is required to make provision for these costs.

Borrowing Costs - The Council has adopted a policy under IAS 23 'Borrowing Costs' to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. In implementing a policy of capitalisation of borrowing costs the Council has determined what it sees as a qualifying asset and what the borrowing costs are, that are to be capitalised.

- Qualifying Assets – Assets that take a substantial period of time to get ready for their intended use or sale, where this would cause a significant balance of borrowing costs to accrue.
- Borrowing costs – Where the Council borrows to specifically fund a scheme the amount that is capitalised is the actual cost of borrowing less investment income. Where funds are borrowed generally a capitalisation rate is used based on the weighted average of borrowing costs during the period.

The Council only capitalises borrowing costs when in addition to the above it becomes probable that the capital expenditure will result in future economic benefits or service potential to the Council; and that the borrowing costs can be measured reliably.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets – depreciated historical cost,
- property, plant and equipment, intangible assets and assets under construction are measured at historical cost,
- dwellings – current value based on existing use value for social housing (EUV-SH),
- all other assets – current value based on existing use (existing use value – EUV) for non-specialised operational assets where there is an active market or where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost.
- Should an asset be re-classified as a Surplus Asset, it will be measured at fair value. Should an asset be re-classified as an Asset Held for Sale, it will be measured at the lower of carrying value and fair value less cost to sell.

Depreciated historical cost is used as a proxy for current value for relatively short life assets such as vehicles, plant and equipment.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum they are revalued every five years. In support of this the Council carries out an annual review of its assets for impairment. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains unless they reverse a previous revaluation or impairment loss in which case they are credited to the relevant service line within net cost of services.

Where decreases in value are identified, the revaluation loss is 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),
- 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(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment of Assets

At the end of each reporting period an assessment takes place 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 the accumulated gains),
- 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(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

The carrying amount of an item is derecognised:

- on disposal through, for example, sale, donation, granting of a finance lease or transfer, or
- when no future economic benefits or service potential are expected from its use or disposal as a result, for example, of it being abandoned, scrapped or decommissioned.

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. Fair value is the price that would be received from the selling the asset in an orderly transaction between market participants under the conditions prevailing at the end of the reporting period. Fair value for social housing being disposed of under Right to Buy (RTB) legislation is the discounted RTB value. Depreciation is not charged on Assets Held for Sale.

Assets held solely to earn rentals or for capital appreciation purposes are classified as investment properties.

Non-operational property, plant and equipment which do not meet the criteria for reclassification as either Assets Held for Sale or investment properties are held within property, plant and equipment as Surplus Assets. Surplus Assets are carried in the balance sheet at their fair value and revalued immediately prior to disposal if the current carrying value is materially different in order that the proper gain or loss on disposal can be determined.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals 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.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives, the depreciable amount being an asset's depreciated historic cost or fair value at the start of the financial year. No depreciation is charged in the year in which an asset is first made ready for use. A charge is made in the year in which an asset is derecognised or classified as held for sale. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the Council's valuer (Council dwellings over 30 Years, other buildings and non-operational properties up to 100 years)
- vehicles – a reducing balance method over the useful life of the asset, as advised by a suitably qualified officer (Up to 10 years)
- infrastructure – straight-line allocation over determined useful life of the asset
- plant, equipment and computers – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer (plant and equipment up to 15 years and computers/office equipment up to 10 years).

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. Componentisation will take place as assets are acquired, enhanced, replaced or revalued.

Revaluation gains/losses are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

14 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,
- amortisation of intangible Non-Current 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 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. This is known as the Minimum Revenue Provision (MRP) and the policy is detailed below. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Depreciation, revaluation and impairment losses represent a “real” charge to the HRA to be met by rent payers. Depreciation, revaluation and impairment losses are determined in accordance with the new “Item 8 Credit and Item 8 Debit (General) Determination” which came into effect from 1 April 2017. That determination allows the Council to reverse out impairment and revaluation gains and losses relating to both council dwellings and non-dwellings.

Minimum Revenue Provision (MRP)

Prudent provision (MRP) is made annually for the repayment of debt relating to capital expenditure financed by borrowing or credit arrangements. The amount charged is determined having regard to the relevant statutory requirements and related guidance on MRP issued by MHCLG (now DLUHC).

15 Leases and Lease-Type Arrangements

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 will recognise a lease where the contract for the individual asset exceeds £25k.

(a) Finance Leases – Council as Lessee

An asset held under a finance lease is 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. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability, and

- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The apportionment is done in such a way as to produce a constant rate of interest on the outstanding liability in each period over the lease term.

An asset recognised under a finance lease is 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, revaluation and impairment losses arising on leased assets. Instead, a Minimum Revenue Provision is made towards the deemed capital investment in accordance with statutory requirements and the Council's policy for determining MRP. Depreciation, revaluation and impairment losses are therefore replaced by the revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

(b) Operating Leases – Council as Lessee

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from 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 payments.

(a) Finance Leases – Council as Lessor

Where the Council grants a finance lease over an asset, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in 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 in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- an amount to write down the net investment in the lease including any premiums received, and
- finance income (credited to the Financing and Investment Income and Expenditure line in 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 will be required to be treated as a capital receipt. Where a premium has been 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 paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. 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 Non-Current Assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated from the Capital Adjustment Account to the General Fund Balance in the Movement in Reserves Statement.

(b) Operating Leases – Council as Lessor

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line 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. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

16 PFI and PPP Arrangements

Private Finance Initiative (PFI) and similar contracts fall within scope of IFRIC 12 and are agreements to receive services, where the responsibility for making available the property, plant and 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 and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The only exception to this is where PFI assets are transferred to academies under 125 year lease arrangements, at the point of transfer the assets are removed from the Council's balance sheet.

PFI assets are initially recognised at their fair value when they are first made available for use balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment (this is normally based on the relevant elements of capital cost in the operator's financial model). Initial direct costs to the Council are added to the carrying amount of the asset. Any upfront contributions made by the authority to the PFI operator, either in the form of a cash lump sum or transfer of property that will not be used to provide services under the arrangement, are applied to write-down the PFI liability at the contribution's value agreed in the operator's financial model when the PFI asset is first made available for use.

PFI assets under construction are recognised on the balance sheet where the terms and conditions of the contractual obligation are such that the economic benefit of the asset flows to the Council at that time, similar to an asset that a Council constructs or develops for its own use.

Non-current assets recognised on the Balance Sheet are re-valued 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 – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in 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 and Expenditure line in the Comprehensive Income and Expenditure Statement,
- payment towards liability – applied to write down the Balance Sheet liability due to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease),
- lifecycle replacement costs – Recognised as additions to Property, Plant and Equipment in the Balance Sheet as the scheduled works are carried out and the expenditure is incurred. Where the profile of lifecycle expenditure actually incurred by the PFI operator differs significantly from the projected profile included within the PFI model adjustments are made to account for the difference. A prepayment is recognised where planned expenditure paid for through the unitary payment exceeds the actual amount incurred by the PFI operator. An additional liability is recognised where planned expenditure is less than that actually incurred. The

prepayment/additional liability is carried forward in the balance sheet until the expenditure is actually incurred/settled, or, in the case of a prepayment when there is no longer an expectation that it will eventually be incurred by the PFI operator at which point it is charged to revenue. Lifecycle replacement costs which represent the refurbishment or replacement of major components are capitalised as Property, Plant and Equipment in accordance with Accounting Policy 13.

17 Investment Properties

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

Investment properties are measured initially at cost and subsequently at Fair Value being the price that would be received from the selling the asset in an orderly transaction between market participants under the market conditions prevailing at the end of the reporting period. Investment Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received and expenditure incurred in relation to investment properties are credited/charged to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement.

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 in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

18 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use 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 (research expenditure is not capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

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. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted 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 in Reserves

Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

19 Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset is charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. This includes transformational expenditure on reform projects capitalised under the capital receipts flexibilities implemented with effect from 1 April 2016 under the Local Government Act 2003. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

20 Heritage Assets

Heritage assets' principal purpose is to contribute to knowledge and culture and are assets which are preserved in trust for future generations for their artistic, cultural, environmental, historical, scientific or technological associations. They are recognised on balance sheet at cost or value. Where they are carried at value, the most appropriate and relevant valuation method is used including, e.g., insurance values. Revaluations are carried out as and when necessary in order to keep carrying values current (there is no requirement for them to be revalued at least every 5 years).

Operational heritage assets (i.e. those that are being held for their heritage characteristics, but are also used for other activities or services) are accounted for as operational assets.

Depreciation is not provided on heritage assets where they have indefinite lives.

Revaluation gains and losses and impairments of heritage assets are accounted for in the same way as for Property, Plant and Equipment.

21 Financial Instruments

Financial Assets

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

- amortised cost,
 - fair value through profit or loss (FVPL), and
 - fair value through other comprehensive income (FVOCI).
- **Treasury Investments:**
- Those valued at **Amortised Cost** – assets that have fixed or determinable payments but are not quoted in an active market. These assets are Solely for Principal and Interest (SPPI), and the contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal and interest, and they are part of the Council's Business Model. Whist Money Market Funds (MMF) behave as Amortised Cost, strictly they are FVPL, but there is little material difference in accounting, as such the Council will treat them as Amortised Cost.
- **Non-Treasury Investments:**
- These are assets that have may have a quoted market price and/or do not have fixed or determinable payments, and the contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal

and interest, although where, for instance a loan is provided to a third party (SPPI), and is for a policy reason, then it would be at Amortised cost too. Where it is not Amortised cost, this classification has two further sub sets for valuation:

- **Fair Value through Comprehensive Income (FVOCI)**, policy driven investments (not solely for profit), activity, which would normally simply be equity stakes in joint companies etc.
- **Fair Value through Profit and Loss (FVPL)**, assets held purely for commercial investment (primarily for profit), firstly to raise monies/profit, that will be used to support the execution of normal service functions.

(a) Financial Assets Measured at Amortised Cost

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

When the Council makes loans at less than market rates (soft loans) a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

(b) Fair Value Through Profit or Loss (FVPL) and Fair Value through Comprehensive Income (FVOCI)

These are assets that have a quoted market price and/or do not have fixed or determinable payments. Of this classification those assets that are policy driven investments, not used to solely generate profit, but to actively support the execution of normal service functions are to be valued at Fair Value through Other Comprehensive Income (FVOCI). They 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. Where the asset has fixed or determinable payments, then this would be Amortised Cost (as above) with annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council. In practice FVOCI is likely to contain only service equity investments.

Assets are maintained in the Balance Sheet at fair value. Fair value is measured by reference to prevailing interest or market rates using an appropriate valuation technique.

Changes in fair value posted are to Other Comprehensive Income and Expenditure. Movements in impairment loss allowances are debited/ credited to Surplus or Deficit on the Provision of Services (with a compensating credit/debit not against the carrying amount of the asset but to Other Comprehensive Income and Expenditure to offset movements against gains/losses on fair value). Cumulative gains/losses on fair value are posted to the Surplus or Deficit on the Provision of Services on derecognition.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses)

(c) Fair Value Through Profit and Loss (FVPL)

Those FVPL assets that are held purely for commercial investment (primarily for profit) and therefore have not been nominated as FVOCI will be accounted for as FVPL. All gains and losses posted to Surplus or Deficit on the Provision of Services as they arise.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month (i.e. the normal expectation of loss for this category of investment, no event occurring) or lifetime basis (whereby the initial assessment of risk has changed significantly by an event occurring). The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. The authority holds loans with two local businesses. It does not have reasonable and supportable information that is available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

Financial Liabilities

Financial liabilities 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 this being the price that would be paid in an orderly transaction between market participants on the date on which the liability is recognised. Ordinarily, this will be the transaction price, such as the principal amount of a loan received. Thereafter they are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in 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.

The amount of interest charged to the HRA is determined on a fair and equitable share basis by reference to the HRA's Capital Financing Requirement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in 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 deducted from or added to 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 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 in the Movement in Reserves Statement.

Where the Council has entered into financial guarantees that are not required to be accounted for as financial instruments they are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed, under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

22 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account via the Movement in Reserves Statement.

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 and are charged on an accruals basis at the earlier of when the Council can no longer withdraw an offer of those benefits or when the Council recognises the cost of restructuring.

Redundancy payments are charged to the relevant service line in the Comprehensive Income and Expenditure Statement.

Post-Employment Benefits

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

- The National Health Service Pension Scheme, administered by the NHS Business Services Authority (NHSBSA).
- The Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education.
- The Local Government Pensions Scheme (LGPS), administered by South Yorkshire Pensions Authority.

All three schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The arrangements for both the National Health Service and Teachers' schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the

Public Health and Children's and Education Service line in the Comprehensive Income and Expenditure Statements are charged with the employer's contributions payable to the National Health Service and Teachers' Pensions Scheme in the year.

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

- 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 etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds. In determining these liabilities, an assumption has been made on the advice of our actuaries that 50% of employees retiring will take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension.
- The assets of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value.
- The change in the net pensions asset/liability is analysed into the following components:
 - current service cost – the increase in liabilities as result of years of 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 as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - net interest – interest receivable on the fair value of plan assets held at the start of the period adjusted for changes in plan assets during the year as a result of contributions and benefit payments less the interest payable on pension liabilities both determined using the discount rate based on high quality corporate bonds used to measure the defined benefit obligation at the beginning of the period – debited/credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
 - re-measurements - return on plan assets (net of admin expenses and excluding amounts included in net interest) and actuarial gains/losses that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions are debited/credited to the Pensions reserve as Other Comprehensive Income and Expenditure.
 - contributions paid to the South Yorkshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities are 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 the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Accounting Standard IAS19 (Employee Benefits) states an entity shall recognise the net defined benefit liability/asset in the statement of financial position. In line with IAS19 and IFRIC14 (the standard that limits the recognition of the asset), when the actuary determines a defined benefit asset, the asset is recognised at the lower of the surplus in the defined benefit plan and the asset ceiling calculated by the actuary.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

23 Value Added Tax (VAT)

VAT payable is included only to the extent that it is irrecoverable from HM Revenue & Customs, whilst VAT receivable is excluded from income. The net amount due from/to HMRC at the end of the financial year is included within debtors or creditors.

24 Events after the Reporting Period

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

- 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,
- 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 effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date the Strategic Director Finance and Customer Services authorises the audited Accounts for issue are not reflected in the Statement of Accounts.

25 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

26 Interests in Companies and Other Entities

Where the Council exercises control, shares control or exerts a significant influence over another entity, and the Council's interests are material in aggregate, it will prepare Group Accounts. The Council's interest in another entity can be contractual or non-contractual and may be evidenced by, but is not limited to, the holding of equity or debt instruments in the entity as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees.

The Council has control over another entity, where it is able to direct the activities of that entity such that it is has exposure to or rights over variable returns and can use its power over the entity to affect the returns it receives.

Shared control with another party or parties in a joint venture arises where decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control including the Council.

The Council can exert a significant influence over an associate where the Council has the power to participate in the financial and operating policy decisions of an entity which fall short of control or joint control.

The Council's single entity financial statements include the income, expenditure, assets, liabilities, reserves and cash flows of the local Council maintained schools within the control of the Council.

Where local Council maintained schools convert to academies during the year, the assets, liabilities and reserves of the school are deconsolidated from the Council's single entity accounts at their carrying amount at the date of conversion unless the school has a deficit for which the Council retains responsibility. The Non-Current Assets of the school are derecognised when the Council relinquishes control over school premises which it had held as a local Council maintained school through ownership, legally enforceable rights or some other means.

Interests in companies and other entities are recorded in the Council's balance sheet as financial assets at cost, less any provision for losses.

27 Acquisitions and discontinued operations

Transfers of functions to or from other public sector bodies are accounted for with effect from the date of transfer. Assets and liabilities are transferred at their carrying value at the date of transfer unless otherwise agreed and the balance sheet restated to reflect the value of assets brought onto or removed from the balance sheet. The financial effect of functions transferred, to or from the Council are disclosed separately in the current year as "transferred in" or "transferred out" operations. The financial effect of functions transferred to another public sector body are disclosed separately in the comparative year to enable the performance of continuing operations to be compared on a like for like basis.

A function in this context is an identifiable service or business operation with an integrated set of activities, staff and recognised assets and/or liabilities that are capable of being conducted and managed to achieve the objectives of that service or business operation.

Discontinued operations are activities that cease completely. Income and expenditure relating to discontinued operations are presented separately on the face of the Comprehensive Income and Expenditure Statement.

B ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

In 2024/25 the Council will apply IFRS 16 leases as adopted by the Code of Accounting Practice. IFRS 16 will mean the majority of leases where the Council act as lessee will come onto the balance sheet. Lessor accounting is effectively unchanged. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right of use asset and a lease liability are to be brought into the balance sheet as at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements. IFRS 16 will be applied retrospectively, but with cumulative effect recognised at 1 April 2024. This means that right of use assets and lease liabilities will be calculated as if IFRS16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

Subject to discounting, the operating lease commitments disclosed at note 42 provide a reasonable guide to assets and liabilities which will be brought into the financial statements at implementation. In addition, the Council is party to a number of non-commercial or 'peppercorn' leases. The code requires that the Council recognises a right of use asset on a fair value basis. Valuation of the Council's right of use assets under these leases is currently ongoing. Any excess fair value over the cost of lease payments is credited as a gain in the surplus/deficit on the provision of services and then neutralised by statutory reversals.

The Code at paragraph 4.1.4.3 d) includes a temporary relief so that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. This temporary relief is applied from the 2021/22 Code up to and including the 2024/25 Code but may also apply to local authority financial statements before this period where the auditor's opinion on those statements has not been given. This temporary relief has been introduced to the Code because historical information deficits resulting from the reporting requirements mean that this information is unlikely to faithfully represent what it purports to represent.

This is a national issue with Local Authority treatment for infrastructure assets. This relates to the way components of infrastructure expenditure are derecognised when new expenditure is incurred. It allows Local Authorities to assume that the carrying amount to derecognise is zero. This override is in force until 31st March 2025. The Council has utilised the override for the 2023/24 accounts.

The changes below are not expected to impact on the Council's

- Non-current Liabilities with Covenants (Amendments to IAS1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

C CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management have considered that there are no critical judgements to report in line with applicable financial reporting principals, IAS1.

D 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 taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Pensions liability

Included in the Council's Balance Sheet at 31 March 2024 is an estimated pensions liability of £14.327m and a £193.436m asset reduced to nil due to asset ceiling regulations, calculated by the Pensions Fund's actuaries in accordance with the requirements of IAS19. This compares to a £15.019m liability and a £109.510m asset at 31 March 2022 and £338m liability at 31 March 2022 similarly calculated by the actuaries. The volatility in the amount of the liability is due to it being highly sensitive to a number of key assumptions used to determine pension fund liabilities. These include; the rate at which future liabilities are discounted to present value terms, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, indexation of pensions and the rate of inflation. The sensitivity analysis provided in Note 18 sets out how small changes to these key assumptions can result in a material change to the pensions liability. A firm of consulting actuaries is engaged by South Yorkshire Pensions Authority to provide expert advice about the best assumptions to be applied based on information available each year end.

Pensions Assets

The long-term impact on the pension fund assets as a result of the ongoing conflict in Ukraine and in the middle east and current financial market conditions remains unknown, this includes any potential impact on projected investment returns.

The South Yorkshire Pensions Authority that administers the Council's Pension Fund holds a variety of assets within the Fund including directly held properties and equities. Rotherham Metropolitan Borough Council's share of these property assets is considered material to the Council's financial statements. The Council's share of these assets has been included in the pension asset valuation reported in the Council's financial statements as at 31 March 2024.

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful lives of the assets reduce, depreciation increases and the carrying amount of the assets falls.

NOTES TO THE CORE FINANCIAL STATEMENTS

- 1 Expenditure and Funding Analysis
- 2 Adjustments between Accounting Basis and Funding Basis
- 3 Transfers to and from Earmarked Reserves
- 4 Other Operating Expenditure
- 5 Financing and Investment Income and Expenditure
- 6 Trading Operations
- 7 Taxation and Non-specific Grant Income
- 8 Analysis of Grant Income credited to CIES and capital grant received in advance
- 9 Acquired and discontinued operations
- 10 Agency Services
- 11 Transport Act
- 12 Pooled Budgets
- 13 Members' Allowances
- 14 Staff Remuneration
- 15 External Audit Fees
- 16 Dedicated Schools Grant
- 17 Related Party Transactions
- 18 Pensions
- 19 Property, Plant and Equipment, Capital Commitments, PFI,
- 20 Investment Property
- 21 Intangible Assets
- 22 Assets Held for Sale
- 23 Heritage Assets
- 24 Financial Instruments – Balances
- 25 Financial Instruments – Risk
- 26 Financial Instruments – Gains/losses
- 27 Financial Instruments – Fair Value of Assets carried at Amortised Cost
- 28 Financial Instruments – Soft Loans and Financial Guarantees
- 29 Long-term investments
- 30 Inventories
- 31 Construction Contracts
- 32 Debtors
- 33 Cash & Cash Equivalents
- 34 Creditors
- 35 Provisions
- 36 Usable Reserves
- 37 Unusable Reserves
- 38 Cash Flow - Analysis of adjustments to Surplus or Deficit on the Provisions of Services
- 39 Cash Flow – from Investing Activities
- 40 Cash Flow – from Financing Activities
- 41 Capital Expenditure and Financing
- 42 Leases
- 43 PFI and similar contracts
- 44 Capitalised Borrowing Costs
- 45 Contingent Liabilities
- 46 Contingent Assets
- 47 Trust Funds
- 48 Material Items of Income and Expenditure
- 49 Other Long-term Liabilities
- 50 Events after the Balance Sheet date / Authorised for Issue

Note 1 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis (EFA) is to demonstrate to council tax and rent payers how the funding available to the authority, i.e. government grants, rents, council tax and business rates for the year, has been used to provide services compared with those resources consumed or earned by authorities in accordance with generally accepted accounting practices (as shown in the Comprehensive Income and Expenditure Statement (CIES)).

