



Draft Statement of Accounts 2014/15

Doncaster MBC Statement of Accounts 2014/15

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Explanatory Foreword

Introduction

The information contained within the Statement of Accounts for 2014/15 is presented as simply and clearly as possible. However, the accounts of such a large and diverse authority as Doncaster Metropolitan Borough Council are, by their nature, both technical and complex and so this foreword explains some of the statements and provides a summary of the Council's financial performance as at 31st March 2015 and its financial prospects.

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 2014/15 (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.

The Statement of Accounts feature four main statements reporting on the Council's core activities:

- The Comprehensive Income and Expenditure Statement;
- The Movement in Reserves Statement;
- The Balance Sheet; and
- The Cash Flow Statement

Each is preceded by a short note describing its purpose, and they are followed by disclosure notes that explain the statements.

The main statements are supplemented by three further sections:

- The Housing Revenue Account ('HRA'), which is consolidated into the main statements, reports on the Council's activities as a social landlord;
- The Collection Fund account reports on the collection of local taxes and their distribution; and
- The Group Accounts that show the full extent of the Council's activities by including subsidiary companies, joint ventures and joint operations.

After conclusion of the audit a separate Summary Statement of Accounts will be prepared which will contain the key elements from the full Statement of Accounts. This abridged version of the accounts will make the information easier to understand and more accessible and is available on the Council's website.

The Council's overall financial performance

The Council's financial performance for the year was reported to Cabinet on the 16th June 2015.

The financial outturn for 2014/15 includes the following:

- A General Fund one-off underspend against budget of £3.2m, resulting in an increase in General Fund reserves to £20.7m;
- HRA £2.1m contribution to reserves and improvement on original budget; and
- Capital expenditure of £117.4m;

The table below represents General Fund services only. The figures differ from those shown in the statements on pages 8 to 13 as these statements include both General Fund and the HRA.

	Gross Budget £m	Net Budget £m	Outturn £m	Total Variance £m
Services				
Adults Health and Wellbeing	147.0	81.1	81.3	0.2
Learning & Opportunities - Children & Young People	85.1	46.1	45.8	(0.3)
Finance & Corporate Services	129.7	19.1	17.4	(1.7)
Regeneration & Environment	120.8	41.8	40.7	(1.1)
Total Services Budgets	482.6	188.1	185.2	(2.9)
Controllable Council Wide				
General Financing/Treasury Management	17.0	17.0	15.4	(1.6)
Council-wide savings targets	(2.7)	(2.7)	0.0	2.7
Other Centrally Funded	19.3	7.0	5.6	(1.4)
Total Controllable Council Wide	33.6	21.3	21.0	(0.3)
Other Non-Controllable budgets				
Levying Bodies	21.3	21.3	21.3	0.0
Business Rates Retention	0.0	(152.6)	(152.6)	0.0
Total Non-Controllable budgets	21.3	(131.3)	(131.3)	0.0
Total General Fund Services	537.5	78.1	74.9	(3.2)

The Council has achieved a one-off underspend of £3.2m, and has delivered the significant savings this year of £38m; with any shortfall in delivery being met by one-off savings. The £3.2m one-off underspend will be required to deliver savings in future years and fund slippage on projects. This is a good financial position going into 2015/16 and the focus needs to be on delivering the major savings in 2015/16 of £39m and £31m for 2016/17.

The General Fund uncommitted reserves as at 31st March 2015 are £20.7m. This includes the outturn underspend of £3.2m, release of the balance of the South Yorkshire Trading Standards provision of £0.5m and £0.2m relating to closure costs for Digital Region Limited ('DRL') being less than originally estimated.

On 8th October the Council made a one-off payment to the Pension Fund of £28.013m to cover deficit liabilities for the period from 2014/15 to 2016/17. The primary objective in making this advance payment was the significant financial benefit this derived (£0.6m) and this was considered alongside both financial and statutory control implications. In line with the Council's accounting policies £5.603m has been accounted for in 2014/15 with the remainder (£22.410m) being offset against the pension liability on the balance sheet. Over the next two financial years, the pension reserve and pension liability will be brought into line as the prepayment arrangements are accounted for in 2015/16 and 2016/17 (£11.205m each year).

There has been a significant variation between years in the actuarial gains / losses on the Council's pension assets and liabilities. The changes in the actuary's financial assumptions have resulted in a loss of £182.204m. This has been partially offset by the in-year return on plan assets of £74.074m resulting in a loss charged in this year of £108.130m (£109.433m gain in 2013/14). This is shown in the Comprehensive Income and Expenditure Statement. Further details on the pension scheme are provided in Note 48.

The HRA is a ring fenced account to which expenditure incurred and income received in relation to its social housing stock is charged. St Leger Homes of Doncaster Limited ('SLHD'), a company set up in October 2005, is responsible for managing the housing service as agent for the Council. Routine day-to-day expenditure is charged to the HRA as is income received from tenants. There has been a £2.1m improvement from original HRA budget with the delivery of a £0.2m in-year surplus against a £1.9m deficit budget. The balance on the HRA therefore now stands at £6.1m (£5.9m as at 31st March 2014).

Capital spending

The Council's total in year capital spend was £117.4m. An analysis of capital expenditure is summarised below:-

	Outturn
Capital Programme	£m
Adults Health & Wellbeing	10.3
Children & Young People Service	13.7
Finance & Corporate Services	1.2
Regeneration & Environment	92.2
Total	117.4

Significant projects included the Finningley and Rossington Regeneration Route Scheme (FARRRS) (£29.1m), Housing Decency programme (£21.8m), creating School Places (£6.8m) and the provision of Affordable Housing (£5.7m).

Financial Outlook*General Fund – Revenue*

The Council's financial position continues to be significantly affected by the Government's plans for deficit reduction. This is forecast to last until the end of the decade. Despite these considerable funding reductions the Council is committed to promoting growth and prosperity for its residents. Services will be targeted, deliver value for money and make a difference to those people who need them most, making the most of technology and redesigning services so they are fit for the future. The Council will continue to work in partnership with local communities, voluntary, charity and faith sectors to integrate and deliver services together.

On 3rd March 2015, the Council set a budget which featured plans to deliver savings of £70.5m over the next two years, 2015/16 (£39m) and 2016/17 (£31m). These savings result from the expected decrease in government grant funding for the Council, from 2014/15 to 2016/17, of £58m or 28%. Whilst the financial circumstances are not of the Council's making, it is the Council's responsibility to ensure that there is a robust, transparent and balanced budget in place. The approved budget is based on reduced but sustainable revenues although this is highly dependent on Business Rate income which is currently buoyant but remains volatile.

The budget is driven by our financial strategy which mirrors the priorities in the Council's corporate plan. Whilst the underlying emphasis has been on reducing expenditure to match income there have been areas where we have included growth e.g. to continue to look to protect the most vulnerable. The majority of the savings proposals, to meet the remaining shortfall of £16.1m, will be delivered by the Council becoming more efficient, achieving higher levels of income, reducing future commitments on pensions and benefitting from lower inflation rates.

The Council is currently undertaking a comprehensive Value for Money assessment across the Council. This will provide the Council with the ability to undertake its own Value for Money assessments, deliver options for £2m of savings in 2016/17, and identify potential areas for the Council to review from 2017/18 onwards.

