



Doncaster
Council

Agenda

To all Members of the

AUDIT COMMITTEE

Notice is given that a Meeting of the above Committee is to be held as follows:

Venue: Council Chamber, Civic Office, Waterdale, Doncaster DN1 3BU

Date: Thursday, 27th October, 2022

Time: 10.00 am

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Damian Allen
Chief Executive

Issued on: Wednesday, 19 October 2022

Governance Services Officer for this meeting: Andrea Hedges
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Doncaster Metropolitan Borough Council
www.doncaster.gov.uk

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Members of the Audit Committee

Chair – Councillor Austen White

Vice-Chair – Councillor Glenn Bluff

Councillor John Healy, Barry Johnson and Dave Shaw

Co-opted Member: Dr Stuart Green

Agenda Item 4

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 28TH JULY, 2022

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER, CIVIC OFFICE, WATERDALE, DONCASTER, on THURSDAY, 28TH JULY, 2022, at 10.00 am.

PRESENT:

Chair - Councillor Austen White

Councillors John Healy, Barry Johnson and Dr. Stuart Green, Co-opted Member.

APOLOGIES:

Apologies for absence were received from the Vice-Chair, Councillor Glenn Bluff and Councillor Dave Shaw.

53 TO CONSIDER THE EXTENT, IF ANY, TO WHICH THE PUBLIC AND PRESS ARE TO BE EXCLUDED FROM THE MEETING

There were no items were the public and press were to be excluded.

54 WELCOME

The Chair extended a warm welcome to Councillor John Healy, former Member of the Committee and Dr Stuart Green, newly appointed Independent co-opted Member, to their first meeting of the Audit Committee for this term.

55 DECLARATIONS OF INTEREST, IF ANY.

There were no declarations made at the meeting.

56 MINUTES OF THE MEETING HELD ON 28TH APRIL, 2022

RESOLVED that the minutes of the Audit Committee meeting held on 26th April 2022 be approved as a correct record and signed by the Chair.

57 AUDIT COMMITTEE ACTION LOG

The Committee considered the Actions Log report, introduced by Peter Jackson, Head of Internal Audit, which updated Members on actions agreed at previous Audit Committee meetings.

It was reported that all actions had been completed and there were no actions outstanding from previous meetings.

RESOLVED that the Audit Committee note the progress being made against the actions agreed at previous Audit Committee meetings.

58 COVERT SURVEILLANCE - REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE

Neil Concannon, Head of Service, Litigation and Regulatory, presented the annual update report on the use of the Council's statutory powers provided under the Regulation of

Investigatory Powers Act 2000. In addition, the report provided the outcome of a remote inspection undertaken by the Investigatory Powers Commissioner's Office in April 2022, and provided details of any proposed changes required to the Council's RIPA Policy and procedures.

Local authorities were required to put in place appropriate arrangements in place relating to RIPA authorisations and covert surveillance, and that it was properly and lawfully carrying out covert surveillance if requested. In addition, the Home Office issued statutory codes of practice on the use of RIPA powers that must be complied with, including requiring Elected Members to have oversight of the use of RIPA powers and to agree the RIPA Policy/Procedures on an annual basis.

Since the last RIPA update report to the Committee in January 2022, one surveillance application had been authorised by Magistrates in March 2022, concerning illicit sales of tobacco products on 8 premises. The test purchase operation had confirmed that 5 out of the 8 premises were selling illicit tobacco products in contravention of legislation, and appropriate enforcement action would be taken.

The Investigatory Powers Commissioner's Office had carried out a remote inspection of the Council on 14th April 2022. The Council's policies, Audit Committee reports, recent authorisations and training details, had been provided to the Inspector for his consideration in advance of the inspection.

The Inspection report dated 26th April 2022 had found the Authority to be in a good place with no recommendations necessary.

Members noted that no further changes were proposed to the RIPA Policy and procedures since the last minor amendments approved by the Committee in June 2019, following the Investigatory Powers Commissioners previous inspection recommendations in March 2019 and the recent inspection made, recommending no changes.

The Chair, on behalf of the Committee, commended Officers for an excellent report and congratulated the Head of Service, Litigation and Regulatory, the Principal Legal Officer and her team, regarding the positive outcome of the investigation.

RESOLVED:-

- (1) to note that the Council has had one surveillance application authorised under the Regulation of Investigatory Powers Act (RIPA) since the last report to the Audit Committee on the 26th January 2022;
- (2) to note that the Investigatory Powers Commissioner's Office has carried out a remote inspection on 14th April 2022. The report dated 26th April 2022 states 'Your authority has been found to be in a good place' with no recommendations necessary; and
- (3) to note that there are no changes proposed to the Council's Regulation of Investigatory Powers Act (RIPA) Policy and Procedure. The last minor amendments were approved by the Committee in June 2019, following the Investigatory Powers Commissioner's Inspection recommendations.

59 AUDIT COMMITTEE PROSPECTUS, TERMS OF REFERENCE AND WORK PROGRAMME 2022/23

The Head of Internal Audit presented the Audit Committee's Prospectus, as attached at Appendix A of the report, which set out the scope, standards applicable to the Committee and indicative work programme for the 2022-23 Municipal Year. The report also informed the

Committee of minor changes made to the Terms of Reference of the Committee, as approved by the Council at its Annual Meeting on 20th May 2022. The changes were minor in nature and sought to clarify or make more specific the existing Terms of Reference, rather than representing any changes to the actual responsibilities of the committee

The Prospectus included a draft work programme which demonstrated how the Committee would fulfil its Terms of Reference for the year and also provided an indicative work programme of training and awareness sessions for Members of the Committee.

Members' attention was drawn to an error in relation to the recommendation in the report, which was amended to read as 'and to note the minor change to the Terms of Reference for the Audit Committee for the 2022/23 Municipal Year, to reflect that a change had been made to the Terms of Reference.

Dr Stuart Green highlighted the importance of the Committee's Work Plan in ensuring that the Council met its statutory deadlines and discharged its responsibilities under its Terms of Reference. He sought clarity whether there was a need to modify the Work Plan during the year and what processes were in place to accommodate any changes. In response, the Head of Internal Audit advised that the Chair and Vice-Chair of the Committee would be consulted on any proposed changes to the work plan and those changes would be included in the Action Log report reported to the Committee, and also be incorporated into the Committee's work programme.

In noting the update briefings and training provided to Members of the Committee as part of the indicative work programme, the Chair asked Members to review those areas identified in the work plan, as set out at Appendix 1, and to notify the Head of Internal Audit if they wished any further training/awareness sessions to be included in the list.

RESOLVED:-

- (1) that the Prospectus setting out the Audit Committee's scope, standards and work programme for the year, be approved; and
- (2) to note the minor changes made to the Terms of Reference for the Audit Committee for the 2022/23 Municipal Year, as approved by full Council at its Annual Meeting on 20th May 2022.

60 INTERNAL AUDIT PROGRESS REPORT FOR THE PERIOD: APRIL TO JUNE 2022

The Committee received a report, introduced by the Head of Internal Audit, which provided the Committee with an update on progress of the work undertaken by Internal Audit for the period 1st April to 30th June 2022 and showed this in the context of the Audit Plan for the year. The report also included progress on the implementation of management actions arising from Internal Audit recommendations and Internal Audit performance information, as detailed in sections 3 and 4 of the report.

The Head of Internal Audit summarised the key points relating to each of the four sections of the report and responded to questions and comments from Members as follows:-

Section 1: The Audit Plan / Revisions to the Plan

In noting the reduction of staffing resources in the Internal Audit team and the incoming work with the transition of services of the DCST to the Council, Dr Green asked whether there were sufficient resources in the Internal Audit team to complete the planned work. The Head of Internal Audit advised that a review of the resources in the Internal Audit team was currently being carried out and having completed an assessment of the audit and taking into account any newly emerging issues, and excessive demands on the team for investigative work,

confirmed that the team could manage the current revised work plan with less resource. However, if the situation became unsustainable, steps would be taken to bring additional resources in to the team. Members were informed that the Head of Internal Audit had also looked at future workforce planning in terms of further training and apprenticeship opportunities being incorporated in to the team to bring sustainability. Internal Audit would also be working with the external contractors to DCST, to utilise their skills, external expertise and knowledge to ensure work was not duplicated within the Council.

Dr Green, in commenting on the agility of the Audit Plan, expressed the view that the Plan compared well to the plans that he had seen in local authorities elsewhere. In response to a further question, the Head of Internal Audit clarified that all requests received from directorates to delay the planned audits were assessed on a case by case basis, and the Internal Audit team endeavoured to accommodate those requests as far as possible. However, he explained that if operational problems arose by delaying the audit, or better value could be achieved by carrying out the audit, sometimes circumstances dictated that the audit had to take place, and the reasons for that were clearly outlined and understood with the senior management team.

Further to a request from the Chair, the Head of Internal Audit provided an update on two items that had been removed from the Audit Plan. It was noted that Internal Audit was to carry out a review of the North Bridge Stores. An Improvement Plan had been established at the Stores, however, due to a delay in appointing to the Stores Manager post, the implementation of the Improvement Plan had stalled against the original timescales therefore, a decision had been made to defer the audit until a later date. The Trading Standards and Food and Animal Safety Re-review had also been delayed following a request by the Assistant Director of Economy and Development, due to there being a back log of routine work in the team as a result of Covid-19 pandemic, and due to Internal Audit's operational capacity. Assurance was provided that the audit was not time critical and implementation of the remaining actions was being monitored.

Section 2: Audit Work Undertaken During the Period

Members were pleased to note the positive position and that no limited assurance had been given for the period and there were no reportable items relating to irregularities in the report.

Section 3: Implementation of Management Actions arising from Audit Recommendations

In referring to the audit relating to the Trading Standards and Food and Animal Safety, as set out at Appendix B of the report, Councillor John Healy made reference to the shortfall in staffing levels and in view of the Chief Executive in January 2022 having agreed to extend the deadlines for the 4 residual overdue management actions that had become problematic, sought assurance as to when this situation would be resolved, pointing out that particular areas of work in the service required training prior to undertaking the job and asked the reasons why there was a problem recruiting and retention of staff in this particular service area. It was noted that there had been a long standing issue for some time which was a problematic area in having suitably qualified Environmental Officers in post, which was both a local and national issue appointing to the roles. This issue had been included on the AGS for the last 2 years. However, it was no longer a significant risk and had been removed from the AGS. The posts had since been recruited to the team and structures had been established and there was now additional resources within the team and therefore, the actions had now been implemented. It was noted that the Chief Executive had agreed to introduce a change in the process to ensure that there was rigor in respect of implementation of the dates which was a standard process. The final overdue action was targeted for implementation at the end of October and it was anticipated to report positively on progress in this area at the next meeting of the Committee in October.

The Committee was reassured that the total number of overdue medium and low level management risks had reduced to 6, and noted that was the lowest number of overdue actions ever before this Committee. The Chair spoke positively on the overall improved situation, however noted that there was some residual actions in the Economy and Environment directorate with revised timescales to be completed. The Chair, on behalf of the Committee, thanked Officers involved in bringing about the improvements.

Section 4: Internal Audit Performance

Members noted that the key operational indicators were positive and Internal Audit's work had not identified any issues for inclusion in the 2021/22 AGS for approval by the Committee at its meeting in November with the Statement of Accounts. The Head of Internal Audit had provided assurance that sufficient work would be delivered to be able to provide his opinion on the Council's, risk governance and control arrangements. However, he noted that if the situation changed, the Committee would be alerted to those changes.

RESOLVED to note:-

- (1) the position of the Internal Audit Plan;
- (2) the Internal Audit work completed in the period;
- (3) the position with regards the implementation of management actions arising from Internal Audit recommendations; and
- (4) the current position regarding the ability to deliver the annual opinion over the Council's risk, governance and control arrangements.

61 NORTH BRIDGE STORES TRANSFORMATION PROJECT - PROGRESS REPORT

Scott Cardwell, Assistant Director of Economy and Environment and Dave Stimpson, Head of Property Services, introduced a report which provided an update on the quarterly progress on the North Bridge operational activities instigated following the Stores Management Review in response to the internal audit carried out in 2019, and their involvement in the Personal Protective Equipment (PPE) stocktaking in 2020. The report was the fifth update provided to Members on the activities that had commenced. Since the last update provided to the Audit Committee in April 2022, paragraph 9 of the report outlined the key milestones identified to be completed by the end of June 2022.

The Head of Property Services summarised the salient points in the report, advising that since the publication of the report, interviews had been held for the Stores Manager position and the Council had been successful in appointing a suitable candidate into the role. However, due to personal reasons, the candidate had since decided not to accept the position. In light of this, discussions had been held with the Head of Internal Audit, Assistant Director of Economy and Enterprise and Board Members, at the recent Stakeholder Board meeting, where it was agreed that arrangements be put in place for a further recruitment exercise. It was anticipated that recruitment to the post would commence within the next week, with shortlisting for candidates during the first week in September and to have someone in post mid-September, with the Implementation Plan to be progressed thereafter.

The Head of Property Services then reported on the current progress made with regard to:-

Implementation of the Improvement Plan

Stakeholder management meetings had been strengthened to deal with routine issues and improvement areas by the creation of a third tier. Meetings were now being held with senior managers, in addition to the meetings being held with team leaders and respective key holder

personnel on a monthly basis, which had proved a useful approach to strengthen relationships. Work continued with the stocktakes, with 35 stocktakes programmed before the next reporting period, which continued to show low variances of a small value. Processes were also in place to map out a timetable for implementation of the Plan. Officers were currently looking at what further improvements to be made, pending the Stores Manager post being appointed to in September and at what point to re-issue the timetable for delivery of the Plan, to ensure that the Plan was deliverable, and was delivered in a timely manner, setting out the rigorous targets to be met. The Head of Property Services gave an undertaking to provide Members of the Committee with a copy of the revised timetable as an interim position, prior to the next scheduled meeting of the Committee, in order that progress be reported at future meetings. He highlighted that the outstanding items mainly related to procedural issues in terms of strengthening the processes in place rather than the fundamental risks identified at the commencement of the audit process relating to stock control and variances.

Key Performance Indicators (KPI's)

Further to the development of the Key Performance Indicators implemented in May 2022, two indicators identified were linked and related to call backs from customers on orders that had been received and goods awaiting pick up, which had scored low. Both issues had involved a resource intensive exercise. Therefore, provision had since been put in place for customers via a self-help process, in addition to the processes already in place, for customers to find out about the current progress of goods ordered and when or not they would receive goods ordered via a shared folder. This would allow the service to use the existing resource more efficiently and effectively to deal with calls regarding at what stage in the process orders were being dealt with.

Next Steps

The results of the mid-year stock takes to be carried out in September, would be reported to the Committee's meeting in October. Further to discussions with the Head of Internal Audit, monthly Stakeholder Board meetings would continue, with monthly key performance indicator information reported and reviewed at the meeting. It was anticipated that additional assurance would be provided to the Committee in the autumn.

Following the presentation of the report, the Chair invited questions from Members. In response to a question from Councillor Barry Johnson, it was reported that ongoing support had been provided to the interim Stores Manager, with weekly meetings taking place with the Head of Property Services. Processes had been established for management of the stores budget, supported by Officers in Finance and additional support from Human Resources. In the short term, the Head of Property Services was confident that appropriate support was being provided to support the Stores function.

Further to a query in relation to progress with regard to the Standard Operating Procedures (SOPs), Members were advised that whilst there had been a pause in terms of improvements being made in this area, which was due to staff sickness from Covid, staff were now clear of the expectations of the team in relation to the delivery of the SOPs, to ensure good practice. A consistent approach had since been applied, involving Finance for transactional processes, the Procure to Pay (P2P) team and the Stores team was working collaboratively to manage the SOPs and any variances emanating from this rather than working in isolation. An initial interim review of the procedures would be carried out in September and at Quarter 4, a more fundamental review would follow to ascertain whether the established systems were still relevant.

The Chair, whilst acknowledging that there had been a pause in implementing the actions in the Plan due to difficulty recruiting to the Stores Manager position and that some progress had been made in that the SOPs had been implemented and signed up to for all staff, raised concerns regarding the lack of supervision of staff, which he felt was fundamental to progressing the Plan and spoke of the need of the Store Manager position being resolved as a

matter of urgency. He also asked whether a new training plan had been developed for staff in relation to SOPs. The Assistant Director of Economy and Environment provided assurances that the Stores Manager's post would be to transform the Stores service and also to embed new practices at the Stores. Whilst an Improvement Plan was at a development stage, due to unforeseen circumstances, recruitment to the Stores Manager post had now been delayed. However, he advised there was a continued commitment from Senior management to ensure transformation of the Stores service. The Stakeholder Board continued to meet on a monthly basis to progress the actions in the plan. Officers were working to expedite to recruit to the Stores Manager post.

The Chair further highlighted that the report, initially submitted to the Committee in 2021, with a commitment by management that all operational issues would be resolved by December 2021 and the operational model was to be determined by March 2022, however, expressed his disappointed that some of the objectives in the Plan had not been met. In addition, in noting the next steps for the July to September implementation period, the Chair sought clarity regarding the proposals for implementation for the next 2 month period (August and September) and the 3 months thereafter. In order that the Committee and Internal Audit could monitor progress and identify any slippage of actions against delivery of the set timescales, the Chair requested that management provide them with an updated Plan, clearly setting out the agreed actions, with realistic achievable timescales. This would provide assurance of the actions scheduled for delivery against the agreed and realistic timescales.

The Head of Property Services provided assurance and clarified that an Action Plan was currently being developed and would provide an indication of the progress made pre and post recruitment of the Stores Manager, including continuation of day to day issues, and what was expected to be delivered in the next 3 months and provided assurances that this was to be expedited. He explained that the operation of the Stores was in a transitional period and whilst changes had been made in relation to reviewing how the stores operated as a baseline position, Officers were not at a stage to implement the procedures. He gave an undertaking to provide the Committee with an update at future meetings on progress, in relation to the SOPs adopted by the staff, how they were being embedded and tested.

The Head of Internal Audit confirmed that the planned audit of the North Bridge Stores had been deferred until 2023, to allow progress to be made in this area. Following recent discussions, it was agreed that Internal Audit would maintain oversight over the operations and the interim management arrangements, and had agreed with the Head of Property Services that clear monitoring of the Stores operations would be undertaken and that the monthly stakeholder monthly Board meetings be maintained so that the KPIs could be reviewed, which would provide an indication of the progress being maintained, together with information in relation to ongoing quarterly reporting to the Audit Committee, to monitor the situation as it progresses.

RESOLVED to note the updates to the report and support the outlined approach.

62 UNAUDITED STATEMENT OF ACCOUNTS 2021/22

The Committee considered a report which set out the Council's unaudited Statement of Accounts for the 2021/22 financial year. The report highlighted the overall position for the year, a summary accounts closure timetable and information relating to the Council's performance, including improvements achieved in terms of accuracy and quality of the accounts. Details of the key changes to the accounts were set out at paragraphs 16 to 36 and Appendices A-D of the report.

In accordance with the Accounts and Audit (Amendment) Regulations 2021, the publication date of the unaudited 2021/22 accounts had been extended from 31st July to 30th September 2022 for all local authority bodies. In December 2021, the Department of Levelling-up,

Housing and Communities, announced an intention to further extend the deadline for publication of the audited statement of accounts to 30th November 2022.

The Chief Financial Officer and Assistant Director of Finance provided a brief overview of the report. She highlighted the importance of the draft accounts being presented to the Committee at an early stage in line with good practice guidance. It was noted that dedicated training on the accounts had been provided to Members of the Audit Committee in order that the Committee had sufficient time to understand and review the statements, and provide the opportunity to ask questions. The unaudited Statement of Accounts was published on the Council's website on 6th July 2022 and provided to the Council's External Auditor Grant Thornton. The Chief Financial Officer and Assistant Director of Finance wished to place on record her thanks to the Financial Management team for completing the draft accounts in challenging circumstances and in meeting the statutory deadline. The Financial Planning and Control Manager was also in attendance to respond to Members questions.

In answer to questions from Dr Green, it was noted that nothing unexpected or of particular concerns had come to light when producing the accounts other than the impact from Covid-19 from the previous year. In relation to the sufficiency of the balance position of the Council's General Fund reserves, Members were informed that Doncaster was in an extremely positive year-end position and based on Grant Thornton's Value for Money report issued in February 2022, which was considered by the Committee at its meeting in April, had provided comparative information in relation General Fund Balance reserves of other local authorities, which had found that Doncaster was in the top quartile of all local authorities in the country. An undertaking was given to provide Dr Green and Members of the Committee, with a copy of the report for comparative purposes. Members noted that the Internal Audit team would be reviewing CIPFA guidance in the future. The General Fund Balance Reserves would also be reviewed as part of the budget process and the Section 151 Officer would consider whether the reserves were reasonable and sufficient.

Arising from concerns raised by Councillor Healy regarding future potential cost pressures and the impact on the Council's budget and implications for the Council post Brexit and given the potential rise in energy costs which was increasing and the rise in inflation, the Director of Corporate Resources highlighted the challenges posed as a consequence of Brexit and made reference to the difficulties in the Council recruiting to the workforce in some areas of the Council which was attributed to a reduced active workforce as EU citizens, that had worked in the UK had since left the UK. Therefore, there was a skills shortage, and also the costs in relation to construction and problems in the supply chain.

With regard to inflation and in response to question from the Chair whether there would be any material changes to the accounts from the figures reported as at 31st March 2022, up until the accounts being finalised in October, Members were advised that the Council needed to be assured that following an evaluation of the final accounts in October, that there had been no material changes to the original figures as at the end of March due to inflation and other factors. It was noted that the main areas where there may be potential changes were figures relating to the Council's pension and property plant and equipment valuations. The Council was currently working to try to quantify the impact of inflation in the next financial year 2022/23, and in future years in order that they could plan and prepare for any potential changes to the budget. The Council was currently drafting the Quarter 1 Finance and Performance report which would be reported to Cabinet in September, and it was likely that there would be inflationary pressures. The Medium Term Financial Strategy would be reviewed in the autumn to take into account of the recent changes in inflation and its impact.

Further to questions from the Chair, the External Auditor confirmed that he was confident to be in a position to sign off the accounts by the statutory deadline of 30th November 2022, subject to there being sufficient resource in the team. He spoke of the continuing challenges faced by both the public sector and External Auditors in recruiting staff. It was noted that the ISA 60 report would be presented to the Committee in October prior to the completion of the audit of

the accounts in November. The External Auditor advised that no significant problems had been identified in any areas of their work on the accounts to date, and that it was at an early stage in the audit process to be able to provide a judgement on the Council's arrangements in relation to the production of the accounts, and the quality and reliability of the working papers. However, he welcomed the draft accounts being provided in advance of the national deadline which was a credit to the Chief Financial Officer and Assistant Director of Finance and Financial Management Team.

RESOLVED that:-

- (1) the 2021/22 draft Statement of Accounts be noted' and
- (2) it be noted that the Committee was satisfied with the responses in the 'Informing the audit risk assessment for Doncaster Metropolitan Borough Council 2021/22' report.

63 EXTERNAL AUDITOR (GRANT THORNTON) AUDIT PLAN 2021/22 AND ARRANGEMENTS FOR THE PREPARATION OF THE 2021/22 ACCOUNTS

The Committee received an update on the External Auditor's 2021-22 Audit Plan for the year ending 31st March 2022 which provided an overview of progress on their work in delivering its responsibilities as the Council's External Auditor.

Gareth Mills, Key Audit Partner and Engagement Lead and Perminder Sethi, Engagement Senior Manager, Grant Thornton, were in attendance and outlined some of the key messages from the report.

Members' attention was drawn to key matters, setting out the Council's outturn position for 2021/22 which had shown an underspend of £8.9m. The Council was to update its Medium Term Financial Strategy (MTFS) during the summer in preparation for the 2023/24 budget setting process. Since the approval of the Council's budget in February 2022, the financial outlook had worsened due to inflation and the impact of rising energy and fuel costs, and also the recent pay award for local government sector employees had created significant financial pressures on Local authorities budgets. However, it was reported that Doncaster was in a better position than other local authorities in terms of the budget. It was reported that a key area of focus for External Audit next year was Children's Services in terms of the Value for Money arrangements. As part of the Council's requirement of the Group Audit accounts, financial Statements had been prepared for St. Leger Homes of Doncaster (SLHD) and Doncaster Children's Services Trust (DCST). The External Auditor would be undertaking targeted audit work regarding the key material differences between the group accounts and the Council accounts in relation to pension liability of these respective organisation. The External Auditor outlined the significant risks for the Council with regard to management override of controls, valuation of land and buildings, and valuation of the net pension fund liability.

Members were informed that there has been a reduction in materiality of the Council to that of previous years, which was because of changes to the way materiality was calculated which had been brought in to line to that of other authorities by using the net gross expenditure. In relation to Value for money arrangements, the Auditors had not identified any significant areas of risks or weakness to date. This would be kept under review as the audit progressed and the Committee would be kept informed of any issues arising from this work.

With regard to audit logistics, External Audits interim visit had taken place in March and April 2022 and it was envisaged that the audit work be completed by the end of September, to be finalised by end of October and November 2022. The ISA 260 report would be presented to the Audit Committee in October 2022, followed by the Council's VFM arrangements report in January 2023. It was noted that the 2022/23 financial year would be the final year of the 5-year contract that Grant Thornton were awarded by the Public Sector Appointments

Committee (PSAA). Grant Thornton had submitted a bid to the PSAA for the next round of contracts covering the audits for financial years 2023/24 to 2027/28 and was happy to answer any questions from Members regarding the tender.

In response to questions from the Chair, the External Auditor confirmed that they were not envisaging any changes in materiality would significantly impact on Grant Thornton's work. The Chair made reference to the significant risk identified by the External Auditor last year, who had challenged the Council's land and asset valuation assumptions, and asked whether the Council had put arrangements in place to improve the Council's processes for the calculation of the valuation of the buildings and property assets. It was reported that the Council had challenged the Council's internal valuers and external valuers about the information and assumptions used in relation to property valuations, and had taken additional steps to ensure that the valuations of Council buildings were accurate. Members were informed that the property valuations in Doncaster had increased significantly this year, with Doncaster's housing market had risen at a greater pace than the rest of the country, which had confirmed to the Council that the valuations received from the Council's District Valuer were accurate. The External Auditor explained the rationale for the impairment or changes in the value of Council assets in particular, those relating to new property assets such as schools and hospitals. It was noted that the regulator would closely scrutinise the External Auditor's work with regard to Council land and buildings and pension liability which can result in material changes to the accounts. The External Auditor would be challenging the Council on these 2 areas of the accounts.

Further to clarification being sought by the Chair, the External Auditor explained the reasons why the External Auditor's annual report on VFM arrangements was to be presented to the Committee in January 2023, instead of being presented alongside the audit of accounts to the Committee in November 2022. It was noted that the deadlines for the accounts and VFM work had previously taken place at the same time. However, due to operational challenges faced by auditors in preparing the accounts as a consequence of the Covid-19 pandemic last year, the introduction of the new VFM Code of practice and due to the timing of the signing of the accounts in the Local Authority sector, the National Audit Office, as a temporary relief, had agreed a range of measures to support the timely completion of the accounts. Therefore, had extended the statutory deadline for publishing the accounts by 3 months to 30th September, which subsequently had been further extended to 30th November 2022 by the DLUHC, and that the VFM deadline moved to February 2023. This meant that the deadline dates for the accounts and VFM work had been separated to that of previous years. The interim audit report had been presented to the Audit Committee in April. The Chief Financial Officer and Assistant Director of Finance gave an undertaking to provide a copy of this report to Councillor Healy and Dr Green. It was further noted that the external audit market was under significant pressures to complete audits. It was anticipated that both the deadline of the audit of the accounts and VFM work would be brought back under one deadline date in 2023/24.

RESOLVED that the External Audit Plan for 2021-22 be noted.

CHAIR: _____

DATE: _____



Doncaster Council

Report

27th October 2022

To the Chair and Members of the AUDIT COMMITTEE

AUDIT COMMITTEE ACTIONS LOG

EXECUTIVE SUMMARY

1. The Committee is asked to consider the attached Audit Committee Actions Log, which updates Members on actions agreed during Audit Committee meetings. It allows Members to monitor progress against these actions, ensuring satisfactory progress is being made.
2. All actions are complete. There are no actions outstanding from earlier meetings.

EXEMPT REPORT

3. The report does not contain exempt information.

RECOMMENDATIONS

4. The Committee is asked to;
 - Note the progress being made against the actions agreed at the previous committee meetings, and
 - Comment if any further information / updates are required.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. Regular review of the actions agreed from the Audit Committee meetings enables the Committee to ensure it delivers against its terms of reference and is responding to important issues for citizens and the borough. The action plan update helps support openness, transparency and accountability as it summarises agreed actions from reports and issues considered by the Audit Committee.

BACKGROUND

6. The Audit Committee Actions Log, which is updated for each Audit Committee meeting, records all actions agreed during previous meetings. Items that have been fully completed since the previous Audit Committee meeting are recorded once as complete

on the report and then removed for the following meeting log. Outstanding actions remain on the log until completed.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

7. There are no specific options to consider within this report as it provides an opportunity for the Committee to review and consider progress made against ongoing actions raised during previous Audit Committee meetings.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

8.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	

	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes. 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

9. The Audit Committee contributes to the effective management of risks in relation to audit activity, accounts / financial management / risk management and other governance / regulatory matters.

LEGAL IMPLICATIONS [Initials: SRF Date:04.10.22]

10. There are no specific legal implications associated with this report. Where necessary appropriate legal advice can be provided in relation to matters listed in the Appendix to this report.

FINANCIAL IMPLICATIONS [Initials: SJT Date:05.10.22]

11. There are no specific financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS [Initials: SH Date: 04.10.22]

12. There are no specific human resources issues associated with the contents of this report.

TECHNOLOGY IMPLICATIONS [Initials: PW Date:04.10.22]

13. There are no specific technology implications associated with this report.

EQUALITY IMPLICATIONS [Initials: PRJ Date:27.09.22]

14. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunity issues within this report.

HEALTH IMPLICATIONS [Initials: RS Date:04.10.2022]

15. Good governance is important for healthy organisations and for healthy populations. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

16. The Audit Committee Action Log has been produced following consultation with members of the Audit Committee to address the risk of agreed actions not being implemented.

BACKGROUND PAPERS

17. None

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

18. None

REPORT AUTHOR & CONTRIBUTORS

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Faye Tyas
Assistant Director of Finance

AUDIT COMMITTEE ACTION LOG – 27th OCTOBER 2022

Follow-up actions from previous meetings:-

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting 28th July 2022			
<p>External Auditor (Grant Thornton) Audit Plan 2021/22 and Arrangements for the Preparation of the 2021/22 Accounts</p> <p>The Auditors annual report from April 2022 Audit Committee was referenced in the above agenda item. Two new members of the Audit Committee were not present at this meeting so the Assistant Director of Finance undertook to provide this report to those members for their information and awareness.</p>	<p>Report provided to Audit Committee members 12th September</p>	<p>Faye Tyas</p>	<p>Y- Complete</p>

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Doncaster Council

Report

Date: 27th October 2022

To: To the Chair and Members of the Audit Committee

Report Title: Performance Management Framework

Relevant Cabinet Member(s)	Wards Affected	Key Decision?
Cllr Jane Nightingale	All	Yes

EXECUTIVE SUMMARY

1. This report serves to present the revised Performance Management Framework. A robust Performance Management Framework (PMF) will ensure that all the key components are in place across the organisation, ensuring both good governance and successful delivery of our key priorities.
2. The PMF is the Statement of Implementation that outlines the mechanisms by which the council will manage, monitor and govern key activities that contribute to the successful delivery of the Corporate Plan, the Councils contribution to Doncaster Delivering Together.
3. The Audit Committee has a role “to monitor the effective development and operation of risk management in the council” and the Risk Management is a key element of the PMF.

EXEMPT REPORT

4. This report is not exempt

RECOMMENDATIONS

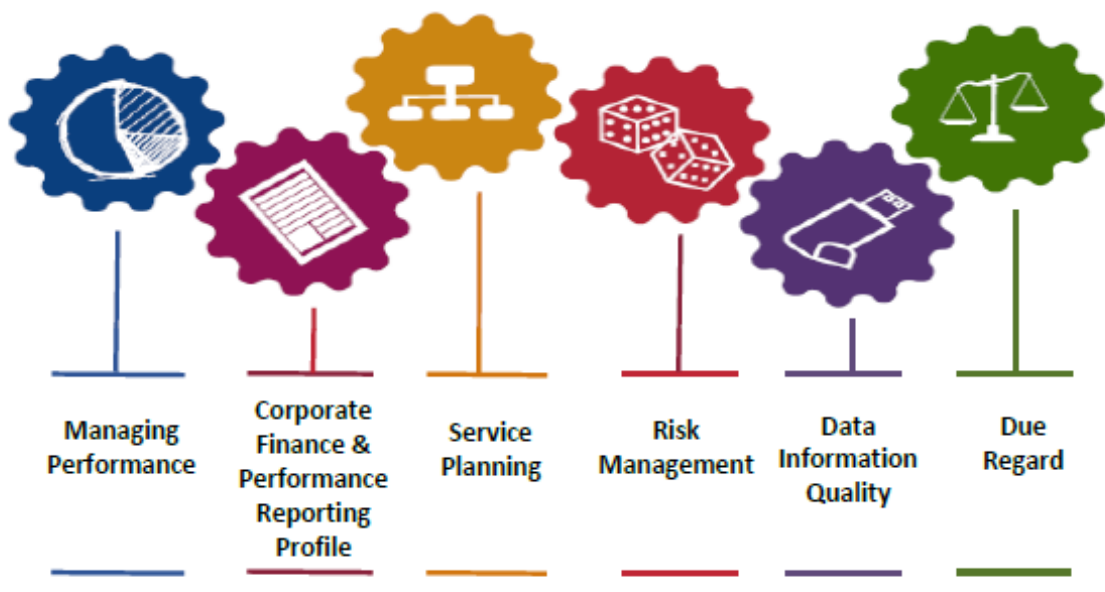
5. That the Chair and members of the Audit Committee note the revisions to the Performance Management Framework:

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. The embedding of robust risk management arrangements within the Council incorporating the management of strategic risks creates an environment in which we can successfully meet our objectives to deliver Doncaster’s priorities and the Mayoral Priorities Outcome Framework.

BACKGROUND

7. In September 2021, our new borough strategy ‘Doncaster Delivering Together’ (DDT) was launched. This included a new set of Wellbeing Goals, which highlights six long-term strategic goals for the borough. Moreover, in February 2022 we agreed a new Corporate Plan outlining what will be delivered and how we align to Doncaster Delivering Together.
8. The PMF is the mechanism by which we ensure we have the means to assess our progress of the Corporate Plan and ensure clear governance of our work. The PMF was last refreshed in 2019 but a light review was carried out in 2020 to ensure it remained fit for purpose during the challenging times of the pandemic.
9. The PMF brings together six key standalone elements of governance under one strategic umbrella. Together these documents ensures individuals, teams and the council overall have clear guidance and systems in place. It shows what we should be doing, how we should be doing it and outlines key responsibilities for delivery.
10. The PMF Overview Diagram below sets out the structure and purpose and the documents that make up the PMF.



11. The following improvements have been made to the 6 key elements that make up the PMF:
 - **Managing our Performance** – sets out the ‘golden thread’ and governance flow to deliver the Corporate Plan. The Golden Thread diagram has been updated to

allow for the additional focus on locality plans and has been included in the Corporate Plan 22-23.

- **Corporate Finance & Performance Reporting Profile** - . This process provides the rigour, through challenge and assurance, to evidence that we are continually monitoring, reviewing and improving. For 2022-23 the performance narrative will be structured around the Great 8 priorities and a Regenerative Council theme. A detailed report production process has been included that outlines all the production stages and details those responsible and the outputs. A Clear mechanism to instigate a 'service review' (if needed) has been added.
- **Service Planning** - The council's priorities are clearly set out in the Corporate Plan. It is acknowledged that there will be other priorities that are of importance to the Directorate that are not at a Strategic level and these outcomes will also be captured and managed/monitored via individual Head of Service Plans. The production of the Head of Service plans has been streamlined to ensure there is no duplication and information is captured in one place once a quarter and used for many purposes. The use of Pentana will continue to be embedded across directorates;
- **Risk Management Strategy** - Our Risk Management Strategy is designed to provide structure and guidance to support our organisation, and the individuals within it, to take risks in an informed way. It gives clear direction to allow the approach to be consistent across the organisation. The council approach to risk management has been reviewed to ensure it continues to reflect the revisions to the HM Orange Book on Risk Management and no major changes were required;
- **Data Information Quality Policy** - Sets out the principles of data quality and how we intend to improve the quality of information throughout the council. This will help to improve services and support the delivery of the priorities within the Borough Strategy and the Corporate Plan. The Data Quality Strategy was reviewed in January 2020. As part of the PMF review a very light refresh took place and It has been branded in line with the other PMF Elements;
- **Due Regard Statements** - As part of our commitment to ensure the decisions we make take account of the variety of diverse backgrounds living, working and visiting the Borough, this document highlights the corporate process for evidencing 'Due Regard'. This is an area that has had a major overhaul to ensure consistency in approach and to ensure that when the council takes a decision, it knows who is affected and has taken reasonable mitigating action to ensure its impact is as equitable as possible. A three stage interactive process has been developed that will be included in all Cabinet reports that require a decision to be made. The Due Regard Statement will be uploaded on the Council's Internet.

• OPTIONS CONSIDERED









12. Not applicable

REASONS FOR RECOMMENDED OPTION

13. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

14.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓
Comments: Improves corporate governance				
 Developing the skills to thrive in life and in work				✓
Comments: Improves corporate governance				
 Making Doncaster the best place to do business and create good jobs				✓
Comments: Improves corporate governance				
 Building opportunities for healthier, happier and longer lives for all				✓
Comments: Improves corporate governance				
 Creating safer, stronger, greener and cleaner communities where everyone belongs				✓
Comments: Improves corporate governance				
 Nurturing a child and family-friendly borough				✓
Comments: Improves corporate governance				
 Building Transport and digital connections fit for the future				✓
Comments: Improves corporate governance				
 Promoting the borough and its cultural, sporting, and heritage opportunities				✓
Comments: Improves corporate governance				
Fair & Inclusive	✓			
Comments: The improvements to the Due Regard Statements will ensure decisions continue to be made based on accurate data, up to date information and in consultation with the appropriate communities.				

Legal Implications [Officer Initials: SF | Date: 17/02/22]

15. There are no specific legal implications arising from this report.

Financial Implications [Officer Initials: MS | Date: 17/10/22]

16. There are no direct financial implications to the Audit Committee noting the revisions to the performance management framework. A robust performance management framework is important in ensuring the Councils limited resources and used efficiently.

Human Resources Implications [Officer Initials: KG | Date: 17/02/22]

17. There are no specific human resource implications associated with this report

Technology Implications [Officer Initials: PW | Date: 17/10/22]

18. There are no direct technology implications in relation to this report.

RISKS AND ASSUMPTIONS

12. Consideration of the effective development and operation of performance and governance within the Council is an important process which helps to reduce risks that could prevent or delay delivery of objectives.

CONSULTATION

19. Consultation has taken place with Directors and Executive Board as part of the review of the Performance Management Framework.

BACKGROUND PAPERS

20. Not applicable

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

21. PMF – Performance Management Framework
DDT – Doncaster Delivering Together

REPORT AUTHOR & CONTRIBUTORS

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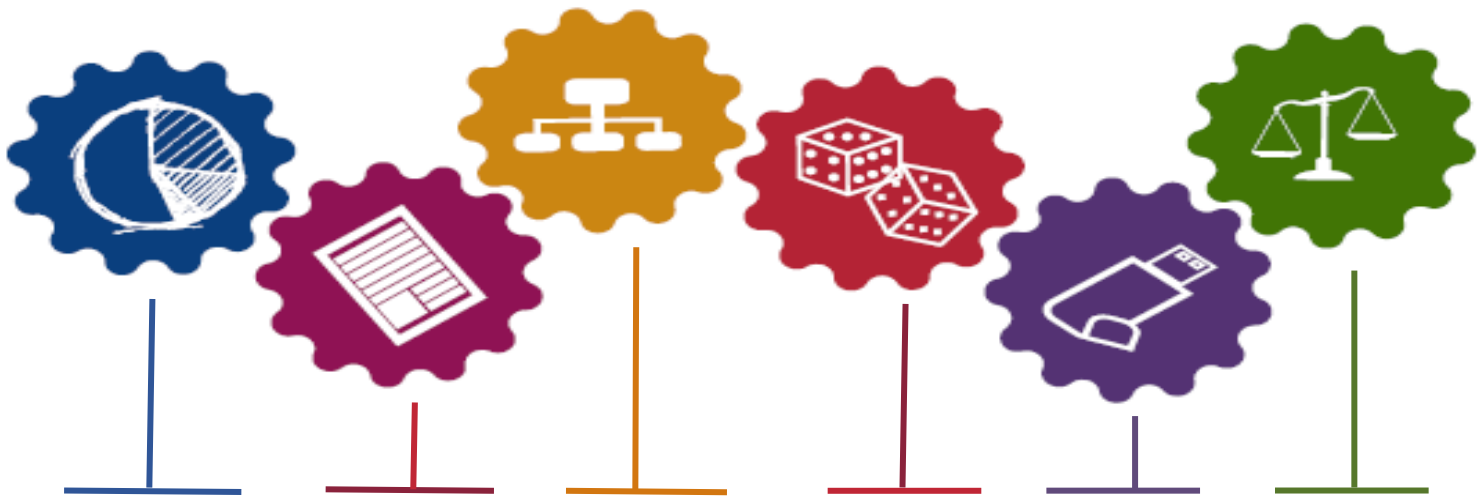
Tel: 01302 862533, E-mail: sennette.wroot@doncaster.gov.uk

Debbie Hogg

Director of Corporate Resources

PERFORMANCE MANAGEMENT FRAMEWORK

The PMF is the Statement of Implementation that outlines the mechanisms by which the council will manage, monitor and govern key activities that contribute to the successful delivery of the Corporate Plan.



Managing Performance

Corporate Finance & Performance Reporting Profile

Service Planning

Risk Management

Data Information Quality

Due Regard

Performance management is used to continually improve the services the Council delivers and the way they are delivered, learning from experiences, from others and listening to customer needs.

This outlines the corporate finance and performance reporting cycle the Council priorities. It provides the rigour, through challenge and assurance, to evidence that we are continually monitoring, reviewing and improving.

This is process by which we deliver the service level element of the Golden Thread. It captures all the key activity managed at a Head of Service level, both programme/ project management and business as usual.

The process of embedding RM within our planning, business processes and culture, creating an environment in which we can successfully meet our objectives and achieve continuous improvement in service delivery.

Setting out the principles of data quality and how we intend to improve the quality of information throughout the council to support the delivery of the priorities within the Borough Strategy and the Corporate Plan

As part of our commitment to celebrating EDI and promoting good relations between our diverse communities this highlights the corporate process for evidencing 'Due Regard'

PURPOSE

DOCUMENTS

Managing Performance Strategy

Corporate Finance & Performance Reporting Profile

Service Planning Strategy

Risk Management Strategy

Data Information Quality Policy

Due Regard Strategy

Corporate Finance & Performance Reporting Profile Toolkit

Risk Management Toolkit

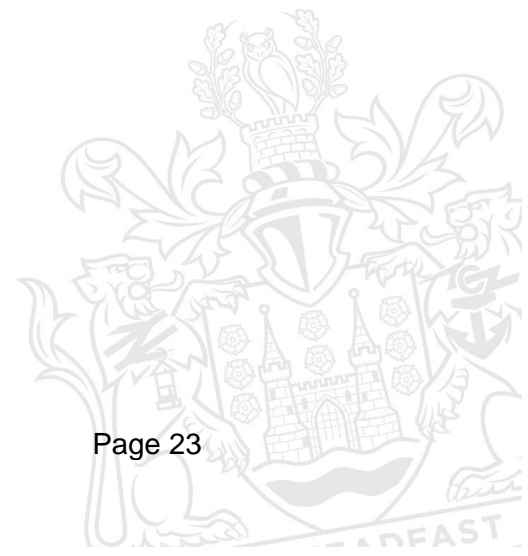
Due Regard Toolkit



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MANAGING PERFORMANCE

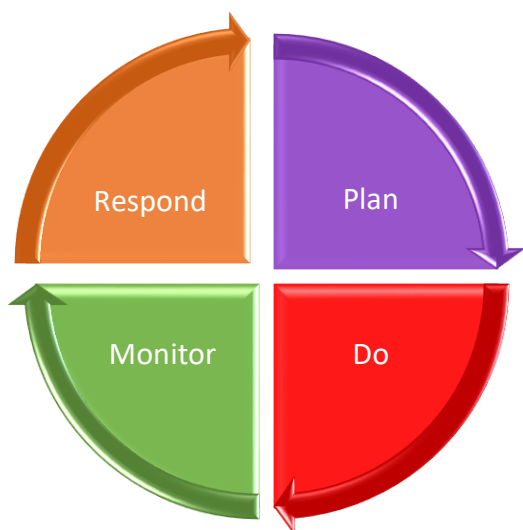


Performing well is fundamental to improving the services that we provide to the people of Doncaster and to the successful delivery of agreed Council priorities.

This Strategy forms part of a suite of documents, that when combined, make up the Corporate Performance Management Framework.

This framework:

- Aims to assist Senior Managers, Staff and Councillors to understand the key components that contribute to effective performance as well as providing a corporate approach for the Council.
- Focuses on the Council's key objectives, ensuring the right actions underpin their delivery as well as robust measures that evidence progress and to ultimately achieve our Outcomes.
- Is used to continually improve the services the Council delivers and the way they are delivered, learning from experiences, from others, developing our workforce and listening to customer needs.
- Pulls together partnership contribution to our borough wide priorities within 'Doncaster Growing Together'. Setting out both the governance arrangements and the information flow.



PLAN

We need to plan our activities and concentrate on how we will deliver real improvements. When we have decided on what actions we need to carry out, they should be prioritised and the resources that are needed identified. When planning an activity you should answer the following key questions:

What is the story behind the baseline...

- What is the real issue?
- Where are we now/what is our current position?
- Where do we want to get to?
- How do we get there/what do we need to do?

The processes that we use to “plan” include: developing objectives as part of the Corporate Plan and Heads of Service Plans; budget setting; addressing inspection and audit recommendations; completing personal development reviews (PDRs) as part of the workforce strategy.

It is good practice to include staff at this ‘plan’ stage as this initial identification stage can aid motivation, staff development and support needs, ownership and also provides focus that is owned and understood by the individuals who will be tasked to deliver.



DO

This is service delivery - the so-called “Day Job” that we spend most of our time on. Staff should be supported to help them develop and perform well. However, everyone should look for ways to improve the quality and efficiency of the service they deliver so that we are constantly striving to improve and to achieve Value for Money. This stage includes the giving and receiving of feedback, having the

right skills and behaviours as well as measuring service performance.



MONITOR

To improve services we need to measure how services are performing. Performance monitoring is part of the “Day Job” to ensure we deliver good, quality services. The focus should be on measuring what matters and the recording of good quality data. We use many data and case management systems, but the shared partnership performance management system is called **Pentana** and this is used corporately to monitor our main priorities. The Pentana System is used to monitor our key strategic plans such as Doncaster Delivering Together (DDT), our Corporate Plan, Workforce Strategy, Head of Service Plans and our Strategic Risks.

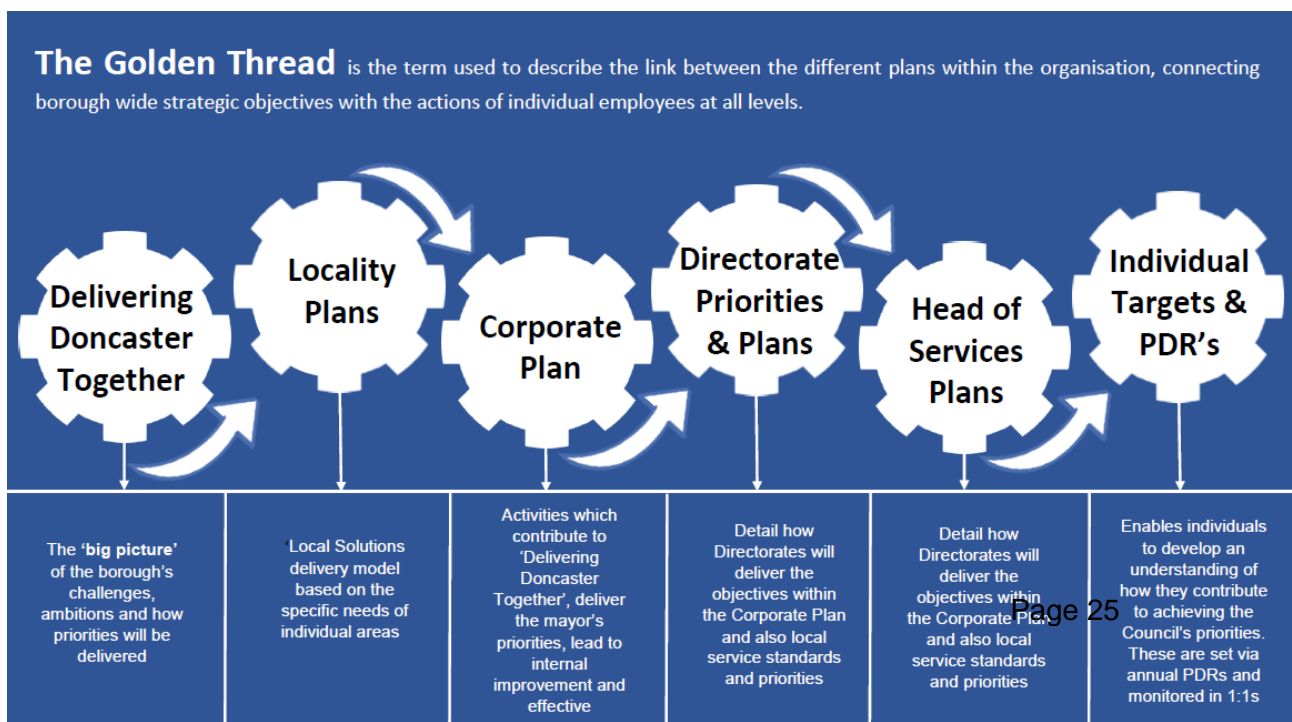
The processes we use to “monitor” performance include: 1 to 1 supervision and PDRs; customer feedback; Directorate challenge meetings; Programme Assurance Boards.