2022/23				2023/24		
Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund and HRA Balances £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
79,783	1,460	81,243	Adult Care and Housing	105,853	(12,206)	93,647
(3,509)	(14,344)	(17,853)	Local Authority Housing (HRA)	(4,461)	40	(4,421)
64,508	5,952	70,460	Children and Young People's Services excluding schools	69,408	1,421	70,829
819	5,070	5,889	Schools	(91)	2,878	2,787
57,918	10,333	68,251	Regeneration and Environment Services	63,753	6,988	70,741
17,033	(17,019)	14	Public Health	16,638	(17,759)	(1,121)
7,370	682	8,052	Assistant Chief Executive Office	7,707	675	8,382
20,032	6,521	26,553	Finance and Customer Services	22,450	1,796	24,246
(238,301)	218,294	(20,007)	Central Services	(285,344)	251,058	(34,286)
5,653	216,949	222,602	Net Cost of Services	(4,087)	234,891	230,804
0	16,175	16,175	Other Operating Expenditure	0	27,552	27,552
0	35,733	35,733	Financing and Investment Income and Expenditure	0	23,488	23,488
0	(295,258)	(295,258)	Taxation & Non-Specific Grant Income and expenditure	0	(292,392)	(292,392)
5,653	(26,401)	(20,748)	(Surplus) / Deficit	(4,087)	(6,461)	(10,548)
		(101,747)	Opening General Fund and HRA Balance as at 1 April			(96,094)
		5,653	Less (Surplus) / Deficit on General Fund Balance in year			(4,087)
			Transfer to DSG Adjustment Account (unusable reserve)			0
			Transfer from/to reserves to/from Academies			402
		(96,094)	Closing General Fund and HRA Balance at 31 March			(99,779)

Note 1a Adjustments in Expenditure and Funding Analysis

2022/23					2023/24			
Capital Adjustment £000	Pension Adjustment £000	Other Adjustment £000	Total £000		Capital Adjustment £000	Pension Adjustment £000	Other Adjustment £000	Total £000
1,455	3,982	(3,977)	1,460	Adult Care and Housing	2,706	598	(15,510)	(12,206)
779	1,522	(16,645)	(14,344)	Local Authority Housing (HRA)	944	248	(1,152)	40
477	5,550	(75)	5,952	Children and Young People's Services excluding schools	639	821	(39)	1,421
3,452	1,494	124	5,070	Schools	3,854	(925)	(51)	2,878
18,979	7,118	(15,764)	10,333	Regeneration and Environment Services	18,311	1,079	(12,402)	6,988
0	215	(17,234)	(17,019)	Public Health	0	29	(17,788)	(17,759)
386	1,396	(1,100)	682	Assistant Chief Executive Office	447	202	26	675
4,243	2,928	(650)	6,521	Finance and Customer Services	2,024	442	(670)	1,796
552	0	217,742	218,294	Central Services	309	0	250,749	251,058
3,320	0	12,855	16,175	Other Operating Expenditure	12,267	0	15,285	27,552
(3,824)	10,298	29,259	35,733	Financing and Investment Income and Expenditure	(1,006)	(3,738)	28,232	23,488
4,739	0	(299,997)	(295,258)	Taxation & Non-Specific Grant Income and expenditure	11,288		(303,680)	(292,392)
34,558	34,503	(95,462)	(26,401)		51,783	(1,244)	(57,000)	(6,461)

Notes:

1. Capital Adjustments - This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
 - Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
 - Taxation and non-specific grant income and expenditure – capital grants are adjusted for as it is income that is not chargeable under generally accepted accounting practices. Revenue grants receivable in the year are adjusted to take out any grants that have conditions that have not been met in the year. This line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
2. Pensions Adjustments - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - For services – this is the removal of the employer pension contributions made by the authority as allowed by statute and replaced with current and past service costs.
 - For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.
3. Other Adjustments i.e. between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute
 - For Financing and investment income and expenditure – this column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
 - The charge under Taxation and non-specific grant income and 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.

Note 1b **Income and Expenditure Analysed by Nature**

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

Expenditure/Income	2022/23 £000	2023/24 £000
Expenditure		
Employee benefits expenses	226,970	221,843
Other services expenses	396,370	433,010
Depreciation, amortisation, impairment	40,624	46,674
Interest payments	33,725	32,322
Precepts and levies	13,912	14,459
Payments to Housing Capital Receipts Pool	0	0
Loss on the disposal of assets	2,263	13,094
Total expenditure	713,864	761,402
Income		
Fees, charges and other service income	(180,495)	(194,348)
Interest and investment income	(3,156)	(2,740)
Income from council tax and non domestic rates	(161,057)	(172,761)
Government grants and contributions	(389,904)	(402,101)
Total income	(734,612)	(771,950)
Deficit/(Surplus) on the Provision of Services	(20,748)	(10,548)

Note 1c Income Analysed by Segment

International Reporting Standard IFRS15 was adopted in the 2018/19 Code of Practice on Local Authority Accounting. Per IFRS15 income from contracts with customers is recognised when the obligation has been fulfilled, i.e. when the service has been provided. Income received in year relating to services that will be provided in the following financial year is accrued to the year that the service will be provided.

Financial Statements have always been prepared on an accruals basis as stated in the accounting policies, therefore the application of IFRS15 has resulted in no change to the recognition of income.

Other income is that which falls outside the definition of income from contracts with service recipients and is mainly non government grants/contributions.

The authority's fees, charges and other income is analysed as follows:

2022/23	2022/23	2022/23		2023/24	2023/24	2023/24
Income from contracts with service recipients £000	Other income £000	Total income £000		Income from contracts with service recipients £000	Other income £000	Total income £000
(18,847)	(9,255)	(28,102)	Adult Care and Housing	(20,995)	(11,873)	(32,868)
(86,535)	(2,025)	(88,560)	Local Authority Housing (HRA)	(92,734)	(2,741)	(95,475)
(2,546)	(86)	(2,632)	Children and Young People's Services excluding schools	(3,213)	(1,397)	(4,610)
(2,568)	(2,950)	(5,518)	Schools	(2,522)	(671)	(3,193)
(29,042)	(2,188)	(31,230)	Regeneration and Environment Services	(31,067)	(2,645)	(33,712)
(6)	(33)	(39)	Public Health	(7)	0	(7)
(2,088)	(53)	(2,141)	Assistant Chief Executive Office	(2,091)	(51)	(2,142)
(4,582)	(612)	(5,194)	Finance and Customer Services	(3,614)	(1)	(3,615)
0	(11,400)	(11,400)	Central Services	0	(12,398)	(12,398)
0	(5,679)	(5,679)	Other income below Cost of Service	0	(6,328)	(6,328)
(146,214)	(34,281)	(180,495)	Total Income analysed on a segmental basis	(156,243)	(38,105)	(194,348)

Major source of income from contracts with service recipients:

Adult Care and Housing:	Adult Residential Care
Local Authority Housing (HRA):	Housing Rents
Children and Young People's Services:	Educational Support Services to Academies
Schools:	Fees to parents and room lettings
Regeneration and Environment Services:	A wide range of services including School Meals, Waste Collection/Treatment, Licencing, Civic Theatre, Development Control, Markets, Building Cleaning and Parking
Assistant Chief Executive Office:	Human Resources Services
Finance and Customer Services:	Bereavement Services and Registrars

Note 2 Adjustments between Accounting Basis and Funding Basis

This note details the statutory adjustments for the differences between the way transactions are presented on a commercial accounting basis and the amounts which are statutorily required to be met under the Local Authority Accounting Framework from local taxpayers and housing rents to meet the cost of General Fund and HRA services.

	Movements in Usable Reserves 2022/23					Movements in Unusable Reserves £000
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<u>Adjustments primarily involving the Capital Adjustment Account:</u>						
Charges for depreciation and impairment of non current assets	23,306	19				(23,325)
Amortisation of intangible assets	2,534	316				(2,850)
Revaluation losses on Property, Plant and Equipment	(1,593)	1,787				(194)
Capital grants and contributions applied	(74,610)	(1,227)			18,614	57,223
Revenue expenditure funded from capital under statute	6,211	463				(6,674)
Gain/loss on disposal of non current assets charged to the Comprehensive Income and Expenditure Statement	2,954	(965)	13,846			(15,835)
Debt Repayment			53			(53)
Statutory provision for the financing of capital investment	(8,416)					8,416
Capital expenditure charged against the General Fund and HRA balances	(132)	(2,902)				3,034
<u>Adjustments primarily involving the Capital Receipts Reserve:</u>						
Use of the Capital Receipts Reserve to finance new capital expenditure			(6,002)			6,002
Use of the Capital Receipts Reserve to repay debt			(53)			53
Contribution from the Capital Receipts Reserve to finance payments to the Government capital receipts pool						0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash						0
<u>Adjustment primarily involving the Major Repairs Reserve:</u>						
Reversal of Major Repairs Allowance credited to the HRA		(2,886)		2,886		0
HRA depreciation to capital adjustment account				19,096		(19,096)
Use of the Major Repairs Reserve to finance new capital expenditure				(29,926)		29,926
<u>Adjustment primarily involving the Financial Instruments Adjustment Account:</u>						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(51)					51

	Movements in Usable Reserves 2022/23 continued					Movements in Unusable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
<u>Adjustments primarily involving the Pensions Reserve:</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 18)	53,030	3,445				(56,475)
Employer's pension contributions and direct payments to pensioners payable in the year	(20,661)	(1,310)				21,971
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(6,043)					6,043
<u>Adjustment primarily involving the Accumulated Absences Account:</u>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	316	14				(330)
<u>Adjustment primarily involving the Dedicated Schools Grant Adjustment Account:</u>						
Transfer to unusable reserve in the year in accordance with statutory requirements						0
Total Adjustments	(23,155)	(3,246)	7,844	(7,944)	18,614	7,887

	Movements in Usable Reserves 2023/24					Movements in Unusable Reserves £000
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
<u>Adjustments primarily involving the Capital Adjustment Account:</u>						
Charges for depreciation and impairment of non current assets	24,400	70				(24,470)
Amortisation of intangible assets	1,020	316				(1,336)
Revaluation losses on Property, Plant and Equipment & Investment Properties	(2,884)	15,552				(12,668)
Capital grants and contributions applied	(59,313)	(2,236)			19,226	42,323
Revenue expenditure funded from capital under statute	15,997	628				(16,625)
Gain/loss on disposal of non current assets charged to the Comprehensive Income and Expenditure Statement	12,012	964	11,467			(24,443)
Debt Repayment			315			(315)
Statutory provision for the financing of capital investment	(9,982)					9,982
Capital expenditure charged against the General Fund and HRA balances	(59)	(1,919)				1,978
<u>Adjustments primarily involving the Capital Receipts Reserve:</u>						
Use of the Capital Receipts Reserve to finance new capital expenditure			(11,060)			11,060
Use of receipts to repay debt			(315)			315
Contribution from the Capital Receipts Reserve to finance payments to the Government capital receipts pool	0					0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0					0
<u>Adjustment primarily involving the Major Repairs Reserve:</u>						
Transfer from HRA to Major Repairs Reserve re notional MRA		(1,889)		1,889		0
HRA depreciation to capital adjustment account				22,131		(22,131)
Use of the Major Repairs Reserve to finance new capital expenditure				(30,613)		30,613
<u>Adjustment primarily involving the Financial Instruments Adjustment Account:</u>						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(34)					34

	Movements in Usable Reserves 2023/24 continued					Movements in Unusable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
<u>Adjustments primarily involving the Pensions Reserve:</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 18)	22,262	1,640				(23,902)
Employer's pension contributions and direct payments to pensioners payable in the year	(23,510)	(1,637)				25,147
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>						
Amount by which council tax income, non-domestic rate income and residual community charge adjustment included in the Comprehensive Income and Expenditure Statement is different from the amount taken to the General Fund in accordance with Regulation	1,772					(1,772)
<u>Adjustment primarily involving the Accumulated Absences Account:</u>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	338	31				(369)
<u>Adjustment primarily involving the Dedicated Schools Grant Adjustment Account:</u>						
Transfer to unusable reserve in the year in accordance with statutory requirements						0
Total Adjustments	(17,981)	11,520	407	(6,593)	19,226	(6,579)

Note 3 **Transfers to and from Earmarked Reserves**

	Bal at 1 Apr 22 £000	Trans between Reserves 2022/23 £000	Trans out 2022/23 £000	Trans in 2022/23 £000	Bal at 31 Mar 23 £000	Trans between Reserves 2023/24 £000	Trans out 2023/24 £000	Trans in 2023/24 £000	Bal at 31 Mar 24 £000
General Fund									
Transformation	4,120	0	(4,120)	0	(0)	0	0	0	(0)
Business Rates	4,000	0	0	0	4,000	0	0	0	4,000
PFI - Education (Schools)	0	0	0	0	0	0	0	0	0
Insurance Fund Reserve	0	0	0	0	0	0	0	362	362
Revenue Grants Reserve	1,731	0	(854)	2,452	3,329	0	(1,147)	59	2,241
Budget & Financial Strategy	17,866	0	(3,258)	0	14,608	0	(729)	0	13,879
Housing Transformation Fund	1,303	0	(867)	0	436	0	(219)	0	217
Memb Comn Leadership Fund	50	0	(25)	10	35	0	(33)	0	2
Rotherham Partnership	148	0	0	14	162	0	(37)	0	125
HRA Sinking Fund	23	0	0	32	55	0	0	38	93
CYPS Social Care Reserve	2,000	0	(2,000)	0	0	0	0	0	0
Covid Recovery Fund	2,000	0	(903)	50	1,147	0	(1,000)	0	147
Local Ctax Support Grant	2,774	0	(1,571)	0	1,203	0	0	0	1,203
Collect'n Fund Income Guarantee	677	0	0	0	677	0	0	0	677
Treasury Management Savings	5,586	0	0	6,829	12,415	0	(798)	0	11,617
Total	42,278	0	(13,598)	9,387	38,067	0	(3,963)	459	34,563
Total HRA	23	0	0	32	55	0	0	38	93
Total General Fund	42,255	0	(13,598)	9,355	38,012	0	(3,963)	421	34,470
Covid-19 Grants Reserve	11,870	0	(11,572)	844	1,142	0	(1,142)	0	0
DSG Grant Reserve	8,418	0	(753)	7,665	15,330	0	(540)	4,760	19,550
Total Earmarked Reserves	62,566	0	(25,923)	17,896	54,539	0	(5,645)	5,219	54,113

Earmarked General Fund Reserves

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 and the amounts posted back from earmarked reserves to meet expenditure in 2023/24. A brief description of the purpose of each reserve is provided as follows:

(i) Transformation Reserve

This reserve was to be used to fund costs associated with transformational change in the delivery of Council services. However, it was approved as part of the Council's Budget and Council Tax Report 2022/23, approved at Council on 1st March 2023, that this reserve would be used to support the estimated revenue budget overspend for 2022/23, due to the pressures caused by inflation, energy price rises and the national Local Government Pay Settlement that could not have been predicted at the time of setting the 2022/23 budget.

(ii) Business Rates Reserve

This reserve is to cover residual risks relating to appeals.

(iii) PFI – Education (Schools)

This PFI arrangement will last for 30 years. The reserve recognises the fact that receipts and payments into the reserve are smoothed out over the life of the contract so that the balance on the reserve at the end of the contract is nil.

- (iv) Revenue Grant Reserve
The Revenue Grant Reserve represents revenue grants which have been recognised within income as the grant's terms and conditions have been met but are yet to be applied. They will be used to meet future spending plans relevant to the grant.
- (v) Budget & Financial Strategy Reserve
This reserve is available to support the Council's revenue budget position and Medium Term Financial Strategy as approved within the Council's Budget and Council Tax Report for 2023/24.
- (vi) Housing Transformation Fund
This reserve is established for the management of shared savings generated through the contractual arrangement with the Council's repairs and maintenance contractors. The fund will be used to support key housing programmes and projects that require general fund support.
- (vii) HRA Sinking Fund Reserve
The HRA Sinking Fund reserve is used to retain contributions from Shared Ownership leaseholders that are a compulsory requirement of their lease. The reserve will be used to fund future capital repairs and replacements to their properties. The monies can only be used to fund works to their individual property or estate, they cannot be used for any other purpose.
- (viii) CYPS Social Care Reserve
The Children's and Young Peoples Services Social Care Reserve has been set up to help mitigate the continued cost pressures in relation to Children's and Social Care costs. It was approved in the Budget and Council Tax Report 2022/23 to be used to support the budget for 2022/23.
- (x) Covid Recovery Fund
In the 2020/21 outturn the Covid Recovery Fund Reserve was created to provide the Council with a fund to support the Council's recovery from the pandemic. The intention of the fund was to take proactive steps in order to support local residents as the borough emerges from the pandemic.
- (xi) Local Tax Support Grant
This reserve holds the Local Council Tax Support grant provided to meet the additional costs associated with the increases in local Council Tax Support caseloads during 2021/22 that will impact upon 2022/23. As per the Council's Budget and Council Tax report 2023/24, the Council will use this fund to support a local Council Tax Support top up payment in 2024/25.
- (xii) Collection Fund Income Guarantee
This reserve holds grant provided to compensate Council's for 75% of irrecoverable losses of Council Tax and Business Rates income in 2020/21. Again, this reserve is to be used to support a local Council Tax support top up payment during 2024/25.
- (xiii) Treasury Management Savings Reserve
As per the Council's Budget and Council Tax report 2022/23 this new reserve was established to hold savings made from the Council's treasury management operations that will be reserved to support the Council's Medium Term Financial Strategy. The Council's Budget and Council Tax Report 2023/24 details how this reserve will be used to support the Medium Term Financial Strategy.

(xiv) Covid 19 Grant Reserve

Government allocated the Council Covid-19 specific grants to mitigate the financial pressures as a result of the Covid-19 response and to provide support to residents and businesses across a variety of schemes. However, many of the grants are for financial implications that will require mitigation post 2021/22.

(xv) Other Reserves

The remaining reserves have been set up to hold approved carry forwards for use in future years.

Note 4 Other Operating Expenditure

£000		2023/24 £000	Notes
3,352	Parish Council precepts	3,661	
10,560	Levies payable	10,797	
0	Payments to the Government Housing Capital Receipts Pool	0	
2,561	Loss on disposal of non current assets	13,173	48
(298)	Loss on revaluation & disposal of Assets Held for Sale	(79)	22
16,175	Total	27,552	

Note 5 Financing and Investment Income and Expenditure

2022/23 £000		2023/24 £000	Notes
33,726	Interest payable and similar charges	32,322	26
10,298	Net interest on the net defined benefit liability (asset)	(3,738)	18
(3,156)	Interest receivable and similar income	(2,740)	26
(5,135)	Income and expenditure relating to Investment Properties and changes in their fair value	(2,356)	20
35,733	Total	23,488	

Note 6 Surplus / Deficit on Trading Services

The Council considers a trading operation exists where the service it provides is competitive i.e. the service user has the choice to use an alternative supplier than the Council and the Council charges the user on a basis other than a charge that equates to the costs of supplying the service.

The trading accounts operated by the Council during the year are as follows:

2022/23				2023/24		
Expenditure	Income	(Surplus) / Deficit		Expenditure	Income	(Surplus) / Deficit
£000	£000	£000		£000	£000	£000
16,387	(16,121)	266	Construction, Street Cleansing and Landscaping	13,214	(13,560)	(346)
1,860	(1,523)	337	Vehicle Maintenance	1,581	(1,319)	262
1,753	(2,680)	(927)	Property Services – Fee-billing	1,882	(3,479)	(1,597)
1,625	(1,279)	346	Engineering – Fee-billing	2,050	(1,672)	378
7,751	(5,078)	2,673	Cleaning of buildings	7,638	(6,058)	1,580
3,688	(574)	3,114	Markets	1,727	(390)	1,337
569	(508)	61	Building Regulations Control	435	(429)	6
9,703	(7,551)	2,152	School Support Services	10,185	(8,335)	1,850
43,336	(35,314)	8,022	(Surplus) / Deficit	38,712	(35,242)	3,470

Traded services are included in the Comprehensive Income and Expenditure Statement within the Service that they are based. The Council's traded services include:

Construction, Street Cleansing and Landscaping

Streetpride maintains over 680 miles of highways in a clean and safe condition for pedestrians, motorists, other road users and local communities. The majority of these are internal traded services, however there is some external provision to Parish Councils and academy schools.

Vehicle Maintenance

Management and policy of the Council's vehicle fleet and ensuring legislative standards are maintained.

Property Services – Fee Billing

Quantity surveyors, project managers, architects and valuers that are involved in the valuation and construction of new and existing Council buildings. The majority of these are internal traded services, however there is some external provision to academy schools.

Engineering – Fee Billing

Streetpride provides a design, inspection and assessment service and carries out engineering works to buildings, bridges, structures and highways. The majority of these are internal traded services, however there is some external provision to other local authorities.

Cleaning of Buildings

Facilities Services provides a cleaning service for schools and other premises owned by Rotherham MBC. This service is also utilised by the NHS in certain buildings and by academy schools. The service also has a contract with Equans for the provision of cleaning services to PFI schools.

Markets

The Council operates regular markets in Wath and Rotherham town centre. This is an external traded service.

Building Regulations Control

Building Control service begins at preplanning application stage and continues throughout the entire planning and construction process. Ultimately the Council aims to provide a service that will achieve a fast and trouble-free Building Regulation approval and a rapid response inspection process that will assist a project to fully comply with the Building Regulations when complete. The Council has adopted a charging policy for Building Regulation charges in line with the Building (Local Council Charges) Regulations 2010. This is an external traded service.

School Support Services

School support services provides catering and the provision of supply staff to schools, teachers absence in-house insurance scheme and schools finance support team. This service is provided to RMBC and academy schools.