The Capital Programme

The Council continues to invest in the future of the Borough with an estimated £386m of capital investment over 2015/16 to 2018/19 that will stimulate growth and prosperity despite the continuing tough economic conditions. The Council continues to invest in projects that will improve education, housing, infrastructure, leisure and culture, as well as attracting investors and visitors to the Borough. To extend the Council's financial planning horizon, the capital programme has been extended from three to four years. Funding has been identified for all proposals, subject to some funding bids, but to keep the budget affordable the projected level of asset sales needs to be delivered.

Recent developments

The Care Act is a major and significant piece of legislation which is being implemented against a backdrop of concern about funding for both health and social care. It introduces a major set of reforms to the way that care for elderly people and other adults with care needs are provided and paid for. It is part of a bigger push to reform both social care and health in order to improve the way all parts of the system work together. The Better Care Fund is one of a number of initiatives through which the

integration of care and support will be achieved. From 1st April 2015, this will require every local area to develop a pooled budget and implement joint plans to deliver local services.

From 1st October 2015, public health responsibilities and £3.45m funding for children 0-5 will transfer to the Council. Unlike the previous public health transfer it is only the commissioning that will transfer and not the workforce as health visitors and family nurses will continue to be employed by their provider organisations. The transfer marks the final part of the overall public health transfer and will improve continuity for children and their families.

The government is conducting a wide-ranging review of business rates in response to concerns that business rates are in need of reform to make them fit for purpose for a 21st century economy and in recognition that the system could be more transparent and easier to deal with. This is particularly important to local government as it seeks to ensure that business rates continue to raise sustainable revenues to fund public services. The review will report its findings by Budget 2016.

Environmental and Sustainability Statement

The Council published its Corporate Energy and Sustainability Statement in October 2010. A carbon reduction target of 3% year on year has been set, using a baseline year of 2008, in line with the European Union (EU) target of 80% reduction by 2050. The Council has made significant improvements in the way it operates its buildings, vehicles and plant equipment. The Council's Environment Strategy will help make plans and policies that protect and enhance the environment and improve the quality of life for present and future generations. Although this is a Council strategy, it is produced in light of the need to work in partnership with a wide number of public, private and community organisations. This partnership approach to delivering shared priorities will help us to achieve even greater value for money and make better use of the assets and resources at our disposal.

Simon Wiles

**Director of Finance and Corporate Services
(Section 151 officer)**

23rd June 2015

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 Director of Finance and Corporate Services;
- 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 Director of Finance and Corporate Services Responsibilities

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

In preparing this Statement of Accounts, the Director of Finance and Corporate Services 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.

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 2015.

**Simon Wiles
Director of Finance and Corporate Services**

23rd June 2015

The Core Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2013/14				2014/15		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
7,959	(5,151)	2,808	Central services to the public	9,601	(5,597)	4,004
19,765	(3,147)	16,618	Cultural and related services	19,352	(3,210)	16,142
31,768	(2,464)	29,304	Environmental and Regulatory	31,419	(4,510)	26,909
11,594	(5,207)	6,387	Planning services	10,092	(5,191)	4,901
236,249	(171,519)	64,730	Children's and education services	222,725	(162,746)	59,979
39,639	(3,670)	35,969	Highways and transport services	36,180	(2,548)	33,632
51,383	(72,107)	(20,724)	Local authority housing (HRA)	50,246	(74,647)	(24,401)
107,773	(99,666)	8,107	Other housing services	102,366	(96,704)	5,662
112,141	(33,911)	78,230	Adult social care	116,988	(40,065)	76,923
17,105	(18,780)	(1,675)	Public Health	16,593	(17,046)	(453)
			<i>Exceptional items</i>			
5,267	0	5,267	- Redundancies	1,011	0	1,011
11,880	(6,392)	5,488	Corporate and democratic core	13,562	(9,278)	4,284
			<i>Non distributed costs</i>			
(4,458)	0	(4,458)	- SLHD pre-transfer net pension liability	4,988	0	4,988
(2,063)	(213)	(2,276)	- past service	3,221	(6,191)	(2,970)
1,302	(114)	1,188	- surplus properties	1,576	(3)	1,573
647,304	(422,341)	224,963	Net Cost of Services	639,920	(427,736)	212,184
		53,428	Other operating expenditure (Note 9)			61,250
		29,871	Financing and investment income and expenditure (Note 10)			26,857
		(302,219)	Taxation and non-specific grant income (Note 11)			(291,435)
		6,043	(Surplus) / Deficit on Provision of Services			8,856
		(11,741)	(Surplus) / Deficit on revaluation of non-current assets (Note 25a)			(32,903)
		(109,423)	Actuarial (gains) / losses on pension assets / liabilities (Note 25d)			108,130
		(121,164)	Other Comprehensive Income and Expenditure			75,227
		(115,121)	Total Comprehensive Income and Expenditure			84,083

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and 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.

	General Fund Balance £'000	Earmarked General Fund Reserves (Note 8) £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves (Note 25) £'000	Total Council Reserves £'000
Balance at 31st March 2013 brought forward	(11,868)	(37,599)	(9,262)	(9,574)	(15,303)	(16,755)	(100,361)	(380,579)	(480,940)
Movement in reserves during 2013/14									
(Surplus) or deficit on the provision of services	3,454	0	2,589	0	0	0	6,043	0	6,043
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	(121,164)	(121,164)
Total Comprehensive Income and Expenditure	3,454	0	2,589	0	0	0	6,043	(121,164)	(115,121)
Adjustments between accounting basis and funding basis under regulations (Note 7)	(18,766)	0	744	1,826	(5,884)	41	(22,039)	22,039	0
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	(15,312)	0	3,333	1,826	(5,884)	41	(15,996)	(99,125)	(115,121)
Transfers to/from Earmarked Reserves (Note 8)	9,717	(10,204)	0	0	0	487	0	0	0
Other movement in Reserves	0	0	0	6	0	0	6	2	8
(Increase) / Decrease in 2013/14	(5,595)	(10,204)	3,333	1,832	(5,884)	528	(15,990)	(99,123)	(115,113)
Balance at 31st March 2014 carried forward	(17,463)	(47,803)	(5,929)	(7,742)	(21,187)	(16,227)	(116,351)	(479,702)	(596,053)

	General Fund Balance £'000	Earmarked General Fund Reserves (Note 8) £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves (Note 25) £'000	Total Council Reserves £'000
Balance at 31st March 2014 brought forward	(17,463)	(47,803)	(5,929)	(7,742)	(21,187)	(16,227)	(116,351)	(479,702)	(596,053)
Movement in reserves during 2014/15									
(Surplus) or deficit on the provision of services	2,858	0	5,998	0	0	0	8,856	0	8,856
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	75,227	75,227
Total Comprehensive Income and Expenditure	2,858	0	5,998	0	0	0	8,856	75,227	84,083
Adjustments between accounting basis and funding basis under regulations (Note 7)	(17,151)	0	(6,196)	(2,281)	10,059	3,635	(11,934)	11,934	0
Net (Increase)/ Decrease before Transfers to Earmarked Reserves	(14,293)	0	(198)	(2,281)	10,059	3,635	(3,078)	87,161	84,083
Transfers to/from Earmarked Reserves (Note 8)	11,069	(11,174)	0	0	0	105	0	0	0
(Increase) / Decrease in 2014/15	(3,224)	(11,174)	(198)	(2,281)	10,059	3,740	(3,078)	87,161	84,083
Balance at 31st March 2015 carried forward	(20,687)	(58,977)	(6,127)	(10,023)	(11,128)	(12,487)	(119,429)	(392,541)	(511,970)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the council.