RESPOND

Assessing the impact we have and the outcomes we achieve will help us to recognise good performance and areas for improvement. This will help retain motivation and ensure focus remains on the right and appropriate activity. If services are not performing well it is important to identify the reasons why and to learn how to stop it happening again. The actions that were planned may have to be revised to ensure that we achieve our targets, deliver our objectives, and achieve our outcomes.

We “respond” by: reviewing existing actions and resources; taking improvement action; escalating issues through the governance structure.

‘Golden Thread’. The Golden Thread is the term used to describe the link between the different plans within the organisation, connecting borough wide strategic objectives with the actions of individual employees at all levels.

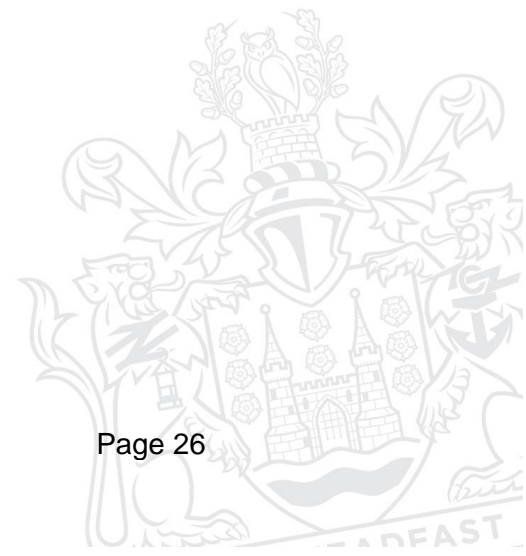




Doncaster
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CORPORATE FINANCE & PERFORMANCE REPORTING PROFILE



The Purpose of this Report

The Corporate Finance and Performance report (report) is an overview of the Councils performance against the strategic objectives set out in the Corporate Plan. It clearly shows:

- what we are measuring
- progress against these measures
- current and proposed activity
- expected outcomes

The report also provides the Council the flexibility to highlight additional areas of focus as and when required.

This reporting profile forms part of a suite of documents, that when combined, make up the Corporate Performance Management Framework.

Report Content

Executive Summary

A high level summary that sets the narrative for the performance and financial landscape for the quarter and pulls out the key headlines contained within the report.

What does this mean for the citizens of Doncaster?

Each Directorate outlines their commitments and performance measures to contribute to the delivery of the Great 8.



Tackling Climate Change



Developing the skills to thrive in life & work



Making Doncaster the best place to do business & create good jobs



Building opportunities for healthier, happier & longer lives for all



Creating safer, stronger, greener & cleaner communities where everyone



Nurturing a child & family-friendly borough everyone belongs



Building transport & digital connections fit for the future



Promoting the borough & its cultural, sporting & heritage opportunities

A key suite of performance measures are chosen from the Corporate Plan that highlights to our communities our overall priorities for the coming year. These measures are referred to as **'service standards'** and they inform the content of the performance element of our quarterly report. Our service standards show how we are delivering against our outward facing priorities.

We also have a number of inward facing priorities that measures the health of our directorates from a governance perspective. These are referred to as **'governance standards'** and these are reported within the Connect Council section of the report that has a focus on our internal activity.

The purpose of this section is to

- Communicate how we are performing against our key priorities measured against our targets
- Provide narrative on the current position of our performance
- Provide narrative on how we plan to maintain/improve performance
- Evidence achievements

Programmes & Projects

The delivery of key programmes and projects help to deliver the corporate plan. There is a comprehensive reporting process through to individual project and programme boards.

For transparency and accountability a high level update on the Councils progress against its programmes and projects is included in the report

Additional areas of focus

This section of the report gives the Council the flexibility to include updates on areas of performance that are out-side the remit of the Corporate Plan.

Financial Position

For each Directorate income and expenditure is projected for the year and then compared to the budget. Significant variances between budgets and projections are discussed in the report. This enables Cabinet members and senior management to make decisions about reducing overspends and utilising underspends. The report covers the general fund revenue budget, collection fund, housing revenue account and capital programme.

Report Production timeline 2022/23

The report is also used to seek approvals where required by the Council’s governance framework (for example, changes to the budget).

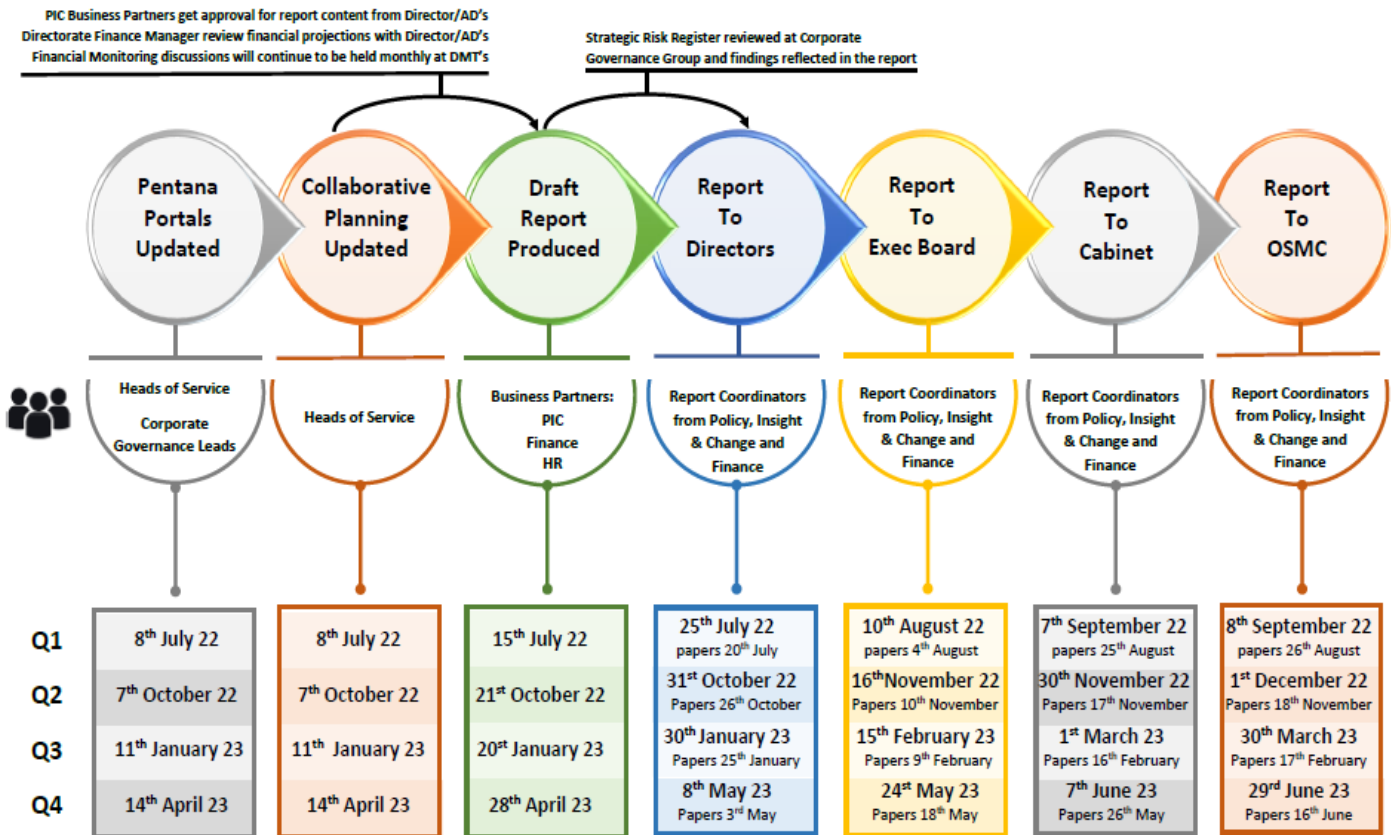
Workforce Position

For each Directorate an overview of key workforce profiles, measures and performance information is provided. This enables Cabinet members and senior management to make decisions about emerging trends and policy decisions to support, manage and develop our workforce.

Strategic Risks

The management of the Councils strategic risks is embedded in the corporate reporting process. The risks are reviewed alongside the service standards and governance indicators.

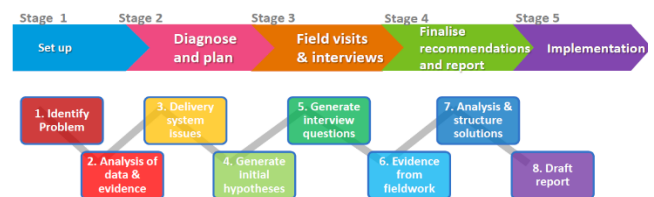
An update on how these risks are being managed, the identification of new risks and the demotion of closed risks is included in this



achieve outcomes. These will be categorised into three action levels;

- a) Action addressed in service area – No further action but to review in next quarterly cycle.
- b) Action addressed in service area with additional support identified – additional resources or support identified from outside of the service area but reported in next quarterly cycle
- c) Action addressed via a ‘Service Review’ – Working with the service additional capacity from the organisation will identify a team to work with the service to help accelerate understanding and improvements.

‘Service reviews’ will be agreed and signed off by Directors before being implemented. Various methods could be used but a suggested staged process is included as an example below.



Executive Board will receive updates on the action log and the areas that require a position statement as an escalation route and as an assurance to the system in previous levels. The Quarterly report is then present to Cabinet and Overview & Scrutiny Management Committee.

This process is well established and is constantly reviewed to ensure it remains fit for purpose. The complete process is outlined in Appendix A.

Report Production Process

In order for the council to publish this report in a timely manner the production process is extremely tight.

Directorate Resource meetings are held each quarter with the individual Directorate Senior Leadership Teams to review performance of our governance measures, key service standards, strategic risks, workforce and finances.

Policy, Insight and Change (PIC), HR and Finance teams will analyse the performance, highlighting areas of concern and areas of good performance for discussion and challenge with improvement actions identified. The Directorate Resource Meetings take place the week before the **Directors Resource Meeting** where all Directorate performance and finance is collated and centrally reported.

Improvement Issues and Escalation

One of the key parts of performance improvement is ensuring issues identified are ultimately resolved. This may take many forms including resource allocation, strategic buy in, collaboration or simply holding appropriate officers to account.

Issues that will hinder our progress towards the successful delivery of our outcomes will be flagged up on a regular basis from within the service, corporately or externally (inspections, peer reviews or partner observations). Some may be implemented, some ‘not yet implemented’ and others are potentially not possible. The basic premise is that an **Action Log** is created for the Directors Resources Meeting and monitored as part of the quarterly reporting cycle.

The recorded issues on the action log will be mainly dealt with within existing resources and service areas but we may need to wrap around service areas to realise improvements and



Doncaster
Council



SERVICE PLANNING



The council's priorities are clearly set out in the Corporate Plan and monitored via the Councils Quarterly Challenge process.

It is acknowledged that there will be other priorities that are of importance to the Directorate that are not at a Strategic level and these outcomes will be captured and managed/monitored via individual Service Plans, Service Plan and Team Plans.

Head of Service Plans will contain key strategic objectives taken directly from the Corporate Plan as well as other key priorities, these include:

Workforce priorities, Service Standards,; Strategic Risks; Directorate Objectives; Equality, Diversity and Inclusions Outcomes and; Identified Annual Governance Statement actions

These priorities will be formed from, and contribute to the corporate and service PDR objectives. However, please note that the Service plans should not contain. 'day to day business'.

It is the responsibility of the Directorates to monitor the plans associated with their Directorates.

Directorates identify their priorities for the coming year

- Include priorities from the Corporate Plan & Workforce Strategy
- Include service and workforce priorities but not day to day tasks

Heads of Service complete the Service Plan Template

- Service plans are a mixture of actions, performance indicators and risks
- Service Plans do not need to contain all 3 elements – only add what is relevant
- Risk should be worked in-line with the corporate approach as outlines in the Risks Management Strategy

Email completed template to the Pentana in box
(pentana@doncaster.gov.uk)

The Policy, Insight & Change Team will:

- Upload your plan onto Pentana
- Create all the relevant scorecard, dashboards and reports
- Link your revised plan to the directorate portals
- Email you when your plan is ready

Head of Service Plans

The process for producing Heads of Services Plans, highlighted previously, may be used to produce Service/Team Plans. The only difference is that these plans can be managed on Pentana or within the service area via an alternative method.

The structure on Pentana will provide the flexibility for selected performance information to be extracted for different purposes – e.g. Portfolio Holder meetings, DLTs etc. supporting the ‘report once, use many times principle’.

All Head of Service plans will be monitored and maintained on Pentana. Monitoring and challenge of the Head of Service Plans will be via Directorate leadership meetings and Head of Service 1:1 reviews.

Activity	Date
Approval of reviewed PMF at Exec Board	23 rd March 2022
Send out Service Planning templates	Thurs/Fri 24/25th March 2022
Send dates for PMF Training	W/C 28 th March 2022
PMF Training dates commence	W/C 11 th -22 nd April 2022
Deadline for service plan templates to be agreed and send back to PIC via AD’s	CoP Wed 4th May 2022
Report mapping and Service standard amendments back to Directorates	W/C 6 th June 2022
Communicate SP uploads onto Pentana and reporting Schedule in preparation for Q1 2022-23	W/C 13 th June 2022
2022-23 Q1 reporting deadline	Fri 8 th July 2022

Additional Content

Corporate activity will automatically be added to the Head of Service plan that has responsibility for its delivery. For example activity linked to the Annual Governance Statement, Equality, Diversity and Inclusion objectives and workforce strategy priorities.

These elements will be updated as part of the corporate quarterly reporting process

Service Manager/Team Plans

Any ‘Service Manager/Team’ level plans below the Head of Service level are at the discretion of the Directorate. There is no corporate requirement for plans below this level.

Performance Development Reviews and 1:1’s

We are committed to achieving a high performing organisational culture as set out in the Workforce Strategy. Effective performance management is crucial and PDR's are an important element in achieving that culture and success.

The plans generated as part of the Performance Management Framework will be linked to and inform PDR's and 1:1's. The corporate timetable for PDR's to be completed for 2022/23 is as follows:-

- Directors and Assistant Directors – 30th April
- People Managers – 30th June
- All staff – 30th September

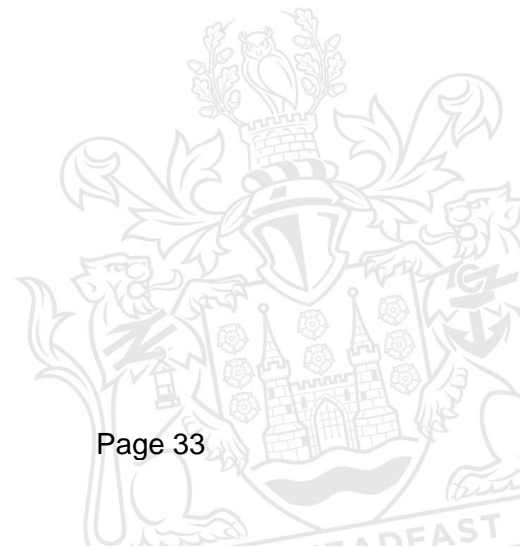
Refer to the intranet for more information on PDR's



Doncaster
Council



Risk Management Strategy



Introduction

Doncaster Council recognises that risk management is an integral part of good governance and management practice. Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. We strive to embed risk management within our planning and business processes and into our organisational culture, creating an environment in which we can successfully meet our objectives and achieve continuous improvement in service delivery. Our Risk Management Strategy is designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.

This Strategy forms part of a suite of documents, that when combined, make up the Corporate Performance Management Framework.

What is Risk Management?

Risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.

Risk Management is the process by which we identify, evaluate and manage risks.

Risk Management should be viewed as a positive and enabling process that, if embraced, can help an organisation to achieve positive outcomes from the decisions it makes. All too often, risk management can become a process of identifying the negatives of why a decision, action or opportunity should not be taken; this leads to opportunities not being pursued.

Risk management is not a process of completely avoiding risk, but more a

process that, if used effectively, can help The Council to pursue innovative opportunities with higher levels of risk because exposure to risk is understood and managed down to acceptable levels.

Every organisation manages risk but not always in a way that is visible, repeatable and consistently applied throughout the organisation. A risk management process tries to ensure that the organisation undertakes cost-effective actions to manage and control risk to acceptable levels, through everyone following a well-defined and structured process. The aim of risk management is to enable better decision making, by having the best understanding of the potential problems before they happen and to enable pre-emptive action to be taken.

Risk Management is also an essential part of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' recommended as good practice for all Local Authorities.

Risk Appetite

In order for The Council to achieve its objectives some amount of risk taking is inevitable. By being 'risk aware' The Council can identify and avoid threats and take advantage of opportunities.

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives.'

Our risk appetite reflects our current position; encouraging managed risk taking for minor to moderate level risks, but controlling more closely those risks that come further up the scale. Our appetite for risk will vary over time depending on our ambitions and

priorities and the environment we work in.

The chart below shows the Corporate Risk Matrix that the Council has adopted. Typically those risk that, when mitigated, lie in the green or yellow zone lie within the accepted appetite. Those that are red zone fall outside of our risk appetite and must be a priority for immediate management action.

		Impact on objectives					
		<i>slight</i>	<i>moderate</i>	<i>significant</i>	<i>major</i>	<i>critical</i>	
		1	2	3	4	5	
Likelihood	Very Likely	5	L	M	M	H	H
	Likely	4	L	M	M	H	H
	Possible	3	L	M	M	M	M
	Unlikely	2	L	L	M	M	M
	Very unlikely	1	L	L	L	L	L

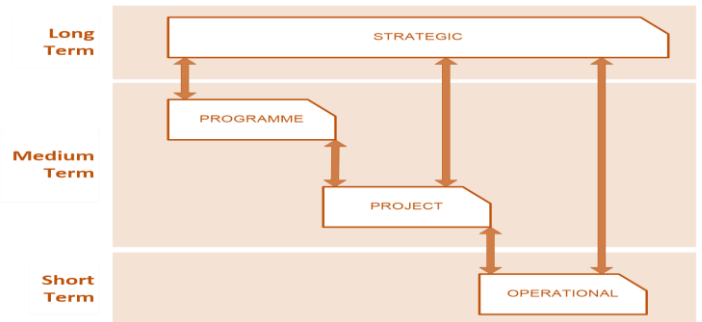
To ensure a consistent application of the risk appetite all relevant information is recorded on Pentana, the Councils performance management system, and is subject to regular review as part of the 'Resource Management' process

The risk appetite is reviewed periodically or when there are significant changes to the organisation.

When to Implement Risk Management

Risk Management should be most rigorously applied where critical decisions are being made. Decisions about risk will vary depending on whether the risk relates to long, medium or short-term goals. Strategic decisions are primarily concerned with long-term goals, medium-term goals are usually addressed through programmes and projects to bring about business change and short-term goals usually ensure on-going continuity of business services.

This approach is shown in the diagram below.



Roles and Responsibilities

Clear roles and responsibilities have been established to ensure the successful implementation of the Councils Risk Management Strategy and ensure Officers and Members are aware of the part they will play to introduce, embed and own the risk management process.

Chief Executive:

- Ultimate officer responsible for embedding risk management throughout The Council.

Elected Members:

- Receive reports outlining strategic risks;
- Attend awareness training where relevant;
- Adopt the Risk Management Strategy;
- They should also have due regard to the risks facing the authority in determining its policy and ensure a balance between managed risk taking in order to enable improved services and the achievement of objectives and risk control to protect the reputation and assets of the Authority.

Cabinet:

- Monitor the Strategic Risk Register.

Audit Committee:

- Consider the effectiveness of the risk management arrangements within The Council;
- Seek assurance that action being taken in risk related issues determined by Auditors and Inspectors;
- Be satisfied that the Annual Governance Statement properly reflects the risk environment and actions to improve it;

Directors:

- Monitor performance to ensure the effective management of critical risks and the implementation of the Risk Management Policy and Process Guide, for the quarterly performance reporting process.

Directorate Management Teams:

- Apply the Risk Management Strategy and Process Guide within the service area they manage following the current guidance;
- Identify risks for major projects and contracts;
- Assess & prioritise risks;
- Ensure Pentana is updated in line with the quarterly performance reporting process.

Service Managers:

- Manage risks in their service areas;
- Identify and develop staff competencies in risk management through the staff appraisal process.

Employees

- Assess risks in their service area in association with service managers;
- Recognise and accept responsibility for risk management for self and others.

Policy Insight & Change Team:

- Develop the Risk Management Strategy (including an annual review);
- Corporate advisor of risk at strategic and operational level;
- Promote a positive culture of risk awareness within the organisation and to all partners;
- Continual development and maintenance of the corporate risk registers;
- Regular reporting of strategic risks;
- Design and implement risk management training;
- Provision of corporate and service based risk management advice and support as required.

Internal Audit

- Challenge established process, risk identification and evaluation and provide assurance to officers and members, when appropriate, on the effectiveness of controls;
- Feed the results of risk analysis onto its annual audit plan;

Monitoring, Reviewing & Reporting Risks

The Pentana Performance Management System is used to record, monitor and report on all risk registers and progress against all mitigating actions.

Reviewing the progress and mitigating actions against the operational and strategic risk registers is embedded in the quarterly Resource Management process. The Resource Management process informs the contents of reports to Director, Executive Board, Cabinet and Overview and Scrutiny Management Committee. The quarterly Strategic Risk update will also be presented at Audit Committee.

Strategic risks will be monitored at corporate level and operational risks will be monitored and reviewed at directorate level. Risks may be promoted and demoted as part of the quarterly Resource Management process or at any Directors Meeting. This will allow The Council to effectively react to changes in priorities.

Review

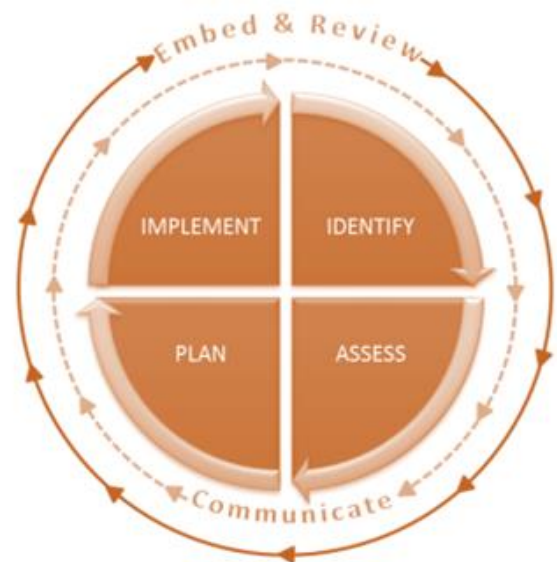
The Risk Management Strategy will be reviewed on an annual basis to incorporate lessons learned and to continually improve our risk management arrangements.

Risk Management Process Guide

This section outlines the detailed process required to introduce and embed risk management. The risk management process is based on good practice and can be applied at all levels of the organisation and beyond.

The management of risk process is divided into four primary elements:

- Identify
- Assess
- Plan
- Implement



Additionally, the 'Communicate' and 'Review and Embed' activities operate through each stage. This is to ensure activity is constantly evaluated throughout the life cycle of the risk.



Identify

The primary goal of the 'Identify' step is to identify the risks to The Council that would reduce or remove the likelihood of The Council achieving its objectives, whilst maximising opportunities that could lead to improved performance.

A risk is defined as: *'An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives'*.

An opportunity is defined as *'an uncertain event that could have a favorable impact on objectives or benefits'*.

The starting point to identifying risks and/or opportunities is therefore clarity on what the objectives are. The Council's Priorities and key objectives are identified in the Corporate Plan. Objectives in Projects and/or Partnerships are identified in the initiation documents.

When describing a risk it is good practice to consider 3 key terms, **cause, event** and **effect**. The following prompts may be used to ensure risks are effectively identified and described.

As a result of

 (cause)

There is a
 threat/opportunity..... (event)

That could lead to

 (effect)

When creating a list of potential risks it is sometimes easier to focus on categories of risks. The categories of risk that have been adopted by Doncaster Council can be viewed in the Risk Management Toolkit.

For effective risk management , it is critical that each risk has an ‘owner’ who is responsible for dealing with the risk, ensuring that all internal controls are working and that relevant mitigating actions are taken. The role involves regularly monitoring the risk status and adjusting risk ratings accordingly, based on current information and knowledge.

Some risks identified will already have measures in place to control the impact or likelihood of the risk occurring. To be effective these internal controls should be demonstrated by policy, procedure or practice. Controls can be classified in four ways:

- **Directive controls:** these controls are designed to ensure that a particular outcome is achieved.

They are particularly important when it is critical that an undesired event should be avoided. An example of directive controls would be training staff with required skills before allowing them to work unsupervised.

- **Preventive controls:** these controls are designed to limit the possibility of an undesirable outcome being realised. The more important it is that an undesirable outcome should not arise; the more important it becomes to implement appropriate preventive controls. An example of preventive control is separation of duties (e.g. the person who authorises payment of an invoice is separate from the person who ordered the goods, thus preventing one person securing goods at public expense for their own benefit).
- **Detective controls:** These controls are designed to identify occasions when undesirable outcomes have been realised. These types of control, by definition, occur ‘after the event’. An example of detective control is an asset check (this might identify assets that have been removed without authorisation).
- **Corrective control:** These controls are designed to correct undesirable outcomes, which have been realised. They provide a route of recourse to achieve some sort of recovery against loss or damage. An example of a corrective control is ‘claw back’ for staff who have been overpaid.

A key question is whether the existing controls are adequate or whether further controls / solutions are required to effectively manage the risk.



Assess

The primary goal in the 'Assess' step is to understand the effect of the identified threats and opportunities on the activity. In order to decide which risks are most important and merit most attention, there needs to be some way of comparing risks relative to each other. Using a score to rate risks provides a quantitative basis for comparison and can be achieved by assessing the risk along two dimensions:

- The **likelihood** (or probability) that the risk will occur.
- The **impact** (or severity) that the risk will have if it occurs.

The first evaluation should be undertaken on the 'inherent risk' i.e. the risk before any controls have been put in place. This is to ensure that all significant risks are highlighted and assurance provided that these risks are being managed. If you only assess the risk after controls have been put in place, 'residual risk', then you are assuming that the controls will always be there. The inherent and residual risk scores are calculated using the following equation:

Likelihood score x Impact score

The impact of a risk is often considered in terms of the level of severity. Establishing a consistent approach for scoring the risk impact is more complex than likelihood as it will vary by risk category. For consistency a table that outlines elements to consider in terms of their impact from a number of perspectives can be viewed at Appendix B. The criterion against each score are to be used as a guide and is not exhaustive. This table can be


personalised by service areas to take account of their own perspectives. When using this approach if more than one perspective applies choose the column containing the more serious outcome.


Likelihood is often considered in the context of 'what timescale the risk might occur within, or what frequency'. A table that contains descriptions for the risk event with an associated score for each descriptor can be viewed in the Risk Management Toolkit.


A target profile is input onto Pentana. This is to demonstrate where the risk will be managed down to and by what date the target profile is expected to be achieved.

The Council uses the 5 x 5 risk matrix to display its risk profiles. This allows us to align with partner organisations, improve the scope for a flexible risk appetite and distinguish between serious and critical events.

The risk rating corresponds to the traffic light status below.

 Risks rated Low – Entered onto Pentana, linked to the relevant actions and reviewed annually.

 Risks rated Medium - Entered onto Pentana, linked to the relevant actions, controls and mitigating actions recorded and reviewed quarterly as part of the Resource Management process

 Risks rated High– Entered onto Pentana, linked to relevant actions, additional controls and mitigating actions recorded, reviewed quarterly as part of the Resource Management Overview meetings and the Resource Management process



Plan

The primary goal of the 'Plan' step is to prepare specific management responses to the threats and opportunities identified, to remove or reduce these threats, and to maximise the opportunities.

Once the risks have been identified and assessed, appropriate management action needs to be taken. The 'Four Ts' is the generic approach that can be used when planning how to manage a risk or opportunity:

Tolerate: The risk is accepted making limited, if any, efforts to mitigate it or reduce its likelihood/impact. This may be because the cost of mitigation exceeds the consequence of the risk.

Transfer: The risk rating is reduced by transferring the risk to a third party by changing contractual terms. Typically this would mean The Council discontinuing the activity that gives rise to the risk, and sub-contracting/outsourcing that activity to another organisation. Other alternatives include insurance or private finance initiatives.

Treat: Actions will be taken to reduce the risk, possibly by putting in additional controls.

Terminate: The activity that gives rise to the risk will cease, be avoided or altered, thus eliminating the risk.

With the exception of taking a 'tolerate' approach, mitigating actions will need to be developed and monitored in order to effectively manage the risk.

The risk, the risk profile and the mitigating action against each activity are recorded collectively in the form of risk registers.

All corporate risk registers within The Council are recorded on Pentana, and monitored and reviewed in line with this Risk Management Strategy.

Programme and Project risks must be managed in line with this Risk Management Strategy but may contain bespoke elements to meet the needs of the programme/project, for example a tailored impact or likelihood guide or a reporting cycle. This approach compliments the principles in 'Managing Successful Programmes' (MSP).

Risk Registers are structured under the following headings on Pentana:

Operational Risk Register: All risks identified with the delivery of the Service.

Strategic Risk Register: Any risk from the operational risk register that may prevent or delay the delivery of The Council's shared priorities, or that may prevent or delay the delivery of the internal cross-cutting actions needed by The Council to improve performance and underpin the Borough Strategy may be elevated to a Strategic Risk. In addition new or emerging risks may be added directly to the strategic risk register either through the Resource Management process or from the weekly Directors Meeting.

Programme & Project Register: All risks associated with the delivery of high level programmes and projects.

Fraud Risk Register: The Fraud Risk Register is a specific register dedicated to the assessment, monitoring and treatment of the risks relating to fraud and corruption. It is an integral part of the Risk Management strategy designed to focus attention on minimising the damage caused

by fraud and corruption and on upholding The Council's principles of zero tolerance to fraudulent and corrupt activity. The fraud risk register will be used by both management and Internal Audit Services to focus anti-fraud and corruption resources and training on raising the awareness of fraud and corruption and its associated effects.



Implement

The primary goal of the 'Implement' step is to ensure that the planned risk management actions are implemented and monitored as to their effectiveness, and corrective action is taken where responses do not match expectations.

Pentana is used to record, monitor and report on all corporate risk registers and progress against all mitigating actions.

- Operational risks will be reviewed at directorate level as part of the Resource Management process.
- Strategic risks will initially be reviewed as part of the Resource Management process and then as part of the Resource Management Overview meeting. These risks will then be reported to Executive Board and Cabinet.
- Fraud Risk will be regularly reviewed and reported upon by The Council's Internal Audit function.
- Programme and Project risks will be directly managed within the governance of the programme or project. If the programme or project is part of The Councils transformation approach these will also be reviewed as part of the Resource management process



Communicate

'Communicate' is not a distinct step in the management of risk process, it is an activity that is carried out throughout the whole process. Doncaster Council's exposure to risk is never static: effective communication is key to the identification of new threats and opportunities, or changes in existing risks.

The implementation of risk management is dependent on participation, and participation, in turn, is dependent on communication. It is important for managers to engage with staff across The Council to ensure that:

- Everyone understands The Council's Risk Management Strategy in a way that is appropriate to their role. If this is not achieved, effective and consistent embedding of risk management will not be realised and risk priorities may not be addressed;
- Everyone understands the benefits of effective risk management and the potential implications if it is not done or is done badly;
- Each level of management actively seeks and receives appropriate and regular assurance about the management of risk within their control. Effective communication provides assurance that risk is being managed within the expressed risk appetite and that risks exceeding tolerance levels are being escalated;
- There is no misunderstanding over the respective risk priorities within and across business perspectives. This will help management to avoid

being diverted from the most significant risks and will enable appropriate levels of control to be applied;

- Any organisation providing outsourcing services has adequate risk management skills and processes. Gaining assurance that a partner organisation has implemented adequate risk management for itself will avoid dependence on a third party that may fail to deliver in an acceptable way, or may not deliver at all.

- The explicit assessment and management of the risks associated with working with partners;
- The active monitoring and regular review of risks;
- The reporting of risks to management in a timely manner (together with sufficient information to enable risk treatment to be developed) and the escalation of risks within appropriate timescales if they develop.

As the management of risk is a live process it is vital to constantly review and evaluate during all elements of the process. Mitigating actions can be amended to target emerging issues throughout the life cycle of the risk and to ensure the desired outcomes are delivered.



Embed & Review

How an organisation manages its risks demonstrates a part of that organisation's core values and improves stakeholder's confidence in the organisation's ability to cope and manage its risks.

Doncaster Council needs to ensure that risk management has been integrated successfully, has the necessary support, is addressed in an appropriate way and is successful. Key indicators that demonstrate that the management of risk culture had been embedded are:

- The understanding of risk management policies and the benefits by all staff;
- The existence and operation of a transparent and repeatable risk management framework;
- The support by the organisational culture of well thought-through risk taking innovation;
- The close linking of management of risk with the achievement of objectives;



Corporate Governance

Good governance is about getting things right first time. It is about demonstrating legitimate leadership, respecting the democratic process, making proper and timely decisions, managing risk and allocating resources for valid reasons.

Good governance principles should be instilled in everything that we do at every level of the organisation. It is embedded in a number of key policies and procedures maintained and published by The Council. Compliance with these policies and procedures is the key to instilling good governance throughout Doncaster Council and the Risk Management Strategy, as part of the Performance Management Framework, has been identified as a key governance document



Doncaster
Council



**POLICY for DATA &
INFORMATION QUALITY
(2020-2025)**

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Introduction

Doncaster Council recognises the importance of holding reliable information as a fundamental requirement for the delivery and management of providing an effective service to service users. This policy outlines how we can ensure any data and information used is of consistently high quality.

Data standards must not just be seen as supporting the collection of data on a consistent basis throughout the council, but they also have an important role in supporting the flow and quality of information used in different parts of the council so that all employees are presented with the relevant information where and when it is required.

Purpose and Scope of this Policy

To provide information to employees on how we will manage data quality.

Everyone has a responsibility for data quality, whether on paper, electronic or on any other media and the purpose of this document is to draw together the many strands of data quality in a complete and defining policy, the principles of which must be reflected in all aspects of the activity carried out within the council.

This policy must be adhered to by anyone handling data (collecting, reporting or processing) that is used across the council.

Doncaster Council's commitment to data quality

To make data quality sustainable and consistent throughout the council, it must become an integral part of the organisation's culture.

Data should be right, first time, on time.

The council has a clear vision of what this will mean in practice:

- There is a strong demand for high quality performance and management information from officers and members to improve decision making.
- Efficient processes and procedures are in place to produce high quality data and information. It will seek to improve these processes whilst ensuring that efforts to improve data quality are proportionate to the benefits.

The council is committed to putting data quality at the heart of performance management and in all aspects of its day-to-day operations.

What is data quality and why is it important?

Data quality is the accuracy of material used to judge performance or inform business decisions. Data quality ensures that this source material is fit for its intended use in operations, decision making and planning. This can include information collected from processes or systems, performance indicator results, information about key actions and projects, or high level collective results about an organisation. It also includes collection, use, storage and disposal of personal and/or sensitive data and information which may include residents of the borough and employees of the council.

In line with the Corporate Performance Management Framework, accurate data regarding service users is essential for internal management and for external comparison and scrutiny. The quality of the data held is important for external uses such as national reporting requirements, as well as legislative requirements and for the monitoring of legally binding contracts with commissioners and partner organisations.

This is particularly important because:

- It supports continuous improvement and more effective use of resources.
- Good data quality is crucial to support effective decision-making.
- It contributes to the provision of high quality information to the public, Government departments, auditors, and partners.
- It allows us all to make informed judgements regarding the quality of the services the council delivers.

The Importance of Good Quality Data

Incorrect information could result in serious inconvenience to residents and even claims against the council. If the data recorded on our systems is not correct then a service may not be received. The council may not be able to then keep other third parties correctly informed. Our service to the residents of the borough could be compromised and the reputation of the council damaged.

Some of the data collected by the council is also used to monitor performance and activity. It is essential that this data is accurate in order that the council can continually plan improvements for services. The data needs to report activity accurately if we are to have confidence in the information. If data is of poor quality, the council could face loss of income or incur larger costs. The General Data Protection Regulation (GDPR) requires that information held on computer and paper systems is accurate, relevant and up to date.

Data quality Requirements

The council needs to be accountable for the public money spent and the information produced about performance and improvement must therefore be accurate, reliable and timely. As a result, data quality arrangements are audited to check:

- Performance results are calculated accurately, given that the council's performance is compared to other authorities and large amounts of government funding is now linked to performance.
- Adequate arrangements are in place to manage the council effectively and to make key decisions.

To help do this effectively, the National Audit Office (NAO) has developed a framework to help improve data quality in local government. This framework provides the basis of any key lines of enquiry that may be used by external auditors to assess the effectiveness of the council's data quality arrangements.

Roles and Responsibilities

All employees have a responsibility to ensure that the data and information they handle is relevant, accurate, complete and captured/recorded in a timely manner.

Team	Roles and Responsibilities
<p>Senior Leadership Team</p>	<ul style="list-style-type: none"> ○ Promoting the importance of data quality in decision-making. ○ Promoting the importance of data quality through the Corporate Plan and associated initiatives. ○ Promote the importance of the six principles of good data quality.
<p>Heads of Service & Information Asset Owners</p>	<ul style="list-style-type: none"> ○ Application of data quality standards to performance indicators. ○ Complete data quality self-assessment tool annually. ○ Report major data quality issues to SLT. ○ It is their responsibility to ensure a high level of quality data. Identify performance data and actions, which are strategically important, so the data quality standards can be applied.
<p>People Managers</p>	<ul style="list-style-type: none"> ○ Act as data quality champions within directorates, supporting services. ○ Maintain and review data quality reports and dashboards to monitor and action data quality issues. ○ Takes steps to minimise collection and input errors. ○ Report inconsistencies and problems to Head of Service and PIC. ○ Responsible for ensuring that all their employees are aware of and comply with the Data quality Policy. ○ Departmental procedures must be in place to allow all employees the opportunity to adhere to this policy. ○ All staff must be provided with adequate training on the processes and systems relevant to their role to ensure high data quality standards.
<p>All Staff within the Council</p>	<ul style="list-style-type: none"> ○ Staff must ensure that they read, understand and comply with this policy. ○ Employees must take responsibility for improving poor data including that provide by others. ○ Persistent problems must be reported to the manager for action.
<p>Policy, Insight and Change Team (PIC)</p>	<ul style="list-style-type: none"> ○ Manage the council relationship with external audit and work with internal audit to review progress on this data quality policy. ○ Produce and co-ordinate corporate templates which support data quality. ○ Implementing the strategic approach and procedures internally, for data quality ○ Maintain the corporate framework for data quality. ○ Monitoring data quality, identifying any problems that may arise through service improvement work. ○ Working closely with Service Areas to agree remedial actions for common/persistent errors made by their teams (e.g. further training, change of procedure etc...) ○ Implementation and roll-out of the data quality improvement plan.
<p>Internal Audit</p>	<ul style="list-style-type: none"> ○ Carry out regular audits of data quality across the council, working with the Information Governance Team to review the quality of data produced on high-risk performance indicators and actions. Liaise with the National Audit Office to support audit processes.

Partners	<ul style="list-style-type: none"> ○ Develop data sharing protocols as appropriate to ensure the timeliness and accessibility of data.
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New Systems & New Processes






Where any new systems or processes are implemented or where changes to systems are made the data quality checklist will be completed in-line with the Data Protection Impact Assessment (DPIA).


Guidance can be found on the intranet under **Data Protection Impact Assessment**.

The Six Principles of Good Quality Data

Doncaster council has adopted the six principles of data quality to use as a way of driving the consistency of good data throughout the organisation.

All data and information within the council should follow and be consistent with these six principles as below:

 Complete	Information and descriptions should give the whole, complete picture. Nothing should be vague, ambiguous or omitted.
 Accurate	All data and information should be recorded error-free to present an honest reflection of the expected and actual outcome.
 Valid	Content should be clearly, solely and adequately represent the intended purpose and results.
 Reliable	Information should be extracted from trusted and reliable sources and we will use consistent collection and recording methods.
 Timely	Reports and documentation containing data will always be completed and delivered within the expected timeframe.

 <p>Relevant</p>	<p>Material should only include details for that specific intended purpose and should not include anything more.</p>
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Training

All staff will be required to complete the Data Quality eLearning. Where continuous data quality issues are identified it is the responsibility of the manager to ensure training needs are provided. All staff will be provided with the correct information and training when they start work

Information Governance

Information Asset Owners have a responsibility to ensure all data and information is recorded with Information Governance.

If we check and supervise the quality of data we reduce the risk of a data breach as described within GDPR.

Data quality Standards

A formal set of Data quality standards in line with the six principles will be applied to all data which is used by the council, or shared externally. Achieving these standards will ensure our data is to a high standard to be used with confidence. Work will be completed to create DQ standards for service specific areas to highlight where high quality data is required.

Partnership Working

A validation process is required for all data provided by or to partners or third parties.

Sharing data with and obtaining data from partners

Local authorities are required to collect, analyse and report performance across all partnerships. Data will need to be shared with key partners and other contractors. Data quality must be checked within any work that will be shared to ensure accuracy.

Sourcing data

A significant amount of data used throughout the council comes from external sources that could include:

- Data from official government websites (e.g. NOMIS, ONS, etc...)
- Regional statistics documentation (e.g. Yorkshire Devolution).
- Surveys or research (e.g. MORI statistics)

When reporting this type of data or when completing data quality templates the data source should be referenced. This not only places the data into context, it also shows that it has come from a reputable or reliable source.

Data Use and Reporting

The council will ensure there are appropriate systems in place for the collection,

recording, analysis and reporting of data. To operate on a right first time principle, the council will consult with staff and managers and partners when creating and implementing new information systems and reporting tools. When creating reports the council will use a collect once and use numerous times approach to prevent the extraction of data in various forms.

Internal Control and Validation

To ensure data is accurate, validation processes will be implemented into reporting dashboards to ensure continuous monitoring and improvement. Audits will be carried out to ensure validation checks have been completed.

Evidence and Records

Clear and concise evidence to demonstrate that data assurance procedures are in place for all stages is required for self-assessment.

Data quality Improvement

The council is committed to improving awareness and responsibility for good quality data at all levels of the organisation. Special attention should always be given to data being collected at source. As part of service improvement, work will be carried out with each service to identify data quality issues and implement improved standards, using an action plan to correct any identified issues.

Applying risk to data quality

Risks and issues should be identified when looking at data quality. It is important to try and understand what the potential problems might be with data collection and what can be put in place to reduce these risks. Correcting errors or issues at source will always reap greater rewards later in the process. All data risks should be logged on the Data Risk Log and any exceptions should be escalated to the appropriate governance level.

An effective way of improving data quality in the early stages is to carry out integrity checks on these systems by using the data quality framework, making all Service Areas responsible for their own data. Such checks should be standardised throughout the council so that they meet the quality assurance expectations.

Data quality Audits

The standards set out in this policy are needed to improve the way the council manages its data, and they also need to be delivered to help us demonstrate to external auditors that we have robust and effective data quality procedures in place.

Data quality Self-Assessment Toolkit

To help teams identify their own data quality issues the council has provided a self-assessment checklist which should be completed honestly by all line managers to assess work streams against our expected data integrity and information standards.

The self-assessment checklist can be accessed by the Data and Information quality page on the intranet.

Data quality Identification Notice

The data quality Identification Notice will be used to identify issues from Service improvement work, projects and issues identified upon completion of the self-assessment checklist, to document actions required and escalate to the Head of Service.

Data quality Action Plan

Data quality issues from the identification document will be recorded on the data quality Action Plan to identify what is required and when it should be completed.

This document will be the centrally held (in PIC) data quality monitor, tracking data quality issues and improvement targets across all work areas.

A monthly update will be sent to each Head of Service for onward communication to line managers to ensure data quality remains a constant focus within the team.

Data quality Monitoring Tool

The Data quality monitoring tool will be used for quantitative information to track the reduction in the data quality issues raised.

Tools and Templates for Data quality

All documents are available on the Data and Information quality intranet page.

Risk assessments

The risks of not implementing this policy include:

- Ineffective and poor decision making
- Lack of accountability and reliable performance information
- Inefficient service delivery
- Financial loss or monetary penalty imposed
- Detrimental impact on council business and service delivery
- Non-compliance with legislation and potential litigation

Review

This policy will be reviewed annually. It will be reviewed by the Policy, Insight and Change Team and will be presented to the council committee annually, in line with the council's Policy Framework.

If you have any queries relating to this policy or other areas of data quality, please contact the Policy, Insight and Change Team.



Doncaster
Council



DUE REGARD STRATEGY



The Public Sector Equality Duty (PSED)

The PSED was created by the Equality Act 2010 and replaces the race, disability and gender equality duties. The duty came into force in April 2011 and places a duty on public bodies and others carrying out public functions.

The aim of the PSED is to embed equality considerations into the day to day work of public authorities, so that they tackle discrimination and inequality and contribute to making society fairer.

The PSED consists of a **general duty**, with three main aims (set out in section 149 of the Equality Act 2010 and outlined below); and **specific duties**. The specific duties are designed to help public bodies meet the general duty.

The General Duty

The new Equality Duty requires public bodies to have **due regard** to the need to:

- Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Act explains that the second aim (advancing equality of opportunity) involves, in particular, having due regard to the need to:

- Remove or minimise disadvantages suffered by people due to their protected characteristics.
- Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people.
- Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

It states that meeting different needs includes (among other things) taking steps to take account of disabled people's disabilities. It describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. Compliance with the general equality duty may involve treating some people more favorably than others.

Specific Duties

In addition to the general Equality Duty, set out above, Section 153 of the Equality Act gives the Government a power to impose specific duties on certain public bodies to enable them to perform the Equality Duty more effectively.

The specific duties are intended to support compliance with the General Duty.

The new specific duties focus on reducing burdens and bureaucracy on public bodies, and moving away from a process-driven approach to focus on transparency.

The specific duties require organisations like the Council too;

- publish information to demonstrate their compliance with the Equality Duty, at least annually; and

- set equality objectives, at least every four years

Showing Due Regard

It is obvious that a 'one size fits all' approach is not an effective approach of planning, designing or delivering services to a community with different needs.

Showing due regard will lead to services that are more appropriate to the user, and services that are more effective and cost-effective.

By operating from a position of this level of understanding you:

- Will be better at prioritising and meeting service user needs within the resources available.
- Deliver best value for the citizens of Doncaster.
- Support Doncaster in achieving its strategic priority outcomes
- Commission services that are support delivering improved outcomes across all the protected groups

By showing this consideration, the general duty will enable you to demonstrate that you are making decisions in a fair, transparent and accountable way. Showing due regard in this way helps to ensure that Doncaster's reducing resources are better targeted and that money is spent where it will have the greatest effect. It promotes evidence based decision making

Our Approach to Due Regard

Equality, diversity and Inclusion (EDI) analysis and due regard is a process used to ensure that when the council takes a decision, it knows who is affected and has taken

reasonable mitigating action to ensure its impact is as equitable as possible.

Equality, diversity and Inclusion needs to be considered throughout the development, implementation and review or establishment of any key decisions, strategies, policies, services and functions. In all instances, these considerations should be undertaken before decisions are finalised and agreed.

Examples of when you should consider equality, diversity and Inclusion,

Include:

- any proposals to introduce or add to a service
- any proposals to remove, reduce or alter a service
- any new policies or changes to policies
- any proposals to adopt policy priorities, strategies and plans
- services or practices that have not previously considered EDI
- changes to staffing structures where groups of employees are likely to be negatively affected
- any proposals in relation to procured or commissioned services

There are nine characteristics protected under the Equality Act 2010. They are:

- **Age** - A person belonging to a particular age (for example 32 year olds) or range of ages (for example 18 to 30 year olds)
- **Disability** - A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

- **Gender reassignment** - the process of transitioning from one gender to another.
- **Marriage and civil partnership** - Marriage is a union between a man and a woman or between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favorably than married couples (except where permitted by the Equality Act).
- **Pregnancy and maternity** - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavorably because she is breastfeeding.
- **Race** - Refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
- **Religion or belief** - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (such as Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
- **Sex** - A man or a woman
- **Sexual orientation** - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.

Doncaster Council includes Veterans, the Homeless and Socio-Economic (anti-poverty)

as a protected characteristics for consideration:

Veterans - Doncaster Council has committed to the aims of the National Community Covenant, which is to encourage local Authorities and the armed forces community (AFC) to work together in order to recognise and remember the sacrifices faced by the AFC and encourage activities which help to integrate the AFC into local life, help and support the wider community.

The covenant ensure that Veterans, which includes any ex serving armed forces personnel / reservist and their families should not be at disadvantage when they try to access public services such as education, employment, housing or health and social care and that special consideration is given where appropriate , especially for those who have given the most.

The Homeless- The Council wants you to have due regard and consider how your decisions may impact onto those who are homeless or threatened with homelessness. The definition of Homelessness is: 'Someone who is eligible for assistance, unintentionally homeless and falls within a specified priority need group'.

The 'priority need groups' include households with dependent children or a pregnant woman and people who are vulnerable in some way e.g. because of mental illness or physical disability. This includes those aged 16 or 17, those aged 18 to 20 who were previously in care, those vulnerable as a result of time spent in care, those who have spent time in custody, or in HM Forces, those vulnerable as a result of having to flee their home because of violence or the threat of violence.

The person applying may be pregnant or have dependent children who will live with them, or be threatened with homelessness as a result of a flood, fire or other disaster. They also may have someone who lives with them who is vulnerable through old age, mental illness, handicap or physical disability. They will have no accommodation or will become homeless within 56 days.