Note 7 **Taxation and Non Specific Grant Income**

2022/23 £000		2023/24 £000	Notes
126,890	Council Tax Income	133,303	
34,167	Non Domestic Rates	39,458	
41,351	Business Rates grants	48,292	
21,751	Non Ring-fenced government grants	21,079	8
71,099	Capital Grants & Contributions	50,260	8
295,258	Total	292,392	

Note 8 **Analysis of grant income credited to the CIES and capital grant received in advance**

The Council receives certain government grants which are not attributable to specific services. The amount of General Revenue Grants Credited to Taxation and Non Specific Grant Income was as follows:

2022/23 £000		2023/24 £000
15,653	Revenue Support Grant	17,654
6,098	Other Non Specific Revenue Grants	3,425
21,751	Total	21,079

Capital Grants Credited to Taxation and Non Specific Grant Income:

2022/23 £000		2023/24 £000
1,290	Department for Transport	500
718	Education Funding Agency: LA Maintained Maintenance Grant	677
(1,635)	Education Funding Agency: Basic Need Pupil Places	(140)
601	Education Funding Agency: LA Maintained Devolved Formula	145
9,229	Education Funding Agency: Targeted Basic Need	3,143
46	Department for Education	1,093
12,835	Department for Levelling Up, Housing & Communities	16,265
306	Other Local Authorities and Partners	663
38,278	South Yorkshire Mayoral Combined Authority	20,224
0	Department of the Environment, Food & Rural Affairs	35
0	Environment Agency	876
(49)	Department of Business, Energy & Industrial Strategy	96
3,051	European Development Fund	(106)
38	Forestry Commission	209
6	Historic England	3
1,198	Homes England	0
1,415	Disabled Facilities Grant	1,040
5	Dept. for Work and Pensions	0
248	Police Crime Commissioner	124
0	NHS England	1,607
5	Sport England	0
3,514	CIL Contributions	3,645
0	S106 Contributions	162
71,099		50,260

Community Infrastructure Levy (CIL) income has been disclosed within the Capital Grants table above, in line with the Community Infrastructure Levy (CIL) regulations 2010.

Significant Revenue Grants attributable to specific services and which have therefore been credited to Cost of Services were as shown below:

2022/23 £000		2023/24 £000
97,472	Dedicated Schools Grant including Safety Valve funding (Note 16)	99,190
53,570	Housing and Council Tax Benefit: subsidy	54,594
9,822	PFI Grant	9,822
1,553	Supporting Families	1,409
3,715	Pupil Premium	3,551
1,248	Housing Benefit & Council Tax Benefit Administration	831
526	Youth Offending Teams Grant	555
415	Arts Council - School Music Service	414
668	Universal Free School Meals	690
14,757	Social Care (Revenue) Grant	22,888
9,041	NHS Funding (including Better Care Fund)	10,036
13,562	Improved Better Care Fund	15,399
1,442	Independent Living Fund	1,442
17,235	Public Health Funding	17,763
611	Police and Crime Commission	732
478	Discretionary Housing Payments (DHPs)	428
1,761	Unaccompanied Asylum Seeking Children	2,278
342	Asylum Seekers Dispersal - Temporary Accommodation	544
444	PE & Sport Grant	394
466	Rough Sleeper Initiative	602
1,121	Adult Social Care Discharge Funding	2,030
668	Homeless Prevention	583
538	Gainshare	96
676	Domestic Abuse	216
1,484	Childrens Capital of Culture	546
1,289	Holiday Activities & Food	1,247
665	Substance Misuse Treatment & Recovery	1,129
1,966	Homes for Ukraine	630
908	Fair Cost of Care Fund	3,150
511	National Tutoring Programme	202
864	Family Hubs	1,558
819	Supplementary Grant DFE	1,126
4,978	Household Support Fund	4,978
689	Recovery Premium Funding	606
30	Teachers Pay Grant	721
194	Multiply (UKSPF)	415
391	European Social Fund	400
388	UK Shared Prosperity Fund	629
364	Apprenticeship Levy	447
0	Mainstream Schools Additional Funding	943
0	Short Break Innovation Fund	570
0	Market Sustainability and Improvement Fund	2,046
0	Local Council Tax Support Scheme	606

The Council has received a number of capital grants and contributions 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 funding body if they are not applied for their intended purpose. The balance of capital grant received in advance at the year-end is shown in the table below:

31 Mar 23		31 Mar 24
£000		£000
3,196	Section 106 Developer Contributions	3,829
159	CIL Contributions	410
3,355	Total of Capital Grants Received in Advance	4,239

Section 106 Developer Contributions

Section 106 Developer Contributions are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission. The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council at the year end are as follows:

Income	Expenditure	2022/23		Income	Expenditure	2023/24
£000	£000	£000		£000	£000	£000
0	0	(5)	F&CS/ACE - General Fund	0	0	(5)
(1,014)	526	(2,046)	Regeneration & Environment – General Fund	(361)	162	(2,246)
(412)	101	(721)	CYPS - General Fund	(271)	157	(835)
0	0	0	Housing - General Fund	0	0	0
(98)	39	(423)	HRA	(320)		(743)
(1,524)	666	(3,196)	Total	(952)	319	(3,829)

Note 9 Acquired and discontinued operations

The Council did not acquire any new operations in 2023/24.
All of the Council's income and expenditure relates to continuing operations.

Note 10 Agency Services

NHS Funded Nursing Care

The Council administers on behalf of South Yorkshire Integrated Care Board (Rotherham Place) the financial process/procedures relating to the payment of NHS funded nursing fees to nursing care providers, under Health Act flexibilities (section 256 of the NHS Act 2006). The agreement covers the fees for NHS funded nursing care, cost of incontinence products, administration costs and nursing cost of assessments. Any overspend against the approved budget will be recharged by the Council to SYICB, any underspend will be reimbursed by the Council to SYICB.

The income and expenditure in the current and previous year were as follows:

2022/23		2023/24
£000		£000
(2,131)	Gross income	(1,886)
2,131	Gross expenditure	1,886
0	(Under) / over spend	0

Note 11 Transport Act

Authorities are allowed to operate a road charging or workplace charging scheme under the Transport Act 2000. There is no such scheme in place in Rotherham.

Note 12 Pooled Budgets

The Council, through Adult Social Services, has a pooled budget arrangement with South Yorkshire Integrated Care Board (SYICB) in respect of the Better Care Fund to enable joint working under section 75 of the National Health Service Act 2006.

An assessment carried out by the Council recognises this as a joint operation under joint arrangements in accordance with IFRS11 which is managed through a Section 75 Framework Agreement for the commissioning of services.

The Better Care Fund is split into two Pools. RMBC host Pool 1 with income of £37.198m, which includes the former Intermediate Care and Equipment pooled budgets together with Occupational Therapy services, falls prevention, jointly commissioned integrated services and management of the Disabled Facilities grant funding. SYICB host Pool 2 with income of £13.756m which supports Adult Mental Health Liaison, social care including residential care and keeping people in their own homes, care management and supporting discharge from hospital and support for carers.

2022/23 £000	Better Care Fund - Pool 1 RMBC	2023/24 £000
(3,769)	Balance B/F	(5,164)
0	Less: earmarked for 24/25	1,970
(11,802)	SYICB (Rotherham Place)	(12,194)
(17,469)	Rotherham MBC - Capital	(3,331)
(3,064)	Rotherham MBC - Revenue	(18,479)
(36,104)	Total Gross Income	(37,198)
2,551	Capital Expenditure	3,666
28,896	Revenue Expenditure	31,879
31,447	Total Gross Expenditure	35,545
(4,657)	Overspend / (Underspend)	(1,653)
(507)	Use of balances	(287)
(5,164)	Net Balance as at 31 March	(1,940)

2022/23 £000	Better Care Fund - Pool 2 NHS South Yorkshire ICB	2023/24 £000
(13,152)	SYICB (Rotherham Place)	(13,756)
0	Rotherham MBC	0
(13,152)	Total Gross Income	(13,756)
12,645	Revenue Expenditure	13,469
12,645	Total Gross Expenditure	13,469
(507)	Overspend / (Underspend)	(287)
507	Transfer of balances	287
0	Net Balance as at 31 March	0

The Council, through Childrens and Young People's Services Youth Offending Team operates a fund, established and maintained by the local authority for expenditure incurred in the provision of Youth Justice Services in Rotherham in order to meet S38 of the Crime and Disorder Act 1998 – Local Provision of Youth Justice Services. Contributions are made from the South Yorkshire Police and Crime Commissioner £153K, National Probation Service £5K and NHS South Yorkshire ICB £70K in line with subsection 2 of the Crime and Disorder Act.

The Local Authority, through Children and Young People's Services, maintains expenditure incurred in the provision of Rotherham's Local Safeguarding Children Board. This is a statutory body, established in accordance with the Children's Act 2004 and Working Together to Safeguard Children guidance 2015. Contributions are made from the Local Authority (Revenue Budget), NHS South Yorkshire ICB, South Yorkshire Police, South Yorkshire Probation and CAF/CASS.

2022/23		2023/24
£000	YOS Pooled Budget	£000
(70)	NHS South Yorkshire ICB	(70)
(153)	South Yorkshire Police & Crime Commissioner	(153)
(5)	National Probation Service	(5)
(4)	Leeds City Council	0
(250)	Rotherham MBC - Revenue	(274)
(482)	Total Gross Income	(502)
0	Capital Expenditure	0
482	Revenue Expenditure	502
482	Total Gross Expenditure	502
0	Overspend / (Underspend)	0
0	Use of balances	0
0	Net Balance as at 31 March	0

2022/23		2023/24
£000	Rotherham Safeguarding Board	£000
(177)	NHS South Yorkshire ICB	(125)
(60)	South Yorkshire Police & Crime Commissioner	(48)
0	Other Income	(2)
(119)	Rotherham MBC - Revenue	(125)
(356)	Total Gross Income	(300)
333	Revenue Expenditure	288
333	Total Gross Expenditure	288
(23)	Overspend / (Underspend)	(12)
0	Transfer of balances	0
(23)	Net Balance as at 31 March	(12)

Doncaster MBC are the Lead Authority and maintain central expenditure incurred in the provision of South Yorkshire Regional Adoption Agency (SYRAA). The RAA is a statutory agreement that was established on 1st January 2021. The contributing partners are Rotherham MBC, Barnsley MBC, Sheffield CC and Doncaster MBC.

2022/23 £000	South Yorkshire Regional Adoption Agency	2023/24 £000
(1,123)	Rotherham MBC - Revenue	(1,246)
(1,478)	Sheffield CC	(1,636)
(887)	Barnsley MBC	(981)
(1,063)	Doncaster MBC	(1,187)
(4,551)	Total Gross Income	(5,050)
0	Capital Expenditure	0
4,484	Revenue Expenditure	5,006
4,484	Total Gross Expenditure	5,006
(67)	Overspend / (Underspend)	(44)
(270)	Carry Forward fom Previous Year	(317)
20	Use of balances	77
(317)	Net Balance as at 31 March held by Doncaster MBC	(284)

The 2022/23 figures in the SYRAA pooled budget statement have been re-presented to ensure comparability with 2023/24, which is consistent with the format adopted by the other South Yorkshire Authorities.

Note 13 **Members' Allowances**

Members' allowances and expenses during the year totalled £942,674.42 excluding Joint Council allowances (2022/23 £910,520.87).

Detailed information about Members' Allowances can be obtained from the Strategic Director - Finance and Customer Services, Finance and Customer Services Directorate, Riverside House, Main Street, Rotherham, S60 1AE.

2022/23 £000	Members Allowances	2023/24 £000
671	Basic allowance	704
240	Special responsibility allowances	239
0	Travel	0
911	Total Members' Allowances and Expenses	943

Note 14 Staff Remuneration

The Accounts and Audit Regulations 2015 require the disclosure of certain information relating to officers' remunerations. Details of the number of employees who received remuneration of £50,000 or more based on 2023/24 payroll information, expressed in bands of £5,000 is as follows:

2022/23			2023/24	
Officers Total	Teachers Total		Officers Total	Teachers Total
59	15	50,000.00 to 54,999.99	128	19
35	5	55,000.00 to 59,999.99	60	10
22	6	60,000.00 to 64,999.99	29	4
20	9	65,000.00 to 69,999.99	17	5
17	1	70,000.00 to 74,999.99	15	7
3	1	75,000.00 to 79,999.99	8	3
4	3	80,000.00 to 84,999.99	3	2
2	0	85,000.00 to 89,999.99	2	0
6	0	90,000.00 to 94,999.99	1	0
0	0	95,000.00 to 99,999.99	9	1
0	0	100,000.00 to 104,999.99	1	0
0	0	105,000.00 to 109,999.99	0	0
1	0	110,000.00 to 114,999.99	0	0
0	0	115,000.00 to 119,999.99	1	0
0	0	120,000.00 to 124,999.99	0	0

The number of employees whose remuneration was £50,000 or more includes staff who have been given approval to leave the Council and have received an exit payment under the terms of their contract with the Council. In some cases that has resulted in these staff falling into higher banding brackets than would otherwise be the case. In 2023/24, the number of such employees was 0 (0 officer and 0 teacher).

The number of officers and teachers whose remuneration fell between £50,000 - £124,999, has increased year on year by 116 overall, in the main, due to a pay award taking additional pay scales into the over £50,000 bracket. A number of staff whose salaries are less than £50,000 have fallen into the over £50,000 bracket due to them receiving payments for overtime/standby/call outs.

The above table excludes senior employees whose remuneration for 2022/23 and 2023/24 are shown in the Senior Officer notes below.

The disclosure for Senior Officers remuneration includes Senior Officers who are a member of the Senior Leadership Team and in Statutory and Non-Statutory Chief Officers roles and any other officer whose salary details are required to be disclosed by the Accounts and Audit Regulations 2015, including any other employees whose salary exceeds £150,000.

Senior Officers 2022/23

Job Title/Employee	Salary 2022/23 £	Additional Payments 2022/23 £	Compensation & Ex-gratia 2022/23 £	Total remuneration excluding employer pension contributions 2022/23 £	Pension employer contribution 2022/23 £
Senior Officer Salary Costs:					
Sharon Kemp - Chief Executive	175,231.44	0.00	0.00	175,231.44	30,139.80
Assistant Chief Executive	109,290.96	0.00	0.00	109,290.96	18,798.00
Strategic Director of Children and Young Peoples Services - Refer to Note (i)	4,979.91	0.00	0.00	4,979.91	856.54
Strategic Director or Regeneration & Environment	127,425.00	0.00	0.00	127,425.00	21,917.16
Strategic Director of Adult Care and Housing	136,104.48	0.00	0.00	136,104.48	23,409.96
Strategic Director of Finance & Customer Services	127,425.00	0.00	0.00	127,425.00	21,917.16
Assistant Director of Legal Services	92,408.52	0.00	0.00	92,408.52	15,894.24
Total	772,865.31	0.00	0.00	772,865.31	132,932.86

Senior Officers 2023/24

Job Title/Employee	Salary 2023/24 £	Additional Payments 2023/24 £	Compensation & Ex-gratia 2023/24 £	Total remuneration excluding employer pension contributions 2023/24 £	Pension employer contribution 2023/24 £
Senior Officer Salary Costs:					
Sharon Kemp - Chief Executive	181,365.12	0.00	0.00	181,365.12	31,376.16
Assistant Chief Executive	113,117.04	0.00	0.00	113,117.04	19,569.24
Nicola Curley, Strategic Director of Children and Young Peoples Services	159,781.08	0.00	0.00	159,781.08	27,333.34
Strategic Director of Regeneration & Environment - Refer to Note (ii)	131,885.04	32,829.44	0.00	164,714.48	22,816.08
Strategic Director of Adult Care and Housing	140,868.96	0.00	0.00	140,868.96	24,370.32
Strategic Director of Finance & Customer Services	131,885.04	0.00	0.00	131,885.04	22,816.08
Assistant Director of Legal Services	95,642.88	0.00	0.00	95,642.88	16,546.20
Total	954,545.16	32,829.44	0.00	987,374.60	164,827.42

- (i) The Strategic Director of Children and Young People's Services commenced their employment on 20 March 2023.
- (ii) The Strategic Director of Regeneration & Environment officially left the Council on 12th April 2024. Additional payment related to post employment notice pay that has been accrued for in 2023/24.
- (iii) The LGPS Employer Pension contributions disclosed in 2023/24 are based on the common rate of contribution set by the Actuary of 17.3 percent.

Prior year comparative figures are only shown for those employees qualifying for the current year note.

Senior Officer salary costs for 2023/24 have not materially increased or decreased compared to 2022/23.

Further disclosure for exit packages

The table below shows the cost to the Authority of staff who have left under the voluntary scheme, together with other departures and those who have been made compulsorily redundant. These costs include, where appropriate, the full pension strain cost arising from early retirement, for which the Council is required to make an additional payment to the Pensions Authority. Since 2016/17 the Council has met this additional cost in full in the financial year that the employee's departure is accounted for.

The costs tabulated below are comprised of actual severance payments made during the year less accrued severance payments in respect of individuals who left or were approved to leave during 2022/23 but who were paid in 2023/24 and those staff whose severance was approved and agreed and to which the Council was committed at 31 March 2024 but who are planned to leave in 2024/25.

In 2023/24 no provision was made in respect of severance costs associated with the major restructuring of services (in 2022/23 no provision was made).

These charges are reflected in the total cost of termination benefits shown in Note (xiv) below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Total number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £000
Non Schools								
£0 - £20,000	1	3	52	53	53	56	230	208
£20,001 - £40,000	0	0	0	1	0	1	0	33
£40,001 - £60,000	0	0	1	0	1	0	51	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	1	0	0	0	1	0	145
£150,001 - £200,000	0	0	0	0	0	0	0	0
Total	1	4	53	54	54	58	281	386

Exit package cost band (including special payments)	Number of compulsory redundancies		Total number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £000
Schools								
£0 - £20,000	1	0	10	6	11	6	32	9
£20,001 - £40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001-£100,000	0	0	0	0	0	0	0	0
Total	1	0	10	6	11	6	32	9

N.B. The above figures include 2 settlement agreements (7 settlement agreements 2022/23) entered into to terminate the employment relationship with the School/Council.

(xiv) Termination Benefits

During 2023/24 64 employees (2022/23, 65) from across the Council, including schools, have been given approval to leave the Council with an exit package (including: Compulsory Redundancies, Voluntary Early Retirement, and Voluntary Redundancy etc.).

The liabilities incurred as a result of the early termination of employees both in schools and non-schools in 2023/24 totalled £0.395m (2022/23 £0.313m) - composed of severance payments of £0.283m (2021/22 £0.313m) and £0.112m in pensions strain costs (2022/23 £0.000m).

Note 15 **External Audit Fees**

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

2022/23 £000		2023/24 £000
179	Fees payable for external audit services carried out by the appointed auditor Grant Thornton	384
40	Fees payable for the certification of grant claims and returns Grant Thornton	40
7	Fees payable for the certification of grant claims and returns - to external audit services KPMG	8
226	Total	432

Note 16 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance and Early Years (England) Regulations 2017. The Schools' Budget comprised of the element delegated (in the form of budget shares) to maintained schools to meet the provision of education to pupils and the element centrally retained and managed by the Council to meet a range of educational services provided on a Council-wide basis to all schools/sometimes academies.

The following note details the level of Dedicated Schools Grant that the Council is in receipt of and how it has been applied or allocated in 2023/24 (as well as for the comparative year):

2022/23				2023/24		
Central Expenditure £000	ISB £000	Total £000		Central Expenditure £000	ISB £000	Total £000
		286,301 (194,918)	Final DSG before Academy recoupment Less Academy figure recouped			306,485 (209,342)
		91,383	Total DSG after Academy recoupment			97,143
		8,418	Brought forward from previous year Less carry forward to 2023/24 agreed in advance	15,330		15,330 0
51,258	48,542	99,800	Agreed initial Budgeted Distribution	63,696	48,778	112,473
6,127	(38)	6,089	In Year Adjustments*	2,000	47	2,047
57,385	48,504	105,889	Final Budgeted Distribution	65,696	48,825	114,521
42,055		42,055	Less actual Central expenditure	46,146		46,146
	48,504	48,504	Less actual ISB deployed to schools		48,825	48,825
0	0	0	Plus Local Authority Contribution			0
15,330	0	15,330	In Year Carry forward to next year Plus carry forward agreed in advance	19,550 0	0 0	19,550 0
15,330	0	15,330	Carry forward	19,550	0	19,550
(22,367)	1,109	(21,258)	DSG Unusable Reserve brought forward	(22,367)	1,109	(21,258)
0	0	0	Addition to DSG Unusable Reserve	0	0	0
(22,367)	1,109	(21,258)	Total of DSG Unusable Reserve	(22,367)	1,109	(21,258)
(7,037)	1,109	(5,928)	Net DSG position	(2,817)	1,109	(1,708)

*The Safety Valve agreement funding for 2023-24 of £2m is included within 'in year adjustments' line as instructed by Department for Education.

Rotherham has faced growing pressures and year on year deficits in its High Needs DSG budgets over the years, with an overall accumulated deficit of £12.3m in the DSG Central Reserve account in 2020/21 (inclusive of balances in other DSG funding blocks). The pressures in the High Needs Budget are a result of an increase in the number of pupils with Education Health and Care Plans (EHCPs); increase in the number of post 16 learners with EHCPs (up to the age of 25 years) and rise in number of children & young people accessing high-cost specialist provision.

In 2020/21, the Department for Education (DfE) introduced the Safety Valve intervention programme for those local authorities with the very highest percentage DSG deficits, recognising that help would be needed for these authorities to turn things around in a short space of time. The Safety Valve Programme requires Councils to set out (via the DSG Management Plan) how it will control the DSG deficit (relating to Special Education Needs & Disabilities) and to bring the DSG reserve account back into balance.

The Council was successful in entering into a Safety Valve Agreement with the DfE in 2021/22, covering the financial years from 2021/22 to 2025/26. Under this agreement the DfE has committed to meeting the accumulated DSG deficit (held in the DSG unusable reserve). The DfE agreed to pay the Council in instalments a total of £20.53m by 2025/26, subject to continued satisfactory progress in delivering the actions to achieve a sustainable high need and SEND system. The total Safety Valve payments received to date by the end of 2023/24 is £16.5m, with £2m planned to be received in 2024/25 and 2025/26. The balance on the DSG Reserve Account on 31 March 2024 is a net deficit of £1.7m, with work ongoing to ensure that the account is brought back into balance by 2025/26.

Note 17 **Related Party Transactions**

A person or close family member is a related party of the Council if they have the potential to control or significantly influence the Council's operating or financial decisions or are key management personnel. Close family member is more narrowly defined as a child, spouse or domestic partner, and children and dependants of spouses or domestic partners.