The net assets of the council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves 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'

31 st March 2014		Notes	31 st March 2015	
£'000	£'000		£'000	£'000
1,271,232		Property, Plant & Equipment	12	1,309,715
10,890		Heritage Assets	13	10,582
17,312		Investment Property	14	17,306
3,271		Intangible Assets	15	3,252
3,851		Long Term Investments	16	2,796
5,835		Long Term Debtors	16	7,873
	1,312,391	Long Term Assets		1,351,524
0		Current Intangible Assets	15	624
5,196		Short Term Investments	16	40,073
237		Assets Held for Sale	21	0
855		Inventories	17	750
76,486		Short Term Debtors	19	88,823
66,960		Cash & Cash Equivalents	20	24,320
	149,734	Current Assets		154,590
(6,760)		Cash & Cash Equivalents	20	(20,546)
(98,215)		Short Term Borrowing	16	(87,587)
(69,081)		Short Term Creditors	22	(57,976)
(9,430)		Provisions	23	(7,445)
0		Donated Assets Account	39	(6,500)
(8,971)		Revenue Grants Receipts in Advance	39	(8,186)
(4,884)		Capital Grants Receipts in Advance	39	(4,591)
	(197,341)	Current Liabilities		(192,831)
(14,792)		Provisions	23	(13,387)
(301,363)		Long Term Borrowing	16	(352,502)
(49,468)		Deferred Liabilities	16, 50	(46,198)
0		Revenue Grants Receipts in Advance	39	(56)
(6,847)		Capital Grants Receipts in Advance	39	(1,030)
(296,261)		Liability related to defined benefit pension scheme	48	(388,140)
	(668,731)	Long Term Liabilities		(801,313)
	596,053	Net Assets		511,970
116,351		Usable Reserves	24	119,429
479,702		Unusable Reserves	25	392,541
	596,053	Total Reserves		511,970

This balance sheet was completed and authorised for issue on 23rd June 2015, the date to which events after the balance sheet date have been considered.

These accounts present fairly the financial position of Doncaster Metropolitan Borough Council as at 31st March 2015.

Simon Wiles
Director of Finance and Corporate Services
(Section 151 officer)

23rd June 2015

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the council during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

31st March 2014		31st March 2015
£'000		£'000
(6,043)	Net surplus or (deficit) on the provision of services	(8,856)
82,677	Adjustments to net surplus or deficit on the provision of services for non-cash movements	56,778
(44,503)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(50,080)
32,131	Net cash flows from Operating Activities (see Note 26)	(2,158)
(5,014)	Investing Activities (see Note 27)	(92,991)
5,400	Financing Activities (see Note 28)	38,723
32,517	Net increase or decrease in cash and cash equivalents	(56,426)
27,683	Cash and cash equivalents at the beginning of the reporting period	60,200
60,200	Cash and cash equivalents at the end of the reporting period (see Note 20)	3,774

Notes to the Core Financial Statements

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1 Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2014/15 financial year and its position at the year-end of 31st March 2015. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2011 which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and the Service Reporting Code of Practice 2014/15 (SeRCOP) 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, updated for 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 the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- 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.

Acquired and Discontinued Operations

Operations that have been acquired or discontinued are shown in the relevant year alongside the nature of the acquired or discontinued operation and details of any outstanding liabilities in respect of discontinued operations.

Carbon Reduction Commitment Allowances

The Council is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme ('CRCEES'). This scheme is currently in the initial year of its second phase which ends on 31st March 2019. The Council is required to purchase allowances, either prospectively or retrospectively, and surrender them on the basis of emissions, i.e. carbon dioxide (CO₂) produced as energy is used. As CO₂ is emitted (i.e. as energy is used) a liability and an expense is recognised. The liability will be discharged by surrendering allowances.

The liability is measured at the best estimate of the expenditure required to meet the obligation. The Council has the option of buying allowances in advance in the cheaper 'forecast sale' at the start of the year (£15.60/tonne of CO₂), or in a more expensive 'compliance sale' after the end of the year (£16.40/tonne of CO₂). The cost to the Council is recognised and reported in the costs of the Council's services and is apportioned to services on the basis of energy consumption.

Where the Council has purchased carbon allowances prospectively, giving rise to an asset for allowances held, such assets will be classified as either current intangible assets, or, in the event that allowances are held for the purpose of trading, as a current item of inventory.

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. In accordance with the item 8 determination revaluation and impairment losses relating to non-dwelling HRA assets will no longer be reversed;
- 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.

Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government. The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and NNDR. The administrative costs associated with the collection process are charged to the General Fund. Collection Fund surpluses declared by the billing authority are apportioned to the relevant precepting bodies in subsequent financial years. Deficits likewise are proportionately charged to the relevant precepting bodies in the following years.

Council Tax income included in the Comprehensive Income and Expenditure Statement is the accrued income for the year due to the Council. This includes the Council's share of surpluses and deficits on the fund. Regulations specify that sums to be released from the Collection Fund to the General Fund should be the Council's precept plus any share of the previous year's surplus or deficit. Any difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included in the Movement in Reserves Statement.

NNDR income will be included in the Comprehensive Income & Expenditure Statement for the year and treated as accrued income in the line Taxation & Non-Specific Grant Income. As a billing

authority the difference between the NNDR included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund shall be taken to the Collection Fund Adjustment Account and reported in the Movement in Reserve Statement.

Debtor and creditor balances relating to individual taxpayers are apportioned between all preceptors and only the Council's share of these are recognised on the Balance Sheet. Any difference between cash collected on behalf of other preceptors and cash paid over to them is included as a creditor (where more cash has been collected than paid over) or a debtor. The Cash Flow Statement includes as operating activities only the Council's share of Council Tax and NNDR collected from taxpayers in the year, and the net cost of pursuing Council Tax and NNDR arrears. As cash is collected as agent on behalf of other preceptors, monies (precepts) paid over to them are not revenue activities of the Council and are excluded from operating activities. Cash held as agent, being the difference between other preceptors' cash collected and paid over, is included in other receipts/payments within financing activities.

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 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 benefits are charged to revenue in the financial year in which the holiday absence occurs.

- Termination Benefits:

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council has committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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 Local Government Pensions Scheme, administered by South Yorkshire Pension Authority
- The NHS Pension Scheme, administered by NHS Business Services Authority on behalf of NHS organisations.

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

However, 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 Children's and Education Services 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 of 3.3%. Details of the rates used and assumptions made are included in note 48 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 pensions 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 as part of Non Distributed Costs
- **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:

1. Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events;
2. 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

Financial Instruments

- Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure 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.

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the remaining term 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 into two types:

1. Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market, and
2. Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

- Loans and Receivables:

Loans and receivables 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 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 loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Soft loans are loans issued at less than market rates. When these are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument. This results in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement 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.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

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

- Available-for-Sale Assets:

Available-for-sale assets 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.

Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- 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 – based on the share of the company's net worth

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement, along with any net gain/loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

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

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:

1. The Council will comply with the conditions attached to the payments; and
2. 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 Civic Regalia, Exhibits, Statues and Monuments, historic land and buildings, military and scientific equipment, recordings of historically significant events 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. 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).

Intangible assets are measured initially at cost. Amounts are only re-valued 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).