This includes Rough Sleepers who are people sleeping, or bedded down, in the open air (such as on the streets, or in doorways, parks or bus shelters); people in buildings or other places not designed for habitation (such as barns, sheds, car parks, cars, derelict boats, stations, or encampments).

Socio-Economic (anti-poverty)

The Local Authority aims to tackle the inequalities of outcome caused by socio-economic disadvantage as part of Due Regard. Section 1 of the Equality Act 2010 requires specified public bodies to consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage when making strategic decisions such as deciding priorities and setting objectives. Inequalities associated with socio-economic disadvantage could include inequalities in education, health, housing or crime. It is for public bodies subject to the duty to determine which socio-economic inequalities they are in a position to influence.

Strategic decisions must be carefully considered so as far as reasonably practicable, they are as effective as they can be in tackling socio-economic disadvantage and reducing any associated inequalities. Tackling inequalities associated with socio-economic disadvantage could include improving where services and

activities are focused or adjusting communications, campaigns, cost and access to ensure that people are not disadvantaged.

Due Regard Statement

A Due Regard Statement (formerly known as Equality Impact Assessment) is used to ensure that when the council takes a decision it knows how specific communities of interest may be effected by the decision and can consider any potential discriminatory impact on people with protected characteristics.

Due Regard Statements can also help improve or promote equality by encouraging you to identify ways to remove barriers and improve participation for people with a protected characteristic.

Due Regard Statements are about understanding and meeting the needs of local people and supporting us to deliver our vision for Doncaster.

- A DRS should be initiated at the beginning of the programme, project or change to inform project planning
- A DRS is required for all Cabinet reports that required a decision
- The DRS runs adjacent to the programme, project or change and is reviewed and completed at the relevant points
- The DRS cannot be fully completed until the programme, project or change is delivered.

Due Regard Process

The Councils Due Regard process is a three step approach

- Initial Assessment
- Due Regard Statement
- Final Signoff

The process is designed to complement and inform the decision making process and should be put in place as soon as the project/programme/change is in the conception stage. When the following guidance mentions 'activity' it refers to either the project/programme/change etc.

The Due Regard Statement is a living document that is updated throughout the whole life span of the activity and is used to shape further consultation and actions.

Step One - Initial Due Regard Assessment

An electronic template is completed that outlines:

- A brief outline for the proposal and the overall aims/purpose for making the activity
- The expected levels of Impact on those who identify with a protected characteristic
- A brief description on the data and intelligence used to make the initial impact assessments

Taking into account all the answers you have provided in the initial assessment an outcome will be automatically generated.

'No further action required' – The Initial assessment will be signed off by the relevant Assistant Director and a copy sent to the Policy Insight and Change Team. This initial assessment needs to be referenced in the Fair

and Inclusive section of any reports linked to this activity.

Please complete a Due Regard Statement –

Due to the level of impact evidenced in the initial Due Regard Assessment you are required to complete a Due Regard Statement.

Step Two – Due Regard Statement

A copy of the Initial Due Regard Statement is sent to the Policy Insight and Change Team. They will reply with the Due Regard Statement template with a reference number that will be live through the life of the activity.

The action plan element of the DRS records the key activity through the life cycle of the Due Regard Assessment. It may be used to gather additional information, to identify and inform consultation(s), to reduce the impact and/or to inform revised approaches.

As part of your initial assessment you identified evidence/intelligence that support your assessment of the impact of your proposal on different groups and triggered the need for further information and activity to manage/reduce the impact.

The Consultation Profile will help shape what consultation you need to do and who you might want to consult with. After each consultation the results will be analysed to show what the consultation is telling us, can we do anything to reduce the impact and to start to develop key actions required and identify additional areas of consultation.

The results of any consultation are used to inform the content of the action plan.

Step Three - Final Signoff

Once the final report has been produced and the decision made the Due Regard Statement will be signed off by the relevant Assistant Director and a copy sent to the Policy Insight

and Change Team who will publish it on the relevant section of the Councils internet page.

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Doncaster Council

Report

Date: 27th October 2022

To the Chair and Members of the
AUDIT COMMITTEE

BREACHES AND WAIVERS TO THE COUNCIL'S CONTRACT PROCEDURE RULES (CPRs)

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. This report provides Members with details of all the waivers and breaches to the Contract Procedure Rules (CPR's) for the period **1st March 2022** to the **31st August 2022**.
2. The table below summarises the number of new waivers and breaches recorded for each Directorate since the last audit report presented in April 2022 and the one before that in October 2021. The details of each waiver and breach are summarised in the appendices to this report.

Directorate	1 st Mar 22 to 31 st Aug 22		1 st Sep 21 to 28 th Feb 22		1 st Mar 21 to 31 st Aug 21	
	Breaches	Waivers	Breaches	Waivers	Breaches	Waivers
AHW	0	4	0	6	0	11
CYPF	0	2	1	2	2	2
CR	4	5	0	4	0	1
E&E	2	6	1	2	1	4
GRAND TOTAL	6	17	2	14	3	18
% Waivers versus Contracts Awarded	5.57%		2.22%		8.1%	
% Value of Waivers versus Value Contracts Awarded	2.52%		4.75%		1.9%	

EXEMPT REPORT

3. This report is not exempt.

RECOMMENDATIONS

4. To note the waivers and breaches recorded for the period between the **1st March 2022 and the 31st August 2022**.
5. To note work undertaken by the Strategic Procurement Team (SPT) to ensure compliance and deliver services.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. There are no specific implications within this report.

BACKGROUND

7. The Monitoring Officer (MO) monitored compliance with the CPRs for the period covered by this report.
8. Waivers are only granted when the rationale for a direct award is clearly demonstrated and in accordance with the CPR's.
9. Breaches are detected through periodic reporting via the Council's spend analysis system.
10. The Strategic Procurement Team (SPT) continue to have significant workloads because of multiple factors such as the economic climate and supply chain issues.
11. The number of approved waivers has increased from **14** to **17** but less than the number reported in October 2021.
12. There are still high levels of compliance to the CPR's and SPT continue to be proactive and supportive to help alleviate increased pressures with regular reporting and attendance at key stakeholder meetings.

CONTRACT PROCEDURE RULES (CPR'S)

13. The Council's CPR's state the following thresholds where commensurate competition should be undertaken by officers to ensure value for money: -
 - **Up to £25,000** - use of an in-house supplier, Council wide contract, third party framework agreement or direct award, where possible, to a Doncaster based organisation.
 - **Between £25,000 and £177,898** – use of an in-house supplier, Council wide contract, third party framework agreement or obtain a minimum of three formal quotes one of which should be from a Doncaster based organisation.

- **Between £177,898 and £552,950 (Light Touch Regime (LTR) Services) or £4,447,488 (works)** - use of an in-house supplier, Council wide contract, third party framework agreement or obtain a minimum of three tenders one of which should be from a Doncaster based organisation
- **Over £177,898 (Goods/Services) or £552,950 (LTR Services) or £4,447,488 (Works)** - use of an in-house supplier, council wide contract, third party framework agreement or carry out a public contract regulations compliant tender process.

14. There have been **six** new breaches and **four** resolved breaches. There are **zero** unresolved breaches.

15. **Appendix 1** shows the details of the **new, unresolved** and **resolved** breaches for this period.

16. Public procurement law thresholds are set and can only be waived if the award meets strict criteria set out in the legislation. In addition to this the Council recognise that discretionary thresholds within the CPR's may be a barrier to the delivery of services and, therefore, Council Officers can request that the CPR's are waived in specific instances, in accordance with the following permissible exemptions.

Category	Description
1	Where the Director is able to demonstrate that only one specialist firm is able to meet the requirement
2	A contract to be placed as an emergency solution only where the Director is able to demonstrate immediate risk to persons or property or serious disruption to Council Services
3	To allow for the safe exit from a contract or to decommission
4	Forms part of a wider strategic programme of works

Breaches to CPR's

17. Breaches arise from either the aggregation of spend going over pre-prescribed limits, a complete absence of any identifiable contract, a failure to comply with requirements to obtain adequate competition or an extension of contract beyond its agreed term or lifetime.

Update to Breaches previously reported

18. In **April 2022**, there were **two** new breaches of the CPR's reported to Audit Committee as well as updates on **two** existing unresolved breaches and **four** resolved breaches.

Waivers to CPR's

19. **Seventeen** waivers to CPR's have been approved for this six-month period, which has increased from the last report in April 2022 where there were **fourteen**. The number and contract value of waivers granted against the number of contracts awarded for this period are shown in **Appendix 3**.
20. The waivers detailed in this report have been reviewed and agreed by either the MO or the CFO (for waivers linked to the Legal and Democratic Services Department).

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £25,000

21. SPT (Strategic Procurement Team) continue to work closely with all Directorates to improve procurement practices and provide assurance that arrangements are robust and compliant with the CPR's. Officers provide regular updates to stakeholders on contract registers, procurement plans and spend analysis to ensure transparency and movement to ensure delivery of projects within timescales. Procurement Forward Planning Reports, for a period of 18 months, are presented quarterly to departments across the council.
22. A CPR Training Programme continues to be delivered.

OPTIONS CONSIDERED

23. Each waiver is examined through a robust process and, where appropriate, challenged for alternative options prior to approval. This can be at various stages of the process. Each waiver is approved by the Head of Procurement and escalated for authorisation to the MO or CFO.

REASONS FOR RECOMMENDED OPTION

24. It is important that the Council's CPRs be adhered to. Where breaches are identified, a corrective plan is formed and monitored by a SPT Officer in liaison with the service area.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

25.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>The CPR's state that quotations/tenders should be sought from at least one Doncaster based company. This is to encourage local spend where possible. SPT work closely with Business Doncaster.</p>
	<p>Doncaster Living: Our vision is for Doncaster's</p>	<p>Effective procurement</p>

	<p>people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>governance ensures best value is achieved from the budgets available.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>Social value is considered in contracting activity. The CPRs state that for any procurement project above £177,898 must have a minimum of 10% weighting factored into the overall evaluation award criteria.</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own home 	<p>Effective procurement mitigates the risks posed by contracting and ensures robust contracts.</p>
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Effective procurement ensures best value, effective partnership working and robust specifications to attain the best from the markets.</p> <p>SPT continue to drive adherence to governance.</p>

RISKS AND ASSUMPTIONS

26. Contractual arrangements with suppliers and breaches to the CPR's expose the Council to reputational, financial, legal and commercial risks. Compliance monitoring of the CPR's seek to counter and address these risks.

27. The Council are experiencing significant challenges and SPT are supporting service areas ensuring contracting projects are in accordance with the CPR's.

LEGAL IMPLICATIONS [Officer Initials... NJD... Date.....5th October 2022

28. There are no specific legal implications arising from this report. Legal advice has been provided on the individual waivers and continued legal support will be provided to the service areas in relation to these matters.

FINANCIAL IMPLICATIONS [Officer Initials...PH..... Date...05/10/22.....]

29. There are no specific financial implications attached to this report. Each individual breach and waiver will consider the specific implications for that action. It is important to note that breaches to Contract Procedure Rules risk the Council overspending as checks for sufficient budget being available is not guaranteed to take place.

HUMAN RESOURCES IMPLICATIONS [Officer Initials SH Date 05/10/22.....]

30. There are no specific HR implications arising from this report.

TECHNOLOGY IMPLICATIONS [Officer Initials... PW Date 04/10/22]

31. There are no specific technology implications in relation to this report. SPT continues to consult with Digital & ICT in relation to breaches and CPR waivers involving the procurement of technology to ensure that the Technology Governance Board (TGB) has considered these, where applicable.

EQUALITY IMPLICATIONS [Officer Initials HW Date 16/09/21]

32. There are no direct equality implications associated with this report and a Due Regards Statement is not required.

CONSULTATION

33. There has been consultation with the various directorates and applicable officers.

BACKGROUND PAPERS

34. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Adults, Health & Wellbeing (AHW)
Contract Procedure Rules (CPR's)
Chief Financial Officer (CFO)
Corporate Resources (CR)
Economy & Environment (E&E)
Information Communications Team (ICT)

Light Touch Regime (LTR)
Children, Young People & Families (CYPF)
Monitoring Officer (MO)
Strategic Procurement Team (SPT)
Technology Governance Board (TGB)

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Scott Fawcus

Monitoring Officer

& Assistant Director of Legal & Democratic Services

BREACHES

- **New** CPR breaches that have been identified between the **1st March 2022 to the 31st August 2022**
- **Unresolved** breaches reported to the Audit Committee previously and;
- **Resolved** breaches reported previously

No	Directorate	Status New Unresolved Resolved	Initial Date Reported	Contract Description	Value	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
1.0	CYPF	Resolved	Apr 22	Castle Hills Drainage	£61,094	Failed to obtain 3 quotes	<p>Oct 2022 Note – Resolved</p> <p>Apr 2022 Note – These works have been undertaken and the officers involved failed to obtain 3 quotes, they believed a waiver was in place to cover this purchase, as it was emergency works. Officers advised on their obligations as per the CPR's and further training will be given.</p>	Apr 22
1.1	CYPF	Resolved	Apr 21	Archive Offsite Storage	£39,700	Contract expired	<p>Oct 2022 Note – Resolved. Contract ended; archives fully taken back into the Council asset.</p> <p>Apr 2022 Note – Movement of the archives to Chequer Road has begun. Racking installation completed on the 25th Mar 22. The movement has to be managed within the health and safety requirements where two teams cannot be present in one space. Lift maintenance is taking place at one of the storage providers so extraction of material is delayed. Existing plan, considering the issues mentioned above will result in the contract with the storage providers ending on the 3rd June 22.</p> <p>Oct 2021 Note – The movement of the archives are dependent on the development of the old museum site. There have been delays in moving this project forward because of complexities linked to the site.</p> <ol style="list-style-type: none"> 1. Enquiries by Heritage England as to the historical importance of the site 2. Issues with the fabric of the building resulting in significant works and milestones to be achieved before movement can be commenced 3. Review of the allocated budget due to rising material costs – resulting in a need to redesign to bring costs down 4. The need to ensure the building meets the National Archives Standards <p>The Internal Audit Team have been involved in the project group. The plan is due to be finalised for moving the archives back and signed off by the 18th October, with the date for completion being the 28th March 22.</p> <p>Due to the above, the existing breached contracts will need to be extended to continue to store the archives until the building is developed to the required standard. This will continue as a breach to ensure close monitoring to obtain the resolution.</p> <p>Apr 2021 Note – Movement of archives into the old museum site. Retrospective</p>	Revised: Jun 22 Apr 22 Oct 21

							waiver requested and rejected. Project plan agreed with the service area to enable a route to compliance. Capital investment underway.	
1.2	CYPF	Resolved	Apr 21	Archive Offsite Storage	£83,814	Contract expired	<p>Oct 2022 Note – Resolved. Contract ended; archives fully taken back into the Council asset.</p> <p>Apr 2022 Note: As per 1.2 – these breaches are interdependent.</p> <p>Oct 2021 Note – As per 1.2 – these breaches are interdependent.</p> <p>Apr 2021 Note – Movement of archives into the old museum site. Retrospective waiver requested and rejected. Project plan agreed with the service area to enable a route to compliance. Capital investment underway.</p>	<p>Revised: Jun 2022</p> <p>Apr 2022</p> <p>Oct 2021</p>
1.3	E&E	Resolved	Apr 22	Noise Monitoring Equipment	£39,213	Failed to obtain 3 quotes	Apr 22 Note – Officers involved failed to obtain 3 quotations for this purchase. Issue raised and training to be given.	
1.4	CR	New	May 22	Catering Equipment	£88,295	Contract expired	Oct 2022 Note – Oversight and contract expired but continued use. SPT currently working with the service area to complete a re-procurement exercise and this is due for award November 2022. A further mitigation is that a new contract pipeline module, that is part of the e Tendering system, is currently being implemented and this will give full visibility on all procurement projects linked to the contracts register.	Nov 2022
1.5	CR	New	May 22	Meat & Meat Products Contract	£90,310	Contract expired	Oct 2022 Note – Oversight and contract expired but continued use. SPT currently working with the service area to complete a re-procurement exercise and this is due for award November 2022. A further mitigation is that a new contract pipeline module, that is part of the e Tendering system, is currently being implemented and this will give full visibility on all procurement projects linked to the contracts register.	Nov 2022
1.6	CR	New	Jun 22	Fresh Milk & Dairy	£37,208	Contract expired	Oct 2022 Note – Oversight and contract expired but continued use. SPT currently working with the service area to complete a re-procurement exercise and this is due for award November 2022. A further mitigation is that a new contract pipeline module, that is part of the e Tendering system, is currently being implemented and this will give full visibility on all procurement projects linked to the contracts register.	Nov 2022
1.7	CR	New	Feb 22	Frozen Food	£239,666	Contract Expired	Oct 2022 Note – Oversight and contract expired but continued use. SPT currently working with the service area to complete a re-procurement exercise and this is due for award November 2022. A further mitigation is that a new contract pipeline module, that is part of the e Tendering system, is currently being implemented and this will give full visibility on all procurement projects linked to the contracts register.	Nov 2022
1.8	E&E	New	Mar 22	Supply of Sandbags	£27,506	Off-contract from corporate contract	Oct 22 Note – Emergency purchase of sandbags, with a value that exceeded the direct award amount and not via the corporate contract. 3 quotations should have been sought or due to the emergency need, a CPR waiver should have been requested. Subsequently there is a need for a long-term solution, as the corporate contract could not satisfy requirements. Procurement exercise underway.	Mar 2023
1.9	E&E	New	Feb 22	Electrical Cables & Accessories	£125,894	Contract expired & new corporate contract not used	Oct 22 Note – New contract procured but continued use of the old contract. Communication issues that are now resolved and service area aware of the requirement to use the new contract. New approach established to ensure this does not occur again on materials contracts.	Mar 2022

APPENDIX 2

WAIVERS

- CPR waivers that have been agreed covering the period **1st March 2022 to the 31st August 2022**, together with an explanation of the reasons for the waiver.

No.	Directorate	Title	Waiver Category	Waiver Value (£)	Waiver Start Date	Waiver End Date	Reason for the Waiver (brief description)
1.0	CYPF	eStart Software as a Service and associated Services	1. Sole Provider/Niche Market	£83,865	01/01/2022	31/03/2025	Allow the continuation of a business-critical system related to Family Services.
1.1	CYPF	Mental Health First Aid Instructor Course Training	1. Sole Provider/Niche Market	£100,000	14/03/2022	31/08/2022	This is a follow-on contract award from monies awarded via a grant. The supplier is already mobilised across schools and the package delivered unique to them. To ensure the continuation of this specific package of training a waiver has been granted.
2.0	AHW	Care Friends App	1. Sole Provider/Niche Market	£50,000	31/03/2022	31/03/2023	Unique app for a short-term contract that facilitates recruitment to the care sector and set up connections.
2.1	AHW	Home from Hospital	2. Emergency Situation	£48,841	01/04/2022	30/09/2022	Impacts to the commissioning timeline, because of service pressures, for these essential services requires a short-term extension to the existing contract to allow for a retender.
2.2	AHW	Homelessness Accommodation and Support Service (Street Outreach, Open House Plus, Wharf House and Tenancy Support)	4. Forms Part of a Strategic Plan/Review	£24,208	01/04/2022	09/09/2022	Additional funding received to extend the provision for two full-time additional Outreach Support Workers for a period of approximately 5 months. Not value for money or practical to obtain quotations.
2.3	AHW	Integrated Community Equipment and Loan Service	3. Safe Exit from a contract	£1,800,000	06/09/2022	05/03/2022	To seek a waiver to extend the current contract in respect of the Integrated Community Equipment and Loan Service for up to six months. This is to enable Operational Commissioning to undertake a retender exercise for the service, following an abandonment of a previous procurement. This contract must continue, as it is business critical to the delivery of services to the citizens of Doncaster.
2.4	CR	Local Assistance Scheme Awards Fulfilment Service	2. Emergency Situation	£33,000	01/04/2022	31/03/2023	This contract is business critical to delivering emergency assistance to citizens. Due to the department who runs the services, Revenues and Benefits, being significantly impacted resource wise throughout and post Covid19 the necessary commissioning review has not been completed and to allow for a full review a 12-month waiver has been granted.
3.0	E&E	Run o Mine Demolition	2. Emergency Situation	£54,000	07/02/2022	31/06/2022	Urgent requirement to demolish part of the dilapidated structure at Hatfield Colliery.

No	Directorate	Title	Waiver Category	Waiver Value (£)	Waiver Start Date	Waiver End Date	Reason for the Waiver (brief description)
3.1	E&E	Air Monitoring Equipment	4. Forms Part of a Strategic Plan/Review	£42,250	01/04/2022	31/05/2022	Urgent need to replace an air-monitoring unit due to a traffic collision at Hillcrest, Skellow, to enable the Council to carry out its statutory duty under the Environment Acts 1995 and 2021.
3.2	E&E	Engineering Inspections	2. Emergency Situation	£102,119	01/04/2022	30/03/2023	Awarding a one-year contract to Zurich Engineering will ensure a continuation of service, will ensure all equipment is serviced and will afford time for YPO to implement and establish a Dynamic Purchasing System for engineering inspections. Which is anticipated to go live in July 2022.
3.3	E&E	Robot Line Marker	1. Sole Provider/Niche Market	£27,500	16/06/2022	16/06/2024	The sports field market is only available from this supplier as they are the sole supplier of the equipment and the Council have already bought these markers previously. Autonomous line marking equipment is a very niche market and the programming of this equipment and training for the relevant department has been completed on this equipment.
3.4	E&E	Quality Streets Active Travel Public Art	1. Sole Provider/Niche Market	£400,000	10/03/2022	31/03/2023	Unique art contract to a supplier that has previously completed art projects in the Doncaster City Centre. This ensures a continuation of the art theme throughout the city centre. This was part of the works package, but a direct award is better value for money as this does not have additional overhead costs that a contractor would implement.
3.5	E&E	Outdoor Footfall Counting and Reporting	4. Forms Part of a Strategic Plan/Review	£13,600	22/07/2022	22/07/2023	Continuation of an existing agreement for a short period (12 months). This is required as the function will likely change over the next 12 months and approaching the market at this time will not be value for money.
4.0	CR	Appoint Architects Corn Exchange/Market Table RIBA Stages 1,2,3	1. Sole Provider/Niche Market	£78,282	01/03/2022	25/06/2023	Specialist firm who has previously worked on the Doncaster Markets and have the unique knowledge on the development for the markets and Sunny Bar.
4.1	CR	GPLC Job Evaluation System	1. Sole Provider/Niche Market	£74,630	28/08/2022	28/08/2027	This supplier remains the sole provider of the system we use, which is complete with an electronic assessment form to support the GLPC scheme, which the Council adopt.
4.2	CR	Teammate+	1. Sole Provider/Niche Market	£73,099	01/01/2023	31/12/2028	Licenses for this product are already owned and worth £54k. A maintenance and support package is required to maintain access to the latest fixes and support in the event of a systems issue. Maintenance and support is only available through the existing supplier. It is not available through third party retailers and framework versions of the contract would discard the existing licenses and result in increased annual fees for essentially the same service.
4.3	CR	Hybrid Mail	1. Sole Provider/Niche Market	£26,370	01/09/2022	31/08/2024	Hybrid mail via this supplier has been in situ since 2016. This was considered when the MFD contract was re-procured but it has become apparent that it could not deliver the same functionality. Movement away from this unique system that has been rolled out across the authority would not be value for money, in both resource and the implementation costs of a new system.

Total contracts awarded versus the number and value of waivers: 1st March 2022 to the 31st August 2022

Directorate	Number of Waivers	Value of Waivers	Total Contracts Awarded	Value of Contracts Awarded	% Number of Waivers against total contracts awarded	% Value of Waivers against total contracts awarded
E&E	6	£639,469	142	£14,371,704	4.23%	4.45%
Adult Social Care	4	£1,923,050	44	£4,257,557	9.09%	45.17%
Public Health	0	£0	11	£66,493,420	0%	0%
CYPF	2	£183,865	71	£30,868,219	2.82%	0.60%
CR	5	£285,381	37	£4,285,079	13.51%	6.66%
Total	17	£3,031,765	305	£120,275,979	5.57%	2.52%

The % total number of waivers granted against contracts awarded was **5.57%**, which is an increase on the previous period between the **1st September 2022 to the 28th February 2022** of which was **2.22%**. This shift is due to a decrease of contracts awarded for this period.

The % total value of waivers granted against total value of contracts awarded was **2.52%**, which is a decrease from the previous period between the **1st September 2022 to the 28th February 2022** of which was **4.75%**. This is a positive shift from the previously reported period.



Doncaster Council

Report

Date: 27th October 2022

To the Chair and Members of the AUDIT COMMITTEE

INTERNAL AUDIT REPORT FOR THE PERIOD: July 2022 to September 2022

EXECUTIVE SUMMARY

1. The report attached at **Appendix 1** updates the Audit Committee on the work undertaken by Internal Audit for the period of July to September 2022.
2. The attached report is in four sections:
 - Section 1. The Audit Plan / Revisions to the Plan
 - Section 2. Audit Work Undertaken During the Period
 - Section 3. Implementation of Management Actions arising from Audit Recommendations
 - Section 4. Internal Audit Performance
3. A summary of the main points from each of the sections is provided in the following paragraphs:

Section 1: The Audit Plan / Revisions to the Plan

4. The original plan was approved at the April Audit Committee and will be continually reviewed throughout the year in accordance with our agile approach to auditing. Section 1 sets out further detail and significant changes to date.

Section 2: Audit Work Undertaken During the Period

5. During the period July to September, our work has been on our routine and planned audits as well as an increasing number of Covid related grants, needing auditing and sign off.
6. Substantial advisory and consultancy work is ongoing within the Council as well as fraud and responsive work.

Section 3: Progress on the implementation of Management Actions arising from Internal Audit recommendations

7. There are currently no high risk level overdue management actions i.e. actions that have passed their original agreed implementation dates.
8. The total number of overdue medium and low risk level management actions has reduced to 4. Revised implementation dates have been agreed for these actions requiring a further extension of time. In total there are 9 Internal Audit recommendations awaiting implementation, 5 of which are not yet due.
9. Having undertaken a thorough review of the risks in this area, we have assessed the situation as highly satisfactory and will continue to tightly monitor and manage this area.

Section 4: Performance Information

10. Key operational indicators are over the timeliness of the issue of draft and final reports and these have all been issued within target timescales.
11. Results relating to major recommendations and customer satisfaction remain positive, with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above.
12. The plan for the remainder of the Financial Year has been assessed and the Head of Internal Audit considers that sufficient work will be delivered to be able to provide his opinion on the Council's risk, governance and control arrangements. Any changes to this situation will be alerted to members of the Audit Committee.
13. The work delivered by the audit team provides a source of intelligence for the Annual Governance Statement. The work delivered in the year to date, has not identified any new areas of concern that should be considered for inclusion in the Annual Governance Statement for 2022/23. Additionally, work for the year to date has not identified any reason to result in a negative or limited annual opinion over the council's risk, governance and control arrangements.

RECOMMENDATIONS

14. The Audit Committee is asked to note:
 - the position of the Internal Audit plan
 - the Internal Audit work completed in the period
 - the position with regards the implementation of management actions arising from Internal Audit recommendations
 - the current position regarding the ability to deliver the annual opinion over the council's risk, governance and control arrangements

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

15. Effective Internal Audit arrangements add value to the Council in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough.

BACKGROUND

16. This report provides the Audit Committee with information on the outcomes from internal audit work and allows the Committee to discharge its responsibility for monitoring Internal Audit activity.

OPTIONS CONSIDERED

17. Not applicable – for information only

REASONS FOR RECOMMENDED OPTION

18. Not applicable – for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

19. Internal Audit assesses how effectively the Council is managing risks that threaten the achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Council achieving its objectives. Internal Audit's work is, therefore, relevant to all priorities.

Outcomes	Implications
<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none">• Better access to good fulfilling work• Doncaster businesses are supported to flourish• Inward Investment	
<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none">• The town centres are the beating heart of Doncaster• More people can live in a good quality, affordable home• Healthy and Vibrant Communities through Physical Activity and Sport• Everyone takes responsibility for keeping Doncaster Clean• Building on our cultural, artistic and sporting heritage	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none">• Every child has life-changing learning experiences within and beyond school	

<ul style="list-style-type: none"> • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes. 	
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

20. The implementation of internal audit recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS [SRF 17/10/22]

21. There is a statutory obligation on the council to provide an adequate and effective internal audit of its accounts and supporting systems of internal control.

Legal advice can be provided on individual items on the work plan as required.

FINANCIAL IMPLICATIONS [SJT 17/10/22]

22. There are no specific financial implications arising from this report. Internal Audit’s budget is monitored monthly and is not reporting any significant issues

HUMAN RESOURCE IMPLICATIONS [SH 17/10/22]

23. There are no specific human resource implications associated with this report

TECHNOLOGY IMPLICATIONS [PW 14/10/22]

24. There are no specific technology implications associated with this report.

EQUALITY IMPLICATIONS [PJ 07/10/22]

25. We are aware of the Council's obligations under the Public Sector Equalities Duties and whilst there are no identified equal opportunity issues within this report; all of the reports covered by the document will have taken into account any relevant equality implications.

HEALTH IMPLICATIONS [RS 18/10/2022]

26. Good governance is important for healthy organisations and for healthy populations. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

27. There is consultation with managers at the outset, throughout and at the conclusion of individual audits in order to ensure that the work undertaken and findings are relevant to the risks identified and are accurate. Regular meetings are held with Senior Management to ensure there is effective and relevant Internal Audit coverage provided.

BACKGROUND PAPERS

28. United Kingdom Public Sector Internal Audit Standards, audit working files and management information, customer satisfaction responses.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

29. None

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Peter Jackson
Head of Internal Audit



**Doncaster
Council**

Doncaster Council

Internal Audit Progress Report

July to September 2022

Section 1: Revisions to the Audit Plan

- 1.1. The 2022/23 Internal Audit Plan was approved by the Audit Committee on 28th April 2022. As the audit year progresses, the plan is reviewed to take account of any new and emerging risks and any responsive work arising. Additional work undertaken is added to the plan and is resourced by the deletion or deferral of the assessed lowest risk work items. This is well established best practice and in line with our agreed Strategy. The staffing resources available have reduced since the original Audit plan was approved due to one member of staff leaving and continued long-term sickness within the team as reported in the July progress report.
- 1.2. Following the transfer to the Council of the former DCST functions on the 1st September 2022, the current Internal Audit provider contract with the DCST has also transferred to the Council until its end on 31st March 2023. We are working closely with the provider to ensure maximum value is obtained from their work, ensuring we work collaboratively, there is no duplication and maximum value is obtained.
- 1.3. We have identified areas to be covered in this regard and some of this work is currently underway to provide assurance over some of these incoming services / processes, on a prioritised basis.
- 1.4. Significant changes to the plan for the period are set out below, further changes to plan will undoubtedly continue to be made as the year progresses in accordance with our strategy to reflect new and emerging risk and changing priorities
- 1.5. New significant pieces of work added to the work plan in the quarter are:
 - Foster Care Payments – requested by management for assurance over arrangements following prior year concerns when overpayments occurred
 - Charging Reform Board – Management requested audit oversight over this key area for the Council due to this being a potential future risk and ensuring appropriate governance is in place
 - Joint Resource Panel – Management requested audit oversight over this key area for the Council due to the high cost of the placements considered
 - Adult Weight Management Grant – mandatory requirement by Central Government as a condition of the grant
- 1.6. More significant items of work removed from the plan include those set out below; all these will be reassessed as part of the ongoing planning process for the remainder of this financial year and the next financial year:
 - Safeguarding Adults – deferred as Service Review still ongoing
 - Core Financial Processes – General Financial Leger – audit is classed as low risk with little value added
 - Street Lighting Costing / Billing Review – deferred to allow for higher risk work to be delivered

- Bereavement Services, Plot Box System Review – deferred following risk assessment
- Mosaic, Care and Case Flows – still under development and will be reviewed when at a further point of progression
- SEN Improvement Journey – to be covered within the scope of the new Joint Resource Panel audit
- ASC Fees and Charges, Charging Policy Implementation – to be covered with the scope of the new Charging Reform Board audit

1.7. We continue to work with all relevant teams within the Council to ensure our ongoing planned work for the year remains relevant and adds maximum values to the Council. We also continue sense checking our planning and approach with other Audit Teams in the regions that are in our working network. This will ensure that audit resources continue to be targeted to reviewing the highest risks to the Council.

Section 2: Audit Work Undertaken During the Period

2.1 During the period July to September, our work has been on our routine and planned audits as well as an increasing number of Covid related grants, needing auditing and sign off.

Work has continued in supporting the North Bridge Stores Transformation Project. Maintaining overall visibility and advice in relation to the programme, whilst at the same time reducing the detailed checks undertaken. Thus providing additional time and capacity for the service to deliver the improvements, rather than responding to regular audit queries. A full audit will be undertaken to confirm the arrangements have addressed previous issues, following the service confirming that the key elements of the project plan have been completed in accordance with the timescales agreed. Substantial advisory and consultancy work is ongoing covering placements within Childrens Services

2.2 Internal Audit provides an opinion on the control environment for all systems, services or functions, which are subject to planned audit review. The opinions given are taken into account when forming our overall annual opinion on the adequacy and satisfactory operation of the Council's governance, risk management and internal control arrangements at the end of the year.

Internal Audit Opinion

2.3 A “*substantial assurance*” opinion is given where there are no or low levels of concern. A “*reasonable assurance*” opinion is given where there are issues of concern that need to be addressed which may put at risk the achievement of objectives in the area audited. A “*limited assurance*” opinion is given in any area under examination where one or more concerns of a ‘fundamental’ nature are identified or where there are a considerable number of issues of concern arising which need addressing. A ‘*no assurance*’ opinion is given where immediate action is required to address fundamental gaps, weaknesses or non-compliance identified in the area under review, although ‘*no assurance*’ opinions are extremely rare.

Summary of Findings from Audit Reviews

2.4 Summary conclusions on all significant audit work completed June to September 2022 and any completed work not previously reported, are set out in **Appendix A**.

Audits providing 'limited' assurance opinions

2.5 There have been no 'limited assurance' opinions given this period.

Responsive Audit Work and Investigations

2.6 In addition to our planned assurance work, we also investigate allegations of fraud, corruption or other irregularity and/or error, and respond to requests for assistance from services and functions in the Council. There is nothing to report upon in this progress report but any reportable issues will be included in future progress reports or in the Annual Fraud report as appropriate.

2.7 There has been ongoing proactive work undertaken in this area covering data matching exercises both locally and nationally and some focused work around for example Direct Debit Recall Fraud arrangements and school declaration of Interests arrangements.

Schools

2.8 School audit coverage in recent years has been low due to higher priority work being undertaken. A fraud investigation took place at a local Primary school in 2020/21 and this resulted in Internal Audit undertaking a programme of school audits for 2022/23. In order to do so, there was a full revision of the school internal audit programme to ensure it covered all relevant and up to date areas to enable us to add value and provide an assurance over the governance and financial arrangements in operation at the schools. The schools visited this year were selected from our own risk assessments and utilising insight from other Council Teams that work with schools.

2.9 Internal Audit have recently undertaken reviews at three schools to assess the adequacy of both governance and financial arrangements. Two schools were given reasonable assurance opinions and the other, limited assurance

2.10 There is a further piece of work currently being undertaken by Internal Audit involving the identification of the 'common' themes and issues embedded and in operation at the schools that have been identified during the recent school audits. It is anticipated that this work will be issued to all key stakeholders involved, including the Governors, Head teacher and School Finance Staff to make them aware of their responsibilities and to help them improve Governance and Financial Management within their school.

2.11 Internal Audit are also developing a controls risk self-assessment (CRSA) process to be issued to all LA maintained schools. These are to be completed and returned to Internal Audit and for the school to utilise to make all school stakeholders aware of their responsibilities and identify any improvements that may be required. This

process should add value by helping to improve the schools day to day controls and to overall strengthen the governance and financial management within the school. This process should be viewed as a constructive exercise in improving the schools governance and financial management arrangements. This will then be utilised for completion of the School's Statement of Internal Control (SIC) and will aid the School Financial Value Standard (SFVS). It will also be utilised by Internal Audit as one element of the risk assessments for the 2023/24 Internal Audit plan.

Section 3: Implementation of Management Actions arising from Audit Recommendations

- 3.1 Following the completion of audit work, improvement plans are produced in consultation with service management containing details of actions and dates agreed by management for their implementation. Final reports, incorporating agreed improvement plans, are then formally issued to the appropriate Director, Assistant Director and Head of Service.
- 3.2 Internal Audit subsequently seeks assurance that agreed actions arising from audit work have actually been implemented and are effectively managing any risks previously identified. This involves contacting the officer allocated to complete the action to obtain evidence that agreed actions have been implemented or, where they have not, that appropriate progress is being made. Where fundamental weaknesses in internal control arrangements have been identified, more detailed follow up work is undertaken.
- 3.3 Any agreed management actions that are not implemented in line with agreed timescales require Assistant Director authorisation for a time extension and are reported as part of the Council's Quarterly Resource Management processes and consequently monitored through that process. Additionally, Assistant Directors are provided each month with details of all actions outstanding in their area and these are then reviewed with Internal Audit and the Director and their management teams each quarter. Overdue high risk level management actions are reported routinely by Internal Audit to the Audit Committee as are numbers of outstanding lower-level management actions. This has also been further refined following concerns raised by the Audit Committee to that when it is clear that implementation of actions is proving problematic then future date revisions will be approved by the Director and escalated to the Chief Executive when necessary.
- 3.4 The total number of actions which are overdue i.e. that have passed their original agreed implementation date has reduced to 4 and none of these are high risk. A breakdown of these by Directorate is detailed in the table below. All these management actions have had revised dates agreed by their relevant Assistant Directors and we will tightly monitor and report on the achievement of these revised dates.
- 3.5 The detail of the high-level management actions and revised implementation dates is provided in **Appendix B**.

Directorate	Number of high-risk level management actions overdue at 30/06/2022					Number of medium / lower risk level management actions overdue at 30/06/2022				
	At 28/6/2021	At 31/12/2021	At 11/04/22	At 30/06/2022	At 30/09/2022	At 28/6/2021	At 31/12/2021	At 11/04/2022	At 30/06/2022	At 30/09/2022
Adults, Health & Wellbeing (AHWb)	0	0	0	0	0	2	0	0	0	0
Economy & Environment (EE)	3	3	1	0	0	27	27	8	6	3
Corporate Resources (CR)	0	0	0	0	0	7	1	0	0	1
Learning Opportunities, Skills & Culture *	0	0	0	0	0	0	0	0	0	0
TOTAL	3	3	1	0	0	36	28	8	6	4

* These figures do not include the number of actions arising from the 3 school audits completes as these traditionally generate a high number of action and have different ratings for the school to work to and therefore reporting these figures would disproportionately misrepresent the councils position.

3.6 The main area where there had been significant delays is:

Trading Standards and Food Safety (Economy & Environment)

As previously reported, there are now no high risk actions outstanding and only two lower level ones which are due for imminent completion and such this continues to be no longer regarded an area of concern and will no longer be reported in this narrative

There are no areas of significant concern.

3.7 The spread of all management actions awaiting implementation including those not yet due is shown below:

Directorate	No. of actions at 30/06/2021	No. of actions at 31/12/2021	No. of actions at 30/06/2022	No. of actions at 30/09/2022
Adults, Health and Wellbeing	4	0	0	0
Economy & Environment	30	30	6	3
Corporate Resources	9	26	8	9
Learning Opportunities, Skills & Culture *	3	0	1	0
TOTAL	46	56	15	12

3.8 Having undertaken a thorough review of the risk in this area, we have assessed the situation as highly satisfactory and will continue to tightly monitor and manage this area.

Section 4: Internal Audit Performance

Performance Indicators

- 4.1 The Audit Committee has previously agreed the key performance indicators that should be reported to it relating to the performance of the Internal Audit service.
- 4.2 Key indicators are over the timeliness of the issue of draft and final reports and these have all been issue within target timescales.
- 4.3 Results relating to major recommendations and customer satisfaction remain positive, with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above.

The indicators are shown below along with current performance for the period June to September 2022:

Performance Indicator	Target	June to September 2022	Variance (positive is good)
Draft reports issued within 15 days of field work being completed	90%	100%	+10%
Final reports issued within 5 days of customer response	90%	100%	+10%
% of critical or major recommendations agreed	100%	100%	0%
Percentage of Customer Satisfaction Surveys rated Satisfactory or above	90%	100%	+10%

Rolling Audit Opinion over Risk, Governance and Control Arrangements and Annual Governance Statement Items

- 4.4 The plan for the remainder of the Financial Year has been assessed and the Head of Internal Audit considers that sufficient work will be delivered to be able to provide his opinion on the Council's, risk governance and control arrangements. Any changes to this situation will be alerted to members of the Audit Committee.
- 4.5 The work delivered by the audit team provides a source of intelligence for the Annual Governance Statement (AGS). The work delivered in the year to date, has not identified any new areas of concern that should be considered for inclusion in the Annual Governance Statement for 2022/23. Additionally, work for the year to date has not identified any reason to result in a negative or limited annual opinion over the council's risk, governance and control arrangements.

Planned Audit Work Completed in Period

APPENDIX A

Audit Area	Assurance Objective	Final Report to Management.	Overall Audit Opinion	Summary of Significant Issues
ECONOMY AND ENVIRONMENT				
Highways Grants (Integrated, Pothole)	To ensure that expenditure was made in accordance with the grant conditions.	N/A	Not Applicable – Grant Claim verification.	Grant signed, no issues raised.
Lead Local Flood Authority	High level overview of the arrangements in place to ensure that the Council meets all of its responsibilities as a Lead Local Flood Authority (LLFA).	September 2022	Reasonable Assurance	The strategy for local flood risk management should have been reviewed well over 2 years ago.
ADULTS HEALTH & WELLBEING				
Supporting Families Grant - (July to September Claims)	Confirm expenditure and that it meets the conditions of the grant allowing Doncaster Council sign off.	N/A	Not Applicable – Grant Claim verification.	Grant signed, no issues raised.

PUBLIC HEALTH

Adult Weight Management Grant	Confirm expenditure and that it is in keeping with the conditions of the grant statement as true and fair as stipulated by the grant.	July 2022	Not Applicable – Grant Claim verification	Grant signed, no issues raised.
Inpatient Detoxification Grant	Confirm expenditure and that it is in keeping with the conditions of the grant statement as true and fair as stipulated by the grant.	July 2022	Not Applicable – Grant Claim verification	Grant signed, no issues raised.
Universal Drug Treatment Grant Verification	Confirm expenditure and that it is in keeping with the conditions of the grant statement as true and fair as stipulated by the grant.	July 2022	Not Applicable – Grant Claim verification	Grant signed, no issues raised.
CHILDREN YOUNG PEOPLE & FAMILIES				
Mosaic Pricing Uplift – 2022-23	This audit aimed to provide assurance that appropriate arrangements are in place to oversee uplifts and uplifts since April 2022 have been applied accurately	September 2022	Substantial Assurance	None
Local Child Safeguarding Practice Review (LCSPR) – Lessons Learnt	A lessons learned review of the commissioning and monitoring arrangements of a Local Child Safeguarding Practice Review (LCSPR) was undertaken. Independent reviewers were commissioned and procured by Doncaster Children’s Services Trust’s (DCST), Safeguarding Unit on behalf of Doncaster	September 2022	N/A – lesson learned report	It was confirmed that lessons have been learnt from the LCSPR and actions had already been identified and implemented.

	Safeguarding Children Partnership (DSCP) to undertake a LCSPR in 2020. The audit review was requested on the behalf of the Chief Executive and the Director of Learning, Opportunities and Skills due to governance and financial concerns raised by a Non-Executive Director of the former Doncaster Children's Services Trust (DCST) regarding the commissioning / procurement and contract management of the LCSPR.			
Primary School 1	To assess and ensure that financial and governance controls and processes are working effectively	September 22	Reasonable Assurance	Improvements were required to strengthen controls in operation at the school.
Primary School 2	To assess and ensure that financial and governance controls and processes are working effectively	September 22	Reasonable Assurance	Improvements were required to strengthen controls in operation at the school.
Primary School 3	To assess and ensure that financial and governance controls and processes are working effectively	July 22	Limited Assurance	Significant improvements were required to strengthen controls in operation at the school.

Overdue High Risk Management Actions arising from Audit Recommendations

APPENDIX B

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
NB There are currently no overdue high risk management actions						

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Doncaster Council

Report

Date: 27th October 2022

To the Chair and Members of the

AUDIT COMMITTEE

PROGRESS REPORT ON NORTH BRIDGE STORES TRANSFORMATION PROJECT

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. This report provides members a quarterly progress update on North Bridge Stores operational activities instigated following the Stores Management Review in response to the internal audit carried out in 2019 and their involvement in the Personal Protective Equipment (PPE) stocktaking in 2020.
2. This is the sixth update on the activities that have commenced. The original assessment of the Stores function has identified work required in cross functional operational links which lead into and work to compliment the Stores function and this work continues to progress. The work undertaken is Director led and the successful delivery of the project has senior management support and commitment.

EXEMPT REPORT

3. There are no exemptions in this report.

RECOMMENDATIONS

4. Audit Committee are asked to note the updates to the report and support the outlined approach.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. An efficient and effective Stores function will allow the Council to be able to support services to the people of Doncaster through our customer facing stores function in a timely way and at the best quality and price.

Full adherence to audit standards will provide financial protection and a stable and accurate stock management process.

BACKGROUND

6. There has been historic and cultural non-compliance to agreed operating procedures for several years, despite previous internal audits and agreed management actions that have not either been implemented or maintained when put in place.

The general operating processes of the Stores changed in early 2020 due to the pandemic and focus was necessarily aligned to the processing of Personal Protective Equipment that was required across the Borough. As a result of this and also due to other mitigating factors (such as the floods) there was impact upon the day to day processes of the service.

The service offered by Stores was identified as falling short of the necessary standards. This shortfall encompassed operating processes, product/supplier pricing and management, stock control, stock management/storage and invoice processing.

The lack of thorough stock control and systems management was compounded by the suitability of the physical buildings used for Stores –some of which are in a poor state of repair or not available to Stores staff, being used by other services and also the work streams currently been carried out by the Stores team, some of which do not fall within the scope of the core operating procedures.

The Stores function, based at North Bridge is a long-established operation. In late 2017, a new ordering and stock control system was introduced which was not successfully embedded into the daily operating processes with subsequent day to day custom and practice not fully aligned to the requirements of the system.

To address the issues identified by Internal Audit a Stores Management Review was implemented in May 2021 to ensure longer lasting/sustainable improvements for the Stores function moving forward.

The review identified the key issues that are driving the shortfalls and a plan was executed to correct the issues and operate Stores by the correct operating processes by the end of December 2021, with a further review period to assess wider service area impacts to take place until the end of March 2022 with subsequent alignment of processes continuing throughout 2022. The lessons learnt during these further reviews have informed the development of the Key Performance Indicators (KPI's) for the Stores team to deliver. Further consideration has also been given to interactions with other service areas and processes that are involved with the entire Stores process, either as a customer or a stakeholder.

7. **PROCESS GOVERNANCE**

Given the previous history with lack of improvement a more focussed approach has been established to drive the delivery and provide assurance of the improvement project. Delivery of the North Bridge Stores review is overseen by a Transformation Board (as shown below) which monitors progress monthly against the activities identified from the Internal Audit review and subsequent Stakeholder Management monthly meetings. The Transformation Board is accountable to the Director of Economy & Environment for management reporting and service improvement and Audit Committee as part of the Audit Committee Work Programme.

Transformation Board meets monthly and representatives include:

- Assistant Director – Economy and Development
- Head of Service – Property
- Head of Service – Internal Audit
- HR & OD Officer
- Other Heads of Service from SMM's by exception

Stakeholder Management meetings operate to both identify and address improvement activities, whether they fall within the Stores service or with the Stakeholder and to embed good practice and service improvement between the teams and these meetings have now been re-aligned to focus on operational issues alongside strategic issues. The former stakeholder monthly meetings are now once a quarter, whilst the operational meetings remain monthly.

The monthly Stakeholder Management operational meetings involve key stakeholders from:

- Procurement
- Transactional Processing
- Highways
- Metro Clean
- Professional Buildings Maintenance
- Street scene
- HR

8. **ACTIVITY**

Since May 2021 considerable activity has been carried out to look into the feedback given by the internal auditors and continued feedback from the Audit team is fed into the operational practices within Stores.

The Stores Transformation Project identified key stakeholders within all of the work areas that impact, support or use the Stores function so that these issues could be fully investigated to allow a comprehensive understanding of the reasons why and the actions required to fix on a permanent basis.

This work has included stakeholders from across many functions in the Council. Stakeholders for Stores are customers from within the service areas that purchase goods via Stores and also staff that work within the associated areas such as Procurement, Transactional Processing and Finance who manage the supplier contracts and the prices charged by the external suppliers from whom Stores purchase the items on behalf of the Council.

The launch of an initial six-month plan (which ran from July 2021 until December 2021) to bring operational concerns up to an acceptable standard has now been followed by a period of reconciliation and embedding of processes with a further review and update in at this meeting

Improvements in the overall operation of Stores and on-going work to ensure that these improvements are embedded into the culture of the team have been slowed somewhat by the process of recruitment of a permanent Stores Manager. Ongoing improvements and positive changes since the last reporting date are reflected in the updates below.

There continue to be many strands being worked on concurrently and these will pull together the overall success of the Stores operation and this is supported by a detailed project plan that includes tasks and responsibilities across all stakeholder groups which will continue alongside business as usual operations once the overall project is closed.