Another body is a related party of the Council if it is a subsidiary, associate or joint venture of the Council or otherwise related, or has the ability to control or significantly influence the Council's operating or financial decisions.

The potential to control or significantly influence may come about due to member or management representation on other organisations, central government influence, relationships with other public bodies or assisted organisations to whom financial assistance is provided on terms which enable the Council to direct how the other party's financial and operating policies should be administered and applied. The fact that a voluntary organisation might be economically dependent on the Council does not in itself create a related party relationship.

Disclosure of related party transactions is made when material to either party to the extent that they are not disclosed elsewhere in the accounts.

Central Government has significant influence over the Council through legislation and grant funding.

The Council has deemed BDR Property Limited to be a Joint Venture but does not have significant influence over the organisation.

(i) BDR Property Limited (formerly Arpley Gas Limited)

With effect from 16 March 2008 Arpley Gas Limited became BDR Property Limited, a company set up under the Environment Protection Act 1990 by Rotherham, Barnsley and Doncaster Metropolitan Borough Councils and the Waste Recycling Group Limited. Waste Recycling Group was subsequently acquired by the FCC group in January 2014 with the company's immediate parent being FCC Environment (UK) Limited.

The company was set up for the purpose of carrying out waste disposal work and civic amenity site management. Its principal activity is management of the Thurcroft landfill site. It operates under a management agency agreement with FCC Recycling (UK) Limited.

The share capital of the company is as follows:

Authorised and fully paid up Share Capital £1.850 million

Council's Shareholding:

- a) For voting purposes – the Company's shares are divided into 'A' shares and 'B' Shares. The 1,998 'A' shares comprise 20% of the total voting shares. One third of these 'A' shares are held

by the Council (666 shares costing £6.66). Barnsley and Doncaster Metropolitan Borough Councils have similar share holdings, so that collectively the Councils hold 20% of the total voting shares. These are non-equity shares.

- b) For dividend purposes – the Council holds 3.5% (63,421 shares) of the company's £1 class 'C' shares – no voting rights are attached to these shares.
- c) For winding up purposes – the Council holds 12,500 £1 deferred shares which is one third of the total. These shares are ranked after the other 3 classes of shares (A, B and C) and payment will only be made should funds remain available for distribution after meeting the entitlements of the other groups of shareholders. No voting rights are attached to these shares.

At the time of publication of this Statement, accounts for the company for the year ending 31 December 2022 were available and the details are as follows:

31 Dec 21 £000		31 Dec 22 £000
632	Turnover	1,687
(1,336)	Profit / (Loss) before taxation	(552)
(1,103)	Profit / (Loss) after taxation	(323)
(435)	Net Assets	(758)

Other

The following table discloses material transactions between the Council and other related parties.

2022/23 £	Related Parties	Nature of Transactions	2023/24 £
	Member Related:		
0	Busy Life Limited	No Transactions	0
0	Universal Safety and Environmental Consultants Limited	No Transactions	0
30,082	Activate High Street Centre	Grants & Fees	37,473
0	Kingswood Allotts Limited	No Transactions	0
0	Beck Financial Planning Limited	No Transactions	0
0	Wales Educational Foundation	No Transactions	0
0	Rotherham Enterprise Agency Limited	No Transactions	0
0	RCS Professional Development	No Transactions	0
0	Rawmarsh and Parkgate Community Charity	No Transactions	0
0	Burnett Mortgages Limited	No Transactions	0
1,652	Tierney & Co Solicitors Limited	Fees and charges	0
0	Postlethwaite Services Limited	No Transactions	0
55,775	Rotherham BMX	Grant Funding	51,642
0	Ashiana Sheffield	No Transactions	0
0	Julz Boutique	No Transactions	0
5,068	Richmond Park Tenants and Residents Association	Grant Funding	2,174
1,315	Cortonwood Community Comeback Centre	Grant Funding	1,750
0	Roche Educational Consultancy Limited	No Transactions	0
0	JT Change Management Limited	No Transactions	0
0	4Agility Consultancy Limited	No Transactions	0
0	Junk 2 Treasure	No Transactions	0
	Other Related Organisations:		
10,180,241	South Yorkshire Mayoral Combined Authority	Transport Levy	10,384,135
982,912	South Yorkshire Mayoral Combined Authority	Contribution	1,835,704

Note 18 **Pensions**

The Council participates in three separate pension schemes relating to: Teachers, Local Government employees and staff performing Public Health Functions who transferred to the Council on 1 April 2013. All three schemes require contributions from both the employer and the employee, and provide members with benefits calculated by reference to pay levels and length of service.

(a) Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Teachers' Pension Agency (TPA). It provides teachers with defined benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. Scheme benefits are underwritten by the Government. Since April 2015 the Teacher's Pension Scheme has been a career average scheme rather than a final salary scheme with a normal retirement age the same as that for the state pension.

Although the scheme is unfunded, the TPA uses a notional fund as the basis for calculating the employer's contribution rate paid by Local Education Authorities (LEAs). However, it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this Statement of Accounts it is therefore accounted for on the same basis as a defined contribution scheme.

During 2023/24 the Council paid employer's contributions calculated at 23.68%, amounting in total to £4.074m (2022/23 £4.199m). The contribution rate is due to increase from April 2024 to 28.6%. The total of contributions expected to be made to the Teachers' Pension Scheme by the Council in the year to 31 March 2025 is £4.686m.

(b) Public Health Staff

Under the provisions of the Health and Social Care Act 2012, Public Health functions and the staff performing these duties were transferred from the National Health Service to Local Authorities on 1 April 2013. The majority of staff transferring have the eligibility to continue membership of the National Health Service Pension Scheme (NHSPS). Since April 2015 it has been a career average scheme rather than a final salary scheme with the normal retirement age being the same as that for the State Pension.

The NHSPS is an unfunded scheme operated on a "pay as you go" basis which provides defined benefits to its members. The NHS Business service (NHSBS) which administers the scheme uses a notional fund as a basis for calculating the employer's contribution rate paid by Local Authorities. However, it is not possible for the Council to identify its share of the underlying assets and liabilities relating to the scheme and it is therefore accounted for as if it were a defined contribution scheme with the amount charged to revenue being the employer contributions payable in the year. Employee contributions are tiered based on salary. From October 2022 the contributions have ranged from 5% to 13.5%.

During 2023/24 the Council paid employer's contributions calculated at 16.88% (including 0.08% in respect of administration costs) amounting in total to £0.019m (£0.019m 2022/23).

The 0.08% levy for the administration of the NHS Pension scheme was introduced in March 2017 by the Department of Health. In 2024/25 the employer's contribution will be 16.88%, the total contributions expected to be made to the new NHS Pension Scheme by the Council in the year to 31 March 2025 is £0.020m.

(c) Other Local Government Employees

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits through its participation in the Local Government Pension Scheme, administered by the South Yorkshire Pensions Authority. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council is able to identify a share of the underlying liabilities in the scheme attributable to its own employees and accordingly accounts for post-employment benefits as a defined benefit scheme in

accordance with the requirements of IAS19. Consequently, the Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, so the IAS 19 cost of retirement benefits is reversed out through the Movement in Reserves Statement and replaced by the actual contributions payable in the year. The IAS 19 figures provided by the actuary in respect of 2023/24 make allowance for the reduction in liabilities falling on the Council as a result of schools acquiring academy status during the year which are shown as gains / losses on settlements.

Pensions Liability/Asset – there has been significant volatility in the financial markets in recent years which has affected key indicators such as inflation and corporate bond yields which influence the value of the pension liability/asset as assessed by the Fund's actuaries. The potential for volatility arising from events such as the conflict in Ukraine and financial market conditions, which would further influence the accounting value of the pensions liability/asset remains.

During the year the Council paid employer's superannuation contributions calculated at 17.3% amounting to £23.773m (2022/23 £20.676m at 17.2%).

Total ongoing contributions of £23.644m are expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2025 based on an ongoing service contribution rate of 17.3%.

In assessing the potential level of liabilities, the fund's actuary has estimated the weighted average maturity profile of the defined benefit obligation to be 17 years.

The contribution rates and valuations take account of changes to the Local Government Pensions Scheme which came into effect from April 2014. The main changes were the introduction of a career average scheme rather than a final salary scheme and a "50:50 Scheme Option" whereby members can elect to accrue 50% of the full scheme benefits and pay 50% of the normal member contribution for a period of up to 3 years.

Court of Appeal ruling- McCloud. As a result of the ruling by the Court of Appeal in the McCloud/Sargeant cases, the Government accepted that the transitional protections afforded to older members when public service pension schemes were changed from a final salary to a career average scheme in 2014 constituted unlawful age discrimination. A consultation was published in July 2020, including a proposed remedy for LGPS and the LGPS rules were amended from 1 October 2023 (backdated to April 2014) to address this. The figures in the accounts as provided by the actuary already include an allowance for McCloud that is substantially in line with this remedy. It has been concluded therefore, that no further adjustments to the valuation are required in relation to the McCloud ruling.

The Pension Fund is subject to regular triennial actuarial valuations, which are used to determine contribution rates for the 3 years covered by the triennial valuation. The last of these was in March 2022 which the South Yorkshire Pensions Authority, on behalf of its member Authorities, commissioned from the actuary, Hyman Robertson LLP. This showed an improvement in the fund's position with the Council's share of the Fund deficit on the scheme reducing from £133m at the previous actuarial valuation in 2019 to virtually fully funded. The next triennial valuation will be as at 31 March 2025.

In addition to the triennial revaluation of the Pension Fund, when preparing annual accounts, the Pension Fund and actuaries are required to undertake a separate annual valuation of the Pension Fund in accordance with International Accounting Standard (IAS) 19 – Employee Benefits. This provides an indication of the liabilities and assets within the pension fund for the past financial year.

For 2023/24 the IAS 19 actuarial exercise identified a surplus on the funded element of the Fund of £193m and a liability on the unfunded element of £14m. That is, the actuaries assessed that the present value of the defined benefit obligations within the Fund were less than the fair value of plan assets held by the Fund. This compares with a surplus of £109.5m and a liability on the unfunded element of £15m in the 2022/23 accounts. The accounting balance sheet position as at 31 March 2024 and the projected charge to the P&L for 2024/25, in the 2023/24 IAS19 exercise are based on the 2022 funding valuation rolled forward.

The funding level of the Pensions Fund is subject to a range of potentially material risks. The impact of small changes to key assumptions (inflation, pay awards, life expectancy, discounting of future pension liabilities and bond yields) is set out in the sensitivity analysis later in this note. These factors affect

both the triennial valuation and the IAS19 exercise and are considered further in section D Material Uncertainty.

The Pensions Authority invests the funds held by the scheme with the aim of achieving a return on these funds to pay the benefits due. If actual investment returns do not in future match the assumptions then the value of the assets will be lower and a funding shortfall could arise. To address this, South Yorkshire Pensions Authority has processes in place to monitor investment performance and the actuaries produce an annual review of the fund's performance including a comparison to other local Council funds. The Pension Fund's investment strategy is reviewed alongside each triennial valuation.

In the event that an employer is unable to pay contributions or make good deficits, the Pension Authority's focus is to ensure as far as possible that any liability can be recovered should an employer exit the Pension Fund.

Following the last triennial revaluation in 2022, the South Yorkshire Pensions Authority has adopted a "Passthrough" mechanism in relation to contractors' pensions. From April 2023, new Council contractors with access to the LGPS pay the same employers' contribution rate as the Council whilst the assets and liabilities of the scheme remain with the Council. Prior to 2023, contractors were required to have Bonds in place to cover unpaid liabilities should their business fail before the end of their contract with the Council.

Where a Council acts as guarantor for an employer that defaults, the Council is responsible for meeting the liability, otherwise it falls on all employers in the Fund in relation to their size. The Council does not act as guarantor for other employers. Council contractors with access In 2023/24 the Council has not acted as guarantor for other employers, although this policy is currently under review. Council contractors with access to the LGPS are required to have bonds in place (which are subject to regular review) to cover unpaid liabilities should their business fail before the end of their contract with the Council. In addition, contractors' contributions are subject to smoothing arrangements which are intended to ensure that they are fully funded by the end of the contract period.

Further information in relation to the Local Government Superannuation Scheme can be found in the South Yorkshire Pension Fund Annual Report which is available upon request from the Superannuation Manager, South Yorkshire Pensions Authority, Oakwell House, 2 Beever Court, Pontefract Road, Barnsley, S71 1HG.

Transactions relating to Post-employment Benefits

The amounts included in the Comprehensive Income and Expenditure statement in relation to post retirement benefit costs under IAS 19 are shown in the table below. It also shows the adjustment made through the Movement in Reserves Statement to bring the amount charged to the General Fund back to the employer contributions payable to the LGPS during the year.

Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)		Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)
2022/23	2022/23		2023/24	2023/24
£000	£000		£000	£000
		Net Cost of Services		
(47,416)	0	- Current Service Cost	(28,958)	0
(97)	0	- Past Service	0	0
1,336	0	- Gain / (loss) from settlements	1,317	0
(10,298)	0	Financing and Investment Income and Expenditure		
		- Net Interest Expense	3,738	0
(56,475)	0	Total Post-employment Benefits charged to the Surplus or Deficit on the Provisions of Service	(23,903)	0
		Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
(110,260)	0	- Experience gain / (loss) on liabilities	(41,899)	0
(86,395)	0	- Return on plan assets (excluding the amount included in the net interest expense)	42,604	0
(7,325)	0	- Actuarial gains and (losses) arising on changes in demographic assumptions	8,850	0
685,557	0	- Actuarial gains and (losses) arising on changes to financial assumptions	73,819	0
481,577	0	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	83,374	0
0	0	Adjustment per regulations to reduce surplus to nil	(193,436)	0
		Movement in Reserves Statement		
34,504	(1,225)	- Reversal of net charges made to the Surplus or Deficit on the Provision of Services for Post-employment benefits in accordance with the code	(1,244)	(1,293)
		Actual amount charged against General Fund:		
		Balance for pensions in year:		
(21,971)	0	- Employer's contributions payable to Scheme	(25,147)	
0	(1,225)	- Rechargeable Pensions		(1,293)

The unfunded liabilities represent Compensatory Added Years' benefits which are not a liability of the LGPS and are therefore recharged to the employer. They have been included in the liabilities figure for the purpose of IAS 19 calculations, as unfunded discretionary benefits arrangements.

Net interest expense above includes £0.686m administrative expenses in relation to investments during 2023/24 (2022/23 £0.644m).

In addition to the recognised gains and losses included in the CIES in arriving at the surplus / deficit on services, actuarial gain of £83.374m (£481.577m gain in 2022/23), has been included in Other Comprehensive Income and Expenditure in the CIES.

Pension Assets and Liabilities recognised on the Balance Sheet

The amount included in the balance sheet from the Council's obligation in respect of its defined benefit plans is as follows:

	Total Funded & Unfunded Local Government Pension Scheme 31 Mar 23 £000	Total Funded & Unfunded Local Government Pension Scheme 31 Mar 24 £000
Fair Value of Scheme Assets	1,393,488	1,483,172
Present value of Funded Liabilities	(1,283,978)	(1,289,736)
Net (under) funding in Funded Plans	109,510	193,436
Present Value of Unfunded Discretionary Liabilities	(15,019)	(14,327)
Per Actuary Report	94,491	179,109
<u>Amount in the Balance sheet:</u>		
Liabilities - funded and unfunded	(1,298,997)	(1,304,063)
Assets - funded and unfunded	1,393,488	1,483,172
Per financial Regulations asset ceiling takes pension asset to nil		(193,436)
Pensions Reserve	94,491	(14,327)
Pensions Asset	109,510	0
Pensions Liability	94,491	(14,327)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)		Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)
2022/23	2022/23		2023/24	2023/24
£000	£000		£000	£000
1,477,648	0	Fair Value of Plan Assets at beginning of period	1,393,488	0
39,476	0	Interest on plan assets	65,738	
		Remeasurement gain / (loss):		
(94,478)	0	- The return on plan assets, excluding the amount included in interest expense	42,604	
	0	- Administrative expenses (*see note below)		
(1,459)	0	- Settlements	(1,766)	
21,971	1,225	- Employer contributions	25,147	1,293
(14,195)	0	- Prepaid Employer Contributions for 2021/22 & 22/23	0	
8,424	0	- Member contributions	8,821	
(43,899)	(1,225)	- Benefits/transfers paid	(50,860)	(1,293)
1,393,488	0	Fair Value of Scheme Assets at end of period	1,483,172	0

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

Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)		Total Funded & Unfunded Local Government Pension Scheme	Unfunded Discretionary Benefits Arrangements (included in Total)
2022/23	2022/23		2023/24	2023/24
£000	£000		£000	£000
(1,816,035)	(18,558)	Benefit Obligation at beginning of period	(1,298,997)	(15,019)
(47,416)	0	Current Service Cost	(28,958)	0
(644)	0	Administrative expenses (*see note below)	(686)	0
(49,130)	0	Interest Cost	(61,314)	0
(8,424)	0	Member Contributions	(8,821)	0
		Remeasurement gains and (losses):		
(102,177)	0	- Experience gain / (loss)	(41,899)	0
(7,325)	0	- Actuarial Gain / (loss) arising from changes in demographic assumptions	8,850	0
685,557	0	- Actuarial Gain / (loss) arising from changes in financial assumptions	73,819	0
0	0	- Past Service Cost	0	0
(97)	0	- (Loss) / gain on Curtailments	0	0
2,795	0	- Liabilities extinguished on Settlements	3,083	0
43,899	0	- Benefits/Transfers paid	50,860	0
0	3,539	Movement in unfunded	0	692
(1,298,997)	(15,019)	Benefit Obligation at end of period	(1,304,063)	(14,327)

Analysis of the Fair Value of Plan Assets:

		Total Funded & Unfunded Local Government Pension Scheme	Total Funded & Unfunded Local Government Pension Scheme
		31 Mar 23	31 Mar 24
	Quoted (Y/N)	£000	£000
Cash & cash equivalents:		13,279	20,722
Equity Securities	Y	93	90
Equity Securities	N	14	13
Debt Securities			
- Corporate Bonds (investment grade)	N	0	0
- Corporate Bonds (non-investment grade)	N	28	0
- UK Government	N	5,184	0
- Other	Y	4,214	3,999
- Other	N	76,936	80,967
Real Estate:			
- UK Property	Y	1,892	1,678
- UK Property	N	114,354	115,042
- Overseas Property	N	1,747	1,514
Investment Funds and Unit Trusts			
- Equities	N	629,471	681,918
- Bonds	N	232,855	222,704
- Infrastructure	Y	14,756	10,739
- Infrastructure	N	125,053	137,918
- Other	Y	0	2,676
- Other	N	25,555	48,055
Private Equity	Y	2,440	2,407
Private Equity	N	145,617	152,730
		1,393,488	1,483,172

The above asset values are at bid value as required by IAS19.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis discounted to present value terms using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rate, salary levels, etc. The Council Fund liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council Fund being based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary have been:

Local Government Pension Scheme	Discretionary Benefits		Local Government Pension Scheme	Discretionary Benefits
2022/23	2022/23		2023/24	2023/24
		Mortality assumptions:		
		Longevity at 65 for current pensioners:		
20.5 years	20.5 years	Men	20.6	20.6
23.7 years	23.7 years	Women	23.6	23.6
		Longevity at 65 for future pensioners:		
21.5 years	21.5 years	Men	21.4	21.4
25.2 years	25.2 years	Women	25	25
2.95%	2.95%	Rate of CPI inflation	2.75%	2.75%
3.55%	3.55%	Rate of increase in salaries	3.35%	3.35%
2.95%	2.95%	Rate of increase in pensions	2.75%	2.75%
4.75%	4.75%	Rate for discounting scheme liabilities	4.85%	4.85%

Assets in the South Yorkshire Pension Fund are valued at fair value, which in line with the requirement of the Code is principally realisable or bid value for investments, and consist of the following categories, by proportion of the total assets held by the Fund.

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are longevity, rate of inflation, expected salary increase and discount rate. The sensitivity analysis below indicates the effect on the defined benefit obligation of changes to these assumptions.

- If there were to be a one year increase in the life expectancy for both men and women, the defined benefit obligation would increase by £52m if all other assumptions were held constant.
- If the rate of inflation were to be 0.1% higher, the defined benefit obligation would increase by £23m if all other assumptions were held constant.
- If the expected salary growth were to be 0.1% higher, the defined benefit obligation would increase by £1m if all other assumptions were held constant.
- If the discount rate used to discount future pension liabilities were to be 0.1% lower, the defined benefit obligation would increase by £24m if all other assumptions were held constant.

In reality interrelationships exist between some of these assumptions, especially between discount rate and expected salary increases that both depend to a certain extent on expected inflation rates. The analysis above does not take account of any interdependence between the assumptions.