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. 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

Interest in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures which require it to prepare Group Accounts. In the Council's own single entity accounts, the interests in companies and other entities are recorded as financial assets at cost less any provision for losses.

Jointly Controlled Operations and Jointly Controlled Assets

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

Jointly controlled assets are items of property, plant and equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of interests in the joint venture and income that it earns from the venture.

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. Indirect 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 leases Property, Plant or Equipment. Charges are made on a straight line basis over the life of the lease even if this does not match the pattern of cash payments e.g. there is a rent free period at the commencement of the lease.

- The Council as Lessor:
 - Finance Leases

Where the Council grants a finance lease over a property, 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 within the Comprehensive Income and Expenditure statement as part of the profit or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal, matched by a long term lease debtor in the Balance Sheet for the capital value outstanding).

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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

- Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the 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.

Material Items of Income and Expense

When items of income or expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in Note 5 to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. 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:

1. The purchase price;
2. 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 Council does not capitalise borrowing costs incurred whilst assets are under construction.

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:

1. Infrastructure, community assets and assets under construction – depreciated historical cost;
2. Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
3. All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are re-valued with sufficient regularity to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every 5 years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

1. 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);
2. 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:

1. 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);
2. 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	Dependent upon the asset 30, 40 or 50 years
Vehicles, Plant & Equipment	3 - 20 years, dependent upon the asset
Infrastructure	40 years
Intangible e.g. surveys	Dependent upon the asset concerned
Council dwellings	Having considered the policy for depreciation of council dwellings the Council has decided to continue with its policy of using the Major Repairs Allowance (MRA) as a proxy depreciation charge

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.

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 in excess of £10,000 are categorised as capital receipts.

A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and then can only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of 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 and 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 £0.5million for determining whether an asset needs to be componentised. This has been set at a level below which the componentisation of an asset would have an insignificant impact upon the level of depreciation charged in the Comprehensive Income and Expenditure Statement.

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2014/15 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Council's status as a multi-functional, democratic organisation.
- Non Distributed Costs - the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

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. 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 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.

Provision for Back Pay Arising from Unequal Pay Claims

The Council has made a provision for the costs of settling claims for back pay arising from discriminatory payments incurred before the Council implemented its equal pay strategy. However, statutory arrangements allow settlements to be financed from the General Fund in the year that payments actually take place, not when the provision is established. The provision is therefore balanced by an Equal Pay Back Pay Account created from amounts credited to the General Fund Balance in the year the provision was made or modified. The balance on the Equal Pay Back Pay Account will be debited back to the General Fund Balance in the Movement in Reserves Statement in future financial years as payments are made.

Reserves

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

Specific reserves are available to fund capital or revenue expenditure following approval by Cabinet.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, 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 that 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.

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.

2. 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 including the group statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1st January of the financial year in question (i.e. on or before 1st January 2016 for 2015/16). For this disclosure the standards introduced by the 2015/16 Code include:

- IFRS 13 *Fair Value Measurement*
- *Annual Improvements to IFRSs 2010 – 2012 Cycle*
- *Annual Improvements to IFRSs 2011 – 2013 Cycle*
- *Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)*
- IFRIC 21 *Levies*
- Changes to the Code in relation to Heritage Assets

It is anticipated that, IFRS 13 which is applied prospectively, *Annual Improvements to IFRS 2011 - 2013*, *Amendments to IAS 19* and IFRIC 21 will not have a material impact on the Council's financial statements.

The adoption of IFRS 13 in the Code is not a change of accounting policy that will require the publication of a third balance sheet. CIPFA/LASAAC considers it unlikely that *Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)* and IFRIC 21 *Levies* will require the publication of a third balance sheet.

The changes in the 2015/16 Code for the measurement of heritage assets may, for some authorities, require a change in accounting policies which will require retrospective restatement and the publication of a third balance sheet in accordance with the Code. It is expected that this will not have a material impact on the Council's financial statements.

The adoption of the following new or amended standards:

- *Annual Improvements to IFRSs 2010 – 2012 Cycle*
- *Annual Improvements to IFRSs 2011 – 2013 Cycle*

in the Code represents a change of accounting policy that may require the publication of a restated Balance Sheet as at the beginning of the preceding period (i.e. a third balance sheet) in the 2015/16 financial statements or in the group financial statements where the changes brought about by the amendments to these standards are material. In addition to the presentation of the third Balance Sheet, the Council is required to:

- a) include narrative description that the change in accounting policy is as a result of the Code's adoption of the amendments to the standards in question
- b) set out the nature of the change in the accounting policy
- c) for the current period and the previous period the amount of the adjustment to each line in the financial statements affected, to the extent practicable, and
- d) the amount of the adjustments relating to the prior period before the periods presented, to the extent practicable.

3 Critical Judgments in Applying Accounting Policies

In applying the accounting policies set out in Note 1, 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. However, 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.

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, decides which admission criteria to use. The land and buildings of these schools are accounted for on the Council's balance sheet.
- **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 although the land is.
- **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.

Group Accounts

The Council has considered its relationships with other entities and has concluded that the inclusion of such interests in a set of group financial statements should only be made where there is a material effect on the Council's financial position and its obligations and therefore material for an understanding of its financial affairs.

4 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 2015 for which there is a significant risk of material adjustments in the forthcoming financial year are as follows

Item	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 arrived at by using beacon properties to assess the vacant possession value for properties, adjusted to reflect their occupation by a secure tenant. The adjustment is considered to reflect the additional risk and liability the public sector landlords undertake when compared with private sector investors. An adjustment factor is applied to the total vacant possession valuation based on the beacon valuation. This 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 2015 is determined using the regional adjustment factor of 31%. A 1% decrease in this adjustment factor would have resulted in a revaluation loss of £15.739m in 2014/15.
Defined Benefit Pension Schemes Liabilities (Note 48)	Estimation of the net liability to pay pensions depends on a number of complex judgments 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. Mercers, 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 £388.140m (£296.261m as at 31 st March 2014). A 0.1% increase in the discount rate assumption would result in a decrease in the pensions' liability of £25.114m. A 0.1% increase in the inflation rate assumption would result in an increase in the pensions' liability of £25.599m. Similarly a one year addition to members' life expectancy as at 31 st March 2015 would result in an increase in the pensions' liability of £25.688m.

5 Material Items of Income and Expense

All material items of Income and Expense are shown on the face of the Comprehensive Income and Expenditure Statement and the Housing Revenue Account.

6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance and Corporate Services on 23rd June 2015. 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 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The Council has not identified any post balance sheet events at 23rd June 2015

7 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.