The following key activities represent the on-going work in Stores, all of which are now business as usual activities or progressing significantly towards full embedding:

- Ongoing organisation of the physical Stores buildings to make best use of available space including recovery of space used by other services.
- Labelling and identification of all stocks and locations
- Storage of all similar/related products in close proximity to ensure all stocks are available and are utilized plus secure storage of portable and valuable items.
- Review of all supplier contracts and pricing/invoice agreements to ensure that we pay the agreed price and that invoice mis-matches are reduced to only the disputed lines and instances of supplier payments being delayed will be reduced
- Review of the product/supplier catalogue and products stocked to ensure all regular purchases are held within Stores to prevent teams purchasing directly themselves and paying a potentially higher price
- Development of new and renewed contract procurement to ensure fit for purpose and value for money items held on stock.
- Review and agreement of operating procedures with training provided to bring all staff up to the required standards so that effective monitoring and management of the adherence to these procedures can be carried out
- Communication to the wider customer base to advise them on how the Stores function should and will operate and how the ordering process works
- Review of the processes used to manage non-stock items, including the implementation of a specific storage area and communication made to teams that purchase non-stock items to ensure the process is understood
- Two full stocktakes annually (September and March) to be carried out with detailed investigation of all variances.
- Implementation of perpetual inventory counts on identified stock lines throughout the year to augment full stock takes and minimise day to variances on stock holdings.
- Monitoring and follow-up activity for all issues that arise and the

stocktakes to continue to develop and embed a culture of adherence.

- Development of a suite of Key Performance Indicators (KPI's) with monthly reporting – see Appendices to this report for latest full month statistics

9. **PROGRESS UPDATE (JULY 2022 – OCTOBER 2022)**

Since the previous Audit Committee, and following on from improvements and actions completed previously, key milestones that were identified to be completed for next reporting were:

1. Standard Operating Procedures
2. Stores Users Survey
3. Key Performance Indicators
4. Store Manager recruitment
5. Half Year Full Stock Take
6. Implementation Plan progress
7. Other items

Standard Operating Procedures:

Full SOP's have been agreed, approved and are being provided with appropriate training to further improve processes that will support the Standard Operating Procedures. Monitoring of compliance to SOPs will continue throughout Sept to Dec '22 and any issues will be investigated. Staff will be monitored to ensure full compliance with the procedures at all times.

Operational admin trackers have been implemented to allow a thorough understanding and analysis of the workload at operational level, including analysis of the non-stock orders and purchase processes and the internal deliveries process currently operating.

The results of this analysis will allow more efficient operations to be implemented in quarter 4 of this year.

Compliance to the SOP's will be assessed in Quarter 3 2022/23 with further support training provided where necessary.

Stores Users Survey:

A decision was made to defer this survey to ensure fullest available responses and avoiding the summer holiday period in quarter 2. A second survey is planned to be sent to all stakeholders quarter 3 allowing a direct comparison between both surveys ahead of the fourth quarter of this year.

Key Performance Indicators (KPI's):

Key Performance Indicators (KPI's) developed and implemented in May 2022 in alignment with the original programme timetable, are beginning to provide both a baseline and a best practice operating standard for ongoing review and embedding as business as usual.

Latest Stores KPI's are shown below:

Key Performance Indicators (KPI's)											
Description and Details			Results								
Key Performance Indicator Description	Current	Target	Jan	Feb	March	April	May	June	July	Aug	Sep
Orders to be fulfilled via Requisition	90%	90%					65%	80%	80%	85%	90%
<i>90% of all stock orders will be placed through the official IT process and recorded correctly, in line with SOP's</i>											
Callbacks to customers for stock arrival	80%	90%					30%	30%	50%	75%	80%
<i>Customers who place an order for 90% of received stock deliveries will receive a telephone notification within 48 hours of receipt</i>											
Same Day availability for orders before noon	85%	85%					80%	80%	80%	80%	85%
<i>85% of stock orders placed (through E5) before midday will be available to collect the same working day before 15:30hrs</i>											
Next Day availability for orders post noon	90%	90%					90%	90%	90%	90%	90%
<i>85% of stock items ordered (through E5) after midday will be available for collection from 07:30hrs the next working day</i>											
Perpetual Inventory Counts completed	100%	100%					100%	100%	100%	100%	100%
<i>The agreed Perpetual Inventory (PI) count calendar of 47 counts will be completed as per the monthly schedule</i>											
PI Count stock variances	4%	2%					5%	5%	5%	4%	4%
<i>Regular PI counts will reveal no more than +/- 2% variance and all issues will be corrected at the time of count</i>											
Goods Awaiting Pick-up managed	85%	85%					85%	85%	85%	85%	85%
<i>85% of goods awaiting pick up will be collected within 14 days of receipt. Regular weekly chase-ups and logging will be carried out each Friday</i>											
Live Stock vs Total Stock	100%	85%					100%	100%	100%	100%	100%
<i>85% of all stock within Stores will be live and operational. Any obsolete or un-logged stock will be corrected</i>											
Active Lines vs Issued Lines	80%	80%					70%	75%	75%	75%	80%
<i>The Stores product inventory will consist of active stock lines representing 80% of the total inventory</i>											

The record shows a continuing improvement and embedding of processes to deliver at or near to target outcomes against key performance indicators.

KPI's will be reviewed in quarter 4 to ensure that they are fit for purpose, providing challenge and are relevant to the ongoing and future delivery of the service.

Stores Manager Recruitment

As was reported in July 2022 Audit Committee, the role of Stores Supervisor was upgraded to Stores Manager and recruitment activity took place in June 2022. Unfortunately this recruitment was not successful and the post was re-advertised in September 2022. Following this activity, a Stores Manager has been appointed to take control of all of the tasks and recommendations highlighted in the project plan. An update will be provided on this point at Committee.

Half Year Full Stock Take:

The second full stock take of 2022 and the first of the 2022/23 financial year was undertaken during September, following agreed procedures established in revised SOP's and with a dedicated and trained staff resource. This included updates and team meetings prior to the stock take to confirm and allocate roles and responsibilities and ensure service delivery cover for day to day Stores activities during the stock take process.

Group	Description	Total Value (£)	Stocked Lines	(Negatives) (£)	(Negative) Lines	Average Negative Value/Item	Positives (£)	Positive Lines	Average Positive Value/Item	Negative %	Positive %	Variance Net +/- (£)	Variance Net +/- (£) %	Total Variance Lines	Group Variance Lines %
58	Metro Clean	62,489	176	712	26	27.40	1,235	11	112.27	1.1	2.0	523	0.8	37	21.0
60	Clothing/PPE	41,307	301	1,021	53	19.26	766	41	18.69	2.5	1.9	255	-0.6	94	31.2
47	Bricks etc	10,791	78	88	6	88.03	168	4	41.94	0.8	1.6	80	0.7	10	12.8
72	Chemicals	11,081	7	-	-	-	-	-	-	0.0	0.0	-	0.0	0	-
49	Plumbing	18,607	275	44	10	4.43	140	18	7.79	0.2	0.8	96	0.5	28	10.2
73	Small Hand Tools	5,334	38	150	5	29.92	20	1	19.73	2.8	0.4	130	-2.4	6	15.8
59	Fitters Materials	16,517	279	380	18	21.09	106	7	15.14	2.3	0.6	274	-1.7	25	9.0
61	Gas	315	13	6	1	6.42	-	-	-	2.0	0.0	6	-2.0	1	7.7
50	Tapes/Adhesives	69	3	-	-	-	-	-	-	0.0	0.0	-	0	0	-
62	Timber	172	6	-	-	-	-	-	-	0.0	0.0	-	0	0	-
68	Sharps Bins	215	1	-	-	-	-	-	-	0.0	0.0	-	0	0	-
51	Ironmongery	20,066	57	5	3	1.74	25	2	12.44	0.0	0.1	20	0.1	5	8.8
53	Electrical	44,645	446	539	44	12.26	77	15	5.10	1.2	0.2	463	-1.0	59	13.2
55	Kerbs	58,071	67	361	4	90.25	967	12	80.57	0.6	1.7	605	1.0	16	23.9
56	Sealants/Adhesives	3,884	31	11	-	-	11	1	10.87	0.3	0.3	-	0.0	1	3.2
57	Tools	14,075	211	564	38	14.85	302	22	13.71	4.0	2.1	263	-1.9	60	28.4
52	Cables	7,230	47	36	2	18.07	290	3	96.57	0.5	4.0	254	3.5	5	10.6
54	Street Lighting	597,907	230	919	14	65.64	2,313	16	144.56	0.2	0.4	1,394	0.2	30	13.0
	Totals (£)	912,776	2,266	4,838	224	21.60	6,418	153	579	0.5	0.7	1,581	0.2	377	16.6

Stock Take Summary and Analysis:

Data set	Sept 2022	April 2022	Dec 2021
Gross Value of variances - over	£6,418	£14,596	£27,810
Gross Value of variances - short	£4,838	£16,913	£8,982
Total Variance Stock Lines	377	473	634
Variance as a % of total stock held	0.2%	0.2%	4.15%

- Total Stock held value reduction since April 2022 = £45,154
- The top ten variance lines have been investigated prior to reporting
- Top ten variances in terms of value lines included one line with a variance of £1500 and the next highest nine lines of just over £100 per line.

The overall stock take results present ongoing improvement of the trend of results of lower average values and total numbers attached to variances from previous stock takes.

Implementation Plan progress:

The implementation Plan has been further developed and refined since the date of the last reporting and cross references with current and previous Audit action items. The plan also provides for themed and individual actions for implementation in support of these specific recommendations and to augment best practice standards and efficient service delivery within Stores.

A summary copy of the Implementation Plan is attached as an appendix to this report.

Other items:

Other implemented items marked against the implementation plan include;

- Agreed and implemented processes between Stores and Financial Services to identify, write off and dispose of obsolete stock throughout the year with a review of unused and underutilised lines prior to financial year end.
- Planned resource allocation for full stock takes to deliver a planned and structured stock take with built in variance monitoring and investigation.
- Task allocation for team members to ensure flexibility and efficient working on day to day activities.
- All stock issued with a requisition and no stock items issued and placed on the IM system without a cost centre.
- Revised and improved process developed for a 'self-help' access to stock delivery records for customers to support timely collection of ordered goods.
- Stock usage monitoring reports reviewed weekly and actions taken a stock line level to address variances.
- All new stock items provided with a location code.
- Contract renewal for Electrical and Plumbing contracts, including review and reduction of lines held to reflect customer demands and capacity for suppliers to supply at short notice. A reduction of 329 lines has been achieved and a further 274 lines identified for review for removal from active stock lines.

Summary and Next steps:

At the date of reporting, activities planned for implementation by the end of the September 2022 have all progressed with the exception of the deferred User Survey and have been completed within the parameters agreed by the Stores Transformation Board and within the implementation plan.

Next steps in the (Sept – Dec 22) implementation period include:

- Stores Manager in post
- Stores User Survey
- Embedding of spot checks within Perpetual Inventory counts – commenced
- Development of training needs assessment for individual team members via PDR and one to ones to ensure up to date system knowledge and technical expertise.
- Embedding and further training of Standard Operating Procedures
- Update and reporting of Key Performance Indicators (KPIs)
- Continuing Stakeholder Management Meetings (operational managers) as a business as usual activity

10. RISKS & ASSUMPTIONS

Risks associated with 'do nothing' or 'unsuccessful project' scenario:

Risk/issue	Outcome	Likelihood	Status
Contracts with suppliers out of date	No agreements in place for stock Accounts could be placed 'on hold' and the supply chain could be compromised Reputation of the Council could be damaged	High	Contract management diary in place and procurement with suppliers actively managed
Pricing charged by suppliers is not checked	Council pays a higher price for stock than expected	High	Pricing checked – ongoing review with P2P
Stocks held are not matched to customer needs	Stocks held become obsolete. Internal customers purchase stock from outside Stores	High	Stakeholder consultation and involvement in new contracts and obsolete stock identified and removed
Physical storage areas not organised and clean	Stock is damaged, not counted, misplaced or stolen	Medium	Stock is consolidated accurately identified and secure
Staff not fully trained on IT systems	Council does not benefit from processes and reporting functions that are available to make Stores more efficient	High	Training needs assessed and training being rolled out and reviewed for effectiveness
Operating Procedures not used	Impacts on all of the above and prevents accountability	High	Operating procedures being monitored for implementation
Regular communications between Stores and internal customers	Lack of communications means that minor issues become significant problems	Medium	SMM developed and in regular use as a medium for two way dialogue and risk management

If the Stores function does not function effectively, residents of the borough would be impacted because many of our internal services (such as Highways, Streetscene, etc.) use materials purchased and supplied to them by Stores. If they are unable to obtain such material in a timely manner, then this will impact on the borough. This was highlighted during a previous Covid alert which resulted in Stores being closed for a day.

Failure to manage contractors and pricing of materials being bought into Stores will risk additional costs to the Council.

The status of the mitigations against identified risks demonstrates the progress to date and assurance improvements made,

11. LEGAL IMPLICATIONS

There are no specific legal implications arising from this report. Legal advice can be provided in relation to any matters raised by the Committee.

[Officer Initials: SRF Date: 13.10.22]

12. FINANCIAL IMPLICATIONS

The financial implications of this report are not quantifiable, failure to implement the audit actions could result in:

- Customers being under/over charged resulting in fluctuations within the stores budget.
- Council not receiving the correct price/best value from suppliers.
- Stock being written off due to obsolescence or damage.
- Stock Control Account value being under/overstated.
- The service revenue position being adversely affected.

Regular stock takes will allow any significant variances to be identified, and allow timely action to be taken. The impact of future stock takes should continue to be reviewed to identify any impact on the service budget for 22/23.

The report highlights that some work streams currently been carried out by the Stores Team do not fall within the scope of the operating procedures, if these relate to the Commercial Activity function of the service (e.g. supply of 'Man with a Van' to internal services), then the associated income budget will need to be reviewed and any budget pressure identified.

The report also questions the suitability of the Stores building and identifies the building is in need of repair. The nature, value and urgency of the works should be considered and if additional resources are required these should be requested through either the revenue or capital budget setting process. If there is an intention to undertake capital works the scheme should be outlined and included on the Council's pipeline of capital schemes for consideration. The building is part of a wider review of North Bridge Depot currently underway.

The Stores Supervisor post (Grade 9) has been replaced with the now appointed to Stores Manager post (Grade 10), budget will need to be identified to address the budget shortfall for 23/24 onwards.

[Officer Initials LS 12/10/22]

13. HUMAN RESOURCES IMPLICATIONS

There are no direct HR Implications in relation to this report, but continuation of consultation with HR via the board transformation meetings will still be required. If in future staff are affected or additional specialist resources are required, then further consultation will need to take place with HR.

[Officer Initials AA 14.10.2022]

14. TECHNOLOGY IMPLICATIONS

There are no specific technology implications in relation to this progress report

15. HEALTH IMPLICATIONS

The safe and effective operating of Stores is important to protecting the health and wellbeing of the workforce. The pandemic and the need for an effective process to manage Personal Protective Equipment (PPE) is a case in point. The activities identified in this report should improve the performance of the service area. Committee members will want to ensure that these activities do not widen or cause any inequalities.

16. **EQUALITY IMPLICATIONS**

In line with the corporate approach for compliance against the Equality Act 2011 due regard must be shown across all activity within the Council. After considering the equality implication for the Stores Transformation Project none have been identified so a full due regard assessment was not required.

[Officer Initials - DS Date 30/09/22]

17. **CONSULTATION**

The project has consulted a broad group of stakeholders to ensure that feedback is as wide ranging as possible. The Board was implemented in May 2021 to oversee the decisions. The Board includes Assistant Director and Head of Service level individuals and this meets monthly. To support this, there are fortnightly or monthly stakeholder meetings that include representatives from Procurement, Transactional Processing, Finance and also key service areas including Streetscene, PBM, Highways and Metro Clean in addition to the Stores Supervisor.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used above:

- SOP – Standard operating procedures
- IT – Electronic support systems
- KPI's – Key Performance Indicators

REPORT AUTHOR & CONTRIBUTORS

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Stores – Project Masterplan – Summary

October 2022

Theme	Implementation actions	Progress	Items completed	Items outstanding / in progress / future & not started
Systems Processes & Procedures				
General operations	6	100%	6	0
Stock Takes	18	77%	14	4
Returns	7	71%	5	2
Stock Picking& Requisitions	3	100%	3	0
Stores – Stock Management	5	80%	4	1
IT Systems / inventory Management/SICLOPS	5	40%	2	3
Catalogue & Pricing	2	50%	1	1
Contract Management	2	50%	1	1
Staffing and Structure				
HR General – Job summaries and structure	2	0%	0	2
Training and Support	2	0%	0	2
Stakeholder Management	19	84%	16	3
Physical Accommodation / Buildings				
Assessment of Site	5	40%	2	3
Analysis of Stock held	4	75%	3	1
Business Continuity Plan	1	0%	0	1
Totals	81		57	24

Key:



In excess of 70% total action items compete and all outstanding items on track



Less than 70% of total action items complete and all outstanding items on track



Theme includes action items not on track

Note: All end dates for implementation of the Project Masterplan is 31.03.2023

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Doncaster Council

Report

Date: 27th October, 2022

To the Chair and Member of the
AUDIT COMMITTEE

STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2021/22 – DRAFT ISA 260 REPORT TO THOSE CHARGED WITH GOVERNANCE

EXECUTIVE SUMMARY

1. In accordance with International Standard on Auditing (ISA) 260, the Council's external auditor is required to issue a report detailing the findings from the 2021/22 audit and the key issues that the Committee should consider before the external auditor issues their opinion on the financial statements.
2. The 'Communication with those charged with governance' report (draft ISA 260 report attached as Appendix A) has to be considered by 'those charged with governance' before the external auditor can sign the accounts which, under normal circumstances, legally has to be done by 31st July. The Accounts and Audit (Amendment) Regulations 2021 amended this date to 30th September for 2022. In December 2021, the Department for Levelling-up, Housing and Communities (DLUHC) announced an intention to further extend the deadline for publication of the audited statement of accounts to 30th November, 2022.
3. Grant Thornton expects to issue an unqualified audit opinion on the Council's financial statements for 2021/22; subject to all outstanding queries being resolved to their satisfaction.
4. Grant Thornton have provided an update on the timescales for the Value for Money (VfM) for 2021/22 and issuing the Auditor's Annual Report (AAR). Grant Thornton expect to issue the AAR in time for the Audit Committee on 26th January, 2023.
5. Overall the draft ISA 260 report is a positive one, with 1 adjusted misstatement.
6. Attached to this report is the draft ISA 260 report. The Audit Committee will be updated on any changes to the report.

7. The Section 151 Officer, as the responsible financial officer, re-confirms on behalf of the Council that she is satisfied that the Statement of Accounts presents a true and fair view of: -
 - a. the financial position of the Council at the end of the 2021/22 financial year; and
 - b. the Council's income and expenditure for the 2021/22 financial year.

Annual Governance Statement

8. The Council is required to prepare, approve and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations and professional accounting practice. The Council's governance arrangements in place during 2021-22 have been reviewed in line with the guidance and an Annual Governance Statement has been produced (Appendix B). This document demonstrates our governance compliance by: -
 - a. **8** key areas of improvement have been completed or have been effectively managed to the extent that they are no longer significant (pages 9-10);
 - b. **2** new significant issues arising from the 2021-22 review of effectiveness of the corporate governance arrangements (pages 6-7);
 - c. Update on the **1** key area identified during previous years that remains an issue in 2021-22 (page 7).
9. Since the draft AGS was presented at Audit Committee in April 2022, we have also reviewed the current issues contained within the AGS to reflect the latest position.

EXEMPT REPORT

10. Not applicable.

RECOMMENDATIONS

11. It is recommended that the Audit Committee: -
 - a. Note the contents of the draft external audit ISA 260 report;
 - b. Consider the Letter of Representation included in the draft ISA 260 report, and endorse for signature by the Chair of the Audit Committee and the Chief Financial Officer;
 - c. Approve the Statement of Accounts 2021/22; and
 - d. Approve the Annual Governance Statement 2021/22, for signature by the Mayor and the Chief Executive; and
 - e. Delegate authority to the Chief Financial Officer, in consultation with the Chair, to agree any adjustments to the Statement of Accounts 2021/22, following the completion of the audit by Grant Thornton, should any changes be necessary, prior to signing by the Chief Financial Officer and the Chair of the Audit Committee.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

12. An unqualified audit opinion on the Council's financial statements and a good VfM conclusion resulting from the annual audit process would indicate that there is excellent internal control in place safeguarding Council resources.

BACKGROUND

Preparation of the Accounts

13. The Council's 2021/22 accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and the appropriate accounting codes of practice. They were approved by the Council's responsible financial officer (Chief Financial Officer & Assistant Director of Finance) and published on the Council's website on 6th July 2022. This was ahead of the revised statutory deadline of 31st July 2022. The Accounts and Audit (Amendment) Regulations 2021 amended the normal statutory date from 31st May to 31st July.
14. The unaudited accounts were presented to this Committee for information on 28th July, 2022. Grant Thornton were presented with these draft accounts on 6th July, 2022.

Outcomes of the Audit

15. The external audit began in July and included examination of evidence relevant to the amounts and disclosures in the financial statements and related disclosure notes. It also included an assessment of the significant estimates and judgments made by the Council in the preparation of the financial statements and related notes and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed. This has resulted in the findings and conclusions contained in the draft ISA 260 report.
16. Throughout the audit process the Council's Financial Management team have responded promptly to audit queries which have contributed positively to the audit's satisfactory conclusion. Key finance officers take a proactive role in identifying potential risks so that a dialogue can take place with Grant Thornton at an early stage to discuss and seek agreement on significant and often highly complex, accounting issues affecting the year's accounts.
17. Grant Thornton have made 1 recommendation this year, which is a Medium priority. This relates to the end of the useful life of Vehicles, Plant and Equipment. This is detailed in the draft ISA 260 report page 26.
18. There was 1 adjusted misstatement relating to the gross book value of Vehicles, Plant and Equipment. This is detailed in the draft ISA 260 report page 29.
19. There were 8 misclassification and disclosure changes. These are detailed in the draft ISA 260 report pages 30-31.
20. An updated unaudited Statement of Accounts is attached at Appendix C. This has been updated for the adjustments referred to in the draft ISA 260 report.

21. Grant Thornton expects to issue an unqualified audit opinion on the Council's financial statements for 2021/22; subject to all outstanding queries being resolved to their satisfaction. However, page 3 of the ISA 260 report notes that an issue affecting the whole local government sector means an unqualified opinion can't be provided until a Statutory Instrument is issued by the government. This may mean that the statutory deadline for completing the audit is missed. Should this occur the Council will publish an explanation for the delay on its website.
22. The accounts were made available for public inspection for 30 working days (in accordance with the Accounts and Audit (England) Regulations 2015) on 7th July, 2022, during which, members of the general public were able to inspect the accounts and raise questions on the financial statements and the associated disclosure notes. During this period no inspection visits were made.
23. Grant Thornton expect to complete their work on Value For Money (VfM) for 2021/22 and issue the Auditor's Annual Report (AAR) in time for the Audit Committee meeting on 26th January 2023. This is ahead of the National Audit Office's revised deadline which requires the AAR to be issued no more than three months after the date of the opinion on the financial statements.
24. The Letter of Representation requires endorsement by the Committee as an important final stage in the audit of the Council's 2021/22 Statement of Accounts. The letter is from the Section 151 Officer to Grant Thornton and is an assurance from management that the accounts have been prepared correctly and to bring to the auditors' attention any further matters that need to be taken into account prior to their opinion being issued. The draft letter is included at the end of the draft ISA260 report.

OPTIONS CONSIDERED

25. Not applicable.







REASONS FOR RECOMMENDED OPTION



26. The Council is subject to statutory external audit and performance evaluation by Grant Thornton and must prepare annual accounts.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

27. These are detailed in the table below: -

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
-------------------------	-------------------------	---------------------------------------	--	-----------------------------------

 Tackling Climate Change				✓
Comments:				
 Developing the skills to thrive in life and in work				✓
Comments:				
 Making Doncaster the best place to do business and create good jobs				✓
Comments:				
 Building opportunities for healthier, happier and longer lives for all				✓
Comments:				
 Creating safer, stronger, greener and cleaner communities where everyone belongs				✓
Comments:				
 Nurturing a child and family-friendly borough				✓
Comments:				

 Building Transport and digital connections fit for the future				✓
Comments:				
 Promoting the borough and its cultural, sporting, and heritage opportunities				✓
Comments:				
Fair & Inclusive	✓			
Comments: The audited Statement of Accounts provides information on all Council priorities incorporating income and expenditure for all Council services. An unqualified audit opinion from Grant Thornton on the financial statements and supporting disclosure notes, together with an unqualified VfM conclusion assists with the positive reputation of the Council and ensures that strong governance is in place.				

Legal Implications [Officer Initials: SRF | Date: 10/10/22]

28. The Statement of Accounts is prepared in accordance with the appropriate regulations and the Council is subject to statutory external audit and performance by Grant Thornton. Further specific legal advice can be provided on any matters arising.

Financial Implications [Officer Initials: RLI | Date: 07/10/22]

29. The Council's Statement of Accounts are prepared in line with the Accounts and Audit Regulations 2015 and International Financial Reporting Standards.
30. The audit fee budget is managed by the Director of Corporate Resources and this review is included in the planned expenditure for the 2021/22 audit.

Human Resources Implications [Officer Initials: KG | Date: 11/10/22]

31. There are no specific HR implications relating to the contents of this report.

Technology Implications [Officer Initials: PW | Date: 07/10/22]

32. The final version of the ISA260 will be reviewed by relevant officers and any technology implications will be fed back to the CFO and Chair of Audit Committee prior to signing off the accounts.

RISKS AND ASSUMPTIONS

33. The table below highlights the most significant risks that could have a negative impact on the deliverability of the Council's financial position and the action taken to mitigate them: -

Risks / Assumptions	Probability	Impact	Proposed Action
Robustness of correct outturn figure	Low	Medium	Work has been undertaken during monitoring and closedown process to process all transactions and prepare for audit. This included senior officer quality assurance review and control; and internal verification and checks by finance and technical officers.
The Audit identifies a material / significant finding or inaccuracy in the production of the accounts.	Low	High	Continuous dialogue with Grant Thornton throughout the year. Specific discussions on key complex / technical areas are as part of the monthly audit liaison group meetings

CONSULTATION

34. Not applicable.

BACKGROUND PAPERS

35. Following background papers: -
- Unaudited Statement of Accounts 2021/22 published on the Council website: - <http://www.doncaster.gov.uk/services/the-council-democracy/statement-of-accounts>
 - Accounts and Audit Regulations 2015
 - The Accounts and Audit (Amendment) Regulations 2021
 - The Code of Practice on Local Authority Accounting 2021/22 ('The Code') - based on IFRS

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

AGS	Annual Governance Statement
AAR	Auditor's Annual Report
DLUHC	Department for Levelling-up, Housing and Communities
IFRS	International Financial Reporting Standards

ISA International Standard on Auditing
VfM Value for Money

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Faye Tyas
Chief Financial Officer
& Assistant Director of Finance

The Audit Findings (ISA 260) Report for Doncaster Metropolitan Borough Council

Year ended 31 March 2022

17 October 2022



Contents



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Section

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Appendices

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This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management and the Audit Committee.

Gareth D Mills

Name: Gareth Mills
For Grant Thornton UK LLP
Date: 17 October 2022

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Doncaster Metropolitan Borough Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the group and Council's financial statements give a true and fair view of the financial position of the group and Council and the group and Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed remotely from July through to concluding in November. Our findings are summarised in Section Two of this report. As at the date of this report, we have not identified any audit adjustments impacting on the Council's outturn position and useable reserves.

Our work identified a number of disclosure and presentational audit adjustments which are detailed at Appendix C. We have raised one audit recommendations for management as a result of our work in the Action Plan at Appendix A. Our follow up of recommendations from the prior year are detailed at Appendix B.

Our work is nearing completion in advance of our target sign off date of the end of November. At present, there are no matters of which we are aware that would require modification of our proposed audit opinion (Appendix E) or material changes to the financial statements, subject to the following outstanding matters:

- completing the remaining elements of our work on PPE, pension fund assets and liabilities, payables and receivables, journals, grant income, operating expenditure, the Group audit and additional assurance from the pension fund auditor
- publication of the Statutory Instrument (SI) from the Department for Levelling Up, Housing and Communities (DLUHC) on the statutory override for the accounting arrangements relating to infrastructure assets (see also page 13 for further details)
- completion of our internal quality review processes, including final reviews of the file by both the Engagement Manager and Engagement Lead, specifically in respect of significant audit risks of PPE valuation, pension fund liability and journals testing
- reviewing the final version of the financial statements, Narrative Report and Annual Governance Statement
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Timing of the completion of the 2021-22 audit

In our discussions with management, our approach is to conclude all work on the audit by 30 November 2022 in line with the statutory target. However, there is a national issue across the sector in terms of accounting for infrastructure assets (set out in more detail on page 13) which is expected to be resolved via the issuing of a Statutory Instrument from DLUHC.

We have agreed with management that we will await the publication of the SI in order to avoid issuing a qualified opinion. The timing of the SI from DLUHC is hoped to be around 30 November to coincide with the statutory date, however at the time of this report the exact publication date remains unclear. The SI is expected to resolve the infrastructure accounting issue across the sector and should all other aspects of the audit be concluded appropriately, we would expect to issue a clean (unqualified) audit opinion at that time.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. We expect to issue our Auditor's Annual Report in time for the Audit Committee meeting on 26 January 2023. This is ahead of the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued within three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our initial planning work identified no significant VFM weaknesses in the Authority's arrangements. As other authorities, the Council is facing increasing costs resulting from inflation, particularly relating to energy and pay expenditure which is impacting on the Council's ability to deliver to agreed budgets. We will summarise the findings from our work in our Auditor's Annual Report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

Subject to the completion of our work on the Council's VFM arrangements, our review of the Council's Whole of Government Accounts (WGA) submission, and the issue of a Statutory Instrument in respect of Infrastructure Assets, we expect to be in a position to issue our audit certificate by the end of February 2023.

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and support provided by the finance team and other staff during our audit.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings (ISA260) Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice (‘the Code’). Its contents have been discussed with management and will be presented to the Audit Committee on 27 October 2022.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls
- an evaluation of the components of the Group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of each component and to determine the planned audit response. From this evaluation we determined that a targeted approach was required as part of our audit work on the following Group components, St Leger Homes of Doncaster Ltd (SLH) and Doncaster Children's Service Trust (DCST). This is consistent with our audit approach last year
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Conclusion

We have substantially completed our audit of your financial statements and subject to the outstanding queries being resolved and a statutory instrument being issued in respect of accounting for infrastructure assets, we anticipate issuing an unqualified audit opinion by 30 November 2022. These outstanding items include:

- completing the remaining elements of our work on PPE, pension fund assets and liabilities, payables and receivables, journals, grant income, operating expenditure, the Group audit and additional assurance from the pension fund auditor
- publication of the Statutory Instrument from the Department for Levelling Up, Housing and Communities (DLUHC) on the statutory override for the accounting arrangements relating to infrastructure assets (see also page 13 for further details)
- completion of our internal quality review processes, including final reviews of the file by both the Engagement Manager and Engagement Lead, specifically in respect of significant audit risks of PPE valuation, pension fund liability and journals testing
- reviewing the final version of the financial statements, Narrative Report and Annual Governance Statement
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

On receipt of the draft financial statements for 2021-22, we revised the materiality levels as reported in our audit plan dated 6 July 2022 to reflect the increase in net cost of services of some £60m.

The updated materiality levels are shown in the table alongside for both the Council and the group.

Materiality area	Group Amount (£)	Council Amount (£)	Qualitative factors considered
Revised materiality for the financial statements	10,648k	10,433k	We have determined materiality at 1.5% of gross operating expenditure for the year. We consider this as the most appropriate criteria given stakeholders interest in the Council delivering its budget. There are no changes to this threshold or benchmark to that set out in our Audit Plan dated 6 July 2022.
<i>Original materiality</i>	9,419K	9,247k	
Revised performance materiality	7,453k	7,303k	Assessed to be 70% of financial statement materiality.
<i>Original performance materiality</i>	6,593k	6,473k	
Revised trivial matters	532k	521k	This equates to 5% of materiality. This is our reporting threshold to the Audit Committee for any errors identified.
<i>Original trivial matters</i>	470k	462k	
Revised materiality for senior officer remuneration disclosures	-	15k	The senior officer remuneration disclosures in the Financial Statements have been identified as an area requiring specific materiality due to its sensitive nature. There are no changes to this threshold from our Audit Plan dated 6 July 2022.
<i>Original materiality for senior officer remuneration disclosures</i>	-	15k	



2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Management override of controls (Risk relating to the Council)

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- evaluated the design effectiveness of management controls over journals
- analysed the journals listing and determined the criteria for selecting high risk unusual journals
- tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration
- gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Our audit work in this area remains ongoing, however, to date has not identified any issues in respect of management override of controls. We will provide a verbal update to the Audit Committee on 27 October should any significant issues arise from completing our work in this area.



2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Risk of fraud in revenue recognition and expenditure (Risk relating to the Council)

Revenue

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including at the Council, mean that all forms of fraud are seen as unacceptable.

Expenditure

Whilst not a presumed significant risk we have had regard to Practice Note 10 (Audit of financial statements and regularity of public sector bodies in the United Kingdom). Having considered the nature of the expenditure streams at the Authority, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because:

- there is little incentive to manipulate expenditure for a Council where services are provided to the public through taxpayers funds
- there is no significant pressures on general fund reserves of the Council
- Covid -19 funding has been sufficiently provided for additional expenditure and loss of income during 2020-21 and into 2021-22.

As part of our final accounts audit process, we have reconsidered our rebuttal of both revenue and expenditure recognition and consider the rebuttal to still remain appropriate. Notwithstanding that we have rebutted these risks we have undertaken a significant level of work on the Council's revenue streams, as they are material to the financial statements audit.

As part of our audit work, we have:

Accounting policies and systems

- Evaluated the Council's accounting policies for recognition of income and expenditure for its material income and expenditure streams and compliance with the CIPFA Code
- Updated our understanding of the Council's business processes associated with accounting for income and expenditure.

Fees, Charges and other service income

- Agreed, on a sample basis, income and year end receivables from other income supporting evidence.

Taxation and non specific grant income

- Income for national non-domestic rates and council tax is predictable and therefore we would conducted substantive analytical procedures
- For other grants we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment was in line with the CIPFA Code.

Expenditure

- Agreed, on a sample basis, non pay expenditure and year end payables to supporting evidence
- Undertook detailed substantive analytical procedures on pay expenditure.

We also carried out sufficient and appropriate audit procedures to ascertain that recognition of income and expenditure was in the correct accounting period using cut off testing.

From our audit work to date, there are no issues arising that require reporting to the Audit Committee.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings, including Council dwellings

(Risk relating to the Council)

The Council re-values its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £1.2 billion) and the sensitivity of this estimate to changes in key assumptions.

Additionally, management will need to ensure the carrying value in the Council's financial statements is not materially different from the current value or the fair value at the financial statements date, where a rolling programme is used.

We therefore identified the closing valuation of land and buildings, including council dwellings as a significant risk, which was one of the most significant assessed risks of material misstatement.

As part of our work we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work
- evaluated the competence, capabilities and objectivity of the valuation expert
- discussed with the valuer the basis on which the valuation was carried out
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding
- engaged our own auditor's expert valuer to assess the instructions issued to the Council's valuer, the Council's valuer's report and the assumptions that underpin the valuation
- tested revaluations made during the year to see if they had been input correctly into the Council's asset register
- evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end
- considered, where the valuation date is not 31 March 2022 for assets valued in year, the arrangements management has used to ensure the valuation remains materially appropriate at 31 March 2022.

Our audit work to date has not identified any issues in respect of the valuation of land and buildings.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of the pension fund net liability

(Risk relating to the Council)

The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£316.3m in the Authority's balance sheet {Group £390.8m}) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates.

We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report
- obtained assurances from the auditor of the South Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our audit work to date has not identified any issues in respect of valuation of the pension fund liability except for the following disclosure issue:

- our review of the pensions disclosures within Note 39 Defined Benefit Pension Schemes identified that no sensitivity analysis had been provided for pension assets valued at level 3 to recognise the estimation uncertainty in relation to the valuation of these assets. Following discussions with management, this disclosure has now been added. This amendment is also included at Appendix C.

We have recently been informed by our Technical Department of some additional information required from the pension fund auditor in relation to their IAS 19 letter. The additional information relates to the valuation of assets and the approach taken to reviewing asset prices to independent sources of evidence, including clarifying how assurance has been obtained that fund managers and / or custodians have priced investments independently. This information should already be available to the pension fund auditor and should not require any additional work. We understand other audit firms are taking a similar approach regarding obtaining this information. We have requested this additional information from the Council's pension fund auditor.

2. Financial Statements – Key findings arising from the group audit

Component	Component auditor	Findings	Group audit impact
St Leger Homes of Doncaster Ltd (SLH)	Beever and Struthers	<p>We adopted a targeted approach of the material balances and transactions of SLH within the Group financial statements for the year ended 31 March 2022.</p> <ul style="list-style-type: none"> Our audit approach included obtaining sufficient assurances based on group materiality over any material balances and transactions of SLH outside the group boundary based on group materiality. This included the SLH net pension fund liability, total income and cost of sales and any other material balances and transactions outside the Group Our work to date has not identified any material issues that require reporting to you. <p>Beever and Stuthers issued an unqualified audit opinion on the 2021-22 accounts of SLH on 29 July 2022. No significant issues were identified from their work.</p>	<p>Our audit work in this area is currently in progress.</p> <p>From our work completed to date, there are no issues to report from the consolidation of St Leger Homes of Doncaster Ltd into the Council's group accounts.</p>
Doncaster Children's Services Trust Ltd (DCST)	Smith Craven	<p>We adopted a targeted approach of the material balances and transactions of DCST within the Group financial statements for the year ended 31 March 2022.</p> <ul style="list-style-type: none"> Our audit approach included obtaining sufficient assurances based on group materiality, over any material balances and transactions of DCST outside the Group boundary. This included the DCST net pension fund liability, payroll costs, total income and cost of sales and any other relevant material balances and transactions outside the Group Our work to date has not identified any material issues that require reporting to you. <p>Smith Craven issued an unqualified audit opinion on the 2021-22 accounts of DCST on 17 August 2022. No significant issues were identified from their work.</p>	<p>Our audit work in this area is currently in progress.</p> <p>From our work completed to date, there are no issues to report from the consolidation of Doncaster Children's Services Trust into the Council's group accounts.</p>

2. Financial Statements – new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Auditor commentary and view
<p>IFRS 16 implementation</p> <p>Following consultation and agreement by FRAB, the Code will provide for authorities to opt to apply IFRS 16 in advance of the revised implementation date of 1 April 2024. If management elect to implement IFRS 16 from April 2022 (early adoption) then in the 2021-22 accounts as a minimum, we would expect audited bodies to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases, along with the estimated impact of IFRS 16 on the accounts</p>	<p>The Council has decided not to adopt the standard early in its financial statements. The Council has included a high level reference to IFRS16 in its accounts at Note 3, Accounting Standards that have been issued but have not yet been adopted.</p> <p>Management and the audit team will liaise during the 2022-23 audit to ensure the requirements of the new standard are being followed and plans are in place for this issue to be adequately reported in the 2023-24 accounts and fully adopted in the 2024-25 accounts.</p>
<p>Recognition and Presentation of Grant Income</p> <p>The Council receives a number of grants and contributions and is required to follow the requirements set out in sections 2.3 and 2.6 of the Code. The main considerations are to determine whether the Council is acting as principal/ agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income.</p> <p>The Council also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income.</p>	<p>Note 33 to the accounts includes a detailed analysis of grant income covering grant income recognised through the Comprehensive Income and Expenditure Statement (CIES) as well as reporting grants and contributions received in advance. The note provides the accounting principles supporting grant income.</p> <p>Our audit testing of grant income relating to 2021-22 has not identified any non-compliance with the requirements for grant accounting as specified in the Code. Our work involved reviewing the Council’s treatment of grants including Covid-19 related grants as either agent (where the Council passes on the grant without having control over its award) or principal (where the Council determines the grant award to be provided). Grant awards where the Council is acting as principal are recorded within the Council’s CIES whereas grants where the Council has acted as agent are not. Our work also reviewed the appropriateness of the disclosures made and we undertook sample testing of a number of grants, no issues have arisen from our work to date.</p>
<p>IT General Controls (ITGC) work</p> <p>As part of our audit procedures on the financial statements, we conducted our ITGC work. This was targeted on general IT controls and was performed by our IT specialists. The objective was to identify any significant deficiencies in IT general controls that could lead to any material errors in the financial statements.</p>	<p>No issues were noted from our IT General Controls work this year. We are pleased to note that the Council has actioned one of the two IT recommendations raised last year relating to:</p> <ul style="list-style-type: none">• disabling leaver access on the Nortgate System in a timely manner. <p>However, our second recommendation relating to strengthening password settings for Northgate database administrators still remains outstanding. We understand implementation of this recommendation has been delayed due to staffing capacity issues within the Revenues and Benefits Section.</p>

2. Financial Statements – new issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant deficiencies identified during the year.

Issue	Auditor commentary and view
<p>Valuation of Infrastructure Assets</p> <p>The Code requires infrastructure to be reported in the Balance Sheet at depreciated historical cost, that is historic cost less accumulated depreciation and impairment. In addition, the Code requires a reconciliation of gross carrying amounts and accumulated depreciation and impairment from the beginning to the end of the reporting period.</p> <p>The Council has material infrastructure assets of some £280m at 31 March 2022, there is therefore a potential risk of material misstatement related to the infrastructure balance.</p>	<p>Our review of the Council’s arrangements for accounting for infrastructure assets noted that its arrangements, as with most other authorities, does not fully comply with the requirements of the CIPFA Code of Practice on Local Authority Accounting and International Accounting Standard (IAS) 16, which establishes the principles for recognising property, plant and equipment as assets, measuring their carrying amounts, and measuring the depreciation charges and impairment losses. The Council, in common with most other local authorities capitalises additional expenditure on infrastructure assets, for example on resurfacing roads. However, the amount written out against the gross value of infrastructure assets and depreciation following these improvement works may not fully write out the appropriate proportion of the improvements made. As a result, there is a risk that the Council’s Net Book Value (NBV) for infrastructure assets may be materially misstated.</p> <p>The valuation of Infrastructure assets in local government continues to be an on-going national issue. Given the value of infrastructure assets at the Council totals over £279m, a resolution for the sector is necessary before we are able to conclude on the 2021-22 audit.</p> <p>We understand the Department for Levelling Up, Housing and Communities (DLUHC) is in the process of issuing a Statutory Instrument which would provide a statutory override given most authorities do not fully comply with current accounting requirements on infrastructure assets. We understand the DLUHC is aiming to issue the Statutory Instrument during November, but given the State Funeral of HM Queen Elizabeth II, this may be delayed into early December 2022. We will continue to keep the finance team and the Audit Committee briefed on any developments as they arise.</p>

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
Council Dwellings valuation: £747.2m	<p>The Council is required to revalue its Council housing in accordance with Department of Levelling up Housing and Communities (DLUHC) Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties.</p> <p>The Council engaged the District Valuer from the Valuation Office Agency (VOA) to complete the valuation of these properties. The valuation was at 31 March 2022 and valued Council Housing at £747.2m, a net increase of £86.5m from 2020-21 (£660.7m). The increase is principally due to revaluations (£83.6m) and additions (£19.4m) and is offset by non-enhancing capital expenditure (£19.3m).</p>	<ul style="list-style-type: none"> The District Valuer is RICS qualified and valued the entire housing stock using the beacon methodology, in which a detailed valuation of representative property types was then applied to similar properties Our work indicated that this methodology was applied correctly to the 2021-22 valuation We have assessed the valuer to be competent, capable and objective in carrying out the valuations We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate and have no issues to report We have agreed the HRA valuation report to the accounts We have compared the valuation movements with the Gerald Eve (property valuation specialists) national report and held discussions with our own valuation auditor’s expert. These discussions are still on going. We have also challenged management and the Council’s valuation expert on valuation differences identified through our sensitivity analysis work using other relevant indices. These discussions remain on-going and we intend make our conclusions before we issue the audit opinion. <p>There are no issues arising to date from our work that we wish to bring to the attention of management or the Audit Committee.</p>	<p>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious (Green)</p>

Assessment

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic or cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
<p>Other Land and Buildings valuation: £435.6m</p>	<p>Other land and buildings comprises £349.8m of specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The remainder of other land and buildings (£85.8m) are not specialised in nature (such as car parks) and are required to be valued at existing use in value (EUV) at year end.</p> <p>The Council has engaged its in-house RICS qualified valuer to complete the valuation of assets on a five yearly cyclical basis as permitted by Code of Practice on Local Authority Accounting. Approximately 53% of total other land and buildings assets (by gross value) were revalued during 2021-22.</p> <p>Management has also considered the year end value of non-valued properties, and the potential valuation change in the assets revalued at 31 March 2022, to determine whether there has been a material change in the total value of these properties.</p> <p>The total year end valuation of Other land and buildings was £435.6m (PY £432.4m).</p>	<ul style="list-style-type: none"> • We have assessed the Council’s in-house valuer, to be competent, capable and objective • We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate, including floor areas and have no issues to report • The valuation methods remain consistent with the prior year • In relation to assets not revalued in the year, we have compared the Gerald Eve (valuation specialists) property valuation report and held discussions with our own valuation auditor’s expert. These discussions are still on going. We have also challenged management and the Council’s valuation specialist on valuation differences identified through our sensitivity analysis work using other indices. These discussions are still on-going and we intend make our conclusions before we issue the audit opinion. 	<p>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious (Green)</p>

2. Financial Statements - key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Net pension liability (Council)
£316.3m

Per the draft accounts, the Council's net pension liability at 31 March 2022 is £316.3m (PY £439.6m) comprising the South Yorkshire Local Government Pension Scheme.

The Council used Hymans Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed at 31 March 2019, utilising key assumptions such as life expectancy, discount rates, salary growth and pension increase rate.

Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £165.5m net actuarial gain during 2021-22. The improved position results mainly from an increase in pension asset values of £91.4m and a reduction in pension liabilities of £31.9m.

- We have assessed the Council's actuary, Hymans Robertson, to be competent, capable and objective
- We have performed additional tests in relation to the accuracy of contribution figures, benefits paid, and investment returns to gain assurance over the roll forward calculation carried out by the actuary and have no issues to raise.
- We have used PwC as our auditor expert to assess the actuary and assumptions made by the actuary – please see the table below for our comparison of actuarial assumptions. The PwC report has also indicated that they are comfortable with Hymans Robertson's methodologies used to establish assumptions and they will produce reasonable assumptions as at 31 March 2022 for all employers.

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2.70% to 2.75%	Assumption appears reasonable	●
Pension increase rate	3.15% - 3.30% p.a.	Assumption appears reasonable and methodology appropriate.	●
Salary growth	CPI and CPI + 1.0% p.a.	In line with expectation.	●
Life expectancy – Males	Pensioners: 20.1 – 22.7 Non-pensioners: 21.4 – 24.3	Overall mortality assumptions appear reasonable.	●
Life expectancy – Females	Pensioners: 22.9 – 24.9 Non-pensioners: 24.8 – 26.7	Overall mortality assumptions appear reasonable.	●

- We have confirmed the controls and processes over the completeness and accuracy of the underlying information used to determine the estimate
- We have confirmed there were no significant changes in 2021-22 to the valuation method
- We are awaiting confirmation that the valuation of assets is based on 31 March 2022 valuations.

We consider management's process is appropriate and key assumptions are neither optimistic or cautious
(Green)

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Grants Income: £448.1m	<p>Management has taken into account three main considerations in accounting for grants:</p> <ol style="list-style-type: none"> whether the Council is acting as the principal or agent and particularly whether it controls the goods or services before they transfer to the service recipient. Management's assessment needs to consider all relevant factors such as who bears credit risk and responsibility for any overpayments, who determines the amount, who sets the criteria for entitlement, who designs the scheme and whether there are discretionary elements. whether there are conditions outstanding (as distinct from restrictions) that would require the grant to be recognised as receipt in advance, otherwise grant should be recognised as income whether the grant is a specific or non-specific grant. General un-ringfenced grants are disclosed on the face of the CIES, whereas ringfenced grants are required to be credited to service revenue accounts. <p>There may be judgements over the accounting treatment. Different conclusions may be reached by councils depending on how they have applied any discretion in administering the schemes and application of Code guidance.</p>	<p>The Council receives a number of grants and contributions and is required to follow the requirements set out in the Code. The main considerations are to determine whether the Council is acting as principal or agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income. The Council also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income.</p> <p>As part of our audit work, we have:</p> <ul style="list-style-type: none"> substantively tested a sample of grants across categories and reviewed management's assessment as to whether the Council is acting as the principal or agent for the samples selected, reviewed the completeness and accuracy of the underlying information used to determine whether there are conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income assessed for the sample of grants received, whether the grant is specific or non specific grant (or whether it is a capital grant) – which impacts on where the grant is presented in the CIES or not assessed the adequacy of disclosure of grants received and judgement used by management as part of our detailed testing. <p>Our work to date has not identified any matters to report.</p>	<p>We consider management's process is appropriate and key assumptions are neither optimistic or cautious (Green)</p>

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Minimum Revenue Provision: £6.4m	<p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt known as its Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance</p> <p>The year end MRP charge for 2021-22 was £6.4m, a net decrease of £2.2m from the prior year (£8.4m).</p>	<p>The MRP charge is an area of increasing focus for local authority external auditors following recent highly publicised financial challenges at certain local authorities where MRP charges were found to be inappropriate.</p> <p>We understand the reduction in MRP of £2.2m between 2020-21 and 2021-22 is due principally to the repayment of legacy debt outstanding for the former South Yorkshire County Council amounting to £2.4m which was fully repaid in 2020-21.</p> <p>For our 2021-22 audit, we compared the MRP charge as a percentage of the Capital Financing Requirement. Typically, we would expect the charge to be around 2% representing an asset life of 50 years. At Doncaster for 2021-22, the MRP charge is £6.4m against a Capital Financing Requirement of £368.8m, which is 1.74% (or equivalent to an average asset life of 57 years).</p> <p>In previous years, the Council had overprovided on its MRP and if this is taken into account for 2021-22, the overall MRP charge equates to an additional £4m which would increase the overall MRP charge to over 2%.</p> <p>We will continue to monitor the Council's MRP calculation as part of our audit work next year, 2022-23.</p>	<p>We consider management's process is appropriate and key assumptions are neither optimistic or cautious (Green)</p>

2. Financial Statements - other communication requirements

We set out alongside details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Council's Audit Committee and the Chief Financial Officer. We have not been made aware of any material incidents in the year and no other issues have been identified during the course of our audit.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A standard letter of representation has been requested from the Council. The letter of management representation is included at Appendix F.
Confirmation requests from third parties	We requested from management permission to send a confirmation request to the Council's bankers, and entities who were involved with the Council's investments and borrowings. This permission was granted and the requests were sent and responded to with positive confirmations.
Accounting practices	<p>We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. Our review to date has found no material omissions in the financial statements except for:</p> <ul style="list-style-type: none"> in reviewing the Council's asset register for vehicles, plant and equipment, we noted a large number of assets which had been fully depreciated showing a Net Book Value (NBV) of zero, but still remaining in the asset register. Following discussions with management, we became aware that these assets were no longer held by the Council as they had been fully depreciated and disposed of, and should have been removed. In total, there were 320 assets with a gross book value of £11.2m. Management has now removed these assets from the asset register and updated Note 12 to the financial statements. There is a need for the Council to ensure that when assets reach the end of their useful life, they are removed from the asset register, or provided with an extended useful life and appropriate valuation if the asset still remains in use. A periodic review of all vehicles, plant and equipment each year will help ensure fully depreciated assets and those which are no longer used are removed from the asset register. We have raised a management recommendation in this regard. <p>Our work also identified a small number of presentational disclosure amendments which have been processed by management and these are set out at Appendix C.</p>
Audit evidence and explanations / significant difficulties	As last year, we have experienced good, continued co-operation from the Council for all information and explanations requested. In order to finalise our audit, we expect to receive continued timely engagement and responses from management. There are no significant difficulties to report in terms of receipt of audit evidence.