Note 19 **Property, Plant and Equipment**

2022/23	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	PP&E Under Construction £000	Surplus Assets £000	Total PP&E £000
Cost or Valuation							
At 1 Apr 22	710,982	289,977	48,046	7,554	80,102	10,928	1,147,589
Additions	28,623	8,771	6,742	20	37,299	1,303	82,759
Accumulated Depreciation and Impairment written out to gross cost/valuation	(18,334)	(7,643)	0	0	0	(2)	(25,980)
Revaluation increases/decreases to Revaluation Reserve	45,065	8,662	0	0	0	512	54,239
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(99)	(3,623)	0	0	0	(297)	(4,019)
Derecognition - Disposals	(8,027)	(5,948)	(170)	0	0	(1,000)	(15,145)
Derecognition - Other	0	0	0	0	0	0	0
Reclassified to/from Held for Sale	0	0	0	0	0	(3,873)	(3,873)
Reclassified to/from Investment Properties	0	0	0	0	0	0	0
Other Movements in cost valuation	18,131	1,458	249	0	(60,036)	3,935	(36,262)
At 31 Mar 23	776,341	291,654	54,867	7,574	57,365	11,506	1,199,307
Depreciation and Impairment							
At 1 Apr 22	1	(7,600)	(21,695)	(6,468)	0	(3)	(35,768)
Accumulated Depreciation and Impairment written out to gross cost/valuation	18,334	7,643	0	0	0	2	25,980
Depreciation Charge	(18,436)	(7,687)	(5,294)	(3)	0	(2)	(31,421)
Impairment losses/reversals to Revaluation Reserve	(10)	(844)	0	0	0	0	(854)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	(19)	(1,873)	(633)	(21)	0	0	(2,545)
Derecognition - Disposals	130	1,184	42	0	0	0	1,357
Derecognition - Other	0	0	0	0	0	0	0
Reclassification to / from Held for Sale	0	0	0	0	0	0	0
Reclassified to/from Investment Properties	0	0	0	0	0	0	0
Other movements in depreciation and impairment	(0)	0	0	1	0	0	1
At 31 Mar 23	0	(9,176)	(27,580)	(6,492)	0	(3)	(43,252)
Net Book Value							
At 31 Mar 23	776,341	282,478	27,287	1,082	57,365	11,503	1,156,055
At 31 Mar 22	710,983	282,377	26,351	1,086	80,102	10,924	1,111,821

2023/24	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	PP&E Under Construction £000	Surplus Assets £000	Total PP&E £000
Cost or Valuation							
At 1 Apr 23	776,341	291,654	54,867	7,574	57,365	11,506	1,199,307
Additions	31,734	8,871	8,316	768	56,245	(1)	105,934
Accumulated Depreciation and Impairment written out to gross cost/valuation	(21,295)	(5,221)	0	0	0	(2)	(26,518)
Revaluation increases/decreases to Revaluation Reserve	69,196	12,848	0	0	0	(439)	81,605
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(16,143)	2,538	0	0	0	(109)	(13,714)
Derecognition - Disposals	(5,431)	(14,169)	(2,056)	0	0	(1,212)	(22,868)
Derecognition - Other	0	0	0	0	0	0	0
Reclassified to/from Held for Sale	0	0	0	0	0	(3,030)	(3,030)
Reclassified to/from Investment Properties	0	0	0	0	(5,591)	0	(5,591)
Other Movements in cost valuation	4,119	3,276	1,099	0	(29,778)	3,763	(17,521)
At 31 Mar 24	838,521	299,797	62,226	8,342	78,241	10,476	1,297,604
Depreciation and Impairment							
At 1 Apr 23	0	(9,176)	(27,580)	(6,492)	0	(3)	(43,252)
Accumulated Depreciation and Impairment written out to gross cost/valuation	21,295	5,221	0	0	0	3	26,520
Depreciation Charge	(21,389)	(8,376)	(5,551)	(3)	0	(3)	(35,322)
Impairment losses/reversals to Revaluation Reserve	(366)	(1,892)	0	0	0	0	(2,258)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	(70)	(1,594)	(126)	(769)	(0)	0	(2,559)
Derecognition - Disposals	62	1,019	1,895	0	0	0	2,976
Derecognition - Other	0	0	0	0	0	0	0
Reclassification to / from Held for Sale	0	0	0	0	0	0	0
Reclassified to/from Investment Properties	0	0	0	0	0	0	0
Other movements in depreciation and impairment	(1)	1	0	0	0	0	0
At 31 Mar 24	(469)	(14,797)	(31,362)	(7,264)	(0)	(3)	(53,894)
Net Book Value							
At 31 Mar 24	838,052	284,999	30,864	1,078	78,241	10,473	1,243,708
At 31 Mar 23	776,341	282,478	27,287	1,082	57,365	11,503	1,156,055

In accordance with the Temporary Relief offered by the update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The Council has taken the temporary relief offered by the update to the Code, not to report gross cost and accumulated depreciation for infrastructure assets but this information is maintained in the permanent records of the Council.

(a) Highways Infrastructure Assets

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	31 Mar 23	31 Mar 24
	£000	£000
Net book value (modified historical cost)		
at 1 April	199,368	265,640
Additions	39,210	16,168
Derecognition	0	0
Depreciation	(6,352)	(8,679)
Impairment	(2,103)	(41)
Other movements in cost	35,517	17,121
Net book value	265,640	290,209

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

	31 Mar 23	31 Mar 24
	£000	£000
Infrastructure Assets	265,640	290,209
Other PPE assets	1,156,055	1,243,708
Total PPE assets	1,421,695	1,533,917

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

(b) Carrying Value of PFI Assets

Included within Property, Plant and Equipment are PFI assets with the following carrying value:

2022/23 £000		2023/24 £000
	Cost or Valuation:	
61,767	At 1 April	63,163
(2,733)	Accumulated Depreciation and Impairment written out to gross cost/valuation	(870)
287	Additions	270
3,539	Revaluation Increases / (Decreases) taken to Revaluation Reserve	4,064
303	Revaluation Increases / (Decreases) taken to (Surplus) or Deficit on the Provision of Services	1,056
0	Derecognition - Disposals	0
63,163	Cost or Valuation at 31 March	67,683
	Depreciation & Impairment:	
3,547	At 1 April	3,001
(2,733)	Adjustments between cost / value & depreciation/impairment	(870)
1,919	Depreciation Charge	2,125
0	Depreciation written out on Revaluation Reserve	0
0	Depreciation written out on Revaluation taken to (Surplus) or Deficit on the Provision of Services	0
268	Impairment Losses Recognised in the Revaluation Reserve	44
0	Impairment Losses taken to (Surplus) or Deficit on the Provision of Services	0
0	Derecognitions - Disposals	0
3,001	Depreciation and impairment at 31 March	4,300
	Net Book Value	
60,162	At 31 March	63,383

2022/23 £000		2023/24 £000
58,864	Land and buildings	61,974
1,298	Vehicles, Plant, Furniture and Equipment	1,410
0	Assets under Construction	0
60,162	Total	63,384

(c) Effects of change in estimates

There were no material changes in accounting estimates during the financial year.

(d) Valuations

Capital assets are revalued on the basis of a five year rolling programme in accordance with RICS Guidance, and in the case of council dwellings in accordance with revised guidance on housing stock valuations. In 2023/24 the HRA and General Fund assets were revalued by Tim Hartley BSc (Hons), MRICS (registered valuer), acting as Internal Valuer within the Council's Regeneration and Environment Services. The Statement of Accounting Policies provides further information on revaluation and depreciation policies. The table below provides an analysis between the carrying value of assets carried in the balance sheet at historical cost and those carried in the balance sheet at current value together with, in the case of the latter, when assets were revalued.

This year the Council's internal valuer was instructed to provide an assessment of those assets not revalued as part of the five year rolling programme, based upon those assets that were revalued. Where applicable valuation adjustments have then been processed against those assets not revalued in year to ensure the accounts are not materially misstated. In addition a detailed assessment of the movement of asset value in year has taken place, i.e. from the 1 April 2023 to the 31 March 2024, again where applicable, adjustments have been processed. For some assets valued on a DRC basis a valuation date of the 1 January has been used.

(e) Revaluations and Impairment

In 2023/24 there was a net valuation increase of £62.919m. Contained within the net figure is a £67.775m revaluation increase, mainly due to valuation increases across Council Dwellings and Schools. This was offset by £4.856m of impairment losses. The Council implements a rolling 5 year valuation process for Council Dwellings and Other Land and Buildings categories, picking up 20% of assets per class each year. However, the Council also considers any potential movements on the 80% not revalued and on the potential movement in year on any of these assets. If a significant adjustment is identified and processed to the asset class it effectively acts as a new valuation. By way of example in 2023/24 Council Dwellings had a movement applied to the whole asset class as such the values in the table below are all shown at 31 March 2024 rather than spread across all five years.

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	5,290	32,247	62,226	7,711	0	0	107,474
<u>Valued at current value as at:</u>							
31 Mar 24	833,231	122,925			10,476	78,241	1,044,873
31 Mar 23		101,774					101,774
31 Mar 22		21,613		631			22,244
31 Mar 21		10,299					10,299
31 Mar 20		10,940					10,940
Total Cost or Valuation	838,521	299,798	62,226	8,342	10,476	78,241	1,297,604

(f) Capital commitments

At 31 March 2024 the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/24. The Council had significant commitments of £1 million or more budgeted to cost £20.091m (£59.573m at 31 March 2023).

	Cost
	£000
<u>Regeneration & Environment</u>	
Public Realm Works Corporation Street	6,603
Construction Work for Water Projects	4,000
Waste & Rubbish Containers & Bins	1,125
<u>HRA</u>	
Strategic Acquisitions - Lodge Lane SA 15 units	2,010
Strategic Acquisitions - Poppyfields Ravenfield SA	3,714
New Build Various Sites Design Consultants	2,639
Total	20,091

The projects above are included in the Council's Medium Term Capital Programme and appropriate funding has been committed.

(g) Fair Value Hierarchy – Surplus Assets

Following the implementation of IFRS 13, Fair Value Measurement, the Council's surplus assets are revalued at fair value, annually. The Council uses appropriate valuation techniques for each circumstance and for which sufficient data is available, maximising the use of relevant known data ('observable inputs') and minimising the use of estimates or unknowns ('unobservable inputs').

Details of the Council's Surplus Assets and their fair value hierarchy, taking into account the three levels of categories for inputs to valuations, are as follows:

2023/24 Position

Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2024
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Land and Buildings	0	10,474	0	10,474
Total	0	10,474	0	10,474

2022/23 Comparative figures

Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2023
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Land and Buildings	0	11,503	0	11,503
Total	0	11,503	0	11,503

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels during the year.

Valuation Techniques used to determine Fair Values for Surplus Assets

The fair value for the surplus assets of £10.474m (£11.503m as at 31 March 2023) has been based on the market approach using current market evidence including recent sale prices and rentals achieved and other relevant information for similar assets within the local authority area. Market conditions are such that similar properties have actively sold or let and the level of observable inputs are significant leading to properties being categorized at level 2 in the fair value hierarchy.

Note 20 Investment Property

Income and expenditure from investment property included within Financing and Investment Income and Expenditure (Note 5) was as follows:

2022/23 £000		2023/24 £000
(1,858)	Rental income from investment property	(1,964)
547	Direct operating expenses arising from investment property	614
(1,311)	Net income	(1,350)
(3,824)	Net (gain)/loss from fair value adjustments & impairment	(1,046)
0	(Gain)/loss on disposal	40
(5,135)	Total included in Finance & Investment Income	(2,356)

The following table summarised the movement in fair value of investment properties over the year:

2022/23 £000		2023/24 £000
20,872	Balance at 1 April	24,997
301	Subsequent expenditure	964
0	Disposals	(43)
3,824	Net gains /(loss) from fair value adjustments	1,046
0	Net gain /(loss) through Revaluation Reserve	0
0	Transfers from Assets Held for Sale	943
0	Transfers from Property, Plant & Equipment	5,991
24,997	Balance 31 March	33,897

There are no restrictions on the Council's ability to realise the value inherent in its investment property or the Council's right to the remittance of income and the proceeds of disposal.

The Council has no major contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

Fair Value Hierarchy

To conform with the requirements of IFRS 13, Fair Value measurement, the Council's investment properties have been revalued to fair value. The Council uses appropriate valuation techniques maximising the use of 'observable inputs' and minimising the use of 'unobservable inputs'. The fair value hierarchy for investment properties takes into account the three levels of categories for inputs to valuations for fair value assets, as follows:

2023/24 Position

Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2024 £000
	Level 1	Level 2	Level 3	
	£000	£000	£000	
Land and Buildings	0	33,897	0	33,897
Total	0	33,897	0	33,897

2022/23 Comparative figures

Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair value as at 31 March 2023
	Level 1 £000	Level 2 £000	Level 3 £000	£000
Land and Buildings	0	24,997	0	24,997
Total	0	24,997	0	24,997

Transfers between levels of the Fair Value Hierarchy

There were no transfers between levels during the year.

Valuation techniques used to determine Fair Values for Investment Properties

The fair value of investment property of £33.897m (£24.997m as at 31 March 2023) has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's investment property portfolio. The underlying market conditions are such that similar properties are actively purchased and sold with a significant level of observable inputs. This has resulted in the Council's investment properties being categorised as level 2 on the fair value hierarchy.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is deemed to be their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties

The investment property portfolio has been valued at 31 March 2024 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution for Chartered Surveyors. The valuations are completed by Tim Hartley BSc (Hons), MRICS (registered valuer), acting as Internal Valuer within the Council's Regeneration and Environment Services.

Note 21 Intangible Assets

The Council has purchased software licences that it accounts for as intangible assets, the licences are valued at cost. The Council has no internally generated intangible assets. Most of the software licences have a finite useful life of 3 years during which period they are being amortised using the straight-line method.

2022/23 £000		2023/24 £000
	Balance at 1 April:	
19,209	- Gross carrying amount	20,656
(13,783)	- Accumulated amortisation	(16,633)
5,426	Net carrying amount at 1 April	4,023
	Additions:	
1,138	- Purchases	1,023
310	- Reclassified from PP&E under Construction	
(2,850)	Amortisation	(1,336)
4,023	Net carrying amount at 31 March	3,709
	Comprising:	
20,656	Gross carrying amounts	21,679
(16,633)	Accumulated amortisation	(17,970)
4,023	Balance at 31 March	3,709

Note 22 Assets Held for Sale

	Assets Held for Sale-Current	
	2022/23	2023/24
	£000	£000
Balance at 1 April	4,318	6,198
<u>Assets newly classified as held for sale:</u>		
- Property, Plant and Equipment	3,928	3,044
- Investment Property	0	0
- Revaluation losses	0	0
- Revaluation gain	0	0
- Other Movements	0	0
<u>Assets declassified as held for sale:</u>		
- Reclassified to Property, Plant and Equipment	0	0
- Reclassified to Investment Property		(943)
- Assets sold	(2,048)	(4,508)
Balance at 31 March	6,198	3,791

Note 23 Heritage Assets

Nature and scale of heritage assets held by the Council:

Museum Exhibit

The Museum Exhibit collections hold over 90,000 items. Approximately 10% of these are on display at Clifton Park Museum in Rotherham. The remainder are held in off-site locations within the Borough. Access to the collections can be obtained during the main museum opening times. The collections can be divided into the following main categories:

- a) Social & Industrial History (around 11,000 items) - Contains objects and ephemera illustrating themes of domestic, personal and community life within the Borough from 1660 to the present day.
- b) Archaeology (around 36,000 items) - Includes large collections excavated from the Roman Fort at Templeborough, Roche Abbey and Jesus College (Rotherham).
- c) World Cultures (around 300 items) - Consists of objects originating from Africa, Asia, the Americas and Oceania. In 1981 the collection was transferred on loan to Leeds Museum.
- d) Numismatics & Philately (over 3,000 items) - Includes items dating from the 4th century BC to the 20th century AD.
- e) Fine Art (around 3,000 items) - Consists of oil paintings, water-colours, prints and a good collection of sculpture items.
- f) Decorative Art (around 5,500 items) - Predominated by ceramic items including a large collection from Yorkshire potteries, the most significant being items from the Swinton Pottery/Rockingham Works.
- g) Natural Sciences (over 30,000 items) – Including botanical and geological specimens from Yorkshire and Great Britain.

The majority of these assets have been revalued during 2018/19 and 2019/20 by an external valuer (Tennants Auctioneers). In 2023/24 a further sample of assets were revalued by Tennants Auctioneers. Going forward one collection per year will be valued.

Civic Regalia & Plate

The Council's collection of Civic Regalia includes the Mayor and Mayoress' Chain of Office, the Diamond Pendant, the Mace and the Empire Cup. The chains and pendants are held in a safe in the Town Hall until required for civic ceremonies whilst all other items are kept in display cases and can be seen as part of a tour of the building.

The Civic Regalia were revalued during 2021/22 by an external valuer (Adam M Schoon). The next valuation is due in 2026/27.

Archives

The Council holds over 900 archive collections in secure, environmentally controlled, strong rooms and a secure, environmentally monitored store at Bailey House. These documents cover the history of the whole of Rotherham Borough from 1328 to the present day. The collection includes local Council materials, maps, plans, title deeds and family records. Access to the documents can be obtained by contacting the Archives and Local Studies Service.

The majority of these assets were revalued during 2018/19, by an external valuer (Tennants Auctioneers). Due to the volume of items, not all assets in the category could be valued and therefore the remaining items were revalued in 2019/20.

Since 2019/2020 the collections have been valued via a sampling method for key items. Going forward one collection per year will be valued.

Historic Buildings

Two historic buildings are in the ownership of the Council: Keppel's Column, a 35.5 metre high free standing Tuscan order column listed grade II, and Catcliffe Glassworks Cone a listed grade I conical structure dating from 1740, the earliest surviving example of its type in Western Europe. The Catcliffe Glassworks Cone is closed to the public on safety grounds.

These assets are carried at valuation rather than cost, both of them being valued on the 1 April 2012 by the Council's Internal Valuer. Both were regarded as having nil value as they are listed building with restrictions on their disposal, which gives them no commercial value.

Council policies for the acquisition, preservation, management and disposal of heritage assets

The Council's policies are contained in the "Collections Management policy" and the "Acquisition and Disposals policy", both of which are available on request from Heritage Services.

Heritage Assets Values

As per the CIPFA Code of Practice 2023/24, heritage assets are carried at valuation rather than current or fair value, reflecting the fact that sales and exchanges of heritage assets are uncommon. Valuations may be made by any method that is appropriate and relevant. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations.

The table below provides an analysis between the carrying value of assets carried in the balance sheet at historical cost and those carried at fair value.

	Museum Exhibits held at valuation		Civic Regalia & Plate held at valuation		Archives held at valuation		Total	Total
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
<u>Cost or Valuation</u>								
1 Apr 23	7,119	7,757	514	514	258	258	7,891	8,529
Additions	638	0	0	0	0	0	638	0
Revaluation increases/decreases to Revaluation Reserve	0	488	0		0		0	488
Balance at 31 March	7,757	8,245	514	514	258	258	8,529	9,017

Disposal of Heritage Assets in 2023/24

There have been no Heritage Asset disposals in 2023/24.

Additions of Heritage Assets in 2023/24

There have been no heritage asset additions in 2023/24.

Note 24 **Financial Instruments – Balances**

The financial liabilities and assets disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	Long Term		Short Term	
	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000
Borrowings	597,456	607,233	56,214	30,223
Plus Accrued Interest	0	0	4,376	4,538
Plus Creditors	116,902	112,823	101,090	96,247
Plus bank overdraft	0	0	0	0
Plus(+)/Less(-) Other accounting adjustments	0	0	0	0
Financial liabilities at amortised cost	714,358	720,056	161,680	131,008
Financial liabilities at fair value through profit and loss	0	0	0	0
Total Financial Liabilities	714,358	720,056	161,680	131,008
Non Financial Liabilities	7,457	7,457	2,807	2,807
Total	721,815	727,513	164,487	133,815
Investments	655	440	407	117
Plus Accrued Interest	0	0	20	2
Plus Debtors	285	306	51,669	45,470
Plus Cash & Cash Equivalents	0	0	94,042	34,290
Plus(+)/Less(-) Other accounting adjustments	0	0	0	0
Financial Assets				
at Amortised Cost	940	745	146,138	79,880
at fair value through profit or loss	0	0	0	0
fair value through other comprehensive income - designated equity instruments	190	190	0	0
Non-Financial Assets	0	0	0	0
Total Financial Assets	1,130	935	146,138	79,880
Non-Financial Assets			9,077	9,263
Total	1,130	935	155,215	89,143

The debtor balances indicated in the table differ from that shown on the balance sheet as these balances do not include any statutory debtors, such as Council Tax or non-domestic rates.

Note 25 **Financial Instruments – Risk**

The Council's activities necessarily 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;
- Re-financing risk – the possibility that the Council might have to renew a financial instrument on maturity at less advantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the uncertainties of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years, limiting:
 - The Council's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures in the maturity structure of its debt;
 - Its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved at the Council's annual Council Tax and Budget setting meeting. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported semi-annually to Members.

These policies are implemented by a central treasury management team. The Council maintains written procedures for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the annual Treasury Strategy, which requires that deposits are not made with financial institutions unless they meet minimum credit criteria. The annual Treasury Strategy also considers maximum amounts and time limits in respect of each financial institution. The Treasury Strategy is part of the annual budget report that goes to Council in February each year, it can be found on the Council's website via the Council Meetings section.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default assessed by the ratings agencies and the Council's experience of its customer collection levels, adjusted to reflect current market conditions.

	Amount at	Historical experience of default	Adjustment for market conditions at	Estimated maximum exposure to defaults
	31 Mar 24 £000 (a)	% (b)	31 Mar 24 % (c)	£000 (a*c)
<u>Deposits with banks and financial institutions</u>				
AAA rated counterparties	24,790	0.040%	0.040%	0
AA rated counterparties	0	0.020%	0.020%	0
A rated counterparties	0	0.050%	0.040%	0
Bonds	0	0.000%	0.000%	0
Banks and Financial Institutions	24,790			0
<u>Debtors</u>				
Long Term Debtors	319	0.000%	0.000%	0
Loans to Third Parties	1,032	47.330%	47.300%	488
Sundry Debtors	14,084	5.720%	5.700%	1,018
Housing Tenants	6,313	54.860%	54.900%	3,463
Other Short-Term Debtors	26,777	3.520%	3.500%	941
Debtors	48,525			5,910

The debtor balances indicated in the table above differ from that shown on the balance sheet as these balances do not include any statutory debtors, such as Council Tax or non-domestic rates.

The Council has no exposure to losses from non-performance by any of its counterparties in relation to deposits and bonds.

Whilst the current economic uncertainty within international markets has raised the overall possibility of default, the Council maintains strict credit criteria for investment counterparties. As a result of these high credit criteria, historical default rates are maintained as a good indicator under these current conditions.

The Council also uses non-credit rated institutions (for instance smaller building societies or bank subsidiaries where the parent has a satisfactory rating). In these circumstances these investments would be classified as other counterparties.

The estimated maximum exposure to defaults of £5.910m represents the Council's provision for bad debts for the Financial Instruments in the table above and forms part of the provision for bad debts as disclosed within the Balance Sheet. In calculating these provisions reference is made to historical collection rates and current market conditions and these rates are applied to the debt raised rather than the percentages shown above.

External loan repayments have been reviewed and as these have been maintained as agreed in 2023/24 it is not considered that there has been any impairment.