2014/15	Usable Reserves					Movements in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation of non-current assets	(22,443)	(20,654)	0	0	0	43,097
Charges for impairment of non-current assets	(1,216)	(1,022)	0	0	0	2,238
Revaluation gains / losses on Property, Plant and Equipment	976	6,977	0	0	0	(7,953)
Movements in the fair value of Investment Properties	(6)	0	0	0	0	6
Amortisation of intangible assets	(1,056)	0	0	0	0	1,056
Capital grants and contributions applied	36,864	1,239	0	0	0	(38,103)
Revenue expenditure funded from capital under statute	(5,173)	0	0	0	0	5,173
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(41,878)	(24,046)	0	0	0	65,924
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	8,882	0	0	0	0	(8,882)
Former SYCC debt	1,344	0	0	0	0	(1,344)
PFI Finance lease - principal repayment	1,670	0	0	0	0	(1,670)
Capital expenditure charged against the General Fund and HRA balances	4,441	6,059	0	0	0	(10,500)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	4,213	100	0	0	(4,313)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	7,948	(7,948)

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,063	4,656	(8,719)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	4,011	0	0	(4,011)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	(161)	161	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(1,931)	0	1,931	0	0	0
Transfer from deferred capital receipts reserves upon receipt of cash	0	0	(6)	0	0	6
Use of the Capital Receipts Reserve to finance provision	(341)	0	341	0	0	0
Adjustment primarily involving the Major Repairs Reserve:						
Transfer depreciation to MRR	0	20,654	0	(20,654)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	30,713	0	(30,713)
Adjustment primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(514)	2	0	0	0	512
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (See Note 48)	(34,787)	0	0	0	0	34,787
Employer's pensions contributions and direct payments to pensioners payable in the year	28,628	0	0	0	0	(28,628)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year	(413)	0	0	0	0	413

in accordance with statutory requirements						
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustment primarily involving the Accumulated Absences Account:						
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	1,250	0	0	0	0	(1,250)
Adjustment primarily involving the Unequal Pay Back Pay Account:						
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	276	0	0	0	0	(276)
Total Adjustments	(17,151)	(6,196)	(2,281)	10,059	3,635	11,934

2013/14	Usable Reserves					Movements in Unusable Reserves £'000
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation of non-current assets	(20,550)	(20,029)	0	0	0	40,579
Charges for impairment of non-current assets	(562)	(899)	0	0	0	1,461
Revaluation gains / losses on Property, Plant and Equipment	(1,956)	4,180	0	0	0	(2,224)
Movements in the fair value of Investment Properties	(222)	0	0	0	0	222
Amortisation of intangible assets	(743)	0	0	0	0	743
Capital grants and contributions applied	27,349	281	0	0	0	(27,630)
Revenue expenditure funded from capital under statute	(6,597)	0	0	0	0	6,597
Revenue grants to fund revenue expenditure funded from capital under statute	3,750	0	0	0	0	(3,750)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(32,043)	(21,387)	0	0	0	53,430
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	8,987	0	0	0	0	(8,987)
Former SYCC debt	1,222	0	0	0	0	(1,222)
PFI Finance lease - principal repayment	1,507	0	0	0	0	(1,507)
Finance leases - principal repayments	52	0	0	0	0	(52)
Capital expenditure charged against the General Fund and HRA balances	2,178	8,800	0	0	0	(10,978)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	6,441	0	0	0	(6,441)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	6,482	(6,482)

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,109	2,046	(3,155)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	3,225	0	0	(3,225)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	(69)	69	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(1,138)	0	1,138	0	0	0
Transfer from deferred capital receipts reserves upon receipt of cash	0	0	(7)	0	0	7
Unattached capital receipts	45	6	(51)	0	0	0
Use of the Capital Receipts Reserve to finance provision	(607)	0	607	0	0	0
Adjustment primarily involving the Major Repairs Reserve:						
Transfer decent homes backlog funding to MRR	0	7,784	0	(7,784)	0	0
Transfer depreciation to MRR	0	20,029	0	(20,029)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	21,929	0	(21,929)
Adjustment primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	10	2	0	0	0	(12)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (See Note 48)	(35,875)	0	0	0	0	35,875
Employer's pensions contributions and direct payments to pensioners payable in the year	26,050	0	0	0	0	(26,050)

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movements in Unusable Reserves £'000
Adjustments primarily involving the Collection Fund Adjustment Account:						
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	1,944	0	0	0	0	(1,944)
Adjustment primarily involving the Accumulated Absences Account:						
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	1,197	0	0	0	0	(1,197)
Adjustment primarily involving the Unequal Pay Back Pay Account:						
Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	(314)					314
Total Adjustments	(18,766)	744	1,826	(5,884)	41	22,039

8 Transfers To / From Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2014/15.

	Balance at 31 st March 2013	Transfers Out 2013/14	Transfers In 2013/14	Balance at 31 st March 2014	Transfers Out 2014/15	Transfers In 2014/15	Balance at 31 st March 2015
General Fund:	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balances held by schools under a scheme of delegation	8,650	(706)	4,340	12,284	(1,096)	3,145	14,333
Borough Investment Fund	8,453	(288)	1,247	9,412	(294)	992	10,110
Service Transformation	0	0	7,000	7,000	(559)	0	6,441
Severance costs	2,720	(4,133)	3,049	1,636	(716)	4,366	5,286
Public Health	0	(500)	2,057	1,557	0	679	2,236
Supporting & Maintaining Independence Programme	0	0	0	0	0	1,792	1,792
Adult Social Care System implementation	2,209	(392)	0	1,817	(297)	0	1,520
Revenue contribution to the capital programme	0	0	0	0	0	1,501	1,501
Business Rates – Contingency against Risks and Volatility	0	0	415	415	0	1,044	1,459
Stronger Families Programme	0	0	820	820	0	517	1,337
Care Act 2014 compliance	0	0	0	0	0	1,100	1,100
Section 106 agreements	1,933	(1,249)	575	1,259	(471)	204	992
Section 278 agreements	1,270	(296)	0	974	(54)	13	933
Investment & Modernisation Fund – Revenue	0	0	500	500	0	410	910
Digital Council Programme Resources	0	0	0	0	0	902	902
LO-CYP Improvement Plan	0	(2,165)	3,644	1,479	(1,005)	130	604
Civic office Major Systems replacement	0	0	294	294	0	302	596
Business Rates Incentive Scheme	0	0	0	0	0	500	500
Community Incentive Scheme	0	0	0	0	0	500	500
Other	12,364	(20,119)	16,111	8,356	(5,373)	2,942	5,925
Total	37,599	(29,848)	40,052	47,803	(9,865)	21,039	58,977
Movement in year (see Movement in Reserves Statement) (MIRS)				10,204			11,174

Balances Held By Schools Under A Scheme of Delegation

This reserve represents balances held by schools under delegated schemes. 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.

Borough Investment Fund

This reserve was established in 2002 to provide funding for the delivery of the Transformational Projects Investment Programme (T.P.I.P.) and now also provides for schemes largely in the Regeneration and Environment capital programme. The reserve is built up over a number of years to allow for early repayment of debt at the end of a defined loan period.

Service Transformation

To provide one-off funding to deliver service transformation in a timely and well managed way e.g. project and set-up costs. It will also provide one-off funding for slippage on the major projects.

Severance costs

The Council capitalised redundancy costs and pension strain costs occurring in 2011/12 from the post reductions. This earmarked reserve was created to fund those costs that could not be capitalised. The earmarked reserve has been used to fund the redundancy costs and the full three year costs of retirement for 2012/13, 2013/14 and 2014/15 post reductions. The remaining balance will be used to fund retirement and redundancy costs in 2015/16 and future years.

Public Health

The responsibility for the Public Health service transferred to the Council on the 1st April 2013, with the service funded from a Department of Health ring-fenced grant. This reserve has been created as a prudent measure to meet any unforeseen costs associated with the service. The level of the reserve will be reviewed and monitored with surpluses used for service delivery. The service has significant savings targets over the next three years and some of this reserve will be used to manage the implementation of the service changes required.

Supporting & Maintaining Independence Programme

This reserve will be used to support the Adult Social Care and Health related transformation programme to change the way the services are provided and designed to reduce hospital and residential home admissions.