2. Financial Statements - other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none">• the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities• for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• the nature of the Council and the environment in which it operates• the Council's financial reporting framework• the Council's system of internal control for identifying events or conditions relevant to going concern• management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified• management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statement and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. Our work noted some disclosure omissions from the Annual Governance Statement and other minor presentational matters. These have been adequately rectified by management. These are reported at Appendix C. We plan to issue an unmodified opinion in this respect as reported at Appendix E.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit • if we have applied any of our statutory powers or duties • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness(es). <p>We have nothing to report on these matters. Our Value for Money work is underway and will be completed for the Audit Committee meeting on 26 January 2023.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>As the Council is once again expected to exceed the specified group reporting threshold we examine and report on the consistency of the WGA consolidation pack with the Council's audited financial statements.</p> <p>We note that guidance for this work has not yet been issued and therefore this work has not yet commenced. The NAO requires the work to be completed once the audit opinion is provided on the financial statements and has not yet released data collection instructions.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2021-22 audit of the Council in the audit report, as detailed at Appendix E, until we have completed our work on the WGA consolidation exercise mentioned above, completed our Value for Money responsibilities with the issue of the Auditor's Annual Report, and received the Statutory Instrument in respect of Infrastructure Assets.</p> <p>This is in common with the vast majority of other local authorities given the later audit deadline for the VFM work and the current lack of instructions for WGA work and guidance on infrastructure assets.</p>



3. Value for Money arrangements

Approach to Value for Money work for 2021-22

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. We expect to issue our Auditor's Annual Report by 26 January 2023 for the Audit Committee meeting. This is ahead of the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our initial planning work identified no significant VFM weaknesses in the Authority's arrangements.

As with other local authorities, the Council is facing increasing costs resulting from inflation, particularly relating to energy and pay expenditure which is impacting on the Council's ability to deliver to agreed budgets. We will summarise the findings from our work in our Auditor's Annual Report.

4. Independence and ethics

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed at Appendix D.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Group. The following services were identified as well as the threats to our independence and associated safeguards that have been applied to mitigate these threats.

Service	Fees £	Threats identified	Safeguards
Audit related:			
No services provided	-	-	-
Non-audit related:			
No services provided	-	-	-

Appendices

A. Action Plan – Audit of Financial Statements

We have identified one recommendation for the Council as a result of issues identified during the course of our audit. We have agreed our recommendation with management and we will report on progress on this recommendation during the course of the 2022-23 audit. The matter reported here is limited to those deficiencies that we have identified during the course of our audit and that we have concluded is of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<p style="text-align: center;">● Medium</p>	<p>Vehicles, Plant and Equipment</p> <p>In reviewing the Council’s asset register for vehicles, plant and equipment, we noted a large number of assets which had been fully depreciated showing a Net Book Value (NBV) of zero, but still remaining in the asset register. Following discussions with management, we became aware that these assets were no longer held by the Council as they had been fully depreciated and disposed of, and should have been removed.</p> <p>In total, there were 320 assets with a gross book value of £11.2m. Management has now removed these assets from the asset register and updated Note 12 to the financial statements.</p>	<p>There is a need for the Council to ensure that when assets reach the end of their useful life, they are removed from the asset register, or provided with an extended useful life and possible valuation if the asset still remains in use.</p> <p>A periodic review of all vehicles, plant and equipment each year will help ensure fully depreciated assets and those which are no longer used are removed from the asset register.</p> <p>Management response</p> <p>Agreed. An additional exercise will run alongside Plant, Vehicle and Equipment (PVE) verification where the relevant officers will review any item of PVE with a £0 net book value or in the last year of its useful economic life to confirm if still in use, assets will be removed unless a positive response is received or will be given an extended useful economic life based on the information provided by the officer.</p>

B. Follow up of prior year recommendations

We identified the following issues in the audit of the Council's 2020-21 financial statements, which resulted in three recommendations being reported in our 2020-21 Audit Findings Report. We have followed up on the implementation of our recommendations and note progress alongside.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Management Challenge of experts and stand back review</p> <p>A number of assets have been inappropriately valued or recorded in the financial statements including:</p> <ul style="list-style-type: none"> the valuation of the Doncaster Dome, Cast Theatre and some Leisure Centres, incorrectly applying an adjustment factor of 75% recording the recently built Cinema within assets under construction when it had been completed before the year end including the Adwick Social Education Centre at full valuation when it had been earmarked for demolition. <p>Insufficient challenge and consideration by management of valuations and asset categorisations can result in assets being incorrectly valued or inappropriately disclosed within the financial statements.</p>	<p>Our audit work indicates that arrangements have now been strengthened with an increased level of management challenge of valuers and an improved level of reasonableness reviews.</p>
X	<p>Weaknesses in password settings for Northgate database administrators</p> <p>During our audit, we noted that all accounts assigned administrator access on the database underlying the Revenues and Benefits system (Northgate) were not automatically required to select strong passwords.</p> <p>Specifically, we noted that all the accounts were set to use direct password authentication (i.e. users login through entering a password at the database level) and have the DEFAULT profile applied. The DEFAULT profile was noted to:</p> <ul style="list-style-type: none"> not require a minimum password length not require use of complex passwords allow passwords to be reused. 	<p>Our audit work indicates that action to strengthen password settings for Northgate database administrators still remains outstanding. We understand implementation of this recommendation has been delayed due to staffing capacity issues within the Revenues and Benefits Section.</p> <p>Management should agree a clear timescale to implement this recommendation. We will continue to follow up this recommendation as part of our planned programme of work in 2022-23.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

B. Follow up of prior year recommendations continued

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Leaver access is not disabled on the Northgate system in a timely manner</p> <p>During our audit, we noted on the Revenues and Benefits system (Northgate) that leaver accounts are not disabled in a timely manner. Specifically, for the sample leaver we reviewed it was noted that it took their line manager over a month (38 days) to notify IT. Management should review guidance and / or training given to line managers to ensure prompt notification of leavers.</p>	<p>Our audit work indicates this recommendation has now been actioned.</p>

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

Detail	Comprehensive Income and Expenditure Statement £000	Statement of Financial Position £000	Impact on useable reserves £000
Vehicles, Plant and Equipment (Note 12)	-		-
Gross book value		(11,200)	
Depreciation		11,200	
In reviewing the Council's asset register for vehicles, plant and equipment, we noted a large number of assets which had been fully depreciated showing a Net Book Value (NBV) of zero, but still remaining in the asset register. These assets are no longer held by the Council and should have been removed.			
In total, there were 320 assets with a gross book value of £11.2m.			
Management has now removed these assets from the asset register and updated Note 12 to the financial statements.			
Overall impact	£Nil	£Nil	£Nil

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Auditor recommendations	Adjusted?
<p>Note 31 – External Audit Costs</p> <p>The fee disclosure relating to 2021-22 erroneously included a line for additional fees of £85k which should be amended to £0.</p>	<p>The line included within Note 31, External Audit Costs additional fees should be amended to read £0.</p> <p>Management response</p> <p>This has now been adjusted.</p>	✓
<p>Note 16 – Financial Instruments</p> <p>The debtors and creditors disclosures within the financial instruments note should be amended to correctly classify assets and liabilities as financial instruments where the definition is met.</p>	<p>Update the disclosure of debtors and creditors within Note 16, Financial Instruments to correctly classify assets and liabilities as financial instruments.</p> <p>Management response</p> <p>This has now been updated.</p>	✓
<p>Note 39 Defined Benefit Pension Schemes</p> <p>A sensitivity analysis is not included within Note 39 to show pension assets valued at level 3 to recognise the estimation uncertainty in relation to the valuation of these assets.</p>	<p>A sensitivity analysis should be added to Note 39 Defined Benefit Pension Schemes for the pension assets valued at level 3 to recognise the estimation uncertainty in relation to the valuation of these assets.</p> <p>Management response</p> <p>This has now been agreed to be updated.</p>	TBC
<p>Narrative Report</p> <p>A number of amendments were made to the draft Narrative Report to improve clarity of the saving targets and financial outturn disclosures. Narrative disclosure changes were also required to reflect the Ofsted SEND review from February 2022, and drawing out service areas where delivery had been below expectations to provide a more balanced Narrative Report for readers.</p>	<p>Update the Narrative Report to provide further information on the savings target, updated narrative on the Ofsted SEND review, and further disclosure of services where delivery is behind expectations to provide a more balanced view of performance.</p> <p>Management response</p> <p>Management has agreed to make these changes.</p>	TBC

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Disclosure omission	Auditor recommendations	Adjusted?
<p>Note 3 Accounting Standards that have been issued but have not yet been adopted</p> <p>The disclosure at Note 3 in relation to the implementation of IFRS 16 should be expanded to make clear the Council has opted to defer implementation until 2024-25.</p>	<p>The disclosure at Note 3 should be expanded to make it clear to that the Council has opted to defer the implementation of IFRS16 until 2024-25.</p> <p>Management response</p> <p>This has now been updated.</p>	✓
<p>Note 6 Events after the Balance Sheet Date</p> <p>There is no disclosure indicating that Doncaster Children’s Services Trust Limited (DCST) transferred to the Council on 1 September 2022 and three schools converted to academies.</p>	<p>Disclosure should be made at Note 6 to disclose that on 1 September 2022, all services provided by Doncaster Children’s Services Trust Limited transferred to the Council and three schools converted to academies.</p> <p>Management response</p> <p>This has been agreed to be updated.</p>	TBC
<p>Note 4 Critical Judgements</p> <p>Note 4 Critical Judgements includes reference to the group accounts which is not considered to be a critical judgement.</p>	<p>Reference to the group accounts within Note 4 Critical Judgements should be removed as this is not considered to be a critical judgement.</p> <p>Management response</p> <p>This has now been agreed to be updated.</p>	TBC
<p>Note 32 Dedicated Schools Grants</p> <p><i>Note 32 does not include narrative to explain how the Council’s DSG deficit is being recovered and the actions being taken to balance the DSG position.</i></p>	<p>Additional narrative should be added under the table at Note 32 to explain how the deficit is being recovered and the Council’s action plan to balance the DSG position.</p> <p>Management response</p> <p>This has now been agreed to be updated.</p>	✓
<p>Various other minor disclosures</p> <p>We identified a number of other minor disclosure amendments to improve financial reporting and transparency for the reader of the accounts.</p>	<p>Update the financial statements for minor disclosure amendments noted.</p> <p>Management response</p> <p>Management has agreed to amend the financial statements.</p>	TBC

C. Audit Adjustments



Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2021-22 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Statement of Financial Position £000	Impact on useable reserves £000	Reason for not adjusting
NONE	-	-	-	-
Overall impact	£Nil	£Nil	£Nil	-

Impact of prior year unadjusted misstatements

There were no unadjusted misstatements in 2020-21.

D. Fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees 2021-22	Proposed fee £	Final fee £
Council Audit	212,680	212,680
Total audit fees (excluding VAT)	212,680	212,680

We confirm that no non-audit or audited related services have been undertaken for the Council or group.

Non-audit fees for other services	Proposed fee £	Final fee £
NONE	-	-
Total non-audit fees (excluding VAT)	-	-

Page 145
The 2021-22 fees reconcile to the revised version of the financial statements following an amendment to the draft accounts in Note 31 - External Audit Costs.

E. Audit opinion

We anticipate we will provide the group and Council with an unmodified 'clean' audit report. Our draft audit opinion is included below.

To be confirmed

E. Audit opinion

To be confirmed

E. Audit opinion

To be confirmed

F. Management Letter of Representation (draft)

[LETTER TO BE WRITTEN ON CLIENT HEADED PAPER]

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds LS1 4BN

27 October 2022

Dear Sirs

Doncaster Metropolitan Borough Council Financial Statements for the year ended 31 March 2022

This representation letter is provided in connection with the audit of the financial statements of Doncaster Metropolitan Borough Council and its subsidiary undertakings, Doncaster Children's Services Trust and St Leger Homes Ltd for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the group and Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the group and Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Council and these matters have been appropriately reflected and disclosed in the financial statements.

- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the group and Council financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and Council financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the group and Council has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

F. Management Letter of Representation (draft)

- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and Council financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the group and Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
 - a. the nature of the group and Council means that, notwithstanding any intention to cease the group and Council operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the group and Council's system of internal control has not identified any events or conditions relevant to going concern.

- d. We believe that no further disclosures relating to the group and Council's ability to continue as a going concern need to be made in the financial statements.
- xv. We have considered whether accounting transactions have complied with the requirements of the Local Government Housing Act 1989 in respect of the Housing Revenue Account ring-fence.
- xvi. The group and Council has complied with all aspects of ring-fenced grants that could have a material effect on the group and Council's financial statements in the event of non-compliance.

Information Provided

- xvii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and Council's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Council via remote arrangements, from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Council, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

F. Management Letter of Representation

- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the group and Council's related parties and all the related party relationships and transactions of which we are aware.
- xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the group and Council's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Audit Committee at its meeting on 27 October 2022.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council

G. Audit letter in respect of delayed VFM work

Councillor Austen White
Chair of Audit Committee
Doncaster Metropolitan Borough Council
Waterdale
Doncaster
DN1 3BU

Grant Thornton UK LLP
No1 Whitehall Riverside
Leeds
LS1 4BN

17 October 2022

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Dear Councillor White

The original expectation under the approach to VFM arrangements work set out in the 2020 Code of Audit Practice was that auditors would follow an annual cycle of work, with more timely reporting on VFM arrangements, including issuing their commentary on VFM arrangements for local government by 30 September each year at the latest. Unfortunately, as in the prior year, due to the on-going challenges impacting on the local audit market, including the need to meet regulatory and other professional requirements, we have been unable to complete our work as quickly as would normally be expected.

The National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many opinions on the financial statements as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We now expect to publish our report no later than 26 January 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours faithfully

Gareth

Gareth Mills
Engagement Lead and Key Audit Partner for Doncaster MBC



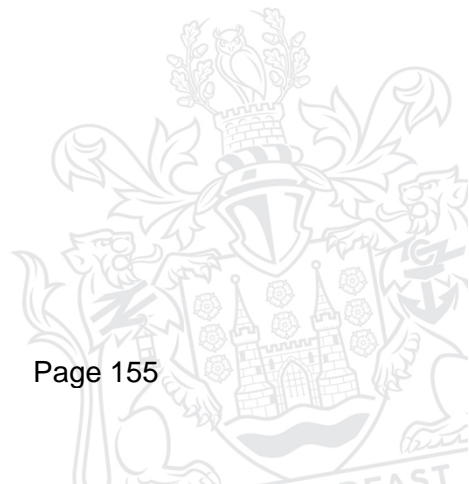
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Doncaster
Council

Report

ANNUAL GOVERNANCE STATEMENT 2021/22



Introduction

This statement explains how Doncaster Council (the Council) has complied and meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6 (b), which requires all relevant bodies to prepare an Annual Governance Statement.

Scope of responsibility

Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law, and proper standards, that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements that ensure, secure and continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk whilst demonstrating a commitment to openness and acting in the public interest at all times.

The Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This document defines standards of behaviour for members and staff, as well as including policies that deal with whistleblowing and conflicts of interest, all of which are effectively communicated to relevant colleagues. A copy of the Council's Corporate Code of Governance is on our website at www.doncaster.gov.uk or can be obtained from The Policy, Insight and Change Team, 01302 862533

The purpose of the governance framework

The governance framework comprises of systems and processes culture, and values by which we are directed and controlled, and through which we account to, engage with and lead our communities. It enables us to monitor the achievements of our strategic objectives and to consider whether those objectives have led us to deliver appropriate services that are value for money.

The Council's system of internal control is a significant part of our framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Our system of internal controls is based on an ongoing process, designed to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Whilst the AGS considers the period 1st April 2021 to 31st March 2022, it must also reflect any significant events or developments relating to the Council's governance system that have occurred between the year-end and the date on which the Statement of Accounts will be signed off (October 2022)

Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and introduced a framework of assurance.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

The Council has undertaken an assessment of compliance with the principles of the FM code. This assessment has confirmed the Council's compliance, with some actions identified for further improvement which have been reported and agreed with management.

Our Governance Framework

The Council's executive arrangements and the oversight of its functions ensures strong political, strategic, and partnership leadership arrangements. We have a clearly visible golden thread linking our partnership wide Borough Strategy (Doncaster Delivering Together) priorities into our Corporate and Service Plans as well as our Performance Development Review process. Our Borough Strategy highlights the vision for the Council and its partners, and the intended outcomes for citizens and service users. It is used as a basis for our service plans and establishes clear channels of communication with all sections of our communities and other stakeholders, ensuring accountability and encouraging open consultation.

The Council has effective arrangements in place for the discharge of the Head of Paid Service function, The Chief Financial Officer S151 function, and the Monitoring Officer function in their roles as the Council's Statutory Officers. Where necessary induction arrangements include tailored introductions to the council's structure, decision making arrangements for officers and members who are new to the council or the Senior Leadership Team, and information on key policies and procedures.

The Council's Audit Committee (the Committee) is a key component of Doncaster Council's Corporate Governance providing an independent and high-level focus on the audit, assurance, and reporting arrangements that underpin good governance and financial standards.

The purpose of the Audit Committee is to provide independent assurance to the Members on the adequacy of the risk management framework and the internal control environment. It provides an independent review of the Council's governance, risk management, and control frameworks as well as overseeing the financial reporting and annual governance processes. It oversees both internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Committee has a programme of work in place to ensure it fulfils its responsibilities and has overseen and supported positive progress in a number of areas during the year, including:

- Helping to maintain and improve the Council's system of risk, governance and control by reviewing internal and external audit work carried out during the year; This includes ensuring for Internal Audit that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and that the Internal Audit function operates to their relevant professional standards which are the United Kingdom Public Sector Internal Audit Standards. The Committee received this assurance independently this year through the External Quality Assessment carried out by the Head of Internal Audit from Rotherham Council who assessed Doncaster's Internal Audit team to be operating at the highest level of conformance with these standards;
- Supporting improvement in the Council's control arrangements by ensuring appropriate action is taken to implement management actions arising from audit recommendations and calling officers to account where explanations over any lack of progress are required;
- Critically assessing the Council's governance arrangements and supporting the production of an Annual Governance Statement;
- Supporting the maintenance of the good standards achieved in producing the Council's Statement of Accounts;
- Supporting the Council's antifraud, bribery and corruption arrangements and noting progress in this area as set out in the annual fraud report, this was especially important this year again with the heightened risk of fraud due to the pandemic;
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- The last year has continued to be influenced due to the COVID 19 Pandemic. The committee has continued to be actively engaged with the Head of Internal Audit and other officers during this period to understand the nature and depth of challenges relevant to the committee.

The Audit Committee produces an Annual Report, which is available [doncaster.gov.uk](https://www.doncaster.gov.uk)

Governance Group

This Group, which is chaired by the Monitoring Officer, leads on the development of governance arrangements at the Council and ensures that it complies with relevant laws and regulations, internal policies, and procedures, and that expenditure is lawful and conforms to best practice guidance issued by CIPFA / SOLACE and any other sector-leading advice.

Role of Internal and External Audit

The Council has both internal and external auditors. Internal Audit and External Audit aim to co-ordinate their work to get best value from the resources available and aim to work closely together to achieve the Council's objectives.

The role of Internal Audit is to:

- give independent assurance over the Council's risk, governance and control arrangements
- alert managers to areas of potential weakness and to agree management actions for improvements
- give unbiased professional advice on policies, procedures, practices and systems

All councils are subject to ongoing scrutiny by External Audit and their role is to:

- give an opinion on the Council and group's financial statements
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money review)
- audit specified grant claims required for various Government Departments

Grant Thornton were appointed as External Auditors and issued their Auditor's Annual Report on the findings from their Value for Money arrangements review in April 2022. There were no significant weaknesses in the Council's arrangements noted from their Value for Money work. This is consistent with the opinions provided in previous years. Internal Audit were able to provide a positive opinion in their annual report for 2021-22, which alongside the good value for money findings, indicates there are sound risk, governance, and control arrangements in place.

These positive opinions are especially important during the ongoing coronavirus pandemic and provide reassurance during a period where these arrangements have been subject to considerable "stress-tests"

Overall, the Grant Thornton annual report was an extremely positive one as it has been in previous years and with the "unqualified audit opinion", recognising the further improvements that have been made by the Council in preparing the Statement of Accounts for audit. The quality of the working papers and the supporting information has improved year-on-year with the working papers, once again, meeting the standards specified in the Accounts Audit Protocol with a clear audit trail provided. Responses to audit queries were also provided in a timely manner.

Additionally both the preparation of accounts and their audit all had to be carried out virtually, which presented its own challenges. Nevertheless, this was all completed with minimal slippage against statutory deadlines, which was not the case for many other authorities nationally, and the work of all parties in achieving this is acknowledged.

The 2021/22 audit should start after the draft accounts have been published in July 2022 and Grant Thornton will conclude their audit of the accounts in time for the statutory deadline of 30 November 2022, and conclude their value for money review and present their annual audit report to Audit Committee before the end of February 2023.

Our Approach to Risk Management

The Council recognises that risk management is an integral part of good governance and management practice.

Managing the Council's risks effectively contributes to the delivery of the strategic and operational objectives of the authority. The Council manages risks via a Risk Management Framework that has been designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.

Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The Policy Insight and Change team led the Annual Governance review.

The review of the Council's effectiveness is derived from two perspectives, corporate and service perspectives. The corporate perspective is taken from existing intelligence provided by colleagues holding a key governance position within the authority including the Head of Internal Audit, the Caldicott Guardian, Senior Information Risk Owner, Section 151 Officer, and Monitoring Officer. The current strategic risk register and complaints received are also reviewed. The service area perspective, including that of key partner organisations, is provided by each of the Council's Heads of Service, via a series of governance statements, in the form of a self-assessment and other information provided. The individual statements are reviewed and an overall declaration provided by the relevant Assistant Director, which is then summarised to create a single return for the Director to review and update as required.

The Council has been advised on the implications of the result of the review of the effectiveness of the governance framework by its Executive Board and Audit Committee, and that these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed, and those to be specifically addressed, with new actions planned are outlined on the following pages.

The Council's governance arrangements have continued to hold strong and its administration arrangements effective during these unprecedented times. The Council has maintained adherence to its Financial Procedure Rules and Contract Procedure Rules, for example, by progressing variations to contracts delivering Adult Services and Public Health Functions. On behalf of the Government, the Council has also administered significant additional business rate reliefs and grants to businesses. This includes the added complexities of some of the funding being channelled via the South Yorkshire Mayoral Combined Authority (SYMCA) and the discretionary nature of some of the support payments.

The Council's approach has been to undertake proactive checks to verify business credentials before any payments were released. This has had the effect of minimising the Council's fraud exposure, but as with all fraud, it is impossible to stop completely. The report to Audit Committee on 28th November 2021, Preventing and Detecting Fraud and Error – October 2020 to September 2021, provides further updates on Covid related Business Rates grant fraud and error. Such grants in this period were more wide-ranging to reflect the ever changing restrictions in place. We have now paid out in excess of £110m for these grants with a rate of fraud or error detected below 1% with further checks continuing to be made into the 2022/23 year.

The Council's Constitution allows for urgent decisions to be taken and implemented immediately. Such decisions are referred to as Rule 16 Decisions and do not require 28 days advance notice publication on the Forward Plan, and may not be called-in by Councillors. The Constitution requires that such decisions may only be taken if the Chair of the Council's Overview & Scrutiny Committee agrees that the decision is urgent. Traditionally, such decisions are rarely taken, however the continued response to the Covid-19 pandemic has led to 33 such decisions being utilised in the past 12 months. Most decision making has been in relation to the acceptance and utilisation of Covid-19 response grants. In all such instances all appropriate scrutiny has been taken (including notifying all Councillors of decisions taken) with the process demonstrating that Council decision making can be agile and responsive to urgent circumstances. A report detailing the annual use of Rule 16 decisions was presented to Council on 28th February 2022.

Effectiveness of arrangements and level of assurance

2021-22 continued to be a challenging year for the Council's services as the COVID-19 pandemic impacted across the organisation. Throughout this time the Council's governance arrangements held strong and were effective, allowing it to be both flexible and confident in responding to emerging priorities, changes to service delivery and timely decision making. The Council continues to follow CIPFA guidance incorporating the published updates for the production of the Annual Governance Statement.

Despite the volatility of the 2021-22 year, the Council believes that it can give a reasonable and soundly based level of assurance over these conclusions.

Significant governance issues identified in 2021-22

Whilst we are satisfied with the effectiveness of corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance the following new issue have been identified for improvement as part of the 2021-22 Annual Governance Statement process:

ISSUE: Doncaster Inspection of Local Authority Children's Services (ILACS)

Following the recent Ofsted inspection of children safeguarding services delivered by DCST where the overall outcome judgement has been 'Requires Improvement to be Good' a number of recommendations have been highlighted to bring about improvement at pace around some Children's Services and the governance over these services.

Actions:

A Post OFSTED Improvement Plan has been developed and has been submitted to OFSTED. Implementation has started albeit slowly. The improvement journey is seen over 3 years with the first year's activity to improve to a level of 'Good'.

Responsible Officer:

Riana Nelson – Director of Children, Young People and Families

Completion

Date:

March 2023

ISSUE: Transfer the provision of social care services to Doncaster Council

The effects of the last 2 years, have resulted in increased demand and significant pressures on the Children's Social Care systems. A decision was taken by Cabinet to transfer the provision of social care services to Doncaster Council and serve notice on the contract with Doncaster Children's Trust. This next phase in the journey of Children's Services in Doncaster will enable direct accountability and responsibility for the delivery of frontline services, with a focus on accessible and accurate performance data for management oversight and an assurance function that highlights concerns at the earliest possible stage. The voluntary Improvement Board has been decommissioned and the revised Doncaster Safeguarding Partnership governance is in place that will deal with issues relating to partnership contributions to the safeguarding system.

Actions:

- Served notice on the DCST contract by mutual agreement with the Trust Board.
- Transitioned via TUPE transfer all DCST staff into the Council
- Align safeguarding services with education and early help services within the Council.

Completion

Date:

March 2023

Responsible Officers: Riana Nelson – Director of Children, Young People and Families Debbie Hogg – Director of Corporate Resources	
---	--

An update on Key Improvement Areas previously identified that remain an issue in 2021-22

ISSUE: Adult Social Care Market Sustainability (Principle D) The Social Care Market nationally and locally remains fragile and challenged. There is a significant amount of work and change needed in this area through the coming year. Funding and charging reform needs to be worked through this year to be ready for implementation in 2023. Continued investment and support will be needed in the care market in the coming year.	
Actions: <ul style="list-style-type: none"> • Complete Fair Cost of Care Exercise (February 2023) • Funding Reform task and finish group established (cross council) to ensure reforms and actions are in place for October 2023. • Preparation work and market consultation for new Domiciliary Contract (January 2023) • Implement and embed Provider Assessment and Market Management Solution (PAMMS) for Quality Assurance monitoring (Spring 2023) • Draft charging policy changes ready for implementation in 2023 (April 2023) 	Completion Date: October 2023
Responsible Officers: Phil Holmes – Director of Adults, Health & Wellbeing Carolyn Nice – Assistant Directors Adults, Health & Wellbeing	

Statement of Commitment

We have been advised of the implications of the result of the 2021-22 review of the effectiveness of the governance and internal control frameworks by the Audit Committee and of the plans to address identified weaknesses and ensure continuous improvement of the system in place. We propose over the coming year to take steps to address the above matters to enhance further the Council's governance and internal control arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and that we will monitor their implementation and operation over the next year and as part of our next annual review of effectiveness.

Signed on behalf of Doncaster Council:

Ros Jones
Mayor of Doncaster

Damian Allen
Chief Executive

Key Areas of Improvement from previous Statements that have been completed

There are a numbers of areas requiring improvement that have been identified in previous statements that have been effectively managed to the extent that they are no longer significant at this point in the 2021-22 Annual Governance Statement. These are:

- ❖ **Food Safety and Trading standards inspection arrangements (Principle D)** - The Food Safety Team has now successfully recruited to two Environmental Health Practitioner posts and we continue to use agency inspectors to help address the backlog of inspections. The national regulator, the Food Standards Agency, has issued a plan which focuses on high risk inspections and one which provides a timetable to address the backlog up to 2024 – mindful of the challenges and pressures created by Covid and a shortage of EHPs nationally. Our focus remains on meeting the revised timetable while addressing high-risk premises (either due to rating or process).
- ❖ **Ensuring Building Safety Compliance** – Risks associated with Building Safety and compliance have been mitigated with a number of key operational actions and process changes. The introduction of C365 has provided the newly formed Building Safety team with a bespoke repository for all compliance certification and supporting information. The Building safety team now functions with a Building Safety Manager and 6 subject matter experts to add rigour to our processes and procedures. The recent Health Check by Pennington’s on all 6 compliance areas has provided an opportunity to verify our approach from an external perspective and offer assurance to our Board and Doncaster Council. The additional accreditation and audits also offer reassurance that we are compliant. The introduction of St. Leger Homes Building Safety Committee, in addition to the Building safety Group and Sub Group offer layers of governance and further reassurance that we are prepared for future legislation changes.
- ❖ **Cyber Attack Business Continuity (Principle F)** - A Risk was identified that acknowledged the heightened risk globally and the successful cyber-attacks on other authorities despite the technical security measures taken and in place. In response to this risk all business continuity plans in the Council, SLHD & DCST have been reviewed. A pre-prepared Communication Plan has been developed and the immediate response action plan considered by Emergency Planning. The prioritised list of business systems for a recovery scenario is complete and being continually updated as changes occur. A dedicated Cyber Security Team has also been formed and the technical tools in place to deter and monitor cyber-attacks are continually being updated and implemented. To further safeguard the Council’s information, a further off-line and therefore even more secure copy of all data has also been implemented which is continually refreshed. This will greatly assist in the recovery process if an unfortunate major cyber event did occur that could not be stopped. The Council’s technical security arrangements are also monitored annually by the Cabinet Office and various security audits are undertaken on a regular basis. A retainer with a specialist technical security company is also in place in case we need assistance in the event of a cyber-attack.

- ❖ **Partnership Recovery & Resilience in relation to DCST (Principle F)**
An issue was identified around the increased demand and reduced workforce capacity, impacting on quality and performance following the effects of local floods and the pandemic. A further area where governance improvements were required were also identified by an independent review. A Cabinet decision has been approved to serve notice on the DCST contract by mutual agreement with the Trust Board and transfer the provision of social care services to Doncaster Council.

- ❖ **Assurance over future financial sustainability and supporting the recovery Process from the covid 19 pandemic (Principle F)** – A risk was identified that recognised the significant challenges and uncertainties facing the Council during the Covid -19 pandemic. These potentially could have had a sizeable impact on the future financial sustainability and ensuring a smooth transition from the pandemic. An updated Medium-term Financial Strategy for 2022/23 onwards was considered by Cabinet on 17th November 2021 which set out a sound financial position through a series of actions carried during the pandemic recognising strong financial governance and management arrangements in place. This risk is being stepped down as we continue to maintain stable budgets and into the emerging post pandemic environment.

- ❖ **Governance Functions (Principle E)** - An improvement area was identified around knowledge and understanding of various key governance policies and procedures that are in place to help support senior managers with their roles and responsibilities. A training event was held as part of the Senior Management Meetings for all senior staff to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers.

- ❖ **Organisational Workforce (Principle E)** - An area of risk was identified for the council to identify and address critical skills gaps, to retain, develop and deploy resources to ensure services continue to be delivered to a high standard and remain value for money. Actions have been implemented to ensure the organisation continues to identify and address capacity issues to successfully drive through performance now and for the future.

- ❖ **Doncaster Integrated People Solution (DIP's) (Principle D)** - This extensive and complex programme of work is now complete with all social care, early help and education management live in the same solution and all legacy solutions decommissioned. The solution will continue to be enhanced as required as part of business as usual and strategic development.

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Doncaster
Council

STATEMENT OF ACCOUNTS 2021/22



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Narrative Report

Introduction

The accounts of such a large and diverse authority as Doncaster Council are, by their nature, both technical and complex. The information contained within the Statement of Accounts for 2021/22 is presented in a simple and clear manner. The narrative report provides information on the Council and highlights some of the key facts about the services it delivers and its workforce. It identifies outcomes against the Council's shared vision - Doncaster as a thriving place to learn, work, live and care. It then goes on to provide a commentary on how the Council and grouped entities have used its resources to achieve its desired outcomes in line with its objectives and strategies.

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting based on International Financial Reporting Standards ('IFRS') for 2021/22 (the Code) and any other Accounting Codes of Practice published by the Chartered Institute of Public Finance and Accountancy ('CIPFA'). The overriding requirement of the Code is that the Statement of Accounts 'presents a true and fair view' of the financial position and transactions of the Council.

None of the external links contained within the Statement of Accounts are audited by the external auditors.

The Council's Performance

The performance section of this report is structured under the heading of the Councils Wellbeing Wheel from our Corporate Plan for 2021/22 and Borough Strategy. The overall mission is: **Thriving People, Places & Planet.**

All the performance data has been taken from the Corporate Finance and Performance Quarter 4 Report that was presented to Cabinet on 8th June 2022.

GREENER CLEANER

Our vision is for borough-wide collective action that protects and enhances the local and global environment to improve wellbeing.

Headlines:

- The target for removing fly tip waste continues to exceed the 65% target, with 92% of reported cases being closed within the agreed service level agreement (SLA) timeframe.
- 99.94% of household waste and recycling collections were undertaken during Quarter 4, showing a small increase from Quarter 3 (99.83%)
- 1,590 cases of dumped rubbish were reported from 1/1/22 – 31/03/22, with 1,467 closed within the Service Level Agreement
- During Quarter 4, 396 tonnes of waste has been removed from the Borough.
- The recycling rate for household domestic waste is at 40.6% which is below target; however, this indicator runs at a quarter in arrears. The Quarter 3 figure is low due to the green bin suspension and then winter cessation, which has had a negative impact on the recycling rate
- The Land Audit Management System (LAMS) performance rate remains at 64% for this Quarter, which was the same as Quarter 3 but still below the 80% target.
- 435 trees were digitally plotted on the Treewise system in Quarter 4.
- 1,537,781 square meters of Local Authority land, on 129 sites, continues to be allowed to naturalise/wildflower
- 90% of the Quarterly Mechanical Playground inspections were undertaken in Quarter 4, with 137 operational inspections carried out between January and March 2022.
- 4 of the 5 parks have been given 'Green Flag' status in the Borough



PROSPEROUS & CONNECTED

Our vision is for a stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport and active travel infrastructure and access to good broadband.

Headlines:

- Processing of Planning Applications: Major Applications 90% in Quarter 4, down from 94% in Quarter 3 and just short of the 94% target.
- Homes England approved £1.320m of funding for Council House Build Programme Phase 1.
- The Brownfield Housing Fund (BHF) Grant bids for the Council House Build Programme (CHBP) Phase 2 developments, of around 126 new homes totalling £3.66m, were approved by SYMCA in March 2022, and the BHF grant funding for CHBP Phase 1 has been successfully claimed and paid (£495,000 less 5% retention) during this Quarter (at the end of March 2022).
- At the end of Quarter 4 a total of 187 new affordable homes had been completed
- At the end of the 4th quarter 96.91% of total non-domestic rates debit has been collected against a target of 97%. This compares with 92.64% at the same time last year.
- Business Doncaster's 'Employment Hub and Advancement Service' continues to support people within and into employment. The team support with lots of areas of finding and keeping work, including developing CV's. In the past year, 218 people have been supported by this team.
- Business Doncaster also provide the 'Launchpad' service, which supports new businesses in starting up, and also provides self-employment support across Doncaster. The team average around 22 new pieces of work a month.



SAFE & RESILIENT

Our vision is that residents feel safe and communities are more resilient to challenges and emergencies. Doncaster is joining a global movement that is reconsidering what true economic success looks like for people, places and the planet.

Headlines:

- Principal Roads (Main classified roads) not requiring major maintenance remains at 98% for this year.
- The Council has invested £5m of additional funds into highways maintenance for 22/23
- Non-principal Roads not requiring major maintenance remains at 98%.
- 82% of Estate Roads are in good to fair condition
- Doncaster for the third-year running is ranked in the top 10, there are 150 Highway Authorities, for the National Customer satisfaction survey (CCQ measure) of C- Customer satisfaction, C- Cost and Q – performance for Highways Maintenance Management.
- 489 people have been referred into the Domestic Abuse hub this Quarter, compared to 504 in Quarter 3.
- Increase in the number of cases discussed at Multi Agency Risk Assessment Conference (MARAC) during this Quarter. The number of high-risk cases referred to MARAC has risen from 191 in Quarter 3 to 242 in Quarter 4.
- 50% of Domestic Abuse Hub clients have given consent to accept support in Quarter 4, compared to 64% in Quarter 3.
- 54.3% of people report feeling safer following a safeguarding intervention in this period, compared to 72.3% in the last Quarter (120/221 people this Quarter compared to 107/148 in the previous Quarter).



SKILLED & CREATIVE

Our vision is that residents have improved skills and a creative culture supports wellbeing, business success and solutions to the borough's challenges.

Headlines:

- Ofsted inspection (February 2022) recognised the effectiveness and impact of Early Help Services for children and families, the strength of the Virtual School in support of children in care and/or with a social worker, strong oversight for young people on part-time timetables and effective monitoring for Children Missing in Education.
- However, the inspection identified areas that required improvement including the impact of leaders and management in driving progress for children, the quality of assessments and the quality and accuracy of performance information. The Council has put in place an improvement plan. The Ofsted inspection findings are recognised as significant issues in the Annual Governance Statement.
- Since September, there have been 19 published inspection reports for schools, 16 out of 19 were judged good or better (84%).
- Doncaster has a strong focus on programmes and interventions to support child development, with 98% of providers rated Good or Outstanding.
- Demand for the Family Hubs continues to grow with an increased footfall of 80.4% in comparison with the same quarter last year (14,193) and with 29,801 this year
- Capacity remains a challenge which is impacting the ability to finalised education health care plans within the statutory 20-week timescale with recent recruitment drive proving unsuccessful
- Heritage Doncaster's National Portfolio Organisation Programme History, Health and Happiness programme has been shortlisted for the Museums and Heritage Awards.

HEALTHY & COMPASSIONATE

Our vision is for a compassionate borough where collectively everyone is supported to add life to years and years to life.

Headlines:

- Waiting time for completion of an assessment was 62.94 days, which is higher than the target of 42 days or less and is an increase on last quarter.
- 55% of the people who were assessed or reviewed by Adult Social Care received a review of their care between 42 and 365 days after assessment compared to 56% in Quarter 3, the target is 75%. This is due to the tail end impact of Omicron variant and it is projected to improve. Additional capacity has also been implemented to improve the number of people accessing a review.
- This quarter shows a slight rise in the number of verified 'Rough Sleepers' in March, rising from 20 to 23
- 25 people of working age (18-64 years) were permanently admitted into residential or nursing care homes over the financial year (1st April to 31st March) compared to 27 in 2020/21
- 434 people aged 65 years and above were permanently admitted into residential or nursing care homes over the financial year (1st April to 31st March), compared to 385 in 2020/21.
- Slight reduction in quarter 4 of number of individuals with a learning disability living in permanent residential care (123 individuals), compared to quarter 3 (125 individuals)



Financial Performance

Revenue Position: £8.9m underspend

The outturn position for the Council is a £8.9m underspend which represents 1.6% of the gross budget for the year. The table below represents General Fund services only. The figures differ from those shown in the Core Financial Statements as these statements include both General Fund and the Housing Revenue Account (HRA).

A summary and further details by service area is provided below: -

	Gross Budget	Net Budget	Actual	Variance	
	£m	£m	£m	£m	%
Adults Health and Wellbeing	134.4	61.3	57.5	-3.8	-2.8%
Learning Opportunities, Skills & Culture	67.6	18.5	19.7	1.2	1.8%
Doncaster Children's Services Trust (DCST)*	63.8	56.9	61.7	4.8	7.5%
Corporate Resources	120.6	25.8	23.5	-2.3	-1.9%
Public Health	30.1	2.0	1.2	-0.8	-2.7%
Economy & Environment	102.1	41.4	39.2	-2.2	-2.2%
Services Budgets	518.6	205.9	202.8	-3.1	-0.6%
Council-Wide budgets	33.2	-64.4	-70.2	-5.8	-17.5%
Grand Total	551.8	141.5	132.6	-8.9	-1.6%

* DCST contract forms part of the Learning Opportunities, Skills & Culture Directorate but is shown separately for monitoring purposes.

This is an extremely positive year-end position given the financial pressures, however it also highlights the continued significant volatility, shown in a sizeable swing from break-even position reported at quarter 3. Changes include reduced expenditure on adults' social care as the omicron variant of COVID-19 didn't create pressure on the system as severely as expected at quarter 3, reduced homecare expenditure due to greater reductions in client numbers than anticipated as providers were unable to meet demand due to staffing recruitment/retention/sickness issues, higher level of Housing Benefit Subsidy income being received than anticipated and increased planning fees received in March. However, the resulting underspends in some circumstances relate to lower activity in 2021/22 than anticipated. It should be noted that the position also includes £7.2m delivered against planned savings, this is a £3.0m shortfall against the budgeted savings targets.

This position includes the use of £6.6m of COVID-19 emergency grant to meet COVID-19 related cost pressures and initiatives this financial year.

The Council has control or significant influence over two entities, St Leger Homes of Doncaster Limited (SLHD) and Doncaster Children's Services Trust Limited (DCST), whose accounts are consolidated with the Council's in the Group Accounts shown from page 93. DCST spent £7.15m more than planned in 2021/22 mainly as a result of an increased number of children with out of authority placements; the overspend was funded by additional management fees from the Council. Where increased costs were due to the impact of COVID-19 the Council used COVID-19 emergency grant to fund the additional management fees. SLHD were able to absorb COVID-19 related cost pressures and return small surpluses to the Housing Revenue Account and General Fund.

Further details can be found on the agendas for the Cabinet meetings where the outturn position was discussed. Separate reports are prepared for the Council, DCST and SLHD. The Council and DCST reports can be found on the 8th June, 2022 and 6th July 2022 agendas accessible via the Council's website:-

<https://doncaster.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>

The SLHD report can be found on the 26th May, 2022 agenda accessible via SLHD's website: -

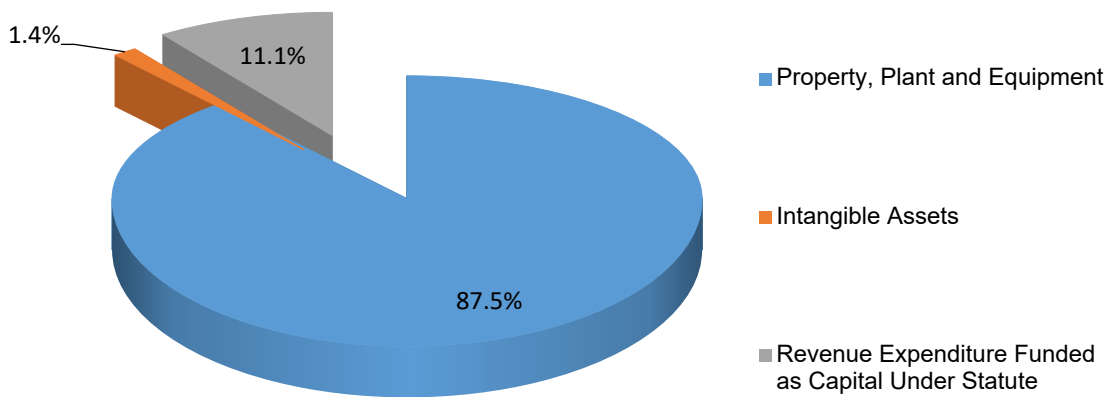
<https://www.stlegerhomes.co.uk/about/our-board/reports-and-minutes/>

Capital Position

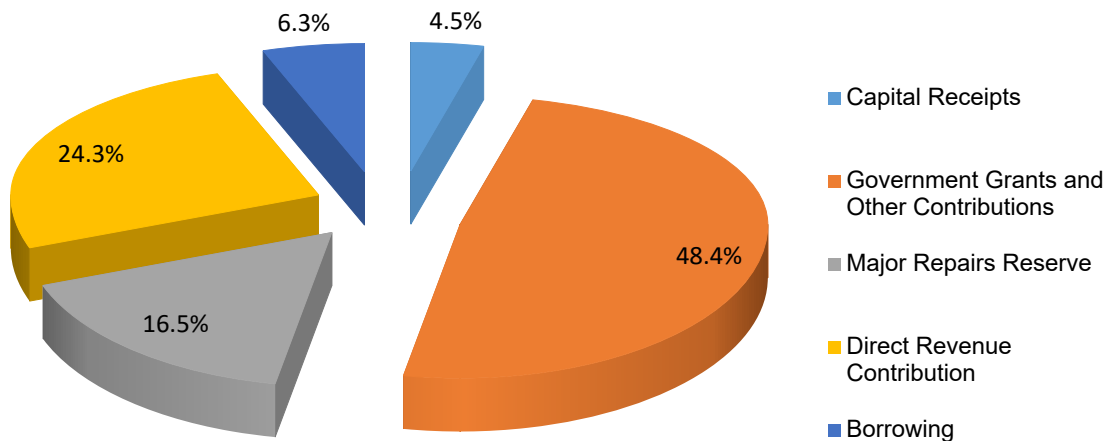
Capital expenditure represents money spent by the Council to purchase, upgrade or improve assets such as buildings, vehicles and roads. The distinction between capital and revenue expenditure is that the Council and its communities receive the benefit from capital expenditure over a longer period of time, usually over a number of years.

The Council spent £72.9m on capital schemes which includes schemes such as the new Danum Gallery, Library and Museum (DGLAM) which opened in year, adaptations for the disabled, creation of school places and the school condition programme, improvements and maintenance of roads, fleet replacement and decarbonisation schemes.

What the money was spent on (£72.9m)



How the costs were financed (£72.9m)

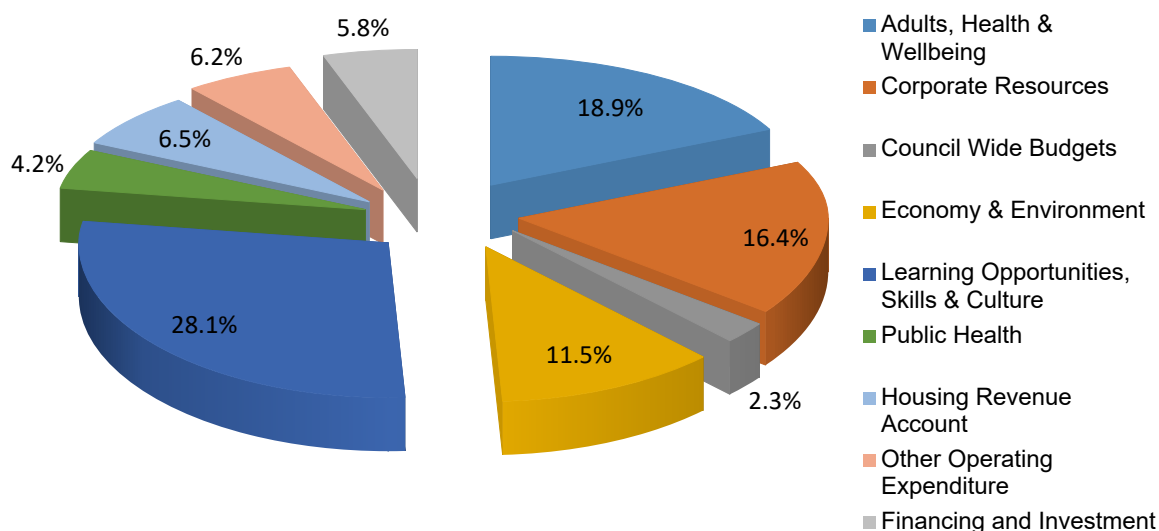


Cost of the Council's Services

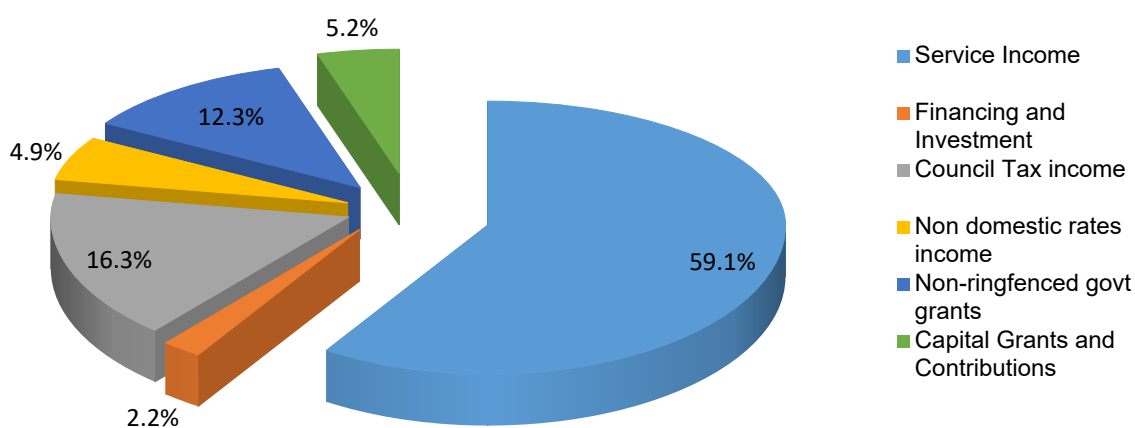
The Comprehensive Income and Expenditure Statement ('CI&ES') for 2021/22 shows the cost of running the Council's services and how that was funded between April 2021 and March 2022.