The Council does not generally allow credit for its sundry debtors, such that all of the balance is past its due date for repayment. The past due amount can be analysed as follows:

31 Mar 23 £000		31 Mar 24 £000
8,798	Less than three months	9,186
676	Three to six months	620
355	Six months to one year	1,470
1,612	More than one year	2,808
11,441		14,084

Collateral

The Council initiates a legal charge on property where, for instance, clients require the assistance of social care services but cannot afford to pay immediately. The total collateral at 31 March 2024 was £0.646m (£0.482m as at 31 March 2023).

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well through cash flow management procedures required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and the PWLB, which provides access to longer term funds, also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced Budget by the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

Limits on the maturity structure of debt and the limits on investments placed for longer than one year are the key controls used to address this risk. The Treasury Team address the operational risks within the Council approved parameters by:

- Monitoring the maturity profile of financial liabilities and amending the profile by either new borrowing or rescheduling existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to longer term cash flow needs.

The maturity analysis of financial liabilities is as follows:

31 Mar 23 £000		31 Mar 24 £000
51,214	Less than one year	30,223
30,223	Between one and two years	75,232
21,260	Between two and seven years	6,311
34,737	Between seven and fifteen years	35,353
516,236	More than fifteen years	490,336
653,670		637,455

The maturity analysis of financial assets is as follows:

31 Mar 23 £000		31 Mar 24 £000
87,000	Less than one year	24,790
0	Between one and two years	0
0	Between two and three years	0
0	More than three years	0
87,000		24,790

The table for financial assets details the maturity profile of Money Market Loans. All Sundry Debtors and other payables are due to be paid in less than one year. These Sundry Debtors of £14.084m are not shown in the above table, however, an analysis is provided in the 'Credit Risk' section above. Interest accruals are disclosed as less than one year although associated with both short and long-term financial liabilities and assets.

Market Risk

Interest Rate Risk – The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- Borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances)
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances)

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations. It includes a statement about expectations regarding interest rate movements. From this strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The Council's Treasury Team monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure long term returns. Alternatively, significantly lower temporary borrowing rates may be utilised to generate in year savings on interest payments, whilst rates fall and remain low, rather than entering into long term borrowing straight away.

The risk of interest rate loss is partially mitigated by Government grant payable on financing costs. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

2022/23 £000		2023/24 £000
0	Impact on Surplus or Deficit on the Provision of Services	0
0	Share of overall impact debited to the HRA	0
(82,603)	Decrease in fair value of fixed rate borrowing liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(56,127)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in Note 27 Fair Value of Assets and Liabilities carried at amortised cost.

Price Risk – The Council does not generally invest in equity shares but does have a number of small shareholdings in its related companies. The Council is therefore not exposed to any significant risks arising from movements in the price of these shares and the shares are not classified fair value through profit and loss.

Foreign Exchange Risk – The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to risk arising from movements in exchange rates.

Note 26 **Financial Instruments – Gains/Losses**

Gains/Losses charged to the Comprehensive Income and Expenditure Statement and the Movement in Reserve Statement for the year to 31 March 2024 are as follows:

2022/23		Financial Liabilities	Financial Assets			2023/24
Total		Liabilities measured at amortised cost	amortised cost	fair value through profit or loss	fair value through other comprehensive income	Total
£000		£000	£000	£000	£000	£000
21,102	Interest expense	19,489	0	0	0	19,489
0	Impairment (gain)	0	0	0	0	0
0	Premium/discounts	0	0	0	0	0
12,624	Finance Lease Interest	12,833	0	0	0	12,833
33,726	Interest payable and similar Charges	32,322	0	0	0	32,322
(3,156)	Interest income		(2,740)	0	0	(2,740)
30,570	Net gain (-) / loss (+) for the year	32,322	(2,740)	0	0	29,582

Note 27 **Financial Instruments – Fair Values**

Fair Value of Financial Assets

The Authority's equity shareholdings in companies disclosed at Note 17 – Related Party Transactions are not traded in an active market and are valued at historical cost (see below).

As 31 March 2024 some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/3/23 £000	As at 31/3/24 £000
Fair Value through Other Comprehensive Income				
Equity shareholding in BDR Property Ltd	Level 3	Discounted cash flow	190	190
Total			190	190

Equity shareholding in BDR Property Limited

The authority holds shares in BDR Property Limited a company set up under the Environment Protection Act 1990 by Rotherham, Barnsley and Doncaster Metropolitan Borough Councils and the Waste Recycling Group Limited. As the asset is not held for trading or income generation, rather as a longer-term policy initiative, the equity has been designated as fair value through comprehensive income.

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1, 2 and 3 during the year.

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans payable and PFI schemes, fair value estimates are calculated using new borrowing (certainty rate) discount rates. As the Debt Management Office provides a transparent approach to allow the exit cost of PWLB loans to be calculated. The PWLB rate is deemed a reasonable proxy for non PWLB loans
- For loans receivable prevailing benchmark market rates have been used to provide the fair value
- No early repayment or impairment is recognised
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount
- The fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair values calculated are as follows:

31 Mar 23			31 Mar 24	
Carrying amount £000	Fair Value £000		Carrying amount £000	Fair Value £000
		<u>Long and Short-term</u>		
377,715	244,048	PWLB debt	397,576	244,192
235,162	236,219	Non-PWLB debt	219,361	201,821
45,169	45,169	Temporary Borrowing	25,094	25,282
658,046	525,436	Total Debt	642,031	471,295
101,090	101,090	Short Term Creditors	96,247	96,247
89,451	123,513	PFI Schemes	85,547	113,676
27,451	27,451	Other Long Term Creditors	27,275	27,275
876,038	777,490	Total Financial Liabilities	851,100	708,493

The fair value for financial liabilities is lower than the carrying value because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2024) arising from a commitment to pay interest to lenders below current market rates.

The fair value of temporary loans is deemed to be the same as the carrying amount due to the term being less than 12 months.

The fair value of Public Works Loan Board (PWLB) loans of £244.192m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value (£153.384m) measures the reduced interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates, this is because the Council took £227m of long term loans from PWLB during 2021/22 that if refinanced at the current prevailing rates would be significantly more expensive.

However, the Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. If the Council was to repay the loans to the PWLB, the PWLB would give a discount for early redemption equivalent to the interest saving, based on the redemption interest rates of £117.282m. The exit price for the PWLB loans including this discount would therefore be £280.294m.

31 Mar 23			31 Mar 24	
Carrying amount	Fair Value		Carrying amount	Fair Value
£000	£000		£000	£000
0	0	Money Market loans less than one year	0	0
94,042	94,042	Cash & Cash Equivalents	34,290	34,290
722	722	Third Party Loans	543	543
308	308	Long-term Debtors	319	319
11,441	11,441	Sundry Debtors	14,084	14,084
6,840	6,840	Housing Rents	6,313	6,313
39,043	39,043	Other Short-Term :	26,777	26,777
(5,320)	(5,320)	Bad Debts Provision	(5,422)	(5,422)
147,076	147,076	Total Financial Assets at Amortised Cost	76,904	76,904

The fair value for financial assets is the same as the carrying value because all are carried at cost as a fair approximation of their value.

Note 28 **Financial Instruments – Soft Loans and Financial Guarantees**

Soft Loans – Loans granted by the Council at below market rates are accounted for on a fair value basis. This is the present value of all future cash receipts discounted using the prevailing market interest rate for a similar instrument for an organisation with a similar credit rating.

Government Regulations permit the removal of this charge through the Movement in Reserves Statement to the Financial Instruments Adjustment Account. The balance is then amortised from this account over the remaining life of the loans.

At 31 March 2024 the Council had no material soft loans requiring disclosure within the Balance Sheet.

Financial Guarantees – Under the revised Regulations the Council is required to record in its balance sheet any financial guarantees that it has provided based on the likelihood of the guarantee being called.

The initial recognition of the guarantee is measured at fair value based on the probability of the guarantee being called together with the likely amount payable under the guarantee.

At 31 March 2024 the Council had no material financial guarantees requiring disclosure within the Balance Sheet.

Note 29 **Long-Term Investments**

2022/23 £000		2023/24 £000
	<u>Investments in Associates and Joint Ventures:</u>	
190	Investment in BDR Property Limited (formerly Arpley Gas Ltd)	190
190	Balance at 31 March	190

The Council's shareholdings in BDR Property Limited (formerly known as Arpley Gas Limited) were estimated at £0.190m.

Note 30 **Inventories**

2022/23 £000		2023/24 £000
743	Balance at 1 April	867
5,464	Purchases	5,271
(5,118)	Recognised in year as expense	(5,527)
(222)	Written on / (off) in year	(33)
867	Balance at 31 March	578

Note 31 **Construction contracts**

The Council has not recognised any significant contract revenue in respect of construction contracts with third parties during the year, and there are no significant construction contracts in progress at 31 March 2024 (Nil 2022/23).

Note 32 **Debtors**

	Short Term		Long Term	
	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000
Central Government Bodies	15,542	17,768	0	0
Other Local Authorities	11,413	12,435	0	0
NHS Bodies	4,816	6,602	0	0
Local Taxation (NNDR and Council Tax)	8,618	9,263	0	0
Other Entities and Individuals	32,452	30,925	940	837
Total	72,841	76,993	940	837

Note 33 **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

Cash and cash equivalents as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:

31 Mar 23 £000		31 Mar 24 £000
94,042	Cash and Bank balances	33,404
0	Bank Overdraft	(84)
94,042	Total Cash and Cash Equivalents	33,320

Note 34a **Revenue Grants Received in Advance**

In previous years revenue grants in advance have been included in the short term creditors balance, they are now shown separately on the face of the balance sheet.

31 Mar 23 £000		31 Mar 24 £000
7,350	Population Health Funding	7,190
1,947	Improved Better Care Fund	1,029
1,919	Integrated Care Board Funding - Adults	1,538
211	Public Health	186
1,034	Dept for Health & Social Care - Adults	945
4,684	Covid	736
348	Floods 2019	348
952	Energy Support/Fuel Rebate	0
5,453	Integrated Care Board Funding - Children	5,177
340	Dept for Education Funding	780
2,482	Section 278 Agreements	2,412
2,329	South Yorkshire Mayoral Combined Authority	2,866
529	Selective Licencing	329
234	Police & Crime Commissioner	0
275	Section 38	275
1,750	Other	1,441
31,837	Total of Revenue Grants Received in Advance	25,252

Note 34b **Creditors**

	Short Term		Long Term	
	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000
Trade Payables	(35,750)	(40,245)	0	
Receipts In Advance	(5,257)	(6,002)	0	
Other	(28,246)	(19,566)	(19)	(19)
Total	(69,253)	(65,813)	(19)	(19)

Note 35 **Provisions**

Current Year	Balance as at 1 Apr 23 £000	Increase in provision during year £000	Utilised during year £000	Unused Amounts Reversed £000	Balance as at 31 Mar 24 £000
Insurance Claims	(2,781)	(2,172)	844		(4,109)
Compensation Payments	(618)		9		(609)
Business Rates Appeals	(1,592)		1,998	(2,708)	(2,302)
Other	(5,273)		30		(5,243)
Total	(10,264)	(2,172)	2,881	(2,708)	(12,263)
Current Provisions	(2,807)		2,028	(2,708)	(3,487)
Long Term Provisions	(7,457)	(1,328)	9		(8,776)
Total	(10,264)	(1,328)	2,037	(2,708)	(12,263)

Comparative Year	Balance as at 1 Apr 22 £000	Increase in provision during year £000	Utilised during year £000	Unused Amounts Reversed £000	Balance as at 31 Mar 23 £000
Insurance Claims	(2,892)	0	111	0	(2,781)
Compensation Payments	(630)	0	12	0	(618)
Business Rates Appeals	(1,575)	(2,742)	2,725	0	(1,592)
Other	(3,815)	(1,458)	0	0	(5,273)
Total	(8,912)	(4,200)	2,848	0	(10,264)
Current Provisions	(2,576)	(2,956)	2,725	0	(2,807)
Long Term Provisions	(6,336)	(1,244)	123	0	(7,457)
Total	(8,912)	(4,200)	2,848	0	(10,264)

Insurance claims

The Council's liability risk is insured by QBE Insurance Group (via Risk Management Partners - RMP) whilst the property risk is insured by Travelers.

In balancing the cost of insurance against the risk of a liability arising, the Council has elected to meet the policy excess in respect of certain types of claim (Employers' Liability and Public Liability) and to co-insure or self-insure itself against other types of claim by operating an Insurance Fund. Details of the different types of claim covered by this arrangement are set out below.

The Council keeps under review the best estimate of the likely liability falling on the Insurance Fund by reference to recent claims history, repudiation rates and other relevant factors and the expert advice of the Council's legal representatives on larger more complex claims.

The provision in this year's accounts covers the estimated residual liability relating to claims settled by Municipal Mutual Insurance (MMI) which, under the terms of MMI's Scheme of Arrangement, can no longer be met in full and therefore require a proportion to be repaid by the local authorities who were members of MMI when it went into solvent liquidation in 1992. This includes the Council.

(a) Employers Liability and Public Liability

Since the demise of Municipal Mutual Insurance (MMI) in 1992, many authorities have been retaining and funding their liability losses, third party, highways third party and employers' liability, up to an agreed threshold per claim, at present this is determined at £250,000. In effect the Insurance Fund meets the majority of settlements determined by the insurers.

(b) Fire

The Fund acts as a co-insurer, up to a stop-loss limit of £350,000 in any one period of insurance. The Fund bears the first £50,000 of all claims involving education, municipal and housing property.

(c) Motor

All accidental damage to our own vehicles is self-funded. There is an excess of £500 on all claims (£1,000 for thefts) which is met initially by the Fund and recharged to owning departments. Third party risks remain with the external insurer with the Council meeting the first £150,000 of every settlement.

(d) Council Flats – Added Perils

The Fund insures blocks of flats for added perils where one or more flats have been sold under the right to buy arrangements.

(e) Schools ICT Equipment

Where requested, schools ICT equipment is insured on the Fund on an 'All-Risks' basis. This arrangement does not extend to Academy schools.

(f) Other Equipment

Where requested, schools' musical instruments, televisual and video equipment, Youth & Community equipment and office equipment are insured on the Fund on an 'All-Risks' basis. In addition, schools can insure many other items if desired. This arrangement does not extend to Academy schools.

In addition to the above there are many smaller risks which are self-insured including:

- Schools PABX Equipment (switchboard equipment)
- 'Time on Risk' Cover
- The York and Lancaster Exhibition

Business Rates Appeals

Under the business rates retention regulations which came into effect on 1 April 2013, an allowance is made for the amount of business rate income it is estimated will have to be refunded to business ratepayers as a result of appeal. The provision represents the Council's share of the overall estimated liability for refunding business rate payers income recognised up to and including the end of the financial year. We anticipate the majority of refunds provided for at 31 March 2024 will be made during 2024/25 and the provision has therefore been classified as a current provision.

Other

Other provisions comprise commercially sensitive items disclosure of which would prejudice the Council's position.

Note 36 Usable Reserves

The Council's usable reserves are summarised in the table below into capital and revenue followed by a brief description of the nature and purpose of each reserve. Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement on Page 7 and Notes 2 and 3.

31 Mar 23 £000		31 Mar 24 £000
	CAPITAL RESERVES	
(27,416)	Capital Receipts Reserve	(27,823)
(16,021)	Major Repairs Reserve	(9,428)
(43,969)	Capital Grants Unapplied Account	(63,195)
(87,406)	Sub-Total Capital Reserves	(100,446)
	REVENUE RESERVES	
(25,000)	General Fund Minimum Balance – Council	(25,000)
(38,012)	Earmarked Reserves excluding DSG and Covid-19	(34,470)
(63,012)	Sub-Total General Fund Council and Earmarked Reserves excluding DSG/Covid-19	(59,470)
(2,575)	General Fund - Schools	(2,264)
(1,142)	Earmarked Reserve Covid-19 Grant	0
(15,330)	Earmarked Reserve DSG	(19,550)
(13,980)	HRA	(18,403)
(55)	HRA Earmarked Reserve	(93)
(33,082)	Sub-Total Other Reserves	(40,309)
(183,500)	TOTAL USABLE RESERVES	(200,225)

(a) Capital Receipts Reserve

Income from the disposal of non-current assets is credited to the Capital Receipts Reserve. The amount credited in respect of housing capital receipts is reduced by the amount the Council is required to pay over to central government under the national pooling arrangements. The Capital Receipts Reserve can only be applied to finance new capital expenditure, repay debt or meet liabilities under credit arrangements. However, under the Statutory Guidance on the Flexible Use of Capital Receipts, General Fund receipts received since 1 April 2016 can be used to fund revenue transformational costs.

(b) Major Repairs Reserve

The Council is required by regulation to establish a Major Repairs Reserve. The main credit to the account comprises the total depreciation charge for all HRA assets. This can only be used to finance new capital expenditure, repay debt or meet liabilities under credit arrangements. The arrangements ensure that subsequent funding of capital expenditure does not affect the Housing Revenue Account.

(c) Capital Grants Unapplied Account

Where a capital grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution is transferred to the Capital Grants Unapplied Account within usable reserves reflecting its status as a capital resource available to finance future capital expenditure.

(d) General Fund Minimum Balance

The General Fund balance represents uncommitted revenue balances held to safeguard the Council against potential financial risks, unforeseen costs and contingencies. The balance to be held is risk assessed annually as part of the budget setting process to ensure a prudent level of resources is retained.

(e) Earmarked Reserves

Details of the earmarked reserves the Council has set aside to meet specific needs or which are ring-fenced to particular services are contained in Note 3.

(f) Covid-19 Grants Reserve

The Covid-19 reserve was established to hold the early payment and carrying balances of Government grants provided to support the Council in its response to the pandemic.

(f) Earmarked Reserve DSG

The Dedicated School Grant (DSG) is a ring fenced specific grant and it must be used in support of the schools budget as defined in the School and Early Years Finance (England) (No 2) Regulations 2018 (see note 16 for further details). Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums. There is currently a deficit balance on the Dedicated Schools Grant which, in accordance with Government policy, must be addressed from school funding, therefore the deficit must be carried forward. Childrens' and Young Peoples Service have implemented a plan to reduce the deficit in the short term and recover the deficit over the longer term.

(g) HRA

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to a Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ring-fenced from the rest of the General Fund, so that rents cannot be subsidised from council tax (or vice versa).

Note 37 **Unusable Reserves**

The Council's unusable reserves are summarised in the table below into capital and revenue followed by a brief description of the nature and purpose of each reserve and movements thereon during the year.

31 Mar 23 £000		31 Mar 24 £000
	CAPITAL RESERVES	
(287,520)	Capital Adjustment Account	(299,174)
(295,320)	Revaluation Reserve	(357,787)
0	Deferred Capital Receipts	0
	REVENUE RESERVES	
(94,491)	Pensions Reserve	14,327
4,545	Short term accumulating absences account	4,914
171	Financial instruments adjustment account	137
(8,373)	Collection Fund adjustment account	(6,600)
21,258	DSG Adjustment account	21,258
(659,730)	TOTAL UNUSABLE RESERVES	(622,925)

(a) Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets under normal accounting practices and statutory requirements for financing capital expenditure applicable to local authorities. Hence, it is debited with capital charges (depreciation, impairment, revaluation losses and amortisation) that have been made in the Comprehensive Income and Expenditure statement but which are reversed out as they are not proper charges to revenue for council tax purposes and credited with the amount which is set aside from capital resources or from revenue to finance capital expenditure under the statutory provisions (the accounting policies set out the Council's approach for determining a prudent charge to revenue for debt repayment and PFI liabilities). The Capital Adjustment Account also contains accumulated gains and losses on investment properties and on Property Plant and Equipment before 1 April 2007, the date on which the Revaluation Reserve was created.

2022/23 £000		2023/24 £000
(238,844)	Balance 1 April	(287,520)
53	Debt Repayment	303
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
2,850	Amortisation of Intangible Assets	1,336
23,519	Charges for depreciation and impairment of non-current assets	37,138
6,674	Revenue expenditure funded from capital under statute	16,625
15,835	Non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	24,443
19,096	Depreciation - Major Repairs Reserve	22,131
	Adjusting amounts written out to Revaluation Reserve:	
(4,305)	Disposal	(6,782)
(7,745)	Excess of current cost depreciation over historic cost depreciation	(10,587)
	Capital Financing Applied in the year:	
(6,002)	Use of Capital Receipts Reserve to finance capital expenditure	(11,060)
(53)	Use of Capital Receipts Reserve to repay debt	(303)
(29,926)	Use of Major Repairs Reserve to finance capital expenditure	(30,613)
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing:	
(57,223)	Application of grants to capital financing from the Capital Grants Unapplied Account	(42,323)
(8,415)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(9,983)
(3,034)	Capital expenditure charged against the General Fund and HRA balances	(1,978)
(287,520)	TOTAL	(299,174)

(b) Revaluation Reserve

The Revaluation Reserve represents the cumulative unrealised revaluation gains and losses on the Council's Property, Plant and Equipment since the reserve was created on 1 April 2007.

2022/23 £000		2023/24 £000
(253,984)	Balance 1 April	(295,320)
(54,239)	Net revaluation gains/losses not charged to the Surplus /(Deficit) on Provision of Services	(82,093)
853	Impairment losses and reversals thereof not charged to the Surplus / (Deficit) on Provision of Services	2,257
(53,386)	Sub total - net revaluation and impairment gains / losses not posted to the Surplus / Deficit on provision of Services	(79,836)
4,305	Accumulated Gains on assets sold or scrapped	6,782
7,745	Excess of fair value depreciation over historic cost depreciation transferred to Capital Adjustment Account	10,587
(295,320)	Balance at 31 March	(357,787)

(c) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve represents amounts due from the sale of non-current assets that have still to be realised. Under statutory arrangements, this only becomes available for financing on receipt of cash at which point a transfer is made to the Capital Receipts Reserve.