Adult Social Care System implementation

This is being used to fund the implementation of the new case management integrated finance system for Adult Social Care.

Revenue Contribution to the Capital Programme

This reserve was created to meet the revenue costs associated with major capital projects - for example the work required to produce bids to the Sheffield City Region Infrastructure Fund. Projects that will benefit from the reserve include FARRRS and the Rail College.

Business Rates - Contingency against Risks and Volatility

This reserve was created to provide a contingency against the considerable increase in uncertainty to the Council's core funding arising from the introduction of Business Rates Retention from 1st April 2013 in particular appeals.

Stronger Families Programme

The reserve was created to allow the Council and its partners to develop a Stronger Families programme, providing an integrated approach to supporting families with additional needs.

Care Act 2014 compliance

This reserve has been established to enable the Council to deliver the statutory functions of the Care Act 2014 from April 2015 and to provide a social prescribing service.

Section 106 agreements

Section 106 of the Town and Country Planning Act 1990 allows developers to make payments to the Council in lieu of their planning obligations. This balance represents money paid by developers that is to be used to fund revenue expenditure in the future.

Section 278 agreements

Section 278 of The Highways Act 1980 allows the Council to receive payment from developers prior to the work being carried out to improve highways. The remaining balance includes £694k to be spent on the Frenchgate Interchange over its lifetime.

Investment & Modernisation Fund – Revenue

This revenue reserve was established to support the capital elements of the Investment & Modernisation Fund.

Digital Council Programme Resources

This reserve is to be used to fund temporary posts that will facilitate the delivery of the Digital Council Programme. A programme of work to increase customer satisfaction through web site self-service (reporting, appointment booking, and making payments); mobile working solutions with automated job scheduling; and a single customer record.

LO-CYP Improvement Plan

A fund of £2.704m was established within earmarked reserves to support the CYP Improvement Plan actions to be delivered in 2013/14 to 2015/16 as set out on the Cabinet report 27th March 2013. The balance at 31st March 2015 of £0.6m is to be used to deliver the remaining Improvement actions including those now managed under Doncaster Children's Trust.

Civic Office Repairs and Maintenance Fund

The reserve is to be used for repairs and maintenance for the Civic Office. A planned programme has been drawn up and includes, for example, £1.1m in 2022/23 for electrical installations. The reserve is added to each year from an annual revenue budget.

New Business Rates Discount Scheme

Pilot 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.

Community Incentive Scheme

To provide one-off funding for community incentives linked to the voluntary, community and faith strategy.

Others

A number of other minor reserves are earmarked for specific purposes.

9 Other Operating Expenditure

2013/14		2014/15
£'000		£'000
1,991	Parish Council Precepts	2,114
1,138	Payments to the Government Housing Capital Receipts Pool	1,931
50,299	(Gains) / Losses on the disposal of non-current assets	57,205
53,428	TOTAL	61,250

10 Financing and Investment Income and Expenditure

2013/14		2014/15
£'000		£'000
17,850	Interest payable and similar charges	18,596
15,599	Pensions interest cost and expected return on pensions Assets	11,886
(601)	Interest receivable and similar income	(709)
159	Income and expenditure in relation to investment properties and changes in their fair value (Note 14)	(58)
(6)	Other investment income	0
(3,130)	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services (Note 31)	(2,858)
29,871	TOTAL	26,857

11 Taxation and Non Specific Grant Income

2013/14		2014/15
£'000		£'000
(79,849)	Council tax income	(85,215)
(40,504)	Non domestic rates redistribution	(42,499)
(3,874)	Transfer of Collection Fund (Surplus) / Deficit	(2,332)
(136,137)	Non-ring fenced government grants (Note 39)	(118,972)
(41,855)	Capital grants and contributions (Note 39)	(42,417)
(302,219)	TOTAL	(291,435)

12 Property, Plant and Equipment

Movements in 2014/15

2014/15									
	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 2014	500,243	576,221	36,651	214,933	3,264	79,722	23,698	1,434,732	24,360
Additions	46,095	18,669	3,127	7,011	508	693	25,428	101,531	48
Donation	0	0	0	0	0	0	6,500	6,500	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(16,561)	18,951	0	0	(33)	(858)	0	1,499	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,221	1,298	0	0	(252)	(119)	0	4,148	0
De-recognition – disposals	(3,250)	(35,720)	(669)	0	0	(3,056)	0	(42,695)	(24,360)
De-recognition – other	(20,062)	(3,515)	(1,909)	(1,929)	(187)	0	(58)	(27,660)	(48)
Assets reclassified (to)/from Held for Sale	0	(1,408)	0	0	0	(1,801)	0	(3,209)	0
Reclassification within PPE	49	(376)	0	2,660	57	(3,220)	830	0	0
At 31st March 2015	509,735	574,120	37,200	222,675	3,357	71,361	56,398	1,474,846	0
Accumulated Depreciation & Impairment									
at 1st April 2014	(20,367)	(59,172)	(17,574)	(56,525)	(251)	(9,554)	(58)	(163,501)	(3,180)
Depreciation charge	(20,100)	(14,806)	(3,310)	(4,555)	(41)	(45)	0	(42,857)	(612)
Depreciation & Impairment written out to the Revaluation Reserve	16,610	14,651	0	0	102	43	0	31,406	0
Depreciation & Impairment written out to the Surplus/Deficit on the Provision of Services	3,756	0	0	0	2	0	0	3,758	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	(1,022)	(120)	0	(75)	0	(660)	0	(1,877)	0
De-recognition – disposals	0	4,802	639	0	0	0	0	5,441	3,792
De-recognition – other	0	330	1,752	0	0	0	58	2,140	0
Reclassification within Held for sale	0	326	0	0	0	33	0	359	0
Reclassification within PPE	0	(270)	0	0	0	270	0	0	0
At 31st March 2015	(21,123)	(54,259)	(18,493)	(61,155)	(188)	(9,913)	0	(165,131)	0
Net Book Value									
at 31st March 2015	488,612	519,861	18,707	161,520	3,169	61,448	56,398	1,309,715	0
at 31st March 2014	479,876	517,049	19,077	158,408	3,013	70,168	23,640	1,271,231	21,180