Overall expenditure on Council services was £790.7m, up £66.6m compared to 2020/21. Income was £755.9m, up £37.5m compared to 2020/21. The deficit on provision of services was £34.8m, up £29.2m compared to 2020/21. This was largely due to the revaluation increases on leisure assets in 2020/21.

CI&ES Expenditure (£790.7m)



CI&ES Income (£755.9m)



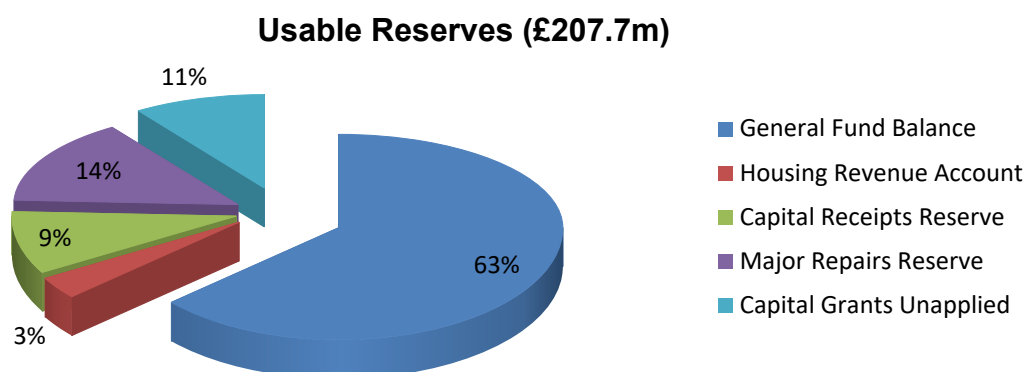
Balance Sheet

The Council's net worth increased by £232.5m from £540.2m to £772.7m which is mainly due to an increase in value of non-current assets due to a valuation increase in the housing stock and a decrease in the liability related to defined benefit pension scheme.

Balance Sheet	31st March 2022
	£m
Non-Current Assets (e.g. Property, Plant & Equipment)	1,528.3
Current Assets (e.g. short term debtors)	136.9
Cash and cash equivalents (net)	67.6
Current Liabilities (e.g. short term creditors, short term borrowing)	(182.1)
Long Term Liabilities (e.g. long term borrowing, pension deficit)	(778.0)
Net Worth (31st March 2021: £540.1m)	772.7
Financed by:	
Usable Reserves (see below)	207.7
Unusable Reserves	565.0
Net Worth (31st March 2021 £540.1m)	772.7

Usable Reserves

The Council's usable reserves have increased by £10.4m to £207.7m; General Fund reserves have remained largely unchanged with a small increase of £0.02m to £131.7m.



Financial Outlook

Revenue

On 28 February 2022, the Council set a budget based on closing a budget gap of £21.7m over 2022/23 to 2024/25 (including £13.1m in 2022/23). This was a significant challenge in the context of COVID-19, ongoing demand for services and considerable cost pressures with no reduction in statutory obligations to provide services, whilst continuing to invest in the Borough and protecting the most vulnerable in our communities.

This position incorporates £19.0m of budget pressures in 2022/23, increasing to £22.1m by 2024/25. This includes pay and price inflation; with £4.7m set aside for Adults, Health & Wellbeing in 2022/23 for Adult Social Care contracts including the impact of the Government National Living Wage. The service specific budget pressures include significant investment in both adults and children's social care in 2022/23.

The savings proposals identified amount to £19.8m over the 3 years, with £12.1m in 2022/23, reducing the ongoing budget position and supporting the financial sustainability of the Council going forward. The savings include central budgets, e.g. pension budgets and treasury management. Like many other Councils we also plan to review and reduce our use of assets, utilising the new ways of operating and blended approach to working.

The government's Spending Review announcement in October 2021 only covered the spending period 2022/23. The Secretary of State for Levelling Up, Housing and Communities announced on 28th June, 2022 that he will be introducing a 2-year financial settlement to give Councils certainty and confidence. The Department for Levelling Up, Housing and Communities (DLUHC) will launch a consultation on this shortly. A further promise was made to consult on the delayed Fair Funding review in this calendar year although it is not clear how that would fit in with a 2-year settlement. Although the Government only provided a one-year Spending Review, the Council needs to look longer term as service change and transformation takes time to form and implement. For that reason, the Council has set out a three year balanced budget. This will allow the Council to move forward with some certainty and deliver these plans. Whilst at the same time acknowledging the future financial uncertainties and remaining sufficiently flexible to respond to future challenges.

Since the approval of the budget the financial outlook has worsened with inflation posing a significant risk to the budget. The impact of rising energy, fuel and other prices is impacting on both revenue and capital budgets. In addition, the Council is seeing increased demand for children's social care and special education. The increase in the cost of living will also impact on collection rates for council tax and business rates. Careful monitoring will be undertaken and budgets will be adjusted using contingencies or reserves. The MTFs will be refreshed during the summer to pick up the longer-term impact in preparation for the 2023/24 budget setting process.

The Capital Programme

The Capital Strategy outlines the principles and decision making process involved when approving the Capital Budget. The aim is to contribute to the achievement of the Council's priorities and objectives, through the regeneration of the Borough, improved infrastructure, improved efficiency and effective operation of services. This is to be delivered via an affordable programme of capital investment consistent with the Council's financial strategy.

The Council continues to invest in the future of the Borough despite the tough economic climate with an estimated £386.9m of capital investment over 2022/23 to 2025/26 that will continue to stimulate growth and prosperity, with £141.6m of spend estimated for 2022/23. The Council is investing in projects to further improve core services such as Education, Housing, Infrastructure, Leisure and Culture, as well as attracting investors and visitors to the Borough. This includes £196.8m investment in the Council's social housing stock over the next four years, covering maintenance, adaptations and the new build programme.

New additions to the capital programme include continued investment in our leisure facilities, retained public buildings and fleet replacement with the acquisition of electric vehicles being prioritised where possible, and £6m additional investment for improving the condition of our roads and road safety.

Further details on the 2022/23 Revenue Budget, Capital Strategy and Capital Budget can be found on the Council's website: -

<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=3722&Ver=4>

Explanation of Accounting Statements

- **The Statement of Responsibilities for the Statement of Accounts**

A brief statement of the Council's financial responsibilities and those of the Chief Financial Officer.

- **Core Financial Statements**

- **Comprehensive Income and Expenditure Statement** shows the income and expenditure in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- **Movement in Reserves Statement ('MiRS')** shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The (Surplus) or Deficit on the Provision of Services line shows the economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.
- **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 is 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'.
- **Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital, i.e. borrowing, to the Council.

- **Notes to the Core Financial Statements**

Notes identify the nature and value of various entries within the core statements often providing additional information to aid the understanding of the accounts.

- **Expenditure and Funding Analysis ('EFA')** shows how annual expenditure is used and funded from resources (government grants, rents, Council Tax and Business Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

- **Supplementary Statements**
 - **Housing Revenue Account ('HRA')**, which is consolidated into the main statements, reports on the Council's activities as a social landlord. The HRA reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure (maintenance and administration) and how these are met by rents, subsidy and other income. From 1st October 2005, maintenance and administration of the Council's dwellings was transferred to St. Leger Homes of Doncaster Limited, an Arms' Length Management Organisation, limited by guarantee and wholly owned by the Council.
 - **Collection Fund** statement reports on the collection of local taxes and their distribution. The account reflects the statutory requirement for billing authorities to establish and maintain a separate Collection Fund, which accounts for the income from Council Tax and National Non-Domestic Rates (NNDR). This income finances the net expenditure requirements of the authorities within the Doncaster Council area, including the Council itself, the South Yorkshire Joint Authorities and Parish Councils.
 - **Group Accounts** include the assets and liabilities of companies and similar entities, which the Council either controls or significantly influences. These are St Leger Homes of Doncaster Limited and Doncaster Children's Services Trust Limited.

Significant Changes in Accounting Policy

The Council's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the CIPFA Code of Practice on Local Authority Accounting 2021/22. The accounting policies are compliant with IFRS and have been applied in preparing the financial statements and the comparative information.

There have been no significant changes in accounting policy during 2021/22.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)
6th July, 2022

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to: -

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Financial Officer & Assistant Director of Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

Cllr Austen White
Chair of Audit Committee

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In this Council, the Section 151 Officer is the Chief Financial Officer & Assistant Director of Finance.

In preparing this Statement of Accounts, the Chief Financial Officer & Assistant Director of Finance 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; and
- 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,

This Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2022.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)

The Core Financial Statements

Comprehensive Income and Expenditure Statement

2020/21				2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
142,769	(78,568)	64,201	Adults, Health & Wellbeing	149,689	(85,733)	63,956
122,229	(82,852)	39,377	Corporate Resources	129,362	(94,805)	34,557
19,783	(1,942)	17,841	Council Wide Budgets	18,163	(1,234)	16,929
94,135	(19,479)	74,656	Economy & Environment	91,215	(26,029)	65,186
212,276	(126,310)	85,966	Learning Opportunities, Skills & Culture	222,161	(132,102)	90,059
(27,132)	(30,631)	(57,763)	Public Health	33,370	(29,247)	4,123
52,452	(76,410)	(23,958)	Housing Revenue Account	51,601	(77,719)	(26,118)
616,512	(416,192)	200,320	Net Cost of Services	695,561	(446,869)	248,692
2,457	0	2,457	Parish Council Precepts	2,501	0	2,501
1,392	0	1,392	Payments to the Government Housing Capital Receipts Pool	1,939	0	1,939
55,594	0	55,594	(Gains) / Losses on the disposal of non-current assets	44,974	0	44,974
59,443	0	59,443	Other operating expenditure	49,414	0	49,414
21,110	0	21,110	Interest payable & similar charges	19,676	0	19,676
9,471	0	9,471	Pensions interest cost & expected return on pensions assets	9,568	0	9,568
0	(677)	(677)	Interest receivable & similar income	0	(498)	(498)
(55)	(165)	(220)	Income & expenditure in relation to investment properties & changes in their fair value	13	(165)	(152)
17,611	(12,478)	5,133	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	16,469	(15,590)	879
48,137	(13,320)	34,817	Financing and investment income and expenditure	45,726	(16,253)	29,473
0	(118,576)	(118,576)	Council tax income	0	(122,897)	(122,897)
0	(26,928)	(26,928)	Non domestic rates redistribution	0	(37,156)	(37,156)
0	(119,346)	(119,346)	Non-ring fenced Government grants (Note 33)	0	(93,072)	(93,072)
0	(24,086)	(24,086)	Capital grants and contributions (Note 33)	0	(39,646)	(39,646)
0	(288,936)	(288,936)	Taxation and non-specific grant income	0	(292,771)	(292,771)
724,092	(718,448)	5,644	(Surplus) / Deficit on Provision of Services	790,701	(755,893)	34,808
		(58,069)	(Surplus) / Deficit on revaluation of non-current assets (Note 24a)			(102,320)
		10,161	Actuarial (gains) / losses on pension assets / liabilities (Note 24d)			(165,549)
		754	(Gains) / Losses on Revaluation of Financial Instruments (Note 24h)			603
		(47,154)	Other Comprehensive Income and Expenditure			(267,266)
		(41,510)	Total Comprehensive Income and Expenditure			(232,458)

Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 24)	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2021 brought forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)
Movement in reserves during 2021/22								
Total Comprehensive Income and Expenditure	29,650	5,158	0	0	0	34,808	(267,267)	(232,459)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(29,816)	(3,581)	(874)	(6,643)	(4,313)	(45,227)	45,227	0
(Increase) / Decrease in 2021/22	(166)	1,577	(874)	(6,643)	(4,313)	(10,419)	(222,040)	(232,459)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(564,933)	(772,663)

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 24)	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2020 brought forward	(63,467)	(9,670)	(17,348)	(10,074)	(19,572)	(120,131)	(378,563)	(498,694)
Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	(5,212)	0	0	0	0	(5,212)	5,212	0
Restated Balance as 1 April 2020	(68,679)	(9,670)	(17,348)	(10,074)	(19,572)	(125,343)	(373,351)	(498,694)
Movement in reserves during 2020/21								
Total Comprehensive Income and Expenditure	2,042	3,602	0	0	0	5,644	(47,154)	(41,510)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(64,865)	(2,199)	(491)	(11,306)	1,249	(77,612)	77,612	0
(Increase) / Decrease in 2020/21	(62,823)	1,403	(491)	(11,306)	1,249	(71,968)	30,458	(41,510)
Balance at 31st March 2021 carried forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)

Balance Sheet

31 st March 2021		Notes	31 st March 2022	
£'000	£'000		£'000	£'000
1,419,642		Property, Plant & Equipment	12	1,504,952
9,120		Heritage Assets	13	9,050
1,710		Investment Property	14	1,696
3,891		Intangible Assets	15	2,478
3,841		Long Term Investments	16	3,238
7,024		Long Term Debtors	16	6,894
	1,445,228	Long Term Assets		1,528,308
25,007		Short Term Investments	16	25,010
31,084		Assets Held for Sale	20	21,829
1,071		Inventories		1,253
96,400		Short Term Debtors	17	88,765
64,413		Cash & Cash Equivalents	19	67,558
	217,975	Current Assets		204,415
0		Cash & Cash Equivalents	19	(27)
(103,070)		Short Term Borrowing	16	(63,790)
(73,913)		Short Term Creditors	21	(83,078)
(1,722)		Provisions	22	(1,593)
(16,228)		Revenue Grants Receipts in Advance	33	(31,749)
(8,917)		Capital Grants Receipts in Advance	33	(1,860)
	(203,850)	Current Liabilities		(182,097)
(14,720)		Provisions	22	(16,282)
(419,357)		Long Term Borrowing	16	(398,902)
(41,846)		Other Long Term Liabilities	16, 42	(40,400)
0		Donated Assets Account	33	0
(1,044)		Revenue Grants Receipts in Advance	33	0
(2,541)		Capital Grants Receipts in Advance	33	(6,063)
(439,641)		Liability related to defined benefit pension scheme	39	(316,316)
	(919,149)	Long Term Liabilities		(777,963)
	540,204	Net Assets		772,663
197,311		Usable Reserves		207,730
342,893		Unusable Reserves	24	564,933
	540,204	Total Reserves		772,663

This balance sheet was completed and authorised for issue on 6th July, 2022, the date to which events after the balance sheet date have been considered. These accounts present fairly the financial position of Doncaster Council as at 31st March 2022.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)

6th July, 2022

Cash Flow Statement

31st March 2021 £'000		31st March 2022 £'000
(5,644)	Net surplus or (deficit) on the provision of services	(34,808)
87,486	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 25)	174,033
(32,571)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 25)	(45,789)
49,271	Net cash flows from Operating Activities	93,436
(28,429)	Investing Activities (Note 26)	(29,680)
(385)	Financing Activities (Note 27)	(60,638)
20,457	Net increase or (decrease) in cash and cash equivalents	3,118
43,956	Cash and cash equivalents at the beginning of the reporting period	64,413
64,413	Cash and cash equivalents at the end of the reporting period (Note 19)	67,531

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Note 1 Expenditure and Funding Analysis

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
58,823	5,378	64,201	Adults, Health & Wellbeing	58,721	5,235	63,956
20,588	18,789	39,377	Corporate Resources	22,571	11,986	34,557
11,424	6,417	17,841	Council Wide Budgets	9,510	7,419	16,929
36,997	37,659	74,656	Economy & Environment	35,169	30,017	65,186
65,522	20,444	85,966	Learning Opportunities, Skills & Culture	80,594	9,465	90,059
(3,507)	(54,256)	(57,763)	Public Health	1,412	2,711	4,123
(21,249)	(2,709)	(23,958)	Housing Revenue Account	(20,660)	(5,458)	(26,118)
168,598	31,722	200,320	Net Cost of Services	187,317	61,375	248,692
2,281	57,162	59,443	Other Operating Expenditure	2,395	47,019	49,414
58,261	(23,444)	34,817	Financing and Investment Income and Expenditure	51,515	(22,042)	29,473
(290,560)	1,624	(288,936)	Taxation and Non-specific Grant income	(239,816)	(52,955)	(292,771)
(61,420)	67,064	5,644	(Surplus) or deficit	1,411	33,397	34,808
(73,137)			Opening General Fund and HRA Balance	(139,769)		
(5,212)			Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	0		
(61,420)			Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year	1,411		
(139,769)			Closing General Fund and HRA Balance at 31 March*	(138,358)		

* For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement

Note 2 Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31st March 2022. The Council is required by the Accounts and Audit Regulations 2015 to prepare an annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

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. In particular: -

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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 highly liquid investments that mature within 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. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents include bank overdrafts that are an integral part of the Council's cash management. Investments or loans with a longer maturity at acquisition do not become cash equivalents once their remaining maturity period falls to three months.

In the Cash Flow Statement and Balance Sheet, 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.

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 fixed assets attributable to the service.

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

Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund, i.e. the Collection Fund, for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Contingent Assets

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. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to Council Wide Budgets line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination 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.

Post-Employment Benefits

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

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

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

The Teachers Pensions Scheme and NHS Pension Scheme

The arrangements for the Teachers' Pensions Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The Learning Opportunities, Skills & Culture line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year and the Public Health line is charged with the employer's contributions payable to the NHS pensions in year.

The Local Government Pension Scheme

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 projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate. Details of the rates used and assumptions made are included in the Defined Benefit Pension Scheme Note to the core financial statements;
- The assets of South Yorkshire Pension fund attributable to the Council are included in the Balance Sheet at their fair value: -
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price;
 - property – market value.

The change in the net pension liability is analysed into the following components: -

- Service cost comprising: -
 - current service cost – the increase in liabilities as a 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 as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to Council Wide Budgets.
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising: -
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to South Yorkshire Pension fund: - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers 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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. The Council's current policy is not to award enhancements for non-school Council employees, i.e. those who are members of the Local Government Pension Scheme.

Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of 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 are 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 of authorisation for issue are not reflected in the Statement of Accounts.

Fair value measurement of non-financial assets

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either: -

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows: -

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 – unobservable inputs for the asset.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and 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.

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Council holds financial assets measured at: -

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument). These are classified as fair value through profit or loss. Equity investments are held for strategic purposes and are designated at FVOCI.

Financial Assets Measured at Amortised Cost

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

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, 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 from the voluntary organisations, 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 derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

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

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.

Equity Instruments Designated to Fair Value through Other Comprehensive Income

Equity Instruments not held for trading, i.e. held for strategic purposes, are elected into a FVOCI treatment rather than FVPL. Movements in fair value will not be debited/credited to the Surplus or Deficit on the Provision of Services as they arise. Instead, movements will be accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund Balance.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis;
- equity shares with no quoted market prices – net worth analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels: -

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Financial Assets Measured at Fair Value through Profit and Loss

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

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels: -

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

Heritage Assets (Tangible and Intangible)

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Heritage assets include Historic land and buildings, recordings of historically significant events and other heritage assets which include Civic Regalia, Exhibits, Statues and Monuments, military and scientific equipment, and works of art.

Heritage Assets are recognised on balance sheet at cost or value. Valuations for historic land and buildings have been prepared by in house assets and property valuers over a five year rolling programme. All other categories have been valued by the most appropriate and relevant valuation method including insurance and auction values. They are reviewed annually and updated if more up to date information is available.

There are heritage assets within the Council with an individual value below £10,000 that are not disclosed. The value has been considered to have an immaterial effect and therefore the cost of valuing these assets would again outweigh any benefit.

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

Depreciation is not required to be charged on heritage assets as, by nature, they will be preserved for future generations however, some of the buildings within the category of historic land and buildings are still depreciated as determinable lives have been estimated by the internal valuers. These asset lives are reviewed in line with the revaluation programme.

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 cannot be 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. No intangible asset held by the Council meets this criterion and therefore all such assets are carried at amortised cost. The depreciable amounts for intangible asset is amortised over its useful lives 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 assets might be impaired. 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 and 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 the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

Interest in Companies and Other Entities

The Council has interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures. Group Accounts are prepared where these interests are material.

Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-In-First-Out (FIFO) costing formula and the Weighted Average Cost method. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those operators. In relation to its interest in a joint operation, the Council as a joint operator recognises: -

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation;
- Its expenses, including its share of any expenses incurred jointly.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Council as Lessee

Finance Leases:

Property, plant and equipment held under finance leases 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 periods in which they are incurred.

Lease payments are apportioned between: -

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

Property, Plant and Equipment recognised under finance leases 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 assets estimated useful life.

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases:

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

The Council as Lessor

Finance Leases:

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet 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 as part of the profit or loss on disposal, i.e. netted off against the carrying value of the asset at the time of disposal, matched by a long term lease debtor in the Balance Sheet for the capital value outstanding.

Lease rentals receivable are apportioned between: -

- A charge for the acquisition of the interest in the property – applied to write down the long term debtor; and
- Finance income – credited to the Financing and Investment Income and Expenditure 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 is 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 received, the element of the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

Operating leases:

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the asset, 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.

Non-current Assets - 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 to sell such an asset transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued 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 in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance, however, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

Non-current Assets - Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the costs of the item can be measured reliably. Expenditure that maintains but does not add value or increase an assets potential to deliver future economic benefits or service potential is charged as an expense when it is incurred. The de-minimis value of £100,000 is applied when reviewing revenue spend for capital items.

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;
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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 and Expenditure 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 and assets under construction – depreciated historical cost;
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- School buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value;
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective;
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued with sufficient regularity to ensure that their carrying amount is not materially different from their current value at the year-end but as a minimum every 5 years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life, e.g. freehold land and certain community assets and assets that are not yet available for use, i.e. assets under construction.

Depreciation is calculated on the following bases: -

Asset Category	Useful Life
Other Land & Building	Up to 100 years, dependent upon the asset
Vehicles, Plant & Equipment	3 - 20 years, dependent upon the asset
Infrastructure	40 years
Intangible e.g. surveys	Up to 15 years dependent upon the asset
Council dwellings	The calculation for the depreciation of Council Dwellings uses the straight line method over 30 years. The calculation uses the value of the dwellings stock excluding the value of land.

Assets in the course of construction are not depreciated until they are brought into use.

For Property, Plant & Equipment, other than non-depreciable land, non-operational investment properties and assets held for sale, the only ground for not charging depreciation is that the charge would be immaterial.

Depreciation is calculated using the straight-line method.

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

Disposals and Non - Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisations or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not classified as assets held for sale.

When an asset is disposed of or decommissioned, 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. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the Government. The capital financing regulations allow disposal costs of up to 4% of capital receipt to be met from the sale proceeds. The balance of receipts remains within 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). 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 fixed 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.

Enhancement Expenditure and De-recognition of Replaced Part of an Asset

Enhancement expenditure on Property, Plant & Equipment increases both the historic cost and carrying amount records. The enhancement expenditure could be in relation to one component, multiple components or for a single asset that has not been componentised.

The carrying amount of a replaced or restored part of the asset is de-recognised, with the carrying amount of the new component being recognised subject to the capital recognition principles being met.

This recognition and de-recognition takes place regardless of whether the replaced part had been depreciated separately, where it is not practicable to determine the carrying amount of the replaced part the cost of the new part is used as a proxy for the calculation of the old element to be de-recognised (adjustments for depreciation and impairment, are made if required).

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Council has established a threshold of £1.5million for determining whether an asset needs to be reviewed for components. To be separately accounted for, a component has a cost of at least £300,000 or costs at least 20% of the overall asset (whichever is the higher) and has a useful life which is at least plus or minus 5 years from the main asset.

Accounting for non-current schools' assets

The Council has made the following judgements regarding the accounting treatment of the differing types of schools: -

- **Community schools** are run by the local authority, which employs the staff, owns the land and buildings and decides which admission criteria to use. The land and buildings of these schools are accounted for on the Council's balance sheet.
- **Foundation Schools** are run by their governing body. The governing body employs the staff and sets its own admissions criteria. The land and buildings are usually owned by the governing body or, in trust schools, a charity. Doncaster does not currently have any Foundation schools.

- **Trust schools** are a type of foundation school which forms a charitable trust with an outside partner. They are run by their own governing body, which employs the staff and sets the admission criteria. Land and buildings are transferred out of local authority ownership upon transfer to trust status. These schools are not accounted for on the Council's balance sheet and the assets are treated as a disposal upon transfer to trust status.
- **Voluntary-aided schools** are mainly religious or 'faith' schools and as with foundation schools, the governing body employs the staff and sets the admissions criteria. The school buildings are not accounted for on the Council's balance sheet as ownership and control of the building lies with the voluntary body. The ownership of the land remains with the Council so is accounted for on the balance sheet.
- **Voluntary-controlled schools** are similar to voluntary aided schools but are run by the local authority. As with community schools, the local authority employs the school's staff and sets the admission criteria. The land and buildings of these schools are accounted for on the Council's balance sheet.
- **Academies** are independently managed, all-ability schools. They are set up by sponsors from business, faith or voluntary groups in partnership with the Department for Education and the Council. Together they fund the land and buildings, with the Government covering the running costs. The land and buildings are usually leased to the academy on a long term lease. The lease terms are reviewed on transfer to determine whether they represent finance or operating lease. Schools which are leased on a finance lease are treated as disposals. The buildings are not included on the Council's balance sheet but the land remains on the balance sheet at a nominal value. Schools which are issued on an operating lease are revalued in the year of transfer.

Overheads and Support Services

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

Prior period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts fall within scope of International Financial Reporting Interpretations Committee (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 original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

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 towards 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.

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

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 are 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 the end of each financial year – 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. Where some or all of the payment required to settle a provision is expected to be recovered from another party, e.g. from an insurance claim, income is only recognised for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Reserves

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

Specific reserves are available to fund capital or revenue expenditure following relevant approval.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority maintained schools lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 3 Accounting Standards that have been issued but have not yet been adopted

The Council is required to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The Council shall provide known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the Council's financial statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1st January of the financial year in question (i.e. on or before 1st January 2022 for 2021/22). For this disclosure the proposals for change include: -

- IFRS 16 *Leases* (but **only** for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year – the Council intends to adopt this standard in 2024/25).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

These are not expected to have a material impact on the council's statement of accounts.

Note 4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are: -

Central Government Funding

There is a high degree of uncertainty about future levels of funding for Local Government. The Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision other than those already earmarked for closure as part of budget delivery plans.

Group Accounts

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

Property, Plant and Equipment valuations

The Code of Practice has clarified the requirements for valuing Property, Plant and Equipment and states explicitly that revaluations must be 'sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period.' In order to be satisfied that the value of assets in the balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31st March 2022 the Council, for assets not valued in the year, has judged that their value has not altered materially at the balance sheet date. This judgement is supported by a year-end valuation report provided by the Council's qualified valuers that provides assurance that valuations are materially correct at the balance sheet date.

Note 5 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.

The items in the Council's Balance Sheet as at 31st March 2022 for which there is a significant risk of material adjustments in the forthcoming financial year are as follows: -

Item and Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment, HRA valuation (Note 12)	
The value of the Council's housing dwellings stock is calculated using beacon properties. These valuations are then adjusted for the vacant possession value for the properties and to reflect their occupation by a secure tenant. This adjustment is considered to reflect the additional risk and liability the public sector landlords undertake when compared with private sector investors. The adjustment factor which is applied to the total vacant possession valuation (based on the beacon valuation) is for local authorities to determine seeking appropriate professional advice where applicable.	The fair value of the Council's housing dwellings stock as at the 31 st March 2022 has been determined using an adjustment factor of 41%. A 1% decrease in this adjustment factor would have resulted in a revaluation loss of £18.309m in 2021/22.
Defined Benefit Pension Schemes Liabilities (Note 39)	
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Hymans Robertson, a firm of consulting actuaries, are engaged to provide the Council with expert advice about the assumptions to be applied.	The net pension liability which the Council has in the long run is estimated to be £316.316m (£439.641m as at 31 st March 2021). A 0.1% increase in the discount rate assumption would result in a decrease in the pensions' liability of £30.531m. A 0.1% increase in the inflation rate assumption would result in an increase in the pensions' liability of £26.062m. Similarly, a one year addition to members' life expectancy as at 31 st March 2022 would result in an increase in the pensions' liability of £69.367m.

Note 6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer & Assistant Director of Finance on 6th July, 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March, 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The financial statements and notes have not been adjusted for the following events which took place after 31st March, 2022 as they provide information that is relevant to an understanding of the Council's financial position but do not relate to conditions at that date.

On 1st September, 2022 all services provided by Doncaster Children's Services Trust Limited (DCST) transferred to the Council. From 1st October, 2014 until 31st August, 2022, DCST - a subsidiary of the Council - had provided children's services on behalf of the Council.

Note 7 Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis				2021/22
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)	
	£'000	£'000	£'000	£'000
Adults, Health & Wellbeing	664	4,575	(4)	5,235
Corporate Resources	6,039	5,949	(2)	11,986
Council Wide Budgets	1,698	5,721	0	7,419
Economy & Environment	24,763	5,243	11	30,017
Learning Opportunities, Skills & Culture	(1,071)	5,392	5,144	9,465
Public Health	2,034	664	13	2,711
Housing Revenue Account	(5,458)	0	0	(5,458)
Net Cost of Services	28,669	27,544	5,162	61,375
Other income and expenditure from the Expenditure and Funding Analysis	(14,523)	0	(13,455)	(27,978)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	14,146	27,544	(8,293)	33,397

Adjustments between Funding and Accounting Basis				2020/21
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)	
	£'000	£'000	£'000	£'000
Adults, Health & Wellbeing	2,284	3,102	(8)	5,378
Corporate Resources	14,848	3,919	22	18,789
Council Wide Budgets	(73)	6,490	0	6,417
Economy & Environment	34,294	3,349	16	37,659
Learning Opportunities, Skills & Culture	13,331	3,737	3,376	20,444
Public Health	(54,256)	0	0	(54,256)
Housing Revenue Account	(2,709)	0	0	(2,709)
Net Cost of Services	7,719	20,597	3,406	31,722
Other income and expenditure from the Expenditure and Funding Analysis	9,802	0	25,540	35,342
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	17,521	20,597	28,946	67,064

Note 1 Adjustment for Capital Purposes

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

- **Other operating 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 income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year

Note 2 Net Change for Pension 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 represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs;
- For **Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES.

Note 3 Other Differences

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

- For **Financing and investment income and expenditure** the other differences 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 8 Segmental Income

Income received on a segmental basis is analysed below: -

	2020/21	2021/22
Services	Fees, charges and other service income	Fees, charges and other service income
	£'000	£'000
Adults, Health & Wellbeing	(19,833)	(21,618)
Corporate Resources	(7,529)	(8,969)
Council Wide Budgets	(610)	(456)
Economy & Environment	(13,599)	(15,666)
Learning Opportunities, Skills & Culture	(7,013)	(7,211)
Public Health	(66)	(51)
Housing Revenue Account	(76,410)	(77,609)
Total Fees, charges and other service income analysed on a segmental basis	(125,060)	(131,580)

The amounts in the table differ from the Fees, charges and other service income in Note 9 due to income relating to Trading Operations of £15.705m (£12.616m in 2020/21).

Note 9 Expenditure and Income Analysed by Nature

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

	2020/21 £'000	2021/22 £'000
Expenditure / Income		
Expenditure		
Employee benefits expenses	179,339	194,175
Other services expenses	415,355	455,511
Support service recharges	19,964	20,917
Depreciation, amortisation, impairment	19,368	41,426
Interest payments	30,518	29,258
Precepts and levies	2,457	2,501
Payments to Housing Capital Receipts Pool	1,392	1,939
(Gains) / Losses on the disposal of non-current assets	55,698	44,974
Total expenditure	724,091	790,701
Income		
Fees, charges and other service income	(137,676)	(147,284)
Interest and investment income	(677)	(498)
Income from Council tax and non-domestic rates	(145,503)	(160,052)
Government grants and contributions	(434,591)	(448,059)
Total income	(718,447)	(755,893)
Surplus or Deficit on the Provision of Services	5,644	34,808

Note 10 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. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

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

Housing Revenue Account Balance

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

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied for these purposes at the year-end.

Capital Receipts Reserve

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

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2021/22	Usable reserves				
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	(27,544)	0	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	123	0	0	0	0
Council tax & NNDR (transfers to (or from) Collection Fund)	13,332	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(586)	0	0	0	0
DSG Adjustment Account	(4,576)	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(29,318)	(36,003)	0	0	0
Total Adjustments to Revenue Resources	(48,569)	(36,003)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,941	4,224	(6,165)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(107)	107	0	0
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(1,939)	0	1,939	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	18,645	0	(18,645)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	4,219	0	0	0	0
Former SYCC debt	0	0	0	0	0
PFI Finance Lease - principal repayment	2,195	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,858	9,660	0	0	0
Total Adjustments between Revenue and Capital Resources	12,274	32,422	(4,119)	(18,645)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	3,252	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	12,002	0
Application of capital grants to finance capital expenditure	0	0	0	0	2,166
Cash payments in relation to deferred capital receipts	0	0	(7)	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	6,479	0	0	0	(6,479)
Total Adjustments to Capital Resources	6,479	0	3,245	12,002	(4,313)
Total Adjustments	(29,816)	(3,581)	(874)	(6,643)	(4,313)

2020/21	Usable reserves				
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	(20,597)	0	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	161	0	0	0	0
Council tax & NNDR (transfers to (or from) Collection Fund)	(25,701)	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	432	0	0	0	0
DSG Adjustment Account	(3,838)	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(34,258)	(34,345)	0	0	0
Total Adjustments to Revenue Resources	(83,801)	(34,345)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,270	3,471	(8,741)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(73)	73	0	0
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(1,392)	0	1,392	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	18,306	0	(18,306)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	3,590	0	0	0	0
Former SYCC debt	2,381	0	0	0	0
PFI Finance Lease - principal repayment	2,653	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	4,154	10,442	0	0	0
Total Adjustments between Revenue and Capital Resources	16,656	32,146	(7,276)	(18,306)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	6,796	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	6,999	0
Application of capital grants to finance capital expenditure	0	0	0	0	3,529
Cash payments in relation to deferred capital receipts	0	0	(11)	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	2,280	0	0	0	(2,280)
Total Adjustments to Capital Resources	2,280	0	6,785	6,999	1,249
Total Adjustments	(64,865)	(2,199)	(491)	(11,307)	1,249

Note 11 Movements in Earmarked Reserves

	Balance at 31 st March 2020	Transfer to DSG Adjustment Account	Restated balance as at 1 April 2020	Transfers Out 2020/21	Transfers In 2020/21	Balance at 31 st March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 st March 2022
General Fund:	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Volatility	0	0	0	0	18,949	18,949	(8,430)	0	10,519
COVID-19 Response	10,090	0	10,090	(26,484)	31,427	15,033	(8,807)	7,457	13,683
Service Transformation Fund	3,867	0	3,867	(1,414)	9,756	12,209	(1,141)	603	11,671
Health & Social Care Transformation Fund	6,768	0	6,768	(958)	0	5,810	(139)	0	5,671
Environment & Sustainability/Net Zero Carbon	0	0	0	0	5,000	5,000	0	37	5,037
School Balances	3,342	0	3,342	(442)	2,078	4,978	(862)	5	4,121
COVID-19 Contain Outbreak Management Fund	0	0	0	0	4,742	4,742	(2,949)	0	1,793
Insurance Fund	4,864	0	4,864	(770)	0	4,094	(475)	0	3,619
Adult Social Care Contracts	1,887	0	1,887	(101)	2,212	3,998	(278)	0	3,720
Transformational projects in Social Care	0	0	0	0	3,600	3,600	(624)	0	2,976
Revenue Contribution to the Capital Programme (pre-work/development costs)	227	0	227	(146)	2,338	2,419	(70)	500	2,849
Public Health	349	0	349	(77)	1,611	1,883	(16)	2,600	4,467
Stronger Families Programme	1,422	0	1,422	0	266	1,688	(124)	0	1,564
New National Non-Domestic Rates (NNDR) Incentive Scheme	1,669	0	1,669	(175)	0	1,494	(90)	600	2,004
Civic Office Major Items Replacement	1,308	0	1,308	0	173	1,481	(12)	208	1,677
Mental Health Trailblazer	390	0	390	(197)	912	1,105	(85)	0	1,020
Severance costs	0	0	0	(2,001)	3,000	999	(985)	3,000	3,014
Leisure Refurbishment	0	0	0	0	0	0	0	3,906	3,906
Specialist Safeguarding	0	0	0	0	0	0	(378)	3,000	2,622
Health & Social Care/HDP	0	0	0	0	0	0	0	1,900	1,900
ICB Transition & Transformation	0	0	0	0	0	0	0	1,200	1,200
ASC Care Ladder Pressures	0	0	0	0	0	0	0	1,000	1,000
Central DSG	(5,212)	5,212	0	0	0	0	0	0	0
Other	15,956	0	15,956	(7,011)	10,504	19,449	(8,061)	7,085	18,473
Total	46,927	5,212	52,139	(39,776)	96,568	108,931	(33,526)	33,101	108,506

Business Rates Volatility

This reserve is used to smooth the timing differences between recovering the deficit on the Collection Fund for Business Rates and the receipt of section 31 Business Rates grants from Central Government. Grants are received in year and the deficit is recovered in the following year.

COVID-19 Response

The reserve consists of government grants to fund the Council's response to the COVID-19 pandemic

Service Transformation Fund

This reserve was established to fund the costs of a number of service transformation projects across the Council. It will be used to help the Council achieve its savings targets in a timely and well managed way partly from those redesigned services.

Health and Social Care Transformation Fund

This reserve has been established from joint health and social care grants, including the Better Care Fund and will be used to support the transformation of Health and Social Care and delivering the Doncaster Place Plan.

Environment & Sustainability/Net Zero Carbon

The reserve is to support net zero carbon/environmental strategy initiatives.

Balances held by schools under a scheme of delegation

This reserve represents balances held by schools under delegated schemes from the Dedicated Schools Grant (DSG). The Scheme of Financing Schools, prepared in accordance with the School Standards and Framework Act 1998, provides that under-spending and over-spending will accrue to the school and be added to any balance brought forward from a previous year and as a consequence balances from school budgets have been built up over many years.

COVID-19 Contain Outbreak Management Fund

This reserve has been established to continue to fund COVID-19 related activities and support costs associated with dealing with containing further outbreaks of the pandemic. Costs include infection prevention control, communications, advice & guidance, supporting vulnerable groups & a number of temporary funded posts.

Insurance Fund

The Council continues to monitor insurance claims experience and has identified an appropriate reserve to meet other potential insurance claims Incurred But Not Reported (IBNR) and emerging risks.

Adult Social Care Contracts

The money has been set aside to meet Adult Social Care expenditure; this will include supporting future spend on domiciliary care, learning disability support contracts and the development of the Intermediate Care agenda.

Transformational projects in Social Care

This includes investment in the new model of locality working to support the development of vibrant communities and provide resourcing to strengthen activities for Early Help and prevention. It will also support practice development across the social care sector and workforce capacity changes. This will certainly help provide resources to work with the voluntary sector and how they may support our changing practices and ambitions regarding localities.

Revenue Contribution to the Capital Programme

This reserve was created to meet the revenue costs associated with major capital projects - for example feasibility work supporting master planning and strategic acquisitions.

Public Health

The reserve has been established from the Public Health grant and is being used to fund any annual variations in Public Health service expenditure including any unforeseen costs, the implementation of service changes and associated savings

Stronger Families Programme

This reserve has been created to support the council's Stronger Families Programme and will be used to sustain the extended programme and to continue elements of the programme after the Supporting Families grant funding ends.

New National Non-Domestic Rates (NNDR) Incentive Scheme

The reserve is a fund to facilitate incentives to potential investors where there is a clear demonstration that it would lead to a sustainable and substantial contribution to economic growth within the borough, with the main focus being increase to business rates and job creation.

Civic Office Major Items Replacement

The reserve is to be used for replacing major items in the Civic Office. A planned maintenance programme has been drawn up and includes, for example electrical installations. There is an annual contribution from the Council's revenue budget to the reserve.

Mental Health Trailblazer

Funding from Doncaster Clinical Commissioning Group (CCG) specifically held in reserve to be spent on improving Children and Young People's Mental Health. This links to the Mental Health green paper for Children & Young People and there are explicit outcomes expected as part of this funding. The planned spend is in line with national mental health financial expectations.

Severance Costs

The earmarked reserve is used to fund the redundancy and retirement costs for post reductions in subsequent years.

Leisure Refurbishment

This reserve has been set up to support investment in leisure facilities and will predominantly be used for Capital works in Doncaster Culture & Leisure Trust.

Specialist Safeguarding

Cabinet approved on 1st December, 2021 the estimated additional costs of up to £3m to the council as the home authority to carry out a specialist safeguarding investigation, covering the period until December 2023.

Health & Social Care/HDP

Earmarked to fund costs to be incurred by Doncaster Clinical Commissioning Group (CCG) in 2022/23 including Intermediate Care/complex care beds non-recurrent support, review of Hospital Discharge Pathway (HDP), CCG Cost of care impact on fees and staffing support for backlogs of Continuing Health Care (CHC) reviews.

ICB Transition & Transformation

Earmarked to fund costs in 2022/23 including Integrated Care Board transition and transformation, push for provider collaboratives to be set up and costs in relation to Bentley Health Centre development including Bentley Library demolition, VAT advice and other costs.

ASC Care Ladder Pressures

Earmarked to fund 2022/23 health related cost pressures in LA's adult social care ladder including:

- 1) Impact from cessation of NHS England hospital discharge funding from 1st April 2022 onwards; and,
- 2) Impact of high cost transforming care patient (TCP) placements, following transition from hospital, expected to have significant packages of care in 22/23.

Earmarked to fund 2022/23 health related cost pressures in the Council's adult social care ladder including impact from cessation of NHS England hospital discharge funding from 1st April 2022 onwards and impact of high cost transforming care patient (TCP) placements, following transition from hospital, expected to have significant packages of care in 2022/23.

Central Dedicated Schools Grant (DSG)

This reserve represented the central balance held by the Authority under delegated schemes from the Dedicated Schools Grant (DSG). The DSG conditions of grant provide that any underspend or overspend on DSG must be carried forward to support eligible expenditure in the future years in line with the Schools and Early Years Finance (England) Regulations. This deficit is no longer held in an earmarked reserve and was transferred to the Dedicated Schools Grant (DSG) Adjustment Account. Further details are shown in Note 24i.

Other

A number of other reserves are earmarked for specific purposes.

Note 12 Property, Plant and Equipment

Movements in 2021/22

2021/22									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2021	660,707	438,706	66,232	371,281	6,881	5,058	17,054	1,565,919	25,655
Additions	19,435	9,319	6,625	25,102	172	243	2,913	63,809	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	83,622	(1,222)	0	0	(1,551)	(312)	(88)	80,449	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	5,872	0	0	(251)	(184)	(1,029)	10,731	0
De-recognition – disposals	(3,587)	(17,196)	(11,500)	0	0	0	0	(21,061)	0
De-recognition – other	(19,300)	(6,482)	(252)	(3,594)	(90)	(243)	0	(29,961)	0
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	(100)	0	(100)	0
Reclassification within PPE	0	16,149	0	0	0	(1)	(16,148)	0	0
At 31st March 2022	747,200	445,146	61,105	392,789	5,161	4,461	2,702	1,669,786	25,655
Accumulated Depreciation & Impairment									
At 1st April 2021	0	(6,358)	(36,181)	(103,119)	(618)	0	0	(146,276)	(4,244)
Depreciation charge	(17,619)	(11,254)	(5,955)	(9,658)	(82)	(9)	0	(44,577)	(1,014)
Depreciation written out to the Revaluation Reserve	17,619	7,480	0	0	82	3	0	25,184	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	1,088	0	0	14	6	0	1,108	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(881)	0	(89)	0	(71)	0	(1,041)	0
De-recognition – disposals	0	373	11,617	0	0	0	0	768	0
At 31st March 2022	0	(9,552)	(30,519)	(112,866)	(604)	(71)	0	(164,834)	(5,258)
Net Book Value									
At 31st March 2022	747,200	435,594	30,586	279,923	4,557	4,390	2,702	1,504,952	20,397
At 31st March 2021	660,707	432,348	30,051	268,162	6,263	5,058	17,054	1,419,643	21,411

Comparative Movements in 2020/21

2020/21									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2020	655,219	413,830	62,871	341,253	9,434	26,899	35,797	1,545,303	25,655
Additions	17,291	3,951	4,497	12,001	1,423	0	18,776	57,939	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	2,842	28,486	0	0	452	1,836	463	34,079	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,231	25,488	0	0	(4,266)	2,048	(6,362)	20,139	0
De-recognition – disposals	(2,017)	(38,100)	(658)	0	0	0	0	(40,775)	0
De-recognition – other	(16,085)	(3,439)	(478)	(2,528)	(102)	0	(200)	(22,832)	0
Assets reclassified (to)/from Assets Held for Sale	0	(1,830)	0	0	(35)	(26,069)	0	(27,934)	0
Reclassification within PPE	226	10,320	0	20,555	(25)	344	(31,420)	0	0
At 31st March 2021	660,707	438,706	66,232	371,281	6,881	5,058	17,054	1,565,919	25,655
Accumulated Depreciation & Impairment									
At 1st April 2020	0	(11,814)	(31,542)	(92,994)	(538)	0	0	(136,888)	(3,395)
Depreciation charge	(17,473)	(9,931)	(5,565)	(9,364)	(80)	(1)	0	(42,414)	(849)
Depreciation written out to the Revaluation Reserve	17,358	7,781	0	0	0	0	0	25,139	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	115	7,190	0	0	0	1	0	7,306	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(499)	0	(761)	0	0	0	(1,260)	0
De-recognition – disposals	0	915	926	0	0	0	0	1,841	0
At 31st March 2021	0	(6,358)	(36,181)	(103,119)	(618)	0	0	(146,276)	(4,244)
Net Book Value									
At 31st March 2021	660,707	432,348	30,051	268,162	6,263	5,058	17,054	1,419,643	21,411
At 31st March 2020	655,219	402,016	31,329	248,259	8,896	26,899	35,797	1,408,415	22,260

Depreciation is provided for on all Property, Plant & Equipment with a finite useful life according to the accounting policies.

Capital Commitments

At 31st March 2022, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2021/22 and future years budgeted to cost £5.954m. Similar commitments at 31st March 2021 were £2.215m. The major commitments are: -

	£'000
Council Housing - thermal external wall insulation works	1,484
Council Housing new build programme - Adwick Lane Toll Bar	3,246
Council Housing new build programme - Appleby Road Intake	1,224
Total	5,954

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. The policy is shown under accounting policies Note.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	0	0	30,586	279,923	1,402	0	2,702	314,613
Valued at Fair Value as at:								
31st March 2022	747,200	232,298	0	0	804	4,390	0	984,692
31st March 2021	0	147,121	0	0	652	0	0	147,773
31st March 2020	0	25,842	0	0	1,110	0	0	26,952
31st March 2019	0	8,790	0	0	426	0	0	9,216
31st March 2018	0	21,543	0	0	163	0	0	21,706
Total Cost or Valuation	747,200	435,594	30,586	279,923	4,557	4,390	2,702	1,504,952

Fair Value Hierarchy – Surplus Assets

All surplus assets were valued at Level 2 of the fair value hierarchy in 2020/21 and 2021/22.

Valuation Techniques used to Determine Level 2 Fair Values for surplus assets – Significant Observable Inputs – Level 2. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Note 13 Heritage Assets

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

2021/22	Historic Land & Buildings	Recording of Historically Significant Events	Other Heritage Assets	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1st April 2021	3,814	237	5,277	9,328
Additions	0	0	0	0
Revaluation increases / decreases) recognised in the Revaluation Reserve	0	0	0	0
Revaluation increases / decreases) recognised in surplus or deficit on the provision of services	0	0	0	0
De-recognition	0	0	0	0
At 31st March 2022	3,814	237	5,277	9,328
Depreciation & Impairment				
At 31st March 2021	(208)	0	0	(208)
Depreciation	(70)	0	0	(70)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0
At 31st March 2022	(278)	0	0	(278)
Net Book Value At 31st March 2022	3,536	237	5,277	9,050

2020/21	Historic Land & Buildings	Recording of Historically Significant Events	Other Heritage Assets	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1st April 2020	3,853	237	5,277	9,367
Additions	2	0	0	2
Revaluation increases / decreases) recognised in the Revaluation Reserve	(12)	0	0	(12)
Revaluation increases / decreases) recognised in surplus or deficit on the provision of services	(27)	0	0	(27)
De-recognition	(2)	0	0	(2)
At 31st March 2021	3,814	237	5,277	9,328
Depreciation & Impairment				
At 31st March 2020	(147)	0	0	(147)
Depreciation	(70)	0	0	(70)
Impairment losses/(reversals) recognised in the Revaluation Reserve	9	0	0	9
At 31st March 2021	(208)	0	0	(208)
Net Book Value At 31st March 2021	3,606	237	5,277	9,120

Historic Land and Buildings

One of the main items held within this category is Cusworth Hall, which is a grade 1 listed building set in acres of historic parkland with lakes and plantations with dramatic views across the town. The site which was extensively restored between 2003 and 2007 invites visitors to experience a wealth of architecture, heritage and landscape history. Other main items include cemeteries. Valuations for historic land and buildings have been prepared by in house assets and property valuers as part of a five year rolling programme. The Council holds several other listed buildings; however they do not meet the definition of a Heritage asset as they are used as office accommodation and therefore classified as operational land and buildings.