2022/23 £000		2023/24 £000
0	Balance 1 April	0
0	Transfer to the Capital Receipts Reserve of cash received	0
0	Balance at 31 March	0

(d) Movements in Fair Value through Profit & Loss (FVPL) Financial Instruments Reserve

The Fair Value through Profit & Loss (FVPL) Financial Instruments Reserve contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:

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

At 31 March 2024 the Council held no financial assets classified as Fair Value through Profit & Loss (FVPL)

(e) Pensions Reserve

The Pensions Reserve absorbs timing differences arising from the different arrangements for accounting for post-employment benefits under normal accounting practices and statutory requirements for funding benefits applicable to local authorities. The amount recognised as post-employment benefits under normal accounting practice reflects the benefits accrued by employees from their reckonable service, and changes to the assumptions about the liabilities that will fall on the scheme when benefits are paid out and the value of scheme assets to cover those liabilities. The amount charged under statutory provision is the amount due to be paid over by the Council as employer contributions under local government pension scheme rules.

The Pensions Reserve represents the Council's share of the underlying assets and liabilities for post-employment benefits attributable to the Council at the balance sheet date. The deficit represents the amount by which benefits earned by past and current employees currently exceeds the resources set aside by the Council to meet them. The statutory arrangements will ensure that the funding will have been set aside by the time the benefits come to be paid.

Further details of the Council's participation in the Local Government Pension Scheme (administered by South Yorkshire Pensions Authority) are detailed in Note 18.

2022/23 £000		2023/24 £000
352,582	Balance 1 April	(94,491)
(481,577)	Remeasurements of the net defined benefit liability/(asset)	(83,374)
0	Adjustment per regulations to reduce pension asset to asset ceiling value of nil	193,436
56,475	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	23,903
(21,971)	Employer's pensions contributions and direct payments to pensioners payable in the year	(25,147)
(94,491)	Balance 31 March	14,327

(f) Short-term Accumulated Absences Account

The Accumulating Absences Accounts absorbs the timing differences arising from the different arrangements for accounting for short term compensated absences under normal accounting practices and statutory requirements for charging such absences applicable to local authorities. Under normal accounting practice, an accrual is made to charge compensated absences, for example, annual leave entitlement not yet paid, in the year in which they are earned. However, under statutory provision, these are charged to revenue in the year in which they are payable. The balance on the Accumulating Absences Account therefore represents the amount of compensated absences earned which will fall as a charge on the General Fund in the future.

2022/23			2023/24	
£000	£000		£000	£000
	4,215	Balance 1 April		4,545
(4,215)		Settlement or cancellation of accrual made at the end of the preceding year	(4,545)	
4,545		Amounts accrued at the end of the current year	4,914	
	330	Net amount charged to Comprehensive Income and Expenditure Statement in the year reversed out under regulation chargeable to revenue in the future when payments fall due		369
	4,545	Balance at 31 March		4,914

(g) Financial Instruments Adjustment Account

This reserve has been created to hold the accumulated difference between the financing costs included in the Income and Expenditure Account and the accumulated financing costs required in accordance with Regulations to be charged to the General Fund Balance.

General Transactions

The Code requires that unless directly attributable to a loan held at 31 March 2007 then all premium and discounts carried on the Balance Sheet at that date were required to be written off to the General Fund Balance as at 1 April 2007. Government Regulations allow for the impact to be neutralised through a transfer to the Financial Instruments Adjustment Account. The balance of premium and discounts will be amortised to revenue in line with the provisions set down in the Council's accounting policies.

The Code also requires that where the Council has provided loans at less than market rates then these should be accounted for on a fair value basis. The difference between the fair value and loan amount is accounted for as an immediate charge to the Income and Expenditure Account. Government Regulations allow for the impact to be neutralised through a transfer to the Financial Instruments Adjustment Account. The fair value increases over the period of the loan and the annual impact will be neutralised in the Income and Expenditure Account by the writing down of the balance on the Financial Instruments Adjustment Account.

2022/23 £000		2023/24 £000
223	Balance at 1 April	172
(51)	Movement in year: Premium and discounts	(34)
172	Balance carried forward at 31 March	138

(h) Collection Fund Adjustment Account

The Collection Fund Adjustment Account absorbs differences between the amount of council tax income recognised under normal accounting practice as it falls due from council tax payers and the amount due to the General Fund and preceptors under statutory provisions. The balance on the Collection Fund Adjustment Account therefore represents the amount still to be distributed to the General Fund and precepting authorities.

2022/23 CTAX £000	2022/23 NNDR £000	2022/23 Total £000		2023/24 CTAX £000	2023/24 NNDR £000	2023/24 Total £000
(4,104)	1,775	(2,329)	Balance 1 April	(5,583)	(2,789)	(8,372)
(1,479)	(4,564)	(6,043)	Difference between amount receivable in the Comprehensive Income and Expenditure Statement for the year and General Fund balance	(540)	2,312	1,772
(5,583)	(2,789)	(8,372)	Balance at 31 March	(6,123)	(477)	(6,600)

(i) Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account has been set up to comply with a change to the CIPFA code of Practice in response to a change in The Local Authorities Capital Finance and Accounting Regulations. The Council must record any deficit on the DSG grant in an unusable Reserve set up solely for the purpose of recording deficits relating to its schools budget. Note 16 provides details of this account.

Note 38 **Cash Flow – Analysis of adjustments to (Surplus) / Deficit on the Provisions of Service**

2022/23 £000		2023/24 £000
	Items included in the net surplus or deficit on the provision of services that are investing and financing activities:	
75,838	Capital Grants credited to surplus or deficit on the provision of services	61,607
0	Net adjustment to long and short term investments	0
13,846	Proceeds from the sale of property plant and equipment, investment property and intangible assets & other capital receipts	11,467
89,684		73,074
(2,566)	Interest received (cash basis)	(2,828)
34,412	Interest paid (cash basis)	32,058

Note 39 **Cash Flow – from Investing Activities**

2022/23 £000		2023/24 £000
123,046	Purchase of property, plant and equipment, investment property, heritage and intangible assets	121,882
0	Long term loans granted	0
(177,000)	Purchase/(Sale) of short term investments	0
0	Purchase of Long term investments	0
365	Capital Grants and Contributions Repaid	457
(13,899)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets & other capital receipts	(11,467)
(85,983)	Capital Grants and Contributions Received	(63,506)
0	Other receipts from investing activities	(315)
(153,471)	Net cash outflow from Investing Activities	47,051

Note 40 **Cash Flow – from Financing Activities**

2022/23 £000		2023/24 £000
(20,000)	Cash receipts of short- and long-term borrowing	(78,100)
3,619	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	4,080
133,571	Repayments of short- and long-term borrowing	94,314
19,067	Other payments for financing activities	1,381
136,257	Net cash outflow from Financing Activities	21,675

Note 40b **Reconciliation of Liabilities Arising from Financing Activities**

	2023/24 01 Apr 23 £000	Cash Flow £000	Non Cash Change £000	2023/24 31 Mar 24 £000
Long Term Borrowing	(597,456)	(29,000)	19,223	(607,233)
Short Term Borrowing	(60,590)	45,214	(19,385)	(34,761)
PFI & Lease Liabilities Short Term	(4,080)	4,080	(3,615)	(3,615)
PFI & Lease Liabilities Long Term	(112,806)		3,615	(109,191)
NNDR & CTAX		1,381		
	(774,932)	21,675	(162)	(754,800)

	2022/23 1 Apr 22 £000	Cash Flow £000	Non Cash Change £000	2022/23 31 Mar 23 £000
Long Term Borrowing	(623,671)	(20,000)	46,215	(597,456)
Short Term Borrowing	(148,290)	133,571	(45,871)	(60,590)
PFI & Lease Liabilities Short Term	(3,619)	3,619	(4,080)	(4,080)
PFI & Lease Liabilities Long Term	(116,886)		4,080	(112,806)
NNDR & CTAX		19,067		
	(892,466)	136,257	344	(774,932)

Note 41 **Capital Expenditure and Financing**

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 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.

2022/23 £000		2023/24 £000
856,938	Opening Capital Financing Requirement Capital Investment	882,677
122,025	Property, Plant and Equipment	122,907
241	Investment Properties	964
1,138	Intangible Assets	1,023
262	Heritage Asset	0
6,674	Revenue Expenditure funded from Capital under Statute	15,832
987,278		1,023,402
	Sources of finance:	
(6,002)	Capital receipts to finance new capital expenditure	(11,060)
(57,223)	Government grants and other contributions	(42,323)
(29,926)	Major Repairs Allowance	(30,613)
	Sums set aside from revenue	
	Direct revenue contributions:	
(309)	General Fund	(59)
(2,726)	Housing Revenue Account	(1,919)
(7,204)	Minimum Revenue Provision	(8,541)
(1,211)	Write down of finance lease liability	(1,441)
(104,601)		(95,956)
882,677	Closing Capital Financing Requirement	927,446

2022/23 £000	Explanation of movements in year	2023/24 £000
25,739	Increase in underlying need to borrowing (unsupported by government financial assistance)	44,768
0	Assets acquired under finance leases	0
25,739	Increase in Capital Financing Requirement	44,768

The MRP value disclosed is different from that disclosed in note 37a due to the write down of finance lease MRP is shown separately within the 'write down of finance lease liability' line.

Note 42 **Leases**

The classification of all types of lease including land is assessed on who has the risks and rewards of ownership as for all other types of lease.

Contingent rents are expensed in the year in which they are incurred.

(a) Finance leases – Council as Lessee

The movements in Finance Lease liabilities during the year are as follows:

	31 Mar 23 £000	31 Mar 24 £000
Finance Lease Liability outstanding at start of year	(27,593)	(27,433)
Principal repaid in year	160	176
Less: Schools converting to academies Finance Lease Liability written off	0	0
New Liabilities arising in year	0	0
Balance outstanding at year end	(27,433)	(27,257)
Short Term Creditors	(176)	(192)
Long Term Liabilities	(27,257)	(27,065)

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

	Minimum Lease Payments		Finance Lease Liabilities	
	31 Mar 23 £000	31 Mar 24 £000	31 Mar 23 £000	31 Mar 24 £000
Not later than one year	(3,080)	(3,157)	(176)	(192)
Later than one year and not later than five years	(13,110)	(13,438)	(885)	(968)
Later than five years	(122,229)	(118,744)	(26,372)	(26,097)

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

2022/23 £000		2023/24 £000
27,046	Land and buildings	30,308
15	Vehicles, Plant, Furniture and Equipment	15
27,061	Total	30,323

(b) Operating leases – Council as Lessee

The Council has the right of use over a range of assets by virtue of operating leases that it has entered into. The future minimum lease payments due under these non-cancellable leases in future years are:

2022/23 £000		2023/24 £000
286	Within one year	321
797	Between one year and five years	1,028
5,410	After more than five years	5,387

The expenditure charged to service in 2023/24 in the Comprehensive Income and Expenditure statement in relation to these leases was £0.662m (£0.607m 2022/23).

(c) Finance leases – Council as Lessor

The Council does not hold any finance lease lessor arrangement that generate a net investment in finance lease receivable to bring onto the balance sheet.

(d) Operating leases – Council as Lessor

The Council leases out property under operating leases for the following purposes:
Commercial property leases.

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

2022/23 £000		2023/24 £000
1,146	Within one year	837
2,803	Between one year and five years	2,787
2,021	After more than five years	1,770

Note 43 Private Finance Initiative and Similar Contracts

As at 31 March 2024, the Council has in place three long-term contracts under Private Finance Initiative (PFI) arrangements, one of which, the Waste PFI, is a joint contract with Barnsley and Doncaster Councils. In addition, it has in place one partnership agreement.

As a result of a change to the way in which PFI Schemes and Similar Contracts were accounted for in 2009/10 on transition to IFRS, assets within the PFI Schemes or Similar Contracts were brought on Balance Sheet. The movement in the carrying value of these assets is disclosed in the Property Plant and Equipment note (Note 19a).

The note below provides a brief description of each scheme and outstanding obligations.

(a) Private Finance Initiatives - Schools PFI

The contract for the provision of 8 primary and 6 secondary schools commenced on 1 April 2004 with an end date of 31 March 2034, and a capital value of £96m. All the schools were completed in line with the original programme. At the expiry of the contract the 12 PFI schools, 6 primary and 6 secondary schools, which have converted to academy trusts, transfer to the individual trusts under 125 year lease arrangements with the Council, the remaining 2 primary schools transfer back to the Council for nil consideration. The agreed government funding is being received and will support the Authority to manage income and expenditure over the rest of the 30 years of these arrangements. Payments during the year totalled £19.021m and are subject to availability and performance-related deductions and contractually agreed inflation adjustments. In the same period the Council received £6.223m of PFI grant in support of this project.

(b) Private Finance Initiatives – Sports and Leisure PFI

The Sport and Leisure Facilities Regeneration Programme and Maltby Joint Service Centre PFI involved the construction of 3 new combined swimming pools and dry leisure centres, one stand-alone swimming pool and a joint service centre. The contract with DC Projects (Rotherham) Limited became operational in August 2008 and has a capital value of £38m. The contract expires on 31 October 2041, when all the assets transfer back to the Council for nil consideration. £24.954m of PFI Credits have been awarded to support the scheme. All 5 facilities are operational. Payments during the year totalled £5.351m. In the same period the Council received £1.811m of PFI grant in support of this project.

(c) Bereavement Services Partnership - Dignity

The Council signed a partnership agreement with Dignity Funerals Limited in July 2008, who manage the Borough's Bereavement Services on the Council's behalf. The contract commenced in August 2008 and operates for a period of 35 years at which point all the assets revert back to the Council for nil consideration.

(d) Waste Management PFI

The Council's joint Waste PFI Contract, along with Barnsley and Doncaster Councils, with 3SE (Shanks, Scottish and Southern Energy) became operational in July 2015. The contract is providing residual waste and recycling facilities for the 3 boroughs. The Councils have been jointly awarded £77.4m PFI credits for this project. The Council received £1.789m of PFI grant in support of this project in 2023/24. Payments during the year totalled £7.934m.

(e) Movements in Finance Liabilities

The Table below shows the movements in the Finance Liabilities:

	31 Mar 23 £000	31 Mar 24 £000
Balance outstanding at start of year	(92,912)	(89,453)
Principal repaid in year	3,459	3,904
Balance outstanding at year end	(89,453)	(85,549)
Short Term Creditors	(3,904)	(3,423)
Long Term Liabilities	(85,549)	(82,126)

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

	Payment for Services £000	Finance Lease Liability £000	Interest £000	Total £000
Not later than one year	20,705	3,423	9,465	33,593
Two to five years	85,013	20,169	36,002	141,184
Six to ten years	115,096	39,439	39,666	194,201
Eleven to Fifteen years	81,688	13,343	15,421	110,452
Sixteen to twenty years	42,372	9,173	7,504	59,049
Twenty one to twenty five years	0	0	0	0

Note 44 Capitalised borrowing costs

The Council had £540,607 of capitalised borrowing costs during 2023/24 (£86,704 in 2022/23) the capitalisation rate used in 2023/24 was 3.62% (3.293% in 2022/23).

Note 45 **Contingent Liabilities**

The Council discloses contingent liabilities in excess of £50,000 those that meet this requirement are disclosed below.

Public Liability claims

The Council has 15 outstanding public liability claims.

Employee Liability claims

The Council has 6 outstanding employee liability claims.

Employment Tribunals

There are a small number of outstanding tribunal cases awaiting hearing.

Contract related claim

The Council has an outstanding contractual in relation to a sale and purchase agreement.

HSE prosecution

The Health & Safety Executive have made the Council aware of their intention to prosecute for offences arising from failures under s2(1) HSWA and applicable RIDDOR legislation. This relates to historic issues. The value of any potential liability is unknown at this stage.

Homes England

The Council has received £21.6m of grant from Homes England to support the delivery of housing growth new build schemes. A condition of this grant is that when homes are sold that utilised this grant funding the grant must be recycled into housing growth delivery. It is a requirement of the grant that the balance is held as a contingent liability as the grant would have to be repaid if it is not recycled into housing growth delivery.

Note 46 **Contingent Assets**

Claims for recovery of tax

Protective VAT claims have been submitted to HMRC to recover VAT on Landfill Tax and Leisure Services. The quantity and strength of the claims have yet to be determined by litigation.

Note 47 **Trust Funds**

The Council acts as sole trustee for various legacies relating to the provision of educational supplies to specific local schools. Each fund holds investments and may use the interest derived from those investments to fund the purchase of supplies.

Accumulated interest balances and the respective balance sheets are as follows:

	Balance as at 1 Apr 2023 £	Income £	Expenditure £	Balance as at 31 Mar 24 £
Treeton Council School War Memorial	952	31		983
EJ Butland, Treeton Infants	853	31		884
Whiston Two Wars Memorial	219	127		346
Total	2,024	189	0	2,213

Trust Funds – Balance Sheet

2022/23 £		2023/24 £
	Assets	
	Investments	
58	- Treeton Council School War Memorial	58
59	- E.J. Butland, Treeton Infants	59
233	- Whiston Two Wars Memorial	233
350	Total Investments	350
48	- Debtors	142
1,976	- Cash	2,071
2,374	Total Assets	2,563
	Financed by:	
350	- Fund Balance	350
2,024	- Accumulated Investment Interest	2,213
2,374	Total Equity	2,563

Note 48 **Material items of income and expenditure**

This note is used to draw attention to material items of income and expenditure not disclosed separately on the face of the CIES which need to be taken into consideration to gain a full understanding of the Council's financial performance in the year.

Schools

As shown in Note 18 of the accounts, £1.317m has been credited to the CIES in respect of settlements. This all relates to the transfer of pension liabilities from the Council when schools convert to academies and, as a consequence, has been credited in full to the "Schools" heading within the CIES.

Loss on disposal of non-current assets

The loss on disposal of non-current assets reported in Note 4 of £13.173m includes £10.052m of school property, plant and equipment transferred from the Council's balance sheet as a result of schools converting to academies.

Note 49 **Other Long-term Liabilities**

31 Mar 23 £000		31 Mar 24 £000
(85,549)	PFI Liability	(82,126)
(27,257)	Finance Lease Liability	(27,065)
(15,019)	Pension Liability	(14,327)
0	Deferred Liabilities	0
(127,825)	Total	(123,518)

Note 50 **Events after the Balance Sheet date**

The draft Statement of Accounts was authorised for issue by the Judith Badger, Strategic Director of Finance and Customer Services on 31 May 2024. 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 31 March 2024, the figures in the Financial Statements and Notes have been adjusted in all material respects to reflect the impact of this information.

Other Financial Statements and Notes to the Other Financial Statements

Housing Revenue Account (HRA)

The Collection Fund Income and Expenditure Account

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

The Housing Revenue Account (HRA) shows the economic cost in the year of providing housing services in accordance with generally accepted accounting principles, rather than the amount to be funded from rents and government grants. Authorities charge rents 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. Format of this account has been slightly changed from CIPFA code format to make it easier for the reader to compare to the Comprehensive Income and Expenditure Statement.

2022/23 £000		2023/24 £000	Notes
	<u>Expenditure</u>		
19,058	Repairs and maintenance	21,644	
28,994	Supervision and management	30,018	
578	Rents, rates, taxes and other charges	523	
20,896	Depreciation and impairment of Non Current Assets	38,019	
190	Debt management costs	135	
488	Provision for bad or doubtful debts	517	9
499	HRA services share of Corporate and Democratic Core	522	
255	HRA share of other amounts included in whole Authority Cost of Services but not allocated to specific services	(34)	
70,958	Total Expenditure	91,344	
	<u>Income</u>		
81,029	Dwelling rents	86,733	
676	Non-dwelling rents	732	
7,106	Charges for services and facilities	8,300	
88,811	Total Income	95,765	
(17,853)	Net Cost of HRA Services	(4,421)	
	<u>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement</u>		
(965)	Gain on sale of HRA Non Current Assets	964	
13,554	Interest Payable and similar charges	13,991	10
(877)	Interest receivable	(995)	
614	Pensions interest cost and expected return on pension assets	(244)	11
(1,227)	Capital grants and contributions receivable	(2,236)	
0	HRA Cap grant	0	
0	Revaluation of Assets held for sale	0	
(6,754)	(Surplus)/Deficit for the year on HRA services	7,059	

Movement on the Housing Revenue Account Statement

This statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit or the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2022/23			2023/24	
£000	£000		£000	£000
	(10,503)	Balance on the HRA at the end of the previous year		(13,979)
(6,754)		Surplus for the year on HRA Income and Expenditure Account	7,059	
3,246		Adjustments between accounting basis and funding basis under statute	(11,520)	
(3,508)		Net increase before transfers to or from reserves	(4,461)	
32		Transfers to(from) reserves	38	
	(3,476)	Decrease in year on the HRA		(4,423)
	(13,979)	Balance on the HRA at the end of the current year		(18,402)

Notes to the Housing Revenue Account

Note 1 Adjustments between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year 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.