Comparative Movements in 2013/14

2013/14									
	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 2013	503,848	572,029	52,519	178,203	3,553	80,030	57,772	1,447,954	24,333
Opening balances reclassification	(98)	0	0	0	0	97	0	(1)	0
At 1st April 2013 adjusted	503,750	572,029	52,519	178,203	3,553	80,127	57,772	1,447,953	24,333
Additions	33,906	8,469	3,338	5,787	680	443	19,793	72,416	133
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(16,630)	6,563	0	0	182	135	1,602	(8,148)	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	(45)	(2,210)	0	0	(219)	(126)	0	(2,600)	0
De-recognition – disposals	(1,414)	(25,448)	(80)	0	0	(960)	0	(27,902)	0
De-recognition – other	(19,356)	(4,277)	(20,168)	(2,415)	(458)	0	(33)	(46,707)	(106)
Assets reclassified (to)/from Held for Sale	0	(280)	0	0	0	0	0	(280)	0
Reclassification within PPE	32	21,375	1,042	33,358	(474)	103	(55,436)	0	0
At 31st March 2014	500,243	576,221	36,651	214,933	3,264	79,722	23,698	1,434,732	24,360
Accumulated Depreciation & Impairment									
at 1st April 2013	(20,747)	(51,247)	(33,806)	(52,068)	(250)	(9,297)	(58)	(167,473)	(2,518)
Depreciation charge	(19,465)	(12,898)	(3,318)	(4,456)	(69)	(134)	0	(40,340)	(676)
Depreciation & Impairment written out to the Revaluation Reserve	16,522	3,455	0	0	14	153	0	20,144	0
Depreciation & Impairment written out to the Surplus/Deficit on the Provision of Services	4,225	0	0	0	0	0	0	4,225	0
Impairment losses / (reversals) recognised in the Revaluation Reserve	0	(249)	0	0	0	0	0	(249)	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	(899)	(135)	0	(77)	0	(350)	0	(1,461)	0
De-recognition – disposals	0	1,842	35	0	0	74	0	1,951	
De-recognition – other	0	14	19,569	76	0	0	0	19,659	14
Reclassification within Held for sale	0	43	0	0	0	0	0	43	0
Reclassification within PPE	(3)	3	(54)	0	54	0	0	0	0
At 31st March 2014	(20,367)	(59,172)	(17,574)	(56,525)	(251)	(9,554)	(58)	(163,501)	(3,180)
Net Book Value (NBV)									
at 31st March 2014	479,876	517,049	19,077	158,408	3,013	70,168	23,640	1,271,231	21,180
at 31st March 2013	483,101	520,782	18,713	126,135	3,303	70,733	57,714	1,280,481	21,815

Depreciation

Depreciation is provided for on all Property, Plant & Equipment with a finite useful life according to the accounting policy detailed in Note 1

Capital Commitments

At 31st March 2015, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2015/16 and future years budgeted to cost £29.299m. Similar commitments at 31st March 2014 were £35.318m. The major commitments are:

	£'000
Waste PFI – Capital Contribution	7,710
Thermal Improvement Programme Wates	7,701
Finningley & Rossington Regeneration Route Scheme	5,796
Waste Transfer Station	5,036
Thermal Improvement Programme Keepmoat	1,943
Carr Lodge Academy	1,113
Total	29,299

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 in Note 1.

	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	16,250	159,700	745	0	56,398	233,093
Valued at Fair Value as at:								
31st March 2015	488,612	126,257	2,457	1,820	717	4,595	0	624,458
31st March 2014	0	56,314	0	0	481	1,437	0	58,232
31st March 2013	0	132,665	0	0	127	4,422	0	137,214
31st March 2012	0	53,084	0	0	1,011	18,017	0	72,112
31st March 2011	0	151,541	0	0	88	32,977	0	184,606
Total Cost or Valuation	488,612	519,861	18,707	161,520	3,169	61,448	56,398	1,309,715

13 Heritage Assets

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

2014/15	Civic Regalia	Exhibits, Statues & Monuments	Historic Land & Buildings	Military & Scientific Equipment	Recording of Historically Significant Events	Works of Art	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1st April 2014	136	2,514	5,366	12	43	3,084	11,155
Additions	0	0	383	0	0	0	383
Disposals	0	(63)	0	0	0	0	(63)
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	(3)	0	1	0	(2)
Revaluation increases / (decreases) recognised in surplus or deficit on the provision of services	0	0	(4)	0	0	0	(4)
At 31st March 2015	136	2,451	5,742	12	44	3,084	11,469
Depreciation & Impairment							
At 1st April 2014	0	0	(251)	0	0	(14)	(265)
Depreciation	0	0	(239)	0	0	0	(239)
Impairment losses/ (reversals) recognised in surplus or deficit on the provision of services	0	0	(383)	0	0	0	(383)
At 31st March 2015	0	0	(873)	0	0	(14)	(887)
Net Book Value At 31st March 2015	136	2,451	4,869	12	44	3,070	10,582

2013/14	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1st April 2013	136	2,514	7,120	12	43	3,084	12,909
Opening Balance Adjustment	0	0	0	0	(1)	0	(1)
At 1st April 2013 Adjusted	136	2,514	7,120	12	42	3,084	12,908
Additions	0	0	24	0	0	0	24
Revaluation increases / (decreases) recognised in the Revaluation Reserve	0	0	(2,363)	0	1	0	(2,362)
Revaluation increases / (decreases) recognised in surplus or deficit on the provision of services	0	0	600	0	0	0	600
De-recognition	0	0	(15)	0	0	0	(15)
At 31st March 2014	136	2,514	5,366	12	43	3,084	11,155
Depreciation & Impairment							
At 1st April 2013	0	0	(2,368)	0	0	(14)	(2,382)
Depreciation	0	0	(239)	0	0	0	(239)
Depreciation & Impairment written out to the Revaluation Reserve	0	0	2,356	0	0	0	2,356
At 31st March 2014	0	0	(251)	0	0	(14)	(265)
Net Book Value At 31st March 2014	136	2,514	5,115	12	43	3,070	10,890

Civic Regalia

This is a collection of mayoral ceremonial chains, pendants and robes held at the Mansion House.

The assets have been valued, based on insurance valuations as a proxy for open market valuations.

Exhibits, Statues and Monuments

This category includes items of decorative art, pottery and furniture. 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. Monuments within this category include cemetery and War memorials.

The assets have been valued, based on insurance valuations as a proxy for open market valuations.

Historic Land and Buildings

The main items held within this category include cemeteries and 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. The Council holds several other listed buildings which have been considered for classification as a Heritage asset; however they do not currently meet the definition, as they are used as office accommodation which means they are classified with operational land and buildings and not included in Heritage Assets.

Valuations for historic land and buildings have been prepared by in house assets and property valuers as part of a five year rolling programme.

Military and Scientific Equipment

This is a small collection of less than 500 items, concentrating on a small number of specific regiments.

The assets have been valued, based on insurance valuations as a proxy for open market valuations.

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.

Works of Art

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.

The assets have been valued, based on insurance valuations as a proxy for open market valuations.

2014/15 Additions comprise of:

Heritage Asset	£'000
Fabric works relating to Cusworth Hall	383

Five Year Summary of Transactions

	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
Cost of acquisitions of heritage assets					
Civic Regalia	0	0	0	0	0
Exhibits, Statues & Monuments	0	0	0	0	0
Historic Land & Buildings	0	8	0	24	383
Military & Scientific Equipment	0	0	0	0	0
Recording of Historically Significant Events	7	0	0	0	0
Works of Art	0	0	0	0	0
Total cost of purchases	7	8	0	24	383
Disposal of heritage assets					
Civic Regalia	0	0	0	0	0
Exhibits, Statues & Monuments	0	0	0	0	(63)
Historic Land & Buildings	0	0	0	0	0
Military & Scientific Equipment	0	0	0	0	0
Recording of Historically Significant Events	0	0	0	0	0
Works of Art	0	0	0	0	0
Total cost of purchases	0	0	0	0	(63)
Impairment Recognised in the period					
Civic Regalia	0	0	0	0	0
Exhibits, Statues & Monuments	0	0	0	0	0
Historic Land & Buildings	0	0	0	0	(383)
Military & Scientific Equipment	0	0	0	0	0
Recording of Historically Significant Events	0	0	0	0	0
Works of Art	0	0	0	0	0
Total cost of purchases	0	0	0	0	0

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

	2013/14	2014/15
	£'000	£'000
Rental income from investment property	73	66
Direct operating expenses arising from investment property	(10)	(2)
Net gain/(loss)	63	64

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 over the year.