Recording of Historically Significant events

These include more than a thousand title deeds (including the series of royal charters), the four volumes of the borough courtier (or act book) detailing the Council's decisions from the mid-16th century up to the municipal reforms of the 1830s, records of the manor court of Doncaster from the 1450s, the records of the borough courts from 1533 onwards, and accounts of the borough collectors, the chamberlain, and other finance officers from 1551 until the mid-19th century. Recording of Historically Significant events are valued at cost.

Other Heritage Assets

This category includes items of decorative art, pottery and furniture. The decorative art collection has just under 500 items from the Hull Grundy collection of costume jewellery, treen, textiles, glassware, metalwork (including the Doncaster Gold Cups) and a collection of art medals.

Civic Regalia - This is a collection of mayoral ceremonial chains, pendants and robes held at the Mansion House.

A small military collection of less than 500 items, concentrating on a small number of specific regiments.

There is a small fine art collection of around 1,750 items consisting of oil paintings, watercolours, prints, drawings, sculpture/bronzes and art photographs. The art collection aims to provide visitors with access to a wide variety of artistic styles over the last 250 years. A large section of the prints collection is related to Doncaster, either through portraying Doncaster scenes or horseracing.

Monuments within this category include cemetery and War memorials.

Note 14 Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement: -

	2020/21 £'000	2021/22 £'000
Rental income from investment property	165	165
Direct operating expenses arising from investment property	(7)	(13)
Net gain/(loss)	158	152

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties during the year:

	2020/21 £'000	2021/22 £'000
Balance at start of the year	1,647	1,710
Net gains/(losses) from fair value adjustments	63	(14)
Balance at end of the year	1,710	1,696

Fair Value Hierarchy

All investment properties were valued at level 2 of the fair value hierarchy. Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2022 are as follows:

Recurring fair value measurement using:	Fair Value as at 31 st March 2022 £'000
Commercial Unit	386
Industrial Unit	1,310
Total	1,696

Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties – Significant Observable Inputs – Level 2. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Note 15 Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware, item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The Council does not revalue its software assets as they are currently of immaterial value and have a life of no more than 15 years.

The movement on intangible asset balances during the year is as follows: -

	2020/21 £'000	2021/22 £'000
Other Assets		
Balance at start of year		
- Gross carrying amounts	11,509	13,205
- Accumulated amortisation	(7,773)	(9,314)
Net carrying amount at start of year	3,735	3,891
Additions – Purchases	1,696	1,006
Other Disposals	0	(8)
Amortisation for the period	(1,541)	(2,419)
Other Changes	0	8
Net carrying amount at end of year	3,891	2,478
Comprising:		
- Gross carrying amounts	13,205	14,203
- Accumulated amortisation	(9,314)	(11,725)
	3,891	2,478

Note 16 Financial Instruments and Nature and Extent of Risks Arising from Financial Instruments

Categories of Financial Instruments

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

Financial Assets

	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		Total	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value through profit or loss	0	0	489	489	0	0	0	0	489	489
Amortised Cost	0	0	6,535	6,405	25,007	25,010	112,732	123,199	144,274	154,614
Fair value through other comprehensive income - designated equity instruments	3,841	3,238	0	0	0	0	0	0	3,841	3,238
Total financial assets	3,841	3,238	7,024	6,894	25,007	25,010	112,732	123,199	148,604	158,341

The current debtors figure includes cash of £67.531m (64.413m in 2020/21).

It should be noted that within the Balance Sheet totals for debtors there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. These include: £31.766m (£48.081m in 2020/21) comprising local taxation debtors, prepayments, payroll and amounts owed in respect of VAT.

Financial Liabilities

	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	(461,203)	(439,303)	0	0	(105,265)	(65,236)	(47,236)	(53,259)	(613,704)	(557,798)
Total financial liabilities	(461,203)	(439,303)	0	0	(105,265)	(65,236)	(47,236)	(53,259)	(613,704)	(557,798)

It should be noted that within the Balance Sheet totals for creditors, there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. These include: £28.373 (£24.482m in 2020/21) comprising receipts in advance, payroll creditors, NNDR, Council Tax and other amounts payable in relation to VAT.

The carrying value of soft loans provided as at 31st March 2022 is £1.507m, these are not considered material.

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

The council owns shares in a number of companies. These shareholdings are held for strategic purposes rather than investment purposes and are therefore treated as equity instruments designated at fair value through other comprehensive income. The fair value of the shareholdings are shown in the table below: -

Fair Value of Equity instruments designated at fair value through other comprehensive income include the following: -

	2020/21	2021/22
	£'000	£'000
Non-current assets (long term)		
Non-listed securities		
Arthur Street Developments	2,053	2,024
BDR Property Limited	(54)	55
Doncaster Estates Partnership Limited	37	10
Doncaster Racecourse	1,805	1,149
Total	3,841	3,238

Income, Expense, Gains and Losses

	2020/21		2021/22	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£'000	£'000	£'000	£'000
Net gains/Losses on:				
Investments in equity instruments designated at fair value through other comprehensive income	0	(754)	0	(602)
Total net gains/losses	0	(754)	0	(602)
Interest revenue:				
Financial assets measured at amortised cost	(617)	0	(438)	0
Other financial assets measured at fair value through other comprehensive income	(60)	0	(60)	0
Total Interest revenue	(677)	0	(498)	0
Interest expense	21,110	0	19,676	0

Fair Values of Financial Assets

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.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure	As at 31/03/21 £'000	As at 31/03/22 £'000
Fair Value through profit or loss:				
Housing Equity Loans	Level 3	History of Sales	489	489
Fair value through other comprehensive income - designated equity instruments:				
Arthur Street Developments	Level 3	Valuation of company^	2,053	2,024
BDR Property Limited	Level 3	Valuation of company^	(54)	55
Doncaster Estates Partnership Limited	Level 3	Valuation of company^	37	10
Doncaster Racecourse	Level 3	Valuation of company^	1,805	1,149
Total			4,330	3,727

^Equity shareholdings

The Council's has shareholdings in Arthur Street Developments, BDR Property Limited, Doncaster Estates Partnership Limited and Doncaster Racecourse – the shares in these companies are not traded in an active market and fair value of £3.238m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuations have been made based on the net worth of the companies using the latest audited accounts.

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for financial instruments.

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22
	Unquoted Shares	Unquoted Shares	Other	Other	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	4,595	3,841	583	489	5,178	4,330
Total gains or losses for the period:						
- Included in Surplus or Deficit on the Provision of Services	0	0	(94)	0	(94)	0
- Included in Other Comprehensive Income and Expenditure	(754)	(603)	0	0	(754)	(603)
Closing Balance	3,841	3,238	489	489	4,330	3,727

The Fair Values of Financial Assets and Financial Liabilities that Are Not Measured at Fair Value (but for which Fair Value Disclosures Are Required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised cost.

The fair values calculated are as follows: -

Financial Liabilities	31 st March 2021		31 st March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities Held at Amortised Cost:				
Lender Option Borrower Options Loans	39,284	60,897	39,283	55,133
Market Debt	154,938	155,790	75,818	76,045
PWLB Loan – Maturity	324,233	464,462	344,261	443,534
PWLB Loan - Equal Instalments Principal	1,593	1,726	1,406	1,451
Matured Local Bonds	4	4	4	4
Salix Loan	1,135	1,135	681	681
SCRIF Loan	1,240	1,240	1,240	1,240
PFI and finance lease liabilities	44,041	58,914	41,846	48,898
Total	566,468	744,168	504,539	626,986

The fair value of borrowings is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31st March 2022) arising from a commitment to pay interest to lenders above current market rates.

Financial Assets	31 st March 2021		31 st March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Assets held at amortised cost:				
Cash & Cash Equivalents	64,413	64,413	67,531	67,531
Fixed Term Deposits	25,007	25,007	25,010	25,010
Long Term debtors	6,535	6,535	6,405	6,405
Total	95,955	95,955	98,946	98,946

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Financial Guarantees

Pensions

The Council provides financial guarantees to the South Yorkshire Pension Authority (SYPA) for a number of community admission bodies following TUPE (Transfer of Undertakings Protection of Employment) regulations. These total £4.6m and are in respect of Doncaster Culture & Leisure Trust, Northern Racing College, Doncaster Community Transport and Shaw Trust.

The Council provides an additional financial guarantee to SYPA in respect of Doncaster Childrens Services Trust (DCST) which are consolidated in the Group Accounts - see Group Accounts section.

The Council has agreed to assist St Leger Homes of Doncaster (SLHD) in meeting its pension liabilities as and when they fall due (the Council has agreed that all contributions to the South Yorkshire Pensions Scheme that are the responsibility of SLHD in respect of both transferred and new staff are funded from the monthly Management Fee payments to SLHD - these payments are agreed between the parties as part of the annual review process pursuant to the Management Agreement) and guarantees the full amount of SLHD's pension deficit, which are consolidated in the Group Accounts - see Group Accounts Section.

Bank

A cross guarantee exists for the pooling agreement and interest set off between the Council, Doncaster Children Services Trust Ltd (DCST) and St Leger Homes of Doncaster (SLHD), i.e. an agreement with Lloyds Bank, signed by all parties, to operate the bank accounts of the Council, DCST and SLHD all together and pool the collective balances for interest payments. There is minimal risk to the Council as the Council is the controlling body and monitors and reconciles the pool of accounts on a daily basis, therefore this financial guarantee is not considered material.

Nature and Extent of Risks Arising From Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks, including: -

- **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 and Maturity Risk** - the possibility that the Council might need to renew a financial instrument on maturity at disadvantageous 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 or stock market movements.

Overall procedures for managing risks

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the resources available to fund services.

Risk Management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles 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.

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 Investment Strategy, which was approved by Council on 1st March 2021 and is available on the Council's website..

Credit Risk Management Practices

The Council's credit risk management practices are set out on paragraphs 80 to 92 of the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below: -

The Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

All credit ratings are monitored daily and changes to ratings are notified to the Council by Link Asset Treasury Solutions, creditworthiness service. If a downgrade results in the financial institution / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £25.0m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Council's deposits but there was no evidence at the 31st March 2022 that this was likely to crystallise.

The Council also has trade debtors of £19.580m outstanding at the year end. The Council does not generally allow credit for its trade debtors, such that £15.733m of the balance is past its due date for payment (£13.268m of £19.552m in 2020/21). The past due amount can be analysed by age as follows: -

31st March 2021	Aged Debt Analysis	31st March 2022
£'000		£'000
4,647	Less than three months	5,610
1,354	Three to six months	2,753
1,653	Six months to one year	3,094
5,614	More than one year	4,276
13,268		15,733

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 as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through 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.

All sums owing (£25.0m) from financial assets are due to be paid in less than one year.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, 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.

- The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes: -
- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the 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 the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy Statement 01/03/2021 Appendix A Paragraph 4).

Maturity Profile	Lower Limit	Upper Limit	Actual 31 st March 2021		Actual 31 st March 2022	
	%	%	%	£'000	%	£'000
Less than one year	0	30	19.69	102,389	13.70	63,109
Between one and two years	0	50	10.56	54,915	3.19	14,728
Between two and five years	0	50	4.43	23,060	5.74	26,440
Between five and ten years	0	75	2.40	12,474	2.87	13,220
Between ten and twenty years	10	95	10.33	53,708	10.80	49,768
Between twenty and thirty years			4.43	23,053	9.28	42,753
Over thirty years			48.16	250,453	54.42	250,753
Total			100.00	520,052	100.00	460,771

For the Prudential Code the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable without limit, such as in a Lender Offer Borrower Offer (LOBO) loan, this should be treated as a right to require repayment. Following an assessment of this type of loan, it is unlikely that the interest rate will be increased at the next call date and therefore the loan maturity date has been set as per the original contract. They will continue to be assessed against interest rate expectations.

Market Risk

Interest Rate Risk

The Council is exposed to risk in terms of its exposure 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 instruments periods. For instance, a rise in a variable or fixed interest rates would have the following effects: -

- Borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- Borrowings at fixed rates - the fair value of the liabilities borrowing will fall (no impact on revenue balances);
- Investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise; and
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances)

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 30% of its borrowing in variable rate loans. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate loans would be postponed.

The Treasury Management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the quarterly budget monitoring reports during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31st March, 2022, if all interest rates had been 1% higher with all other variables held constant, the financial effect would be: -

	£'000
Increase in interest receivable on variable rate investments	567
Decrease in fair value of fixed rate investment assets	(21)
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(79,829)

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

Price Risk

The Council does not generally invest in equity shares but does have shareholdings to the value of £3.8m in a number of joint ventures and in local industry. The Council is consequently exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

The shares have all been elected/classified as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instrument Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £192k gain or loss being recognised in the Financial Instrument Revaluation Reserve.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in a foreign currencies and thus has no exposure to loss arising from movement in exchange rates.

Note 17 Debtors

	31st March 2021 £'000	31st March 2022 £'000
Debtors		
Trade Receivables	38,085	40,683
Other Receivables	49,997	39,292
Payments in advance	8,318	8,790
Total	96,400	88,765

Note 18 Debtors for Local Taxation

Impairment is determined using an analysis of historic collection rates relating to the age of the debt. Outstanding debt is considered as a whole for a financial year when determining impairment. In addition, individual accounts are considered for impairment where there is a significant risk of insolvency.

Council Tax				
31 st March 2021		After due date	31 st March 2022	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
9,304	2,038	Less than 1 year	8,010	1,914
8,115	1,777	1 to 2 years	8,565	2,047
4,954	2,343	3 to 5 years	5,498	2,634
2,272	1,670	6 to 8 years	2,584	1,925
1,522	1,522	More than 8 years	1,603	1,603
26,167	9,350	Total	26,260	10,123

National Non-Domestic Rates (NNDR)				
31 st March 2021		After due date	31 st March 2022	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
4,854	1,104	Less than 1 year	2,647	793
2,936	881	1 to 2 years	2,665	800
1,241	931	3 to 5 years	1,410	1,058
891	891	More than 6 years	1,043	1,043
9,922	3,807	Total	7,765	3,694

Note 19 Cash and Cash Equivalents

	31 st March 2021 £'000	31 st March 2022 £'000
Cash held by the Council	12,403	28
Bank overdraft	0	(27)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	52,010	67,530
Total Cash and Cash Equivalents	64,413	67,531

Note 20 Assets Held for Sale

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	8,468	31,084
Assets newly classified as held for sale:		
• Property, Plant and Equipment	27,958	100
Revaluation Losses	(3,242)	(8,540)
Revaluation Gains	595	70
Assets Declassified as Held for Sale:		
• Property, Plant and Equipment	(25)	0
Assets sold	(2,670)	(885)
Balance outstanding at year-end	31,084	21,829

Note 21 Creditors

	31 st March 2021 £'000	31 st March 2022 £'000
Creditors		
Trade Payables	(47,072)	(59,393)
Other Payables	(12,445)	(6,488)
Receipts in advance	(14,396)	(17,197)
Total	(73,913)	(83,078)

Note 22 Provisions

	NNDR	Insurance Fund	Grant Claw-back	Municipal Mutual Insurance	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1st April 2021	8,835	4,686	1,547	1,374	16,442
Additional provisions made in 2021/22	2,143	2,178	0	39	4,360
Amounts used in 2021/22	(486)	(1,492)	0	0	(1,978)
Unused amounts reversed in 2021/22	0	(949)	0	0	(949)
Balance at 31st March 2022	10,492	4,423	1,547	1,413	17,875
Short Term Provisions	0	1,593	0	0	1,593
Long Term Provisions	10,492	2,830	1,547	1,413	16,282

National Non-Domestic Rates (NNDR) alteration to list and appeals

Under the Business Rates Retention scheme 50% of local business rates income is retained locally (Doncaster retains 49% and passes on 1% to the South Yorkshire Fire and Rescue Authority) and 50% is passed to Central Government. Business rate payers can appeal against the rateable value and provision must be made for successful appeals. The Valuations Office Agency can also make amendments to the rating list. The total provision for alteration to list and appeals as at 31st March 2022 is £21.413m. The Council's share is £10.492m (49%). The increase in provision is mainly due to an increase in provision from the 2017 rating list as few appeals have been settled but can be backdated to 01/04/17. Past trends are that appeals are at a low level in the early years following a revaluation and so the provision is being maintained on the expectation of appeals in later years as those appeals can go back to the start of the 2017 list.

Insurance Fund

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

The insurance provision covers the estimated value of outstanding insurance claims for which the Council has a potential legal liability, as at 31 March 2022 this was estimated to be approximately £5.8m, and it is estimated that the cost to the Council of settling these claims will be £4.4m based on previous claims experience.

Grant Claw-back

The provision has been established to meet the cost of claw-back of grants, specifically in relation to the Derelict Land Grant (DLG) and Land Reclamation Programme Grant (LRPG). DLG and LRPG were used for the reclamation of land to facilitate future development. As part of the grant conditions, on disposal, appropriation or bringing the land into use the Council has to repay grant based on the after value of the land.

Municipal Mutual Insurance

MMI were the Council's insurer until their demise in 1992 when they ceased writing new business. A Scheme of Arrangement was set up with its creditors under which MMI continued to settle outstanding claims whilst they had sufficient funds to do so. In the eventuality that the company became insolvent then a clawback clause would be triggered with the Council liable to repay MMI. This Scheme of Arrangement was triggered in November 2012 and so a levy was imposed on all scheme creditors, including the Council, who have been paid amounts in respect of scheme liabilities. An initial levy set at 15% by the administrators has been paid in 2013/14 with projected outcomes for a solvent run-off ranging anywhere between 9.5% and 28% at that time. However, in January 2016 MMI advised that due to volatile classes remaining uncertain the Levy range had been extended to be 15%-34%. A further Levy notice was issued in March 2016 for a further 10% repayment (£823k). The Council's provision has been set at 40%. The remaining provision totalling £1.413m represents 15% against paid claims, 40% of outstanding claims.

Note 23 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

Note 24 Unusable Reserves

31 st March 2021 £'000		31 st March 2022 £'000
299,949	Revaluation Reserve (Note 24a)	386,995
543,694	Capital Adjustment Account (Note 24b)	532,999
(489)	Financial Instruments Adjustment Account (Note 24c)	(366)
(469,485)	Pension Reserve (Note 24d)	(331,480)
4,798	Deferred Capital Receipts Reserve (Note 24e)	4,792
(24,477)	Collection Fund Adjustment (Note 24f)	(11,145)
(1,837)	Accumulated Absences Account (Note 24g)	(2,423)
(210)	Financial Instruments Revaluation Reserve (Note 24h)	(813)
(9,050)	DSG Adjustment Account (Note 24i)	(13,626)
342,893	Total Unusable Reserves	564,933

24a Revaluation Reserve

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

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

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

2020/21 £'000		2021/22 £'000
265,339	Balance at 1st April	299,949
77,746	Upward revaluation of assets	134,648
(19,677)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(32,328)
58,069	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	102,320
(5,980)	Difference between current value depreciation and historical cost depreciation	(4,833)
(17,479)	Accumulated gains on assets sold or scrapped	(10,441)
(23,459)	Amount written off to the Capital Adjustment Account	(15,274)
299,949	Balance at 31st March	386,995

24b Capital Adjustment Account

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

The account contains accumulated gains and losses on investment properties and assets held for sale and gains recognised on donated assets that have yet to be consumed by the Council.

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

Note 10 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

2020/21 £'000		2021/22 £'000	
548,295	Balance at 1st April		543,694
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(25,012)	Charges for depreciation of non-current assets	(27,027)	
(17,473)	Charges for depreciation on Council dwellings	(17,619)	
(1,259)	Charges for impairment of non-current assets	(1,041)	
27,417	Revaluation gains / (losses) on Property, Plant and Equipment	11,839	
(1,541)	Charges for amortisation of non-current assets	(2,419)	
(8,659)	Revenue expenditure funded from capital under statute	(8,078)	
(64,439)	Amounts of non-current asset written off on disposal or sale as part of P/L on disposal to CI&ES	(51,139)	
(1,500)	Revaluation gains / (losses) on Assets Held for Sale	(5,158)	
(92,466)			(100,642)
23,459	Adjusting amounts written out of the Revaluation Reserve	15,274	
(69,007)	Net written out amount of the cost of non-current assets consumed in the year		(85,368)
Capital financing applied in the year:			
6,796	Use of the Capital Receipts Reserve to finance new capital expenditure	3,252	
6,999	Use of the Major Repairs Reserve to finance new capital expenditure	12,002	
21,797	Capital grants and contributions credited to the CI&ES that have been applied to capital financing	33,145	
3,529	Application of grants to capital financing from the Capital Grants Unapplied Account	2,166	
16,598	Capital expenditure charged against the General Fund and HRA balances	17,708	
3,591	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	4,219	
2,653	Write down of PFI Finance Liabilities	2,195	
2,380	Former South Yorkshire County Council debt repayment	0	
64,343			74,687
63	Movements in the market value of Investment Properties debited or credited to the CI&ES	(14)	
543,694	Balance at 31st March		532,999

24c Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31st March 2022 will be charged to the General Fund over future years.

2020/21 £'000		2021/22 £'000	
(650)	Balance at 1st April		(489)
0	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0	
161	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	123	
161	Amount by which finance costs charged to the Comprehensive Income and Expenditure are different from finance costs chargeable in the year in accordance with statutory requirements		123
(489)	Balance at 31st March		(366)

24d Pensions Reserve

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

2020/21 £'000		2021/22 £'000	
(438,728)	Balance at 1st April		(469,485)
(10,161)	Actuarial gains or losses on pensions assets and liabilities	165,549	
(40,063)	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 (see Note 39)	(47,884)	
19,467	Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 39)	20,340	
(469,485)	Balance at 31st March		(331,480)

24e Deferred Capital Receipts Reserve

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

2020/21 £'000		2021/22 £'000
4,809	Balance at 1st April	4,798
(11)	Transfer to the Capital Receipts Reserve upon receipt of cash	(6)
4,798	Balance at 31st March	4,792

24f Collection Fund Adjustment Account

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

2020/21 £'000		2021/22 £'000
1,224	Balance at 1st April	(24,477)
(25,701)	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	13,332
(24,477)	Balance at 31st March	(11,145)

24g Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave and time off in lieu (TOIL) entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21 £'000		2021/22 £'000
(2,270)	Balance at 1st April	(1,837)
2,270	Settlement or cancellation of accrual made at the end of the preceding year	1,837
(1,837)	Amounts accrued at the end of the current year	(2,423)
433	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	(586)
(1,837)	Balance at 31st March	(2,423)

24h Financial Instruments Revaluation Reserve

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

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

2020/21 £'000		2021/22 £'000	
544	Balance at 1st April		(210)
6	Upward revaluation of investments	109	
(760)	Downward revaluation of investments	(712)	
0	Change in impairment loss allowances	0	
(754)			(603)
0	Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		0
0	Accumulated gains or losses on assets sold and maturing assets written out to the General Fund Balances for financial assets designated to fair value through other comprehensive income		0
(210)	Balance at 31st March		(813)

24i DSG Adjustment Account

On the 6th November 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29th November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of three financial years.

This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

Further details on DSG are provided in Note 32.

2020/21 £'000		2021/22 £'000
0	Balance at 1st April	(9,050)
(5,212)	DSG Opening Balance	0
(5,212)	Restated Opening Balance	(9,050)
(3,838)	In year DSG over/under spend	(4,576)
(9,050)	Balance at 31st March	(13,626)

Note 25 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items: -

2020/21 £'000		2021/22 £'000
810	Interest received	447
(21,165)	Interest paid	(20,270)
60	Dividends received	60

The surplus or deficit on the provision of services has been adjusted on the following non-cash movements: -

2020/21 £'000		2021/22 £'000
42,485	Depreciation	44,646
(24,658)	Impairment and valuations	(5,640)
1,541	Amortisation	2,419
39,701	Increase/(Decrease) in creditors	23,796
(28,236)	(Increase)/Decrease in debtors	13,012
13	(Increase)/Decrease in inventories	(182)
(9,248)	Movement in pension liability	42,224
64,439	Carrying amount of non-current assets held for sale, sold or de-recognised	51,139
1,449	Other non-cash items charged to the net surplus or deficit on the provision of services	2,619
87,486		174,033

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities: -

2020/21 £'000		2021/22 £'000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(8,741)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,166)
(23,830)	Capital Grants credited to surplus or deficit on the provision of services	(39,623)
(32,571)		(45,789)

Note 26 Cash Flow Statement – Investing Activities

2020/21 £'000		2021/22 £'000
(59,637)	Purchase of property, plant and equipment, investment property and intangible assets	(64,816)
(25,000)	Purchase of short-term and long-term investments	(25,010)
0	Other payments for investing activities	(644)
8,752	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,172
13,000	Proceeds from short-term and long-term investments	25,000
34,142	Capital grant received	29,436
314	Other capital cash receipts	182
(28,429)	Net cash flows from investing activities	(29,680)

Note 27 Cash Flow Statement – Financing Activities

2020/21 £'000		2021/22 £'000
113,604	Cash receipts of short and long term borrowing	40,454
(2,654)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(2,194)
(102,773)	Repayments of short- and long-term borrowing	(99,595)
(8,562)	Other payments for financing activities	697
(385)	Net cash flows from financing activities	(60,638)

Note 288 Pooled Budget Arrangements

The Council has entered into a pooled budget arrangement with Doncaster Clinical Commissioning Group (CCG) for the provision of integrated health and social care services for people in the Doncaster area, the services being provided by the Council or Doncaster CCG depending on the client requirements. The Council and Doncaster CCG have an annual agreement in place for funding these services, with partners contributing funds to the agreed budget in line with funding allocations, taking responsibility for its own deficit or surplus. Some of the funding provided to the pooled budget by Doncaster CCG is actually spent by the Council. Doncaster CCG budgeted to spend £17.445m and spent £17.445m resulting in no surplus or deficit. The Council budgeted to spend £27.141m and spent £26.486m resulting a surplus of £0.007m Disabled Facilities Grant which will be carried forward into 2022/23.

	2020/21			2021/22		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Funding provided to the pooled budget:						
Doncaster Council	15,831	2,782	18,613	15,831	2,782	18,613
Doncaster CCG	24,731	0	24,731	25,973	0	25,973
	40,562	2,782	43,344	41,804	2,782	44,586
Expenditure met from the pooled budget:						
Doncaster Council	23,929	1,738	25,667	24,359	2,127	26,486
Doncaster CCG	16,633	0	16,633	17,445	0	17,445
	40,562	1,738	42,300	41,804	2,127	43,931
Net surplus arising on the pooled budget during the year	0	1,044	1,044	0	655	655
Council share of the net surplus arising on the pooled budget	0	1,044	1,044	0	655	655

Note 299 Members' Allowances

The Council paid the following amounts to Council Members and Co-optees during the year: -

2020/21		2021/22
£		£
965,473	Allowances	978,250
0	Expenses	0
0	Co-opted members	0
965,473	Total	978,250

Note 300 Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Employer Pension Contribution	Total
		£	£	£	£
Chief Executive D Allen	2021/22	171,286	0	29,119	200,405
	2020/21	168,755	0	28,688	197,443
Director of Economy & Environment D Swaine - Note 1	2021/22	128,989	0	0	128,989
	2020/21	52,598	0	0	52,598
Director of Economy & Environment P Dale - Note 2	2020/21	84,722	0	14,403	99,125
Director of Corporate Resources D Hogg	2021/22	128,989	0	21,928	150,917
	2020/21	127,083	0	21,605	148,688
Director of Adults Health and Wellbeing P Holmes	2021/22	128,989	0	21,928	150,917
	2020/21	127,083	0	21,605	148,688
Director of Learning Opportunities, Skills and Culture R Nelson - Note 3	2021/22	132,816	5,000	22,849	160,665
	2020/21	127,083	0	21,605	148,688
Director of Public Health R Suckling – Note 4	2021/22	128,989	0	18,549	147,538
	2020/21	104,309	0	15,000	119,309
Monitoring Officer S Fawcus	2021/22	98,700	0	16,468	115,168
	2020/21	95,438	0	16,224	111,662
Section 151 Officer F Tyas – Note 5	2021/22	96,870	(1,488)	16,468	111,850
	2020/21	94,112	(1,488)	16,218	108,842

Note 1 - D Swaine started work with the Council on 02/11/2020, as Director of Economy and Environment.

Note 2 - P Dale left the Council as Director of Economy and Environment on the 30/11/2020.

Note 3 - R Nelson was appointed as Director of Learning Opportunities, Skills and Culture on 23/04/2020

Note 4 - R Suckling, roles and responsibilities changed with effect from 01/04/2021.

Note 5 - F Tyas returned from maternity leave 06/04/2020

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions), expressed in bands of £5,000, is as below: -

2020/21			Salary Banding £	2021/22		
DMBC	Schools	Total		DMBC	Schools	Total
36	17	53	50,000 - 54,999	51	19	70
17	8	25	55,000 - 59,999	24	10	34
16	9	25	60,000 - 64,999	15	8	23
10	10	20	65,000 - 69,999	19	10	29
5	8	13	70,000 - 74,999	10	8	18
7	6	13	75,000 - 79,999	5	4	9
4	0	4	80,000 - 84,999	2	1	3
0	1	1	85,000 - 89,999	3	0	3
1	0	1	90,000 - 94,999	1	1	2
10	0	10	95,000 - 99,999	8	0	8
0	0	0	100,000 - 104,999	2	0	2
1	0	1	105,000 - 149,999	3	0	3
107	59	166	Total	143	61	204

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2020/21 and 2021/22 is shown in the senior officer remuneration analysis.

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The information does not include any costs relating to schools.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0 - £20,000	5	4	34	10	39	14	319,632	111,321
£20,001 - £60,000	0	0	8	2	8	2	223,865	110,120
Total	5	4	42	12	47	16	543,497	221,441

Note 31 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims.

	2020/21 £'000	2021/22 £'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	212	213
Additional fees payable in current year with regard to external audit services carried out by the appointed auditor in the previous year (relates to 19/20 and agreed after the year end)	24	0
Total	236	213

In 2020/21 the proposed fee of £172,930 and fee variation of £39,500 agreed by Public Sector Audit Appointments total actual fee of £212,430 for the year.

The Council paid KPMG £45,400 for the certification of grant claims during 2021/22.

Note 322 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). The 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 2021.

The Schools Budget includes elements for a range of educational services provided on a council-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details for the deployment of DSG receivable for 2021/22 are as follows: -

	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
Final DSG for 2021/22 before academy and high needs recoupment			285,743
Academy and high needs figure recouped for 2021/22			(187,712)
Total DSG after academy and high needs recoupment for 2021/22			98,031
Agreed initial budgeted distribution in 2021/22	30,713	67,318	98,031
In year adjustments	66	0	66
Final budget distribution for 2021/22	30,779	67,318	98,097
Less: Actual central expenditure	(35,355)		(35,355)
Less: Actual ISB deployed to schools		(67,318)	(67,318)
In Year Carry-forward to 2022/23	(4,576)	0	(4,576)
DSG unusable reserve at the end of 2020/21			(9,050)
Addition to DSG unusable reserve at the end of 2021/22			(4,576)
Total of DSG unusable reserve at the end of 2021/22			(13,626)
Net DSG position at the end of 2021/22			(13,626)

Whilst the overspend position is significant it is not uncommon to other Local Authority (LA) positions and the Council, amongst 55 LA's, is currently in early discussions around participating in the Department for Education's Delivering Better Value in Special Educational Needs and Disabilities (SEND) programme which will look at plans to manage and reduce the Council's high needs block overspend position.

Note 333 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22: -

	2020/21 £'000	2021/22 £'000
Credited to Taxation and Non Specific Grant Income		
Capital Grants and Contributions		
Department for Transport - Local Transport Plan (Maintenance)	4,596	5,743
South Yorkshire Mayoral Combined Authority - Getting Building Done	0	5,500
Department for Transport - Footways Refurbishment	488	4,412
Department for Transport - Pot hole Challenge	732	4,332
Department for Levelling Up, Housing and Communities - Towns Fund	0	2,248
Department for Transport - Transforming Cities	434	2,164
Department for Environment, Food and Rural Affairs - Property Flood Resilience Recovery Fund	171	1,756
Department for Business Energy and Industrial Strategy - Salix Decarbonise	0	1,718
Department for Education - New Pupil Places Basic Need	0	1,393
Department for Transport - Local Transport Plan (LTP) Central Pot	2,004	1,234
Department for Education - Local Authority Capital Maintenance	1,589	1,085
Department for Education - Higher needs provision	0	1,065
Department for Transport – COVID-19 Active Travel	180	1,007
National Productivity Investment Fund - A630 Westmoor Link	2,133	915
South Yorkshire Mayoral Combined Authority Local Growth Fund - A630 West Moor Link	1,981	250
Developer Contribution (DN7)	1,500	219
Department for Education - New Doncaster SEN Free school	4,006	0
Department for Levelling Up, Housing and Communities (DLUHC) - Accelerated Town Deal	1,500	0
Other Grants and Contributions	2,772	4,605
Total	24,086	39,646
Non-Ring fenced Government Grants		
Business Rates Retention Top Up Grant	34,854	34,854
Business Rate Relief: Reimbursement for Local Authority Income Loss Payments	27,099	13,418
Revenue Support Grant	20,368	20,480
COVID-19 Support Grant	18,637	9,791
Section 31 Grant For COVID-19 Additional Relief Fund	0	5,314
Local Council Tax Support Grant	0	2,791
New Homes Bonus	4,086	2,455
Troubled Families	1,486	1,259
COVID-19 Sales Fees and Charges	3,393	182
COVID-19 Support for Clinically Extremely Vulnerable Individuals	1,047	37
Tax Income Guarantee	3,105	(544)
COVID-19 Council Tax Hardship Fund	2,993	0
Other	2,278	3,035
Total	119,346	93,072
Credited to Services		
Dedicated Schools Grant (DSG)	93,639	97,985
Mandatory Rent Allowance: subsidy	31,404	29,074
Mandatory Rent Rebates: subsidy	28,361	26,523
Public Health Grant	24,412	24,609
COVID-19 Business Grants	0	15,181
Social Care Support Grant	9,562	12,537
Improved Better Care Fund Announcement 2015	12,184	12,185
COVID-19 Business Grants - Additional Restrictions Grant - South Yorkshire Mayoral Combined Authority	5,967	6,333
Pupil Premium	4,639	4,258
Improved Better Care Fund Announcement 2017	3,646	3,645
Private Finance Initiative (PFI) Annuity Grant	3,478	3,478

	2020/21 £'000	2021/22 £'000
Adult Social Care Infection Control Fund	5,938	2,918
COVID-19 Workforce Recruitment and Retention	0	2,910
Household Support Fund	0	2,877
Test Track & Contain Grant	8,376	2,527
Department for Environment, Food and Rural Affairs - Waste Infrastructure Grant	2,385	2,385
Disabled Facilities Grant	2,002	2,190
Test & Trace Support Payment Scheme	812	2,068
COVID-19 Care Home Testing Grant	786	1,930
Opportunity Area Social Mobility Grant	1,516	1,479
COVID-19 Local Support Grant	0	1,416
Sport England Grant	876	1,238
COVID-19 Community Testing Grant	566	1,203
Rapid Rehousing Pathway	462	1,118
Universal Infant Free School Meals Funding	1,215	1,077
Holiday Activities Fund	0	992
Housing Benefit & Council Tax Admin Benefit Subsidy	1,031	977
Homelessness Prevention Grant	0	894
Practical Support Framework	0	877
Inpatient Detox Grant	0	853
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses Addendum-National Lockdown	0	810
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses-National Lockdown (5 Jan)	0	764
Domestic Abuse Grant	50	733
Skills Funding Agency Safeguarded Learning	1,096	726
Discretionary Housing Payments	904	702
Independent Living Fund Grant	682	682
PE & Sports Grant	724	672
Youth Justice Board	618	670
Asylum Seekers Children's Grant	319	610
COVID-19 Winter Grant Scheme	1,225	397
COVID-19 Business Grants - Local Authority Discretionary Grant Fund	3,007	0
COVID 19 Track & Trace Service Support Grant	2,234	0
Teachers Pension Grant	2,032	0
Other	9,047	8,784
Total	265,195	283,287
Contributions		
Other Health Contributions	5,781	9,907
Better Care Fund Income	8,098	8,528
Primary Care Trust Continuing Healthcare Contribution to care packages	4,746	7,143
Primary Care Trust – Section 256	3,862	543
Other	3,477	5,933
Total	25,964	32,054

The Council has received a number of 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 giver. The balances at the year-end are as follows: -

	Current		Long Term	
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000
Revenue Grants Receipts in Advance				
Energy Bills Council Tax Rebate	0	20,053	0	0
COVID-19 Business Grants	12,817	8,979	0	0
Other	3,411	2,717	1,044	0
Total	16,228	31,749	1,044	0

Capital Grants & Contributions Receipts in Advance				
Department for Business Energy and Industrial Strategy - Housing Decarbonise	0	0	0	3,244
Section 106	1,199	1,452	1,832	2,346
Department for Business Energy and Industrial Strategy - Local Authority Delivery Scheme	0	0	0	240
National Productivity Investment Fund - A630 Westmoor Link	1,122	207	0	0
Department for Transport - Highways Maintenance Challenge Fund	4,412	0	0	0
Department for Business, Energy & Industrial Strategy - Salix Decarbonisation	1,718	0	0	0
Department for Transport - Local Transport Plan (Maintenance Block)	0	0	602	0
Other Grant & Contribution	466	201	107	233
Total	8,917	1,860	2,541	6,063

Note 344 Related Parties

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

Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, housing benefits). Grant information is shown in the Grant Income note.

Members

Members of the Council have a direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2021/22 is shown in the Members' Allowance note. Members have disclosed transactions with related parties during 2021/22 however these are not material.

The Register of Members' Interest is open to public inspection at the Civic Centre during office hours, on application, and is also available on the Council's website.

Officers

Officers have disclosed transactions with related parties during 2021/22 however these are not material.

Other Public Bodies

The Council pays towards the services provided by the South Yorkshire Mayoral Combined Authority (SYMCA). The amount paid to SYMCA in 2021/22 was £12.298m (£12.304m in 2020/21).

Entities controlled or significantly influenced by the Council

- **Subsidiary**

St Leger Homes of Doncaster Limited (SLHD)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2005 to provide housing management and other services on behalf of the Council.

Details of the relationship with this company are shown within the Group Accounts.

Doncaster Children's Services Trust Limited (DCST)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2014 to provide children's services on behalf of the Council.

Details of the relationship with this company are shown within the Group Accounts.

Arthur Street Developments

In 2017/18 Doncaster Council bought all the shares in Arthur Street Developments.

The accounts for the year ended 31st July 2021 show net assets valued at £1,358,382 (£1,387,024 in 2020). The company made a loss for the year of £21,301 after tax (a loss of £242,864 after tax for the year ended 31st July 2020).

The figures are not included in the group accounts as they are not material.

Note 355 Capital Expenditure and Capital 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/PP 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 within this note.

	2020/21 £'000	2021/22 £'000
Opening Capital Financing Requirement	633,525	637,478
Capital investment:		
Property, Plant and Equipment *	57,939	63,810
Heritage Assets **	2	0
Intangible Assets ***	1,696	1,006
Long Term Loans and Advances	0	0
Revenue Expenditure Funded from Capital Under Statute	8,659	8,078
Sources of Finance:		
Capital receipts	(6,796)	(3,253)
Government grants and other contributions	(25,326)	(35,311)
Major Repairs Reserve	(6,999)	(12,003)
Direct revenue contributions	(16,598)	(17,708)
MRP / loans fund principal	(8,624)	(6,414)
Closing Capital Financing Requirement	637,478	635,683
Explanation of movements in year:		
MRP / loans fund principal	(8,624)	(6,414)
Increase in underlying need to borrowing (unsupported by Government financial assistance)	9,890	4,281
Un-financed expenditure	2,687	338
Increase / (decrease) in Capital Financing Requirement	3,953	(1,795)

* These figures match to the additions lines in Note 12 – Property, Plant and Equipment

** These figures match to the additions lines in Note 13 – Heritage Assets

*** These figures match to the additions lines in Note 15 – Intangible Assets

Note 366 Leases

a) Council as lessee

Finance Leases

The Council has not classified any leases as Finance Leases.

Operating Leases

The Council has entered into a number of operating leases for land and buildings. The expenditure charged to the services line in the Comprehensive Income and Expenditure during the year in relation to these leases is as below: -

	Rent Paid in Year	
	2020/21 £'000	2021/22 £'000
Land and buildings	1,154	1,310
Total	1,154	1,310

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

	Land and buildings	
	2020/21 £'000	2021/22 £'000
Operating leases which expire:		
Within 1 year	1,146	1,310
Between 1 and 5 years	4,273	4,976
After 5 years	19,991	19,875
Total	25,410	26,161

b) Council as lessor

Finance Leases

The Council has entered into two finance lease arrangements, one for Doncaster Racecourse and one for the Keepmoat Stadium. The Council has a gross investment in the leases made up of the minimum lease payments expected to be received over the remaining lease terms. There is no residual value anticipated at the end of either of the lease terms. The minimum lease payments comprise settlement of the long-term debtor for the interest in each property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. Both lease arrangements are for a term of 99 years. The Council entered into the lease arrangements for Doncaster Racecourse and the Keepmoat Stadium in January 2006 and August 2012 respectively.

The gross investment is made up of the following amounts: -

	31 st March 2021 £'000	31 st March 2022 £'000
Finance lease debtor (net present value of minimum lease payments):		
Current	5	6
Non-Current	4,790	4,784
Finance Income	14,662	14,444
Gross investment in the lease	19,457	19,234

The gross investment in leases and the minimum lease payments will be received over the following periods: -

	Gross Investment in the Lease		Minimum Lease Payments	
	31 st March 2021 £'000	31 st March 2022 £'000	31 st March 2021 £'000	31 st March 2022 £'000
Not later than one year	223	223	223	223
Later than one year and not later than five years	893	893	893	893
Later than five years	18,342	18,118	18,342	18,118
Total	19,458	19,234	19,458	19,234

In both of the above arrangements, the minimum lease payments do not include rents that are contingent on events taking place after the balance sheet date.

The Council currently leases a number of land and school buildings to academies on long term arrangements. Where these have been classified as finance leases the schools have subsequently been treated as disposals and are excluded from the Council's balance sheet in line with the appropriate accounting standard and accounting policy.

Operating Leases

The Council has properties which it leases out under operating leases which generate revenue. The future minimum lease payments receivable under non-cancellable leases in future years are: -

	Land and buildings	
	2020/21 £'000	2021/22 £'000
Operating leases which expire:		
Within 1 year	2,711	2,933
Between 1 and 5 years	8,727	8,528
After 5 years	34,910	34,189
Total	46,348	45,650

Note 377 Private Finance Initiatives (PFI) and Similar Contracts

Details of the PFI arrangements entered into by the Council are disclosed below along with information relating to payments still to be made under the contracts.

Schools PFI Contracts

In 2007/08 the council entered a contract over 25 years with Doncaster School Solutions and committed to making payments estimated at £6.8m per annum on average over the 25 years for the provision of two secondary PFI schools. The variable element of the payments are inflated by RPIX each year. The contractor payments began in December 2008 with actual payments of £6.774m in 2021/22 (£6.710m in 2020/21).

Sir Thomas Wharton College transferred to Trust Status with effect from 1st March 2010 and then to be an Academy from 1st February 2013, so the asset is no longer recognised on the Council's balance sheet in accordance with the council's accounting policies. Mexborough Science College has also transferred to be an Academy from 1st January 2015 and the asset is also no longer recognised on the Council's balance sheet. The unitary charge will continue to be paid by the Council over the remaining contract period with the liability shown between repayment of the finance lease liability, interest and unitary charge.

Waste Management PFI Contract

Barnsley, Doncaster and Rotherham jointly entered into a PFI contract with 3SE (Shanks, Scottish and Southern Energy) on the 30th March 2012. The contract is for the construction, development and operation of a new mechanical biological treatment plant (ITS facility) to dispose of the Councils' residual waste. The facility has a processing capacity of 250,000 tonnes p.a. and anaerobic digestion facility (AD facility) to generate power from gas emissions for use on site and produce a bio-compost for land remediation. The ITS AD facility is constructed on land at Bolton Road, Rotherham, this land was in the ownership of Rotherham MBC but was part disposed to Barnsley and Doncaster, based on 1/3rd equal shares.

The period of operation is 25 years from the Service Commencement Date which was 3rd July 2015. The local authorities have the option to extend the service element of the contract by a further 5 years. If this option is not exercised, the facility reverts to the ownership of the local authorities at the end of the 25 year contract at nil cost, otherwise it will revert after 30 years. The financing costs, operating costs and lifecycle replacement will be met through unitary payments payable by the three local authorities and third party revenue contributions.

Rotherham MBC, as lead authority, make the unitary payment initially and then recover the proportionate shares due from Barnsley and Doncaster respectively. 62% of the unitary payment increases annually by January's RPIX figure. The PFI asset and liability are shared 30% Barnsley, 40% Doncaster, and 30% Rotherham. This is considered a reasonable basis as it corresponds to each Council's share of the Guaranteed Minimum Tonnage.

Property, Plant and Equipment

The assets used to provide services at the Waste Management facility are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the Property, Plant and Equipment Note.

Payments

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

Breakdown of the Repayment of the Finance Lease Liability

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	557	3,506	6,596	1,745	0	12,404
Mexborough Science College	567	3,576	6,728	1,780	0	12,651
Waste Management PFI	322	1,400	3,110	5,625	6,335	16,792
Total	1,446	8,482	16,434	9,150	6,335	41,847

Breakdown of the Interest payments

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	483	1,708	1,166	87	0	3,444
Mexborough Science College	493	1,742	1,189	89	0	3,513
Waste Management PFI	2,311	8,819	9,585	6,634	1,636	28,985
Total	3,287	12,269	11,940	6,810	1,636	35,942

Breakdown of the remaining Unitary Charge

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	2,453	9,227	11,430	4,880	0	27,990
Mexborough Science College	2,502	9,412	11,659	4,978	0	28,551
Waste Management PFI	7,508	32,320	45,990	54,694	40,747	181,259
Total	12,463	50,959	69,079	64,552	40,747	237,800

Although the payments made to the contractor are described as unitary charge, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows: -

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	46,694	44,041
Payments during the year	(2,653)	(2,194)
Balance outstanding at year-end	44,041	41,847

Note 388 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teacher's Pension Scheme. The scheme is a Defined Benefit scheme administered by the Department for Education. It provides teachers with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based upon a percentage of member's pensionable salaries.

Although the scheme is unfunded, teacher's pensions use a notional fund as the basis for calculating the employer's contribution rate paid by local education authorities. 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 purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22, the Council's contribution to the Department for Education in respect of teachers' retirement benefits was £3.8m (£5.06m in 2020/21), which represents 23.68% of teachers' pensionable pay (23.68% in 2020/21). In addition, a further sum of £3.06m (£3.16m in 2020/21) was paid to former teachers representing the cost of added years and related increases. Amendments to the scheme came into force in 1997/98 under the Pensions Act 1995 making employers responsible for additional costs of the scheme.

NHS Pension Scheme

Public Health staff transferred to the Council on 1st April 2013. These staff are members of the NHS Pension Scheme. The scheme is a Defined Benefit scheme administered by NHS Pensions as a multi-employer scheme in which the Council's liability cannot be separated out. It provides staff with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based upon a percentage of member's pensionable salaries.

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 purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22, the Council's contribution for Public Health staff in respect of retirement benefits was £0.119m (£0.116m in 2020/21) which represents 14.38% of related pensionable pay.

Note 39 Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

Local Government Pension Scheme

The Council participates in the South Yorkshire Pension Scheme which is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Council recognises the cost of retirement benefits in the reported 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 real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balances via the Movement in Reserves Statement during the year: -

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	30,753	40,400
Past service costs	486	395
(gains)/loss from settlements and curtailments	(647)	(2,479)
Financing and Investment Income and Expenditure		
Net Interest expense	9,471	9,568
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	40,063	47,884
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(207,747)	(99,023)
Actuarial gains and losses arising on changes in demographic assumptions	0	0
Actuarial gains and losses arising on changes in financial assumptions	250,748	(69,473)
Other – Experience gains and losses	(32,840)	2,947
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	10,161	(165,549)
Movement in the Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(20,596)	(27,544)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	19,467	20,340

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(1,766,092)	(1,734,186)
Fair value of plan assets	1,326,451	1,417,870
Net Liability arising from defined benefit obligation	(439,641)	(316,316)

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	1,087,918	1,326,451
Interest Income	26,663	27,472
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	207,747	99,023
- Other - Admin Expenses & Settlements	(3,043)	(2,647)
Contribution from employer	49,311	5,660
Contributions from employees into the scheme	6,220	6,530
Benefits paid	(48,365)	(44,619)
Closing fair value of scheme assets	1,326,451	1,417,870

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening balance at 1st April	(1,526,646)	(1,766,092)
Current service cost	(30,753)	(40,400)
Interest cost	(36,134)	(37,040)
Contributions from scheme participants	(6,220)	(6,530)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	0
- Actuarial gains/losses arising from changes in financial assumptions	(250,748)	69,473
- Other – Experience gains and losses	32,840	(2,947)
Past service cost	0	0
Losses/(gains) on curtailments	(1,237)	(395)
Benefits paid	48,365	44,619
Liabilities extinguished on settlement	4,441	5,126
Closing balance at 31st March	(1,766,092)	(1,734,186)

In April 2020 the Council made a one-off payment to the Pension Fund of £43.838m for 80% of the future service rate contributions for the period from 2020/21 to 2022/23. In line with the Council's accounting policies £13.994m was accounted for in 2020/21, £14.680 is accounted for in 2021/22, with the remainder £15.164m being offset against the pension liability on the balance sheet. Over the next financial year, the pension reserve (note 24d, £331.480m) and the net pension liability (£316.316m) will be brought into line as the prepayment arrangements are accounted for in 2022/23.