2022/23	Usable Reserves		
	Housing Revenue Account £000	Major Repairs Reserve £000	Movement in Usable Reserves £000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>			
Charges for impairment of non current assets (Council dwellings only)	19		19
Amortisation of Intangible Assets	316		316
Revaluation losses on Property, Plant and Equipment	1,787		1,787
Capital grants and contributions applied	(1,227)	0	(1,227)
Revenue Expenditure Funded from capital under statute	463		463
Gain/Loss on disposal on non current assets charged to the Comprehensive Income and Expenditure Statement	(965)	0	(965)
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Capital expenditure charged against the General Fund and HRA balances	(2,902)	0	(2,902)
<u>Adjustments primarily involving the Major Repairs Reserve:</u>			
Reversal of Major Repairs Allowance credited to the HRA	(2,886)	2,886	0
HRA Depreciation to the Capital Adjustment Account		19,096	19,096
Use of the Major Repairs Reserve to finance new capital expenditure		(29,926)	(29,926)
<u>Adjustment primarily involving the Financial Instruments Adjustment Account:</u>			
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	0	0	0
<u>Adjustments primarily involving the Pensions Reserve:</u>			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	3,445	0	3,445
Employer's pension contributions and direct payments to pensioners payable in the year	(1,310)	0	(1,310)
Short-term Accumulated Absences Account	14	0	14
Total Adjustments	(3,246)	(7,944)	(11,190)

Note 1 continued

2023/24	Usable Reserves		
	Housing Revenue Account £000	Major Repairs Reserve £000	Movement in Usable Reserves £000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>			
Charges for impairment of non current assets	15,622		15,622
Amortisation of Intangible Assets	316		316
Revaluation losses on Property, Plant and Equipment			
Capital grants and contributions applied	(2,236)		(2,236)
Revenue Expenditure Funded from capital under statute	628		628
Gain/Loss on disposal on non current assets charged to the Comprehensive Income and Expenditure Statement	964		964
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Capital expenditure charged against the General Fund and HRA balances	(1,919)		(1,919)
<u>Adjustments primarily involving the Major Repairs Reserve:</u>			
Transfer from HRA to Major Repairs Reserve re notional MRA	(1,889)	1,889	0
HRA Depreciation to the Capital Adjustment Account		22,131	22,131
Use of the Major Repairs Reserve to finance new capital expenditure		(30,613)	(30,613)
<u>Adjustment primarily involving the Financial Instruments Adjustment Account:</u>			
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	0		0
<u>Adjustments primarily involving the Pensions Reserve:</u>			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	1,640		1,640
Employer's pension contributions and direct payments to pensioners payable in the year	(1,637)		(1,637)
Short-term Accumulated Absences Account	31		31
Total Adjustments	11,520	(6,593)	4,927

Note 2 Housing Stock at 31 March 2024

	Houses	Flats	Bungalows	Total
1 Bedroom	2	2,276	2,777	5,055
2 Bedroom	1,895	2,834	1,974	6,703
3 Bedroom	7,502	292	54	7,848
4+ Bedroom	265	8	0	273
Total	9,664	5,410	4,805	19,879

Note 3 Housing Stock Valuations**(a) Property, Plant and Equipment**

2022/23	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	PP&E Under Construction £000	Surplus Assets £000	Total PP&E £000
Cost or Valuation						
At 1 Apr 22	710,983	22,665	491	28,196	5,262	767,597
Additions	28,623	1,392	0	5,513	1,047	36,576
Accumulated Depreciation and Impairment written out to gross cost/valuation	(18,334)	(598)	0	0	(2)	(18,934)
Revaluation increases/decreases to Revaluation Reserve	45,065	552	0	0	(183)	45,435
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(99)	(1,367)	0	0	(320)	(1,787)
Derecognition	(8,027)	(1,570)	0	0	(1,000)	(10,597)
Assets reclassified (to) / from Investment Property	0	0	0	0	(3,873)	(3,873)
Other Movements in cost valuation	18,131	1,374	0	(23,180)	3,674	0
At 31 Mar 23	776,342	22,448	491	10,529	4,606	814,417
Depreciation and Impairment						
At 1 Apr 22	(4)	(993)	(491)	0	(1)	(1,489)
Accumulated Depreciation written out to gross cost/valuation	18,334	592	0	0	2	18,929
Accumulated Impairment written out to gross cost/valuation	0	6	0	0	0	6
Depreciation Charge	(18,435)	(658)	0	0	(2)	(19,095)
Impairment losses/reversals to Revaluation Reserve	(10)	0	0	0	0	(10)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	(19)	0	0	0	0	(19)
Derecognition - Disposals	130	2	0	0	0	132
Other movements in depreciation and impairment	(0)	0	0	0	0	0
At 31 Mar 23	(4)	(1,051)	(491)	0	(1)	(1,546)
Net Book Value						
At 31 Mar 23	776,338	21,397	(0)	10,529	4,605	812,869
At 31 Mar 22	710,979	21,672	0	28,196	5,261	766,108

2023/24	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Construction PP&E Under £000	Surplus Assets £000	Total PP&E £000
Cost or Valuation						
At 1 Apr 23	776,342	22,448	491	10,529	4,606	814,416
Additions	31,734	2,450	0	6,659	(2)	40,842
Accumulated Depreciation and Impairment written out to gross cost/valuation	(21,295)	(704)	0	0	(3)	(22,002)
Revaluation increases/decreases to Revaluation Reserve	69,196	1,656	0	0	(77)	70,774
Revaluation increases/decreases to Surplus or Deficit on the Provision of Services	(16,143)	638	0	0	(47)	(15,552)
Derecognition - Disposals	(5,431)	(1,212)	(491)	0	(1,212)	(8,347)
Assets reclassified (to) / from Assets Held for Sale	0	0	0	0	(3,030)	(3,030)
Other Movements in cost valuation	4,119	(97)	0	(8,351)	4,193	(136)
At 31 Mar 24	838,522	25,179	0	8,837	4,428	876,965
Depreciation and Impairment						
At 1 Apr 23	(4)	(1,051)	(491)	0	(1)	(1,547)
Accumulated Depreciation written out to gross cost/valuation	21,296	704	0	0	2	22,003
Accumulated Impairment written out to gross cost/valuation	0	(0)	0	0	0	(0)
Depreciation Charge	(21,389)	(739)	0	0	(2)	(22,130)
Impairment losses/reversals to Revaluation Reserve	(366)	0	0	0	0	(366)
Impairment losses/reversals to Surplus or Deficit on the Provision of Services	(70)	0	0	0	0	(70)
Derecognition - Disposals	62	6	491	0	0	559
Other movements in depreciation and impairment	(1)	1	0	0	0	0
At 31 Mar 24	(472)	(1,079)	(0)	0	(1)	(1,551)
Net Book Value						
At 31 Mar 24	838,050	24,100	(0)	8,837	4,427	875,414
At 31 Mar 23	776,338	21,397	(0)	10,529	4,605	812,869

Other assets including district boiler houses have been classified as intrinsic to the day to day operation of the housing estates in which they are located and as such have no asset value in their own right. Garage structures are valued based upon capitalised income streams.

Other operational property plant and equipment such as estate shops and area housing offices are held within the General Fund Asset Register.

(b) Vacant possession

	£m
Value as at 1 Apr 23	1,958,040

The difference between the Balance Sheet valuation of dwellings shown at (a) above and the vacant Possession value reflects the economic cost to Government of providing Council Houses at less than open market rents.

Note 4 Assets Held for Sale

	Assets Held for Sale-Current	
	2022/23 £000	2023/24 £000
Balance at 1 April	1,416	4,098
<u>Assets newly classified as held for sale:</u>		
- Property, Plant and Equipment	3,873	3,030
- Newly Acquired Assets	56	14
Revaluation losses	0	0
Revaluation Gains	0	0
Other Movements	0	0
<u>Assets declassified as held for sale:</u>		
- Property, Plant and Equipment	0	0
Assets sold	(1,246)	(3,351)
Balance at 31 March	4,098	3,791

Note 5 Major Repairs Reserve

The Council is required by regulation to establish a Major Repairs Reserve. The main credit to the account comprises the total depreciation charge for all Housing Revenue Account assets. Capital expenditure is then funded from the reserve without being charged to the Housing Revenue Account.

2022/23 £000		2023/24 £000
23,965	Balance as at 1 April	16,021
19,095	Depreciation in the year	22,131
2,886	Transfer to MRR	1,889
(29,926)	Financing of Capital Expenditure	(30,613)
16,021	Balance as at 31 March	9,428

Note 6 Financing of Capital Expenditure

Capital expenditure on Land, Houses and Other Property within the HRA was financed as follows:

	2023/24 £000
Borrowing Need	0
Capital Receipts	7,876
Revenue Contributions	1,789
Government Grants/Other Capital Income	1,393
Major Repairs Reserve	30,613
Total	41,671

During the year total capital receipts of £10.468m were received by the HRA, of which £10.174m was available to support capital expenditure within the Council.

Note 7 Depreciation

A depreciation charge has been included in respect of dwelling houses within the Housing Revenue Account. This charge is based upon the value of the dwelling stock at the 1 April 2023 excluding the value of land. Depreciation has been calculated using the 'straight line' method over 30 years.

An additional depreciation charge has been included in the total charged to the Housing Revenue Account in respect of garages. This charge is based upon the value at 1 April 2023 and has been calculated using the 'straight line' method over 15 years.

Note 8 Impairment

A net impairment charge of £1.562m has been included in the HRA Income and Expenditure Account (£1.806m in 2022/23). This charge is reflected in the HRA Income and Expenditure Account in arriving at the surplus on the provision of HRA Services. In accordance with proper accounting practice the Council reversed out the impairment charge in determining the movement on the HRA balance.

Note 9 Rent Arrears & Other Provisions for Bad and Doubtful Debts

2022/23 £000	Rent Arrears	2023/24 £000
2,251	Current Tenants	2,823
2,918	Former Tenants	2,971
5,169	As at 31 March	5,794

As at 31 March 2024, the level of rent arrears for current tenants as a proportion of gross rent income was 2.86% (2022/23 2.48%).

2022/23 £000	Bad Debt Provision in respect of rent income	2023/24 £000
3,078	As at 1 April	3,129
391	Increase in Provision	448
(340)	Utilised in year	(297)
3,129	As at 31 March	3,280

Provision has also been made in the accounts for write-offs in respect of tenants' and former tenants' rechargeable repairs are as follows:

2022/23 £000	Bad Debt Provision in respect of the rechargeable repairs	2023/24 £000
186	As at 1 April	151
97	Increase in Provision	68
(132)	Utilised in year	(36)
151	As at 31 March	183

Note 10 Interest Payable and Other Charges

This is the cost of external interest payable together with the cost of debt redemption premium.

Note 11 Contributions to and from the Pensions Reserve

Local authorities are required to account for their pension costs on an IAS 19 basis, but to reverse the impact of IAS 19 based accounting to the Pensions Reserve to ensure that it does not impact on housing rents.

THE COLLECTION FUND

By statute, Billing Authorities are required to maintain a separate Collection Fund which shows the level of National Non Domestic Rates (NNDR), and Council Tax received by the Council during the accounting period and the distribution of these funds.

REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 2024

2022/23				2023/24			Note
Council Tax £000	Non Domestic Rates £000	Total £000		Council Tax £000	Non Domestic Rates £000	Total £000	
150,139		150,139	Council Tax Receivable	158,624		158,624	2
	68,695	68,695	National Non-Domestic Rates (excluding write-offs)		74,562	74,562	
	(1,983)	(1,983)	NNDR Transitional Payments		3,570	3,570	
150,139	66,712	216,851	Total Income	158,624	78,132	236,756	
			Precepts:				
123,911	30,663	154,574	Rotherham Metropolitan Borough Council	130,263	35,083	165,346	
	31,090	31,090	Central Government		35,799	35,799	
15,937		15,937	South Yorkshire Police and Crime Commissioner	17,174		17,174	
5,543	624	6,167	South Yorkshire Fire & Rescue	5,958	716	6,674	
145,391	62,377	207,768		153,395	71,598	224,993	
			Distribution of previous years surplus(deficit):				
1,500	(5,683)	(4,183)	Rotherham Metropolitan Borough Council	2,500	2,642	5,142	
	(5,799)	(5,799)	Central Government		2,695	2,695	
283		283	South Yorkshire Police and Crime Commissioner	376		376	
101	(116)	(15)	South Yorkshire Fire & Rescue	130	54	184	
1,884	(11,598)	(9,714)		3,006	5,391	8,397	
			Charges to Collection Fund:				
692	220	912	Write off of uncollectable amounts	861	575	1,436	
560	280	840	Increase/(Decrease) in bad debt provision	789	(28)	761	
	35	35	Increase in provision for appeals		1,449	1,449	
	292	292	Cost of Collection		292	292	
	2,541	2,541	Disregarded amounts		3,238	3,238	
1,252	3,368	4,620		1,650	5,526	7,176	
148,527	54,147	202,674	Total amounts charged to the Collection Fund	158,051	82,515	240,566	
1,612	12,565	14,177	Surplus/(Deficit) arising during the year	573	(4,383)	(3,810)	
			Collection Fund Balance				
1,612	12,565	14,177	Surplus/(Deficit) arising during the year	573	(4,383)	(3,810)	
4,506	(7,069)	(2,563)	Surplus/(Deficit) brought forward	6,118	5,496	11,614	
6,118	5,496	11,614	Surplus/(Deficit) carried forward	6,691	1,113	7,804	4

Notes to the Collection Fund Statement

Note 1 Council Tax

The Council Tax system involves the categorisation of properties into bands (A-H) dependent upon their value. It is a requirement of the Local Government Finance Act 1992 that the basis on which the Council Tax is calculated should be expressed as a ratio of the Band D equivalent. Totals of properties falling into bands other than Band D therefore have to be adjusted to reflect their relationship to this band. The effect of this for 2023/24 is shown below.

Adjustments to the Council Tax base to reflect the estimated collection rate of Council Tax are also set out below:

Band	Number of Band D Equivalents properties	Ratio to Band D	Collection Rate @ 96%
A	28,477	6:9	27,338
B	15,743	7:9	15,113
C	12,503	8:9	12,003
D	8,865	9:9	8,510
E	5,625	11:9	5,400
F	2,629	13:9	2,524
G	1,228	15:9	1,179
H	85	18:9	82
	75,155		72,149

Note 2 National Non-Domestic Rates (NNDR) – Business Rates

Business Rates are levied on non-domestic premises at a rate in the pound determined by central government which is applied nationally (the national multiplier). The national multiplier in 2023/24 was 51.2 pence in the pound and a small business rating multiplier of 49.9 pence in the pound (51.2 pence and 49.9 pence respectively in 2022/23).

The NNDR income in 2023/24 of £74.562m after allowing for mandatory and discretionary reliefs (£68.695m 2022/23) was based on a total rateable value of £206.4m as at 31 March 2024 (£191.2m as at 31 March 2023).

Note 3 Discounts

The Council does not operate a discount scheme for the early payment of council tax.

Note 4 Collection Fund Balance

The balance on the Collection Fund at 31 March 2024 is a surplus of £7.804m (£11.614m surplus 2022/23) and consists of a £1.113m surplus (£5.496 2022/23) relating to business rates to be distributed to the billing Authority (Rotherham MBC), Central Government and South Yorkshire Fire and Rescue Authority, and a £6.691m surplus (£6.118m surplus 2022/23) in relation to council tax. The balance is distributed to the billing Authority (Rotherham MBC), South Yorkshire Police and Crime Commissioner and South Yorkshire Fire and Rescue Authority as follows:

2022/23 Council Tax £000	2022/23 NNDR £000	2022/23 Total £000		2023/24 Council Tax £000	2023/24 NNDR £000	2023/24 Total £000
5,583	2,693	8,276	Billing Authority – Rotherham MBC	6,123	545	6,668
0	2,748	2,748	Central Government	0	557	557
			Major Precepting Authorities:			
397	0	397	- South Yorkshire Police and Crime Commissioner	421		421
138	55	193	- South Yorkshire Fire and Rescue	147	11	158
6,118	5,496	11,614	Total	6,691	1,113	7,804

Note 5 **Parish Precepts**

Precept demands are issued by the parishes on the Council as Billing Authority. In turn the Council issues a precept on the Collection Fund for the year inclusive of the parish precepts payable. The payment of the parish precepts appears as a charge in the Comprehensive Income and Expenditure Account (see Note 4 Other Operating Expenditure).

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GLOSSARY

This listing will help Members and other readers to understand the terminology used within the Statement of Accounts.

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ADDED YEARS

A discretionary award increasing the value of pensions for retiring employees aged 50 or over subject to specific conditions. Employers' must exercise this discretion in accordance with the national regulations.

ASSET

An asset is a resource controlled by the Council as a result of past events from which future economic benefits or service potential is expected to flow to the Council.

- A current asset is an amount which is expected to be realised within 12 months.
- A non-current asset is an amount which is expected to be realised after more than 12 months.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Funding of capital investment by the use of loans from the Public Works Loans Board, other Local Authorities, banks or other lenders. Borrowing for which no financial support is provided by Central Government. The financing costs of which are met from the current revenue budgets.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL ADJUSTMENT ACCOUNT

An account maintained to provide a balancing mechanism between the different rates at which assets are depreciated and are financed through the capital controls system.

CAPITAL CHARGE

A charge made to service revenue accounts to reflect the cost of Non-Current Assets used in the provision of services.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds generated to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPT

The proceeds from the sale of capital assets which, subject to various limitations (e.g. Pooling Arrangements introduced in the Local Government Act 2003) can be used to finance capital expenditure, invested, or to repay outstanding debt on assets originally financed through borrowing. However under the Statutory Guidance on the Flexible Use of Capital Receipts, General Fund receipts received since 1 April 2016 can be used to fund revenue transformational costs.

CIPFA

The Chartered Institute of Public Finance and Accountancy

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

COUNCIL TAX

A banded property tax that is levied on domestic properties. The banding is based on assessed property values at 1 April 1991.

CREDITOR

Amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's Non-Current Assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

DEDICATED SCHOOLS GRANT (DSG)

The Dedicated School Grant (DSG) is a ring fenced grant for the support of the Schools Budget, paid by the Department for Education and Skills (DfES) to the Local Council; it replaces the Schools Formula Spending Share (FSS).

EARMARKED RESERVE

A sum set aside in a reserve for a specific purpose.

EQUITY

The Council's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the audited Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FEES AND CHARGES

Income arising from the provision of services e.g. the use of leisure facilities.

FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT

This reserve was created under the SORP 2007 to hold the accumulated difference between the financing costs included in the Income and Expenditure Account and the accumulated financing costs required in accordance with Regulations to be charged to the General Fund Balance.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GENERAL FUND SERVICES

Comprises all services provided by the Council with the exception of services relating to the provision of local Council housing – which are accounted for in the Housing Revenue Account. The net cost of General Fund services is met by council tax, Government Grants and Business Rates.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HERITAGE ASSETS

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

HOUSING REVENUE ACCOUNT (HRA)

A separate account to the General Fund, which includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

A reduction in the value of a fixed asset to below its carrying amount on the Balance Sheet.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INFRASTRUCTURE ASSETS

Non-Current Assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are; highways, footpaths and bridges.

INVENTORIES

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are; consumable stores, raw materials and products and services in intermediate stages of completion.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

NET INTEREST EXPENSE (PENSIONS)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement less interest income earned on plan assets.

INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investments for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that Fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources.

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which is expected to be settled within 12 months.
- A non-current liability is an amount which is expected to be settled after more than 12 months.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MAJOR REPAIRS RESERVE

The Council is required by regulation to establish a Major Repairs Reserve. The main credit to the account comprises the total depreciation charge for all Housing Revenue Account assets. Capital expenditure is then funded from the reserve without being charged to the Housing Revenue Account.

MINIMUM REVENUE PROVISION (MRP)

Prudent provision (MRP) is made annually for the repayment of debt relating to capital expenditure financed by borrowing or credit arrangements. The amount charged is determined having regard to the relevant statutory requirements and related guidance on MRP issued by MHCLG.

NET BOOK VALUE

The amount at which property, plant and equipment are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NET EXPENDITURE

Gross expenditure less specific grants and income for charging for services.

NET REALISABLE VALUE

The open market value of an asset in its existing use less any expenses incurred in realising the asset.

NON-DISTRIBUTED COSTS

These are overheads for which no user directly benefits and as such are not apportioned to services

NATIONAL NON-DOMESTIC RATES (NDR)

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of the Council, Central Government, and South Yorkshire Fire and Rescue with surplus and deficits in the Collection Fund being shared in the ratio specified by Business Rates Retention Regulations.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect valuation date.

PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PRIVATE FINANCE INITIATIVE (PFI)

A contract in which the private sector is responsible for supplying services that traditionally have been provided by the Council. The Council will pay for the provision of this service, which is often linked to the use of an asset.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets used by the Council in the provision of services that yield benefits to the Council for a period of more than one year.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PRUDENCE

Requires that revenue is not anticipated until realisation can be assessed with reasonable certainty. Provision is made for all known liabilities whether the amount is certain or can only be estimated in light of the information available.

PRUDENTIAL CODE

Under the prudential framework, local authorities make their own decisions of how much and what capital investment to undertake, based on their judgement on affordability, prudence and strategic objectives. In making their decisions, local authorities are required to take account of the CIPFA Prudential Code.

PWLB

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in IAS24. For the Council's purposes related parties are deemed to include the Council's Members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Code of Practice on Local Authority Accounting requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

RE-MEASUREMENTS

For a defined benefit pension scheme, the re-measurements comprise:

Experience adjustments – that is the effects of differences between the previous actuarial assumptions and what has actually occurred (e.g. known investment returns, actual pension increase orders, reflecting of any funding valuation which has taken place since the last report etc); and – the effects of changes in actuarial assumptions (these are split between financial and demographic assumptions). These can give rise to changes in actuarial surpluses or deficits in the valuation.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the capital adjustment account cannot be used to meet current expenditure.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVALUATION RESERVE

Records unrealised revaluation gains arising (since 1 April 2007) from holding Non-Current Assets.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Legislation allows some items to be funded from capital resources that under IFRS and normal accounting practice would be charged to Surplus or Deficit on Provision of Services.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a fixed asset.


WORK IN PROGRESS (WIP)

The cost of work performed on an uncompleted project at the end of the financial year.

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Email: central.finance@rotherham.gov.uk

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Slovak

Ak vy alebo niekto koho poznáte potrebuje pomoc pri pochopení alebo čítaní tohto dokumentu, prosím kontaktujte nás na vyššie uvedenom čísle alebo nám pošlite e-mail.

Kurdish Sorani

دی سۆرانی

هەر تۆ یان کەسێک کە تۆ دەیناسی پێویستی بە یارمەتی هەبێت بۆ ئەوەی لەم بەنگەنامە یە تێبگات یان بێخوینیتەوه، یە پەيوەندیمان پێوه بکە لەسەر ئەو ژمارە یە سەر وەدا یان بەو ئیمەیلە.

Arabic

بى

كنت انت أوي شخص تعرفه بحاجة إلى مساعدة لفهم أوقراءة هذه الوثيقة، الرجاء الاتصال على الرقم اعلاه، أو سلطنا عبر البريد الإلكتروني

Urdu

و

آپ یا آپ کے جاننے والے کسی شخص کو اس دستاویز کو سمجھنے یا پڑھنے کیلئے مدد کی ضرورت ہے تو سے مہربانی مندرجہ بالا نمبر پر ہم سے رابطہ کریں یا ہمیں ای میل کریں۔

Farsi

رسی

جناب عالی یا شخص دیگری که شما اورا می شناسید برای خواندن یا فهمیدن این مدارک نیاز به کمک دارد لطفاً با وسیله شماره بالا یا ایمیل تماس حاصل فرمایید.