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2020/21 £'000	2021/22 £'000
Quoted		
Equity Securities:		
Other	7,420	3,405
Debt Securities:		
Other	3,856	4,026
Private Equity:		
All	7,175	3,050
Real Estate:		
UK Property	2,764	2,349
Investment Funds and Unit Trusts:		
Infrastructure	24,300	18,206
Cash and Cash Equivalents:		
All	16,967	15,812
Unquoted		
Equity Securities:		
Other	0	7
Debt Securities:		
Corporate Bonds (non-investment grade)	72,255	154
UK Government	25,991	8,460
Other	61,345	66,711
Private Equity:		
All	111,411	135,927
Real Estate:		
UK Property	111,572	117,153
Overseas Property	1,827	1,910
Investment Funds and Unit Trusts:		
Equities	639,969	660,652
Bonds	178,499	254,675
Infrastructure	61,100	98,927
Other	0	26,446
Total	1,326,451	1,417,870

Assets in the Net Assets Statement are classified into 3 levels, according to the quality and reliability of information used to determine fair values. Level 3 assets are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Having analysed historical data and current market trends and consulted with independent investment advisors, the Actuary has determined that the valuation methods of Assets valued at Level 3 are likely to be accurate within certain ranges. The approximate changes in value of Assets valued at Level 3 are shown in the table below however, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

Assets valued at Level 3	Assessed Valuation Range	Value at 31 March 2022	Value on Increase	Value on Decrease
	(+/-)	£'000	£'000	£'000
Pooled Investment Vehicles	12%	296,350	331,913	260,788

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been estimated 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 significant assumptions used by the actuary have been: -

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.5	Men	22.6
25.3	Women	25.4
	Longevity at 65 for future pensioners	
24.0	Men	24.1
27.2	Women	27.3
2.7%	Rate of inflation	3.2%
3.95%	Rate of increase in salaries	4.2%
2.8%	Rate of increase in pensions	3.2%
2.1%	Rate for discounting scheme liabilities	2.7%

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year)	69,367	(69,367)
Rate of inflation (increase or decrease by 0.1%)	26,062	(26,062)
Rate of salaries (increase or decrease by 0.1%)	4,203	(4,203)
Rate of pensions (increase or decrease by 0.1%)	26,062	(26,062)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(30,531)	30,531

Valuation techniques are used to determine the carrying amount of the property funds and pooled investment vehicles. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to maintain a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation was due to be completed on 31st March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The Council anticipates paying £16.526m expected contributions to the scheme in 2022/23. The estimated weighted average duration of the defined benefit obligation for scheme members is 18 years.

West Yorkshire Superannuation Fund

Payments in 2021/22 totalling £0.002m (£0.004m in 2020/21) were made to the West Yorkshire Superannuation Fund being the Council's share of payments to employees of the former West Riding County Council incurred as a result of the Local Government Reorganisation in 1974.

Note 400 Contingent Liabilities

Municipal Mutual Insurance Ltd (MMI)

MMI were the Council's insurer until their demise in 1992 when they ceased writing new business. A Scheme of Arrangement was set up with its creditors under which MMI continued to settle outstanding claims whilst they had sufficient funds to do so. In the eventuality that the company became insolvent then a clawback clause would be triggered with the Council liable to repay MMI. This Scheme of Arrangement was triggered in November 2012 and so a levy was imposed on all scheme creditors, including the Council, who have been paid amounts in respect of scheme liabilities. An initial levy set at 15% by the administrators has been paid in 2013/14 with projected outcomes for a solvent run-off ranging anywhere between 9.5% and 28% at that time. However, in January 2016 MMI advised that due to volatile classes remaining uncertain the Levy range had been extended to be 15%-34%. Whilst a further Levy notice was issued in March 2016 for a further 10% repayment, the Council's provision has been set at 40%, totalling an outstanding amount of £1.413m. The contingent liability of £5.314m covers the remaining claims up to 100% (£6.727m).

Note 411 Trust Funds

Trust Funds are held for specified purposes in which the Council has an interest but do not form part of the Council's finances. They are maintained by the Council and, where appropriate, invested by the Council as trustee either externally or in the consolidated loans and advances pool.

	2020/21	2021/22
	£'000	£'000
Adult Trust Funds	5,855	5,784
Other Trust Funds	341	365
Total	6,196	6,149

Note 422 Other Long Term Liabilities

Liabilities totalling £40.401m (£41.846m at 31st March 2021) are payable in a period exceeding 12 months and relate to PFI schemes' long term liabilities.

Housing Revenue Account

Comprehensive Income and Expenditure Account

The Housing Revenue Account reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Part 6, Schedule 4, of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure (maintenance and administration) and how these are met by rents, subsidy and other income.

From the 1st October 2005, maintenance and administration of the Council's dwellings were transferred to St. Leger Homes of Doncaster Limited, an Arm's Length Management Organisation, limited by guarantee and wholly owned by the Council.

2020/21		Notes	2021/22	
£'000			£'000	£'000
	Expenditure			
13,822	Repairs and maintenance		14,357	
21,143	Supervision and management		22,239	
1,508	Rents, rates, taxes and other charges		1,428	
	Depreciation of Property, Plant & Equipment	8		
17,473	On dwellings		17,619	
783	On other assets		936	
1,499	Impairment of Property, Plant & Equipment	9	865	
(4,208)	Reversal of previous Impairment loss	9	(6,323)	
50	Amortisation of Intangible assets		90	
10	Debt management costs		6	
0	Movement in the allowance for bad debts		0	
52,080	Total Expenditure			51,217
	Income			
(74,426)	Dwelling rents (gross)		(75,703)	
(846)	Non-dwelling rents (gross)		(837)	
(663)	Charges for services and facilities		(598)	
(476)	Contributions towards expenditure		(578)	
(76,411)	Total Income			(77,716)
(24,331)	Net cost of HRA Services as included in the whole authority Income and Expenditure Account			(26,499)
373	HRA share of Corporate and Democratic Core		383	
(23,958)	Net Income/(Cost) for HRA Services			(26,116)
	HRA share of the operating income and expenditure included in the whole authority Income and Expenditure Account			
15,277	Gain or (loss) on sale of HRA non-current assets		19,063	
12,348	Interest payable and similar charges		12,739	
(65)	Interest receivable and similar income		(56)	
0	Capital Grants and Contributions receivable		(470)	
3,602	(Surplus) or Deficit for the year on HRA services			5,160

Movement on the HRA Statement

This statement identifies those amounts in addition to the HRA Income and Expenditure Account surplus or deficit for the year that are required by statute to be charged to or credited to the HRA Balance. The reconciliation statement summarises the differences between the outturn on the HRA Income and Expenditure Account and the HRA Balance.

2020/21		2021/22	
£'000		£'000	£'000
(9,670)	Balances on the HRA at the end of the previous year		(8,267)
3,602	(Surplus) or deficit for the year on the HRA Income and Expenditure statement	5,160	
(2,199)	Adjustments between accounting basis and funding basis under statute (note10)	(3,583)	
1,403	Net (increase) or decrease before transfers to or from reserves	1,577	
1,403	(Increase) or decrease in year on the HRA		1,577
(8,267)	Balance on the HRA at the end of the current year		(6,690)

Notes to the Statement of Movement on the Housing Revenue Account Balance

1 The number and type of dwellings in the Council's housing stock

31 st March 2021		31 st March 2022
16,352	Houses and bungalows	16,278
2,337	Low-rise flats and maisonettes	2,332
1,391	Medium and high-rise flats	1,390
20,080	Total	20,000

2 Major Repairs Reserve (MRR)

2020/21 £'000		2021/22 £'000
(10,073)	Balance as at 1st April	(21,380)
(833)	Transfer Depreciation Non Dwellings to MRR	(1,026)
(17,473)	Transfer Depreciation Dwellings to MRR	(17,619)
6,999	Financing of capital expenditure	12,003
(21,380)	Balance as at 31st March	(28,022)

3 Rent arrears, excluding amounts collectable on behalf of other agencies

31 st March 2021 £'000		31 st March 2022 £'000
1,054	Former Tenants Rent Arrears	1,284
2,190	Current Tenants Rent Arrears	2,061
3,244	Total	3,345

The bad debt provision in respect of all un-collectable rent arrears was £2,360,565 (£2,436,128 in 2020/21). The aggregate balance sheet provision in respect of all un-collectable debts relating to the Housing Revenue Account was £2,556,077 (£2,590,964 in 2020/21).

4 Movement of Property, Plant & Equipment

2020/21 Total £'000		Council Dwellings £'000	Other Operational Land & Buildings £'000	Other Property, Plant & Equipment £'000	2021/22 Total £'000
	Cost or Valuation				
679,541	At 1st April 2021	660,706	15,555	10,960	687,221
18,476	Additions	19,436	786	3,142	23,364
5,131	Revaluation increases / (decreases) recognised in the Revaluation Reserve	83,622	363	(868)	83,117
2,823	Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	(782)	0	5,541
(2,057)	De-recognition – disposals	(3,587)	0	0	(3,587)
(16,693)	De-recognition – other	(19,300)	(380)	(21)	(19,701)
0	Reclassifications within PPE	0	0	0	0
687,221	At 31st March 2022	747,200	15,542	13,213	775,955
	Accumulated Depreciation and Impairment				
(4,120)	At 1st April 2021	0	(1,452)	(3,496)	(4,948)
(18,256)	Depreciation charge	(17,618)	(404)	(532)	(18,554)
17,541	Depreciation written out to the Revaluation Reserve	17,618	50	7	17,675
115	Depreciation written out to the Surplus/Deficit on the Provision of Services	0	244	0	244
(228)	impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	(327)	0	(327)
(4,948)	At 31st March 2022	0	(1,889)	(4,021)	(5,910)
682,273	Net Book Value as at 31st March 2022	747,200	13,653	9,192	770,045

5 Vacant possession value of dwellings

The vacant possession value of dwellings within the HRA following annual revaluation as at 31st March 2022 was £1.795 billion. A difference arises between the vacant possession valuation £1.795 billion and the valuation used for balance sheet purposes of £0.751 billion because the latter represents the social housing value of tenanted dwellings. The difference £1.044 billion indicates the economic cost to Government of providing Council Housing at less than open market rents.

6 Capital expenditure on land, houses and other property within the HRA and the sources of funding.

2020/21 £'000		2021/22 £'000
	Capital expenditure per asset classification:	
17,291	Council Dwellings	19,436
751	Other operational Land and Buildings	786
430	Vehicles Plant and equipment	341
0	Assets Under Construction	2,699
4	Community Assets	102
297	Intangible Assets	121
18,773		23,485
	Sources of funding:	
(1,345)	Useable Capital Receipts	(533)
(84)	Capital Grants and Contributions	(1,269)
(6,998)	Major Repairs Reserve	(12,002)
(10,346)	Direct revenue financing	(9,681)
(18,773)		(23,485)

7 Capital receipts from the disposals of land, houses and other property within the HRA

2020/21 £'000		2021/22 £'000
2,476	Houses (Council Dwellings)	4,225
1,001	Land	1
3,477	Total	4,226

8 Depreciation charged to the HRA

2020/21 £'000		2021/22 £'000
17,473	Council Dwellings	17,618
259	Other Land and Buildings	404
524	Other PPE	532
18,256		18,554

9 Impairment charge to HRA

2020/21 £'000		2021/22 £'000
840	Revaluation Loss on Council Dwellings	0
659	Revaluation Loss relating to non-Council Dwelling Assets	865
0	Impairment due to Council Dwelling demolition in year and proposed future demolitions	0
0	Consumption of Economic Benefit re Council Dwellings	0
(4,208)	Reversal of previous revaluation loss	(6,323)
(2,709)		(5,458)

The regional adjustment factor, applied to ascertain the value of social housing stock, has remained at 41%.

Collection Fund

The account reflects the statutory requirement contained in Section 89 of the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) for billing authorities to establish and maintain a separate Collection Fund, which accounts for the income from Council Tax, National Non-Domestic Rates (NNDR) and residual Community Charge. This income finances the net expenditure requirements of the authorities within the Doncaster Council area, including the Council itself, the South Yorkshire Joint Authorities and Parish Councils. The Collection Fund accounts are prepared on an accruals basis. The Collection Fund balances are consolidated into the Council's balance sheet as there is no requirement for a separate Collection Fund Balance Sheet.

Collection Fund Statement

2020/21 £'000		Notes	2021/22 £'000
	Amounts required by statute to be credited to the Collection Fund		
(141,622)	Council Tax (showing the amount receivable, net of benefits discounts for prompt payments and transitional relief)	1	(147,395)
(1,555)	Transfers from the General Fund – Council Tax Discretionary Reliefs Awarded via S13a(1)(c)	1	(1,668)
(62,293)	Non-Domestic Rates (showing the amount receivable, net of discretionary and mandatory reliefs)	2	(82,001)
0	Contribution towards previous year's Collection Fund deficit - Council Tax		(2,468)
0	Contribution towards previous year's Collection Fund deficit - Non-Domestic Rates		(40,141)
(205,470)	Total Income		(273,673)
	Amounts required by statute to be debited to the Collection Fund		
	Precepts and demands from major preceptors and the authority - Council Tax	3	
120,704	- Doncaster Council		122,253
16,663	- South Yorkshire Police Authority		17,642
6,276	- South Yorkshire Fire and Rescue Authority		6,299
	Shares of Non-Domestic Rating income to major preceptors and the (billing) authority - Non-Domestic Rates		
47,856	- Doncaster Council		46,010
977	- South Yorkshire Fire and Rescue Authority		939
48,833	Payment with respect to central share (including allowable deductions) of the Non-Domestic Rating income to be paid to central government by billing authorities		46,949
2,069	Transitional protection payments Non-Domestic Rates		2,426
	Impairment of debts/appeals for Council Tax		
17	- write-offs of uncollectable amounts		1,324
2,072	- allowance for impairment		773
	Impairment of debts/appeals for Non-Domestic Rates:		
0	- write-offs of uncollectable amounts		520
5,304	- allowance for impairment		3,267
371	Charge to General Fund for allowable collection costs for Non-Domestic Rates		369

2020/21 £'000		Notes	2021/22 £'000
1,105	Contributions towards previous year's Collection Fund surplus for Council Tax		0
3,116	Contributions towards previous year's Collection Fund surplus for Non-Domestic Rates		0
255,363	Total Expenditure		248,771
	Opening fund balance:		
(133)	- Council Tax		3,527
(2,291)	- Non-Domestic Rates		43,942
	Closing fund balance:		
3,527	- Council Tax		286
43,942	- Non-Domestic Rates		22,280
	Movement on fund balance:		
3,660	- Council Tax		(3,241)
46,233	- Non-Domestic Rates		(21,662)
	Accumulated surplus/deficit of the Collection Fund (Council Tax) is attributable to the following:-		
2,947	- Doncaster Council		227
426	- South Yorkshire Police Authority		45
154	- South Yorkshire Fire and Rescue Authority		14
3,527			286
	Accumulated surplus/deficit of the Collection Fund (Non-Domestic Rates) is attributable to the following:-		
21,533	- Doncaster Council		10,918
21,970	- Central Government		11,139
439	- South Yorkshire Fire and Rescue Authority		223
43,942			22,280

The National Non-Domestic Rates (NNDR) element of the Collection Fund saw a large drop of £39.6m in income in 2021/22 compared to 2020/21. This was almost entirely due to Central Government introducing the Retail Relief scheme during 2020/21 whereby qualifying businesses received a 100% relief on their Business Rates, i.e. they didn't have to pay anything. This meant that the NNDR element of the Collection Fund made a deficit of £46.2m in 2020/21. The Council's share of NNDR is 49% therefore the Council's share of the deficit was £22.6m. Central Government introduced a new reduced scope Retail Relief scheme in 2021/22. This resulted in an increase in NNDR income in 2021/22 of £24.8m compared to 2020/21. Central Government also introduced a new COVID-19 Additional Relief Fund (CARF) in 2021/22. The fund was available to support those businesses affected by the pandemic but that were ineligible for existing support linked to business rates. This resulted in a decrease in NNDR income in 2021/22 of £5.1m compared to 2020/21.

As the changes to NNDR were national policy decisions, Central Government reimbursed Councils for this lost income via a section 31 grant in 2020/21 and 2021/22. By statute, this grant income has to be credited to the CIES not the Collection Fund. In order to smooth the impact on the budget, the Council placed these grants (2020/21 £18.9m 2021/22 £17.6m) into an ear-marked reserve so they can be used to offset the recovery of the accumulated deficit in 2021/22 and 2022/23 respectively. The reduction in income from the Collection Fund in future years was addressed in the budget and will continue to be monitored.

Notes to the Collection Fund Statement

1 Council Tax

Income from Council Tax is derived from charges raised according to the value of residential properties, which have been classified into eight valuation bands using estimated values as at 1st April 1991. The Tax Base calculation is based upon the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for the Local Council Tax Support (LCTS) scheme, discounts and exemptions. Individual charges are calculated by estimating the amount of income required to fund the demands on the Collection Fund and then dividing this by the Tax Base (see note 3).

The table below shows the number of properties in each band and the equivalent number of band D properties: -

Band	Number of Dwellings in the Band	Less LCTS, Exemptions, Discounts & Other Changes	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwelling	Council Tax 2021/22 (Excluding Parishes) £
A	81,359	(25,664)	55,695	6/9	37,109	£1,156.81
B	25,559	(3,815)	21,744	7/9	16,912	£1,349.61
C	15,301	(1,810)	13,491	8/9	11,993	£1,542.41
D	9,541	(647)	8,894	1	8,894	£1,735.21
E	4,672	(303)	4,369	11/9	5,340	£2,120.81
F	2,172	(109)	2,063	13/9	2,979	£2,506.41
G	939	(34)	905	15/9	1,508	£2,892.02
H	131	(32)	99	18/9	198	£3,470.42
Total	139,674	(32,414)	107,260		84,933	
Less allowance for non-collection					(2,123)	
Tax base for the calculation of Council Tax					82,810	

Reconciliation of Council Tax income to the tax base: -

2020/21		2021/22
85,336	No of Band D properties	84,933
£1,677.98	Band D rate	£1,735.21
£2,456,805	Parish Precepts	£2,501,182
£'000		£'000
(145,649)	Estimated Income	(149,878)
2,472	In-year changes	2,483
(143,177)	Income	(147,395)

The in-year changes in 2021/22 are due to an increase in the number of band D properties to 83,247, compared with 82,810 used in the calculation of the budget. This is mainly attributable to 592 more Local Council Tax Scheme discounts being awarded and higher than expected growth of 1,029 dwellings.

2 NNDR

Under statutory arrangements, NNDR are collected locally on the basis of a nationally determined rate in the pound charged on the rateable value of the property. The multiplier is set nationally by Central Government and local rateable values are provided by the Valuation Office Agency (VOA). In 2021/22 the Standard Rate was 51.2p (51.2p in 2020/21) and the Small Business Rate was 49.9p (49.9p in 2020/21).

Since 1st April 2013 and the introduction of the Local Government Finance Act 2012, business rates are shared between Central and Local government. 50% of local business rates income is retained locally (Doncaster retains 49% and passes on 1% to the South Yorkshire Fire and Rescue Authority) and 50% is passed to Central Government. The local retention of business rates model calculates the difference between each Council's individual business rate baseline and their calculated baseline funding level and either a top up or a tariff will be paid to Councils from Central Government. The emphasis of these reforms is to move Local Government funding away from a needs based system to one based on business rates. Doncaster Council received top-up funding of £34.854m, which represents the difference between our individual business rate baseline funding level of £41.513m and the calculated baseline level of £76.367m.

The Business Rates collectable after reliefs and provisions was £82.0m in 2021/22 (£62.3m in 2020/21) and was based on a rateable value for the Council's area of £254,003,961 as at 31st March 2022 (£252,227,613 as at 31st March 2021).

3 Precepts and Demands

Expenditure requirements financed by the Collection Fund: -

	Net Budget Requirement	Band D Equivalent Dwellings	Band D Council Tax
	£'000		£
Doncaster Council Demand *	119,752	82,810	1,446.10
S Y Police Authority	17,642	82,810	213.04
S Y Fire and Rescue Authority	6,299	82,810	76.07
Total	143,693		1,735.21
* Excludes Parish Precepts of £2,501,182			

Group Accounts

The Core Financial Statements

Group Comprehensive Income and Expenditure Statement

2020/21				2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
142,769	(78,568)	64,201	Adults, Health & Wellbeing	149,689	(85,733)	63,956
122,229	(82,852)	39,377	Corporate Resources	129,362	(94,805)	34,557
19,783	(1,942)	17,841	Council Wide Budgets	18,163	(1,234)	16,929
94,135	(19,479)	74,656	Economy & Environment	91,215	(26,029)	65,186
218,592	(129,571)	89,021	Learning Opportunities, Skills & Culture	229,617	(135,206)	94,411
(27,132)	(30,631)	(57,763)	Public Health	33,370	(29,247)	4,123
57,564	(77,654)	(20,090)	Housing Revenue Account	58,459	(79,023)	(20,564)
627,940	(420,697)	207,243	Net Cost of Services	709,875	(451,277)	258,598
2,457	0	2,457	Parish Council Precepts	2,501	0	2,501
1,392	0	1,392	Payments to the Government Housing Capital Receipts Pool	1,939	0	1,939
55,594	0	55,594	(Gains) / Losses on the disposal of non-current assets	44,974	0	44,974
59,443	0	59,443	Other operating expenditure	49,414	0	49,414
21,110	0	21,110	Interest payable & similar charges	19,676	0	19,676
11,118	0	11,118	Pensions interest cost & expected return on pensions Assets	11,756	0	11,756
0	(677)	(677)	Interest receivable & similar income	0	(498)	(498)
(55)	(165)	(220)	Income & expenditure in relation to investment properties & changes in their fair value	13	(165)	(152)
16,915	(11,782)	5,133	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	15,741	(14,862)	879
49,088	(12,624)	36,464	Financing and investment income and expenditure	47,186	(15,525)	31,661
0	(118,576)	(118,576)	Council tax income	0	(122,897)	(122,897)
0	(26,928)	(26,928)	Non domestic rates redistribution	0	(37,156)	(37,156)
0	(119,346)	(119,346)	Non-ring fenced Government grants	0	(93,072)	(93,072)
0	(24,086)	(24,086)	Capital grants and contributions	0	(39,646)	(39,646)
0	(288,936)	(288,936)	Taxation and non-specific grant income	0	(292,771)	(292,771)
736,471	(722,257)	14,214	(Surplus) / Deficit on Provision of Services	806,475	(759,573)	46,902
		(58,069)	(Surplus) / Deficit on revaluation of non-current assets			(102,320)
		23,340	Actuarial (gains) / losses on pension assets / liabilities			(200,510)
		754	(Gains) / Losses on Revaluation of Financial Instruments			603
		(33,975)	Other Comprehensive Income and Expenditure			(302,227)
		(19,761)	Total Comprehensive Income and Expenditure			(255,325)

Group Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	(Group) Share of Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2021 brought forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)	94,283	(445,921)
Movement in reserves during 2021/22										
Total Comprehensive Income and Expenditure	147,343	5,158	0	0	0	152,501	(267,267)	(114,766)	(137,457)	(252,223)
Adjustments between group accounts and authority accounts	(117,693)	0	0	0	0	(117,693)	0	(117,693)	117,693	0
Net Increase or decrease before transfer	29,650	5,158	0	0	0	34,808	(267,267)	(232,459)	(19,764)	(252,223)
Adjustments between accounting basis and funding basis under regulations	(29,816)	(3,581)	(874)	(6,643)	(4,313)	(45,227)	45,227	0	0	0
(Increase) / Decrease in 2021/22	(166)	1,577	(874)	(6,643)	(4,313)	(10,419)	(222,040)	(232,459)	(19,764)	(252,223)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(564,933)	(772,663)	74,519	(698,144)

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	(Group) Share of Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2020 brought forward	(63,467)	(9,670)	(17,348)	(10,074)	(19,572)	(120,131)	(378,563)	(498,694)	72,535	(426,159)
Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	(5,212)	0	0	0	0	(5,212)	5,212	0	0	0
Restated Balance as 1 April 2020	(68,679)	(9,670)	(17,348)	(10,074)	(19,572)	(125,343)	(373,351)	(498,694)	72,535	(426,159)
Movement in reserves during 2020/21										
Total Comprehensive Income and Expenditure	106,348	3,602	0	0	0	109,950	(47,154)	62,796	(82,558)	(19,762)
Adjustments between group accounts and authority accounts	(104,306)	0	0	0	0	(104,306)	0	(104,306)	104,306	0
Net Increase or decrease before transfer	2,042	3,602	0	0	0	5,644	(47,154)	(41,510)	21,748	(19,762)
Adjustments between accounting basis and funding basis under regulations	(64,865)	(2,199)	(491)	(11,306)	1,249	(77,612)	77,612	0	0	0
(Increase) / Decrease in 2020/21	(62,823)	1,403	(491)	(11,306)	1,249	(71,968)	30,458	(41,510)	21,748	(19,762)
Balance at 31st March 2021 carried forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)	94,283	(445,921)

Group Balance Sheet

31 st March 2021			Notes	31 st March 2022	
£'000	£'000			£'000	£'000
1,419,751		Property, Plant & Equipment	c	1,505,021	
9,120		Heritage Assets		9,050	
1,710		Investment Property		1,696	
3,891		Intangible Assets		2,478	
3,841		Long Term Investments		3,238	
7,024		Long Term Debtors		6,894	
	1,445,337	Long Term Assets			1,528,377
25,007		Short Term Investments		25,010	
31,084		Assets Held for Sale		21,829	
1,879		Inventories		2,122	
94,727		Short Term Debtors	d	86,283	
68,310		Cash & Cash Equivalents	e	75,379	
	221,007	Current Assets			210,623
0		Cash & Cash Equivalents	e	(27)	
(103,070)		Short Term Borrowing		(63,790)	
(76,994)		Short Term Creditors	f	(89,285)	
(1,722)		Provisions		(1,593)	
(16,228)		Revenue Grants Receipts in Advance		(31,749)	
(8,917)		Capital Grants Receipts in Advance		(1,860)	
	(206,931)	Current Liabilities			(188,304)
(14,780)		Provisions		(16,352)	
(419,357)		Long Term Borrowing		(398,902)	
(41,846)		Deferred Liabilities		(40,400)	
0		Donated Assets Account		0	
(1,044)		Revenue Grants Receipts in Advance		0	
(2,541)		Capital Grants Receipts in Advance		(6,063)	
(533,924)		Liability related to defined benefit pension scheme	i	(390,835)	
	(1,013,492)	Long Term Liabilities			(852,552)
	445,921	Net Assets			698,144
197,311		Usable Reserves		207,730	
248,610		Unusable Reserves		490,414	
	445,921	Total Reserves			698,144

Group Cash Flow Statement

31st March 2021 £'000		31st March 2022 £'000
(5,643)	Net surplus or (deficit) on the provision of services	(34,809)
87,370	Adjustments to net surplus or deficit on the provision of services for non-cash movements	178,060
(32,571)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(45,789)
49,156	Net cash flows from Operating Activities	97,462
(28,496)	Investing Activities	(29,782)
(385)	Financing Activities	(60,638)
20,275	Net increase or (decrease) in cash and cash equivalents	7,042
48,035	Cash and cash equivalents at the beginning of the reporting period	68,310
68,310	Cash and cash equivalents at the end of the reporting period (Note e)	75,352

Notes to the Group Core Financial Statements

a Details of the Group

Notes are only produced for the group accounts if the notes differ from the single entity accounts.

Subsidiary – St Leger Homes of Doncaster Limited (SLHD)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2005 to provide housing management and other services on behalf of the Council.

SLHD has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the Council with those of SLHD and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between entities of the group.

Subsidiary – Doncaster Children’s Services Trust Limited (DCST)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2014 to provide children’s services on behalf of the Council.

DCST has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the Council with those of SLHD and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between entities of the group.

From 1st September, 2022, DCST no longer provides children’s services on behalf of the Council – see Note 6 Events after the Balance Sheet Date.

b Accounting Policies

Statement of Accounting Policies

The group accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as those for the Council. As far as can be ascertained, there is only one material difference between the accounting policies of the group entities and the Council which requires realignment. This is in relation to DCST Pension costs and other post-retirement benefits. DCST does not recognise a pension related asset or liability in its Statement of Financial Position. The group accounts are realigned to recognise the DCST pension liability.

c Property, Plant and Equipment

Movements in 2021/22

2021/22									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2021	660,707	438,706	67,753	371,281	6,881	5,058	17,054	1,567,440	25,655
Additions	19,435	9,319	6,726	25,102	172	243	2,913	63,910	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	83,622	(1,222)	0	0	(1,551)	(312)	(88)	80,449	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	5,872	0	0	(251)	(184)	(1,029)	10,731	0
De-recognition – disposals	(3,587)	(17,196)	(278)	0	0	0	0	(21,061)	0
De-recognition – other	(19,300)	(6,482)	(252)	(3,594)	(90)	(243)	0	(29,961)	0
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	(100)	0	(100)	0
Reclassification within PPE	0	16,149	0	0	0	(1)	(16,148)	0	0
At 31st March 2022	747,200	445,146	73,949	392,789	5,161	4,461	2,702	1,671,408	25,655
Accumulated Depreciation & Impairment									
At 1st April 2021	0	(6,358)	(37,592)	(103,119)	(618)	0	0	(147,687)	(4,244)
Depreciation charge	(17,619)	(11,254)	(6,097)	(9,658)	(82)	(9)	0	(44,719)	(1,014)
Depreciation written out to the Revaluation Reserve	17,619	7,480	0	0	82	3	0	25,184	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	1,088	0	0	14	6	0	1,108	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(881)	0	(89)	0	(71)	0	(1,041)	0
De-recognition – disposals	0	373	395	0	0	0	0	768	0
At 31st March 2022	0	(9,552)	(43,294)	(112,866)	(604)	(71)	0	(166,387)	(5,258)
Net Book Value									
At 31st March 2022	747,200	435,594	30,655	279,923	4,557	4,390	2,702	1,505,021	20,397
At 31st March 2021	660,707	432,348	30,161	268,162	6,263	5,058	17,054	1,419,753	21,411

Comparative Movements in 2020/21

2020/21									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2020	655,219	413,830	64,325	341,253	9,434	26,899	35,797	1,546,757	25,655
Additions	17,291	3,951	4,563	12,001	1,423	0	18,776	58,005	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	2,842	28,486	0	0	452	1,836	463	34,079	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,231	25,488	0	0	(4,266)	2,048	(6,362)	20,139	0
De-recognition – disposals	(2,017)	(38,100)	(658)	0	0	0	0	(40,775)	0
De-recognition – other	(16,085)	(3,439)	(478)	(2,528)	(102)	0	(200)	(22,832)	0
Assets reclassified (to)/from Assets Held for Sale	0	(1,830)	0	0	(35)	(26,069)	0	(27,934)	0
Reclassification within PPE	226	10,320	0	20,555	(25)	344	(31,420)	0	0
At 31st March 2021	660,707	438,706	67,752	371,281	6,881	5,058	17,054	1,567,439	25,655
Accumulated Depreciation & Impairment									
At 1st April 2020	0	(11,814)	(32,869)	(92,994)	(538)	0	0	(138,215)	(3,395)
Depreciation charge	(17,473)	(9,931)	(5,649)	(9,364)	(80)	(1)	0	(42,498)	(849)
Depreciation written out to the Revaluation Reserve	17,358	7,781	0	0	0	1	0	25,139	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	115	7,190	0	0	0	0	0	7,306	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(499)	0	(761)	0	0	0	(1,260)	0
De-recognition – disposals	0	915	926	0	0	0	0	1,841	0
At 31st March 2021	0	(6,358)	(37,592)	(103,119)	(618)	0	0	(147,687)	(4,244)
Net Book Value									
At 31st March 2021	660,707	432,348	30,160	268,162	6,263	5,058	17,054	1,419,752	21,411
At 31st March 2020	655,219	402,016	31,456	248,259	8,896	26,899	35,797	1,408,542	22,260

d Debtors

	31st March 2021 £'000	31st March 2022 £'000
Debtors		
Trade Receivables	34,328	36,700
Other Receivables	51,570	40,389
Payments in advance	8,829	9,194
Total	94,727	86,283

e Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements: -

	31st March 2021 £'000	31st March 2022 £'000
Cash held by the Group	16,300	7,849
Bank balance / (overdraft)	0	(27)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	52,010	67,530
Total Cash and Cash Equivalents	68,310	75,352

f Creditors

	31st March 2021 £'000	31st March 2022 £'000
Creditors		
Trade Payables	(46,608)	(58,352)
Other Payables	(12,924)	(6,958)
Receipts in Advance	(17,462)	(21,113)
Total	(76,994)	(86,423)

g Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Compensation for loss of office	Employer Pension Contribution	Total
		£	£		£	£
Chief Executive D Allen - Note 1	2021/22	171,286	0	0	29,119	200,405
	2020/21	168,755	0	0	28,688	197,443
Director of Economy & Environment D Swaine - Note 3	2021/22	128,989	0	0	0	128,989
	2020/21	52,598	0	0	0	52,598
Director of Economy & Environment P Dale - Note 4	2020/21	84,722	0	0	14,403	99,125
Director of Corporate Resources D Hogg	2021/22	128,989	0	0	21,928	150,917
	2020/21	127,083	0	0	21,605	148,688
Director of Adults Health and Wellbeing P Holmes - Note 5	2021/22	128,989	0	0	21,928	150,917
	2020/21	127,083	0	0	21,605	148,688
Director of Learning Opportunities, Skills and Culture R Nelson - Note 6	2021/22	132,816	5,000	0	22,849	160,665
	2020/21	127,083	0	0	21,605	148,688
Director of Public Health R Suckling	2021/22	128,989	0	0	18,549	147,538
	2020/21	104,309	0	0	15,000	119,309
Monitoring Officer S Fawcus	2021/22	98,700	0	0	16,468	115,168
	2020/21	95,438	0	0	16,224	111,662
Section 151 Officer F Tyas - Note 7	2021/22	96,870	(1,488)	0	16,468	111,850
	2020/21	94,112	(1,488)	0	16,218	108,842
St Leger Homes Executive Management Team	2021/22	410,781	0	0	65,725	476,506
	2020/21	408,287	0	0	63,734	472,021
Doncaster Children's Services Trust Management Team	2021/22	353,255	494	50,000	51,409	455,158
	2020/21	459,708	184	47,731	64,285	571,908

Note 1 - D Swaine started work with the Council on 02/11/20, as Director of Economy and Environment.

Note 2 - P Dale left the Council as Director of Economy and Environment on the 30/11/20.

Note 3 - R Nelson was appointed as Director of Learning Opportunities, Skills and Culture on 23/04/20.

Note 4 - R Suckling, roles and responsibilities changed with effect from 01/04/21.

Note 5 - F Tyas returned from maternity leave 06/04/20

The Group's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions), expressed in bands of £5,000, is as below: -

2020/21			Salary Banding	2021/22		
Group	Schools	Total	£	Group	Schools	Total
41	17	58	50,000 - 54,999	58	19	77
19	8	27	55,000 - 59,999	25	10	35
24	9	33	60,000 - 64,999	24	8	32
13	10	23	65,000 - 69,999	21	10	31
5	8	13	70,000 - 74,999	10	8	18
10	6	16	75,000 - 79,999	7	4	11
4	0	4	80,000 - 84,999	2	1	3
0	1	1	85,000 - 89,999	3	0	3
1	0	1	90,000 - 94,999	1	1	2
10	0	10	95,000 - 99,999	8	0	8
0	0	0	100,000 - 104,999	2	0	2
1	0	1	105,000 - 149,999	3	0	3
128	59	187	Total	164	61	225

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2020/21 and 2021/22 is shown in the senior officer remuneration analysis.

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The information does not include any costs relating to schools.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0 - £20,000	6	4	34	11	40	15	328,140	114,767
£20,001 - £60,000	0	0	8	4	8	4	223,865	190,120
Total	6	4	42	15	48	19	552,005	304,887

h Grant Income

	2020/21 £'000	2021/22 £'000
Credited to Services		
Dedicated Schools Grant (DSG)	93,639	97,985
Mandatory Rent Allowance: subsidy	31,404	29,074
Mandatory Rent Rebates: subsidy	28,361	26,523
Public Health Grant	24,412	24,609
COVID-19 Business Grants	0	15,181
Social Care Support Grant	9,562	12,537
Improved Better Care Fund Announcement 2015	12,184	12,185
COVID-19 Business Grants - Additional Restrictions Grant - Sheffield City Region Combined Authority	5,967	6,333
Pupil Premium	4,639	4,258
Improved Better Care Fund Announcement 2017	3,646	3,645
Private Finance Initiative (PFI) Annuity Grant	3,478	3,478
Adult Social Care Infection Control Fund	5,938	2,918
COVID-19 Workforce Recruitment and Retention	0	2,910
Household Support Fund	0	2,877
Test Track & Contain Grant	8,376	2,527
Department for Environment, Food and Rural Affairs (Defra) Waste Infrastructure Grant	2,385	2,385
Disabled Facilities Grant	2,002	2,190
Test & Trace Support Payment Scheme	812	2,068
COVID-19 Care Home Testing Grant	786	1,930
Opportunity Area Social Mobility Grant	1,516	1,479
Adoption Support Fund	0	1,416
COVID-19 Local Support Grant	0	1,416
Sport England Grant	876	1,238
COVID-19 Community Testing Grant	566	1,203
Rapid Rehousing Pathway (RRP)	462	1,118
Universal Infant Free School Meals (UIFSM) Funding	1,215	1,077
Holiday Activities Fund	0	992
Housing Benefit & Council Tax Admin Benefit Subsidy	1,031	977
Homelessness Prevention Grant	0	894
Practical Support Framework	0	877
Inpatient Detox Grant	0	853
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses Addendum-National Lockdown	0	810
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses-National Lockdown (5 Jan)	0	764
Domestic Abuse Grant	50	733
Skills Funding Agency Safeguarded Learning	1,096	726
Discretionary Housing Payments	904	702
Independent Living Fund Grant	682	682
PE & Sports Grant	724	672
Youth Justice Board	618	670
Asylum Seekers Childrens Grant	319	610
COVID-19 Winter Grant Scheme	1,225	397
DFE Grant Income	1,914	55
COVID-19 Business Grants - Local Authority Discretionary Grant Fund	3,007	0
COVID-19 Track & Trace Service Support Grant	2,234	0
Teachers Pension Grant	2,032	0
Other	9,507	9,003
Total	267,569	284,977
Contributions		
Better Care Fund Income	8,098	8,528

	2020/21 £'000	2021/22 £'000
Other Health Contributions	5,874	9,990
Primary Care Trust Continuing Healthcare Contribution to care packages	4,746	7,143
Primary Care Trust - Section 256	3,862	543
Other	4,007	6,936
Total	26,587	33,140

i Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

Local Government Pension Scheme

The Group participates in the South Yorkshire Pension Scheme which is a funded defined benefit final salary scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Group recognises the cost of retirement benefits in the reported 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 real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balances via the Movement in Reserves Statement during the year.

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	42,878	55,810
Past service costs	681	395
(gains)/loss from settlements and curtailments	(529)	(2,479)
Financing and Investment Income and Expenditure		
Net Interest expense	11,118	11,756
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	54,148	65,482
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(243,249)	(116,119)
Actuarial gains and losses arising on changes in demographic assumptions	0	0
Actuarial gains and losses arising on changes in financial assumptions	304,057	(87,977)
Other – Experience gains and losses	(37,468)	3,586
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	23,340	(200,510)
Movement in the Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(29,165)	(39,638)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	24,983	25,844

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(2,091,995)	(2,064,136)
Fair value of plan assets	1,558,071	1,673,301
Net Liability arising from defined benefit obligation	(533,924)	(390,835)

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	1,275,613	1,558,071
Interest Income	31,156	32,395
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	243,249	113,016
- Other - Admin Expenses & Settlements	(3,238)	(2,647)
Contribution from employer	54,827	11,164
Contributions from employees into the scheme	8,800	9,165
Benefits paid	(52,336)	(47,863)
Closing fair value of scheme assets	1,558,071	1,673,301

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening balance at 1st April	(1,786,876)	(2,091,995)
Current service cost	(42,878)	(55,810)
Interest cost	(42,274)	(44,151)
Contributions from scheme participants	(8,800)	(9,165)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	0
- Actuarial gains/losses arising from changes in financial assumptions	(304,057)	87,977
- Other - Experience gains and losses	37,468	(3,586)
Past service cost	0	0
Losses/(gains) on curtailments	(1,355)	(395)
Benefits paid	52,336	47,863
Liabilities extinguished on settlement	4,441	5,126
Closing balance at 31st March	(2,091,995)	(2,064,136)

Local Government Pension Scheme assets comprised

	Fair value of scheme assets	
	2020/21 £'000	2021/22 £'000
Quoted		
Equity Securities:		
Other	8,717	3,405
Debt Securities:		
Other	4,529	4,026
Private Equity:		
All	8,427	3,050
Real Estate:		
UK Property	3,246	2,349
Investment Funds and Unit Trusts:		
Infrastructure	28,542	18,206
Cash and Cash Equivalents:		
All	19,930	15,812
Unquoted		
Equity Securities:		
Other	0	621
Debt Securities:		
Corporate Bonds (non-investment grade)	84,872	181
UK Government	30,530	9,984
Other	72,057	79,455
Private Equity:		
All	130,866	160,964
Real Estate:		
UK Property	131,055	138,682
Overseas Property	2,146	2,254
Investment Funds and Unit Trusts:		
Equities	751,717	779,669
Bonds	209,668	300,554
Infrastructure	71,769	120,029
Other	0	31,211
Cash and Cash Equivalents:	0	2,849
All		
Total	1,558,071	1,673,301

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been estimated 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 significant assumptions used by the actuary have been:

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.5	Men	22.6
25.3	Women	25.4
	Longevity at 65 for future pensioners	
24.0	Men	24.1
27.2	Women	27.3
2.7%	Rate of inflation	3.2% Council 3.2% SLHD 3.15% DCST
3.95%	Rate of increase in salaries	4.2% Council 4.2% SLHD 4.15% DCST
2.8%	Rate of increase in pensions	3.2% Council 3.2% SLHD 3.15% DCST
2.1% Council 2.1% SLHD 2.2% DCST	Rate for discounting scheme liabilities	2.7% Council 2.7% SLHD 2.75% DCST

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year)	82,565	(82,565)
Rate of inflation (increase or decrease by 0.1%)	31,996	(31,996)
Rate of salaries (increase or decrease by 0.1%)	5,877	(5,877)
Rate of pensions (increase or decrease by 0.1%)	31,996	(31,996)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(38,215)	38,215

Valuation techniques are used to determine the carrying amount of the property funds and pooled investment vehicles. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.

Impact on the Group's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to maintain a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2022.

West Yorkshire Superannuation Fund

Payments in 2021/22 totalling £0.002m (£0.004m in 2020/21) were made to the West Yorkshire Superannuation Fund being the Council's share of payments to employees of the former West Riding County Council incurred as a result of the Local Government Reorganisation in 1974.

Glossary

Accounting Period

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

Accounting Policies

These are the specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting financial statements.

Amortisation

An accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement over a period of years rather than when the initial payment is made. Its purpose is to charge / credit the cost / income over the accounting periods that gain benefit for the respective item.

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.

Budgets

A statement of the Council's forecast spend, i.e. net revenue expenditure for the year.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing fixed asset.

Capital Financing

These are funds raised 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 Receipts

The proceeds from the disposal of land or other Property, Plant & Equipment. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government and up to 4% of the balance of receipts can be used to fund revenue expenditure.

Cash

Comprises cash on hand and demand deposits.

Cash Equivalents

These are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Chartered Institute of Public Finance and Accountancy ('CIPFA')

The Chartered Institute of Public Finance and Accountancy is the professional body for people in public finance.

Collection Fund

A fund administered by the Council recording receipts from Council Tax, National Non-Domestic Rates and payments to the General Fund.

Community Assets

These are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples include parks, historic buildings, museum exhibits and works of art.

Corporate and Democratic Core

The corporate and democratic core (CDC) comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Council Tax

A banded property tax, based on assessed property values at 1st April 1991, which is levied on domestic properties.

Credit Risk

The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.

Creditor

Amount owed by the Council for works 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.

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.

Dedicated Schools Grant ('DSG')

A ring-fenced grant for schools paid by the Department for Education (DfE) to the Council.

Defined Benefit 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.

Defined Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The measure of the wearing out, consumption or other reduction in the economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-Recognition

The process applied to assets that are no longer deemed to be controlled by the Council, either by sale, demolition or any other form of disposal.

Donated Assets

Assets that are received or acquired as gifts from other entities.

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 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.

Finance Lease

A method of acquiring non-current assets where under the lease agreement all the risks and rewards of ownership of a fixed asset are substantially transferred to the Council, in return for rental payments to the legal owner of the asset.

Financial Instrument

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities and includes both the most straightforward financial assets such as trade receivable (debtors) and trade payable (creditors) and the most complex ones such as derivatives.

General Fund Balances

These are accumulated surpluses on the General Fund. They can be applied to reduce borrowing, reduce the Council Tax, or be held for use in future years.

General Fund Services

This comprises all services provided by the Council with the exception of services relating to the provision of local Council housing which is accounted for in the Housing Revenue Account. The net cost of General Fund services is met by Council Tax, Government grants and National Non-Domestic Rates.

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 held and maintained by the Council principally for their contribution to knowledge and culture. Heritage assets can have historical, artistic, scientific, geophysical or environmental qualities.

Historic Cost

This represents the original cost of acquisition, construction or purchase of a non-current asset.

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')

This account includes all revenue expenditure and income relating to the provision, maintenance and administration of Council housing. It is a statutory requirement that the account be maintained separately ('ring-fenced') from General Fund services.

Impairment

A reduction in the value of a fixed asset not caused by general changes in market values, e.g. obsolescence or physical damage.

Infrastructure Assets

These are assets where ownership cannot be transferred and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and drainage facilities.

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.

International Financial Reporting Standards ('IFRS')

International Financial Reporting Standards are principles-based Standards, Interpretations and the Framework adopted by the International Accounting Standards Board ('IASB').

Investments

A long-term investment is an investment that is being 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 investment for the long term can be clearly demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

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.

Local Authority (Scotland) Accounts Advisory Committee ('LASAAC')

The CIPFA/LASAAC Local Authority Code Board is established as a standing committee of CIPFA and LASAAC for the purpose of preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting.

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 misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

Minimum Revenue Provision ('MRP')

This is the minimum amount that must be charged to the Council's revenue account each year to provide for the repayment of loans used to finance capital expenditure.

National Non-Domestic Rates ('NNDR')

These are often referred to as Business Rates and are a levy on business properties. NNDR are collected by the Council and paid into their Collection Fund. This amount is then distributed 49% to the Council's General Fund, 1% to the SY Fire and Rescue Authority and 50% to central Government. The central Government share is then redistributed nationally, partly back to local authorities through Revenue Support Grant.

Net Book Value ('NBV')

The amount at which Property, Plant & Equipment are included in the balance sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

Net Expenditure

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

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

Non-Current Assets

These are 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.

Non-Distributed Costs

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

Operating Lease

A lease other than a finance lease. This is a method of financing assets, which allows the Council to use but not own an asset in exchange for rental payments but where the risks and rewards of ownership are not substantially transferred.

Operational Assets

These are non-current assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has a responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the statement of accounts is signed and authorised for issue by the responsible financial officer.

Precept

The proportion of total Council Tax that is due to local parishes and various authorities, e.g. the Police, Fire and Rescue Authorities and which is collected on their behalf by the Council.

Prior Year Adjustments

Material adjustments, applicable to prior years and arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates in prior years.

Private Finance Initiative ('PFI')

A contract in which the private sector is responsible for supplying services that are linked to the provision of a major asset and which traditionally have been provided by the Council. The Council will pay for the provision of this service, which is linked to availability, performance and levels of usage.

Property, Plant & Equipment

These are 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.

Provisions

Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.

Public Works Loan Board ('PWLB')

A Government agency that provides long-term loans to local authorities at interest rates lower than prevailing market rates. The Council is able to borrow a proportion of its capital financing requirement from this source.

Rateable Value

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

Recharges

The transfer of costs within the Council from one account to another to reflect work undertaken on behalf of another service.

Related Party

For the Council's purposes, related parties are deemed to include the elected Members of the Council and their partners; the Chief Officers of the Council and the companies in which the Council has an interest.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by either employer or employee are excluded.

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 Revaluation Reserve cannot be used to meet current expenditure.

Residual Value

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

Retail Price Index Excluding Mortgage Interest Payments ('RPIX')

The RPIX is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a basket of retail goods and services equivalent to the all items Retail Price Index (RPI) excluding mortgage interest payments.

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 1st April 2007) from holding non-current assets.

Revenue Contributions

A method of financing capital expenditure through the Comprehensive Income and Expenditure Statement.

Revenue Expenditure

Expenditure on the day-to-day running costs of services, e.g. employees, premises, supplies and services.

Revenue Support Grant ('RSG')

This is a Government grant paid to the Council to finance the Council's general expenditure. It is based on the Government's assessment of how much an authority needs to spend in order to provide a standard level of service.

Ring Fencing

This refers to the statutory requirement that certain accounts such as the Housing Revenue Account must be maintained separately from the General Fund services.

Specific Government Grants

These are designed to aid particular services and may be revenue or capital in nature. They typically have specified conditions attached to them such that they may only be used to fund expenditure which is incurred in pursuit of defined objectives.

Termination Benefits

These are benefits payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

Trust Funds

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

Useful Life

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

Independent auditor's report to the members of Doncaster Metropolitan Borough Council