	2013/14	2014/15
	£'000	£'000
Balance at start of the year	17,859	17,312
Disposals	(325)	0
Net gains/losses from fair value adjustments	(222)	(6)
Balance at end of the year	17,312	17,306

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 useful lives assigned to the major software suites used by the Council are:

	Other Assets
0-3 years	Verisecure cash receipting system, Highways and Transport Asset Management Programme (HAMP/TAMP), E-Marketplace
4-5 years	Electronic Document Management System (EDMS), Customer Relation Management System, Tranman Fleet Management System, VOIP System, Server Vmware
6-10 years	Children's Information System, Application Publishing and Centralisation software, Corporate Financial System, Housing Benefits Management System

The carrying amount of intangible assets is amortised on a straight-line basis. Of the £1,055,544 amortisation, £16,656 was charged to revenue in 2014/15 to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on intangible asset balances during the year is as follows:

	2013/14	2014/15
	Other Assets	Other Assets
	£'000	£'000
Balance at start of year		
- Gross carrying amounts	3,696	5,231
- Accumulated amortisation	(1,218)	(1,960)
Net carrying amount at start of year	2,478	3,271
Additions - Purchases	1,535	1,037
Amortisation for the period	(742)	(1,056)
Net carrying amount at end of year	3,271	3,252
Comprising:		
- Gross carrying amounts	5,231	6,268
- Accumulated amortisation	(1,960)	(3,016)
	3,271	3,252

The Council does not revalue its software assets as they are currently of immaterial value and have a life of no more than 10 years.

The Council has entered into a number of contracts to replace various systems. The future budgeted cost of these systems is £848k.

System Name	Date Contract Commenced	Financial year in which the system became operational	On-going Commitment £'000
Corporate Financial System	November 2012	2013/14	242
Customer Relation Management System	February 2012	2012/13	76
IDOX Enterprise	October 2013	2014/15	15
CareFirst	July 2013	2014/15	515

Total			848
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The Council participates in the Carbon Reduction Commitment Energy Efficiency Scheme and purchased carbon allowances in the forecast sale during 2014/15. As at 31st March 2015 the Council held unused allowances valued, at cost, at £624k. These assets will be used in 2015/16 and are classified as current intangible assets in line with the Council's accounting policy.

16 Financial Instruments

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

	Long Term		Current	
	31 st March 2014 £'000	31 st March 2015 £'000	31 st March 2014 £'000	31 st March 2015 £'000
Investments				
Loans and receivables	1,079	24	5,196	40,073
Loans and receivables - Cash Equivalents (Note 20)	0	0	66,850	24,300
Unquoted equity investment at cost (b)	2,772	2,772	0	0
Total investments	3,851	2,796	72,046	64,373
Debtors				
Loans and receivables	5,835	7,873	0	0
Financial assets carried at contract amount (trade debt)	0	0	28,124	45,251
Total Debtors	5,835	7,873	28,124	45,251
Borrowings				
Financial liabilities at amortised cost (a)	301,363	352,502	98,215	87,587
Total borrowings	301,363	352,502	98,215	87,587
Other Long Term Liabilities				
PFI lease liabilities (Note 43)	38,061	36,270	1,670	1,791
Metropolitan debt (SYCC)	11,407	9,928	1,344	1,478
Total other long term liabilities	49,468	46,198	3,014	3,269
Creditors				
Financial liabilities carried at contract amount (trade credit)	0	0	6,308	7,366
Total creditors	0	0	6,308	7,366

Note a - Under accounting requirements the carrying value of the financial instrument is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in current assets/liabilities where the payments/receipts are due within one year. The effective interest rate is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

Note b - Shares held by the Council are unquoted and there is no readily available market on which to value them. Whilst there are a variety of methods to value unquoted shares, none of them provide reliable fair values and therefore the shares have not been re-valued and are included in the accounts at open book value.

Material Soft Loans Made by the Council

Loan to Doncaster Culture & Leisure Trust

The loans to Doncaster Culture & Leisure Trust for gym equipment are deemed to be material soft loans. The loans for £0.282m (5 year term) and £2.800m (15 year term) are at interest rates below the prevailing market rate.

	2013/14	2014/15
	£'000	£'000
Balance at the Start of the year:		
Opening Balance	0	202
Nominal Value of New Loans Granted in Year	282	2,800
Fair value adjustment on initial recognition	(80)	(632)
Loans Repaid	0	(56)
Increase in Discounted amount	0	27
Closing Balance at end of year	202	2,341
Nominal Value as at 31 March	202	2,397

Valuation Assumptions

The interest rate at which the fair value of these soft loans have been made are arrived at by taking the Council's prevailing cost of borrowing (1.72% and 3.16% respectively) and adding an allowance for the risk that the loans might not be repaid. These are then compared to the commercial rate of interest available for similar loans.

Employee Car Loans

The Council does not make any material loans for car purchases for employees within the Council.

Income, Expense, Gains and Losses

	2013/14				2014/15			
	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Assets and Liabilities at Fair Value through Profit and Loss	Total	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Assets and Liabilities at Fair Value through Profit and Loss	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense (Note 10)	(17,850)	0	0	(17,850)	(18,596)	0	0	(18,596)
Reductions in fair value	0	0	(80)	(80)	0	0	(632)	(632)
Total expense in Surplus or Deficit on the Provision of Services	(17,850)	0	(80)	(17,930)	(18,596)	0	(632)	(19,228)
Interest income (Note 10)	0	601	0	601	0	709	0	709
Total income in Surplus or Deficit on the Provision of Services	0	601	0	601	0	709	0	709
Net gain/(loss) for the year	(17,850)	601	(80)	(17,329)	(18,596)	709	(632)	(18,519)

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the balance sheet at amortised cost. Their fair value can be assessed by

calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB and the other loans payable borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- The estimated range of interest rates at 31st March 2015 are between 1.11% and 3.08% for loans from the PWLB, market loans payable were between 0.86% and 2.83% and between 0.36% and 0.84% for loans and receivables;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity in the next 12 months or is a trade or other receivable fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The valuations from the Council's advisors use the Net Present Value (NPV) approach, which provides an estimate of the value of payments in the future in today's terms. This is a widely accepted valuation technique commonly used in the private sector.

In providing their fair value calculations the discount rate used by the PWLB is taken from the 'new borrowing rate' set of rates in force at close of business on the last working day of the financial year.

The fair values calculated are as follows:

	31 st March 2014		31 st March 2015	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities	396,259	427,921	440,090	536,000

The fair value 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 rates available for similar loans in the market at the balance sheet date.

	31 st March 2014		31 st March 2015	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Loans and receivables	73,273	71,877	64,396	64,424
Long-term debtors	5,835	5,835	7,873	7,873

The fair values for loans and receivables have been determined by reference to similar practices, as above, which provide a reasonable approximation for the fair value of a financial instrument, and includes accrued interest. The comparator market rates prevailing have been taken from indicative investment rates at each balance sheet date. In practice rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

17 Inventories

2014/15	Consumable Stores	Transport	General Materials	Total
	£'000	£'000	£'000	£'000
Balance outstanding at start of year	593	206	56	855
Purchases	1,452	1,186	2,724	5,362
Recognised as an expense in the year	(1,534)	(1,220)	(2,705)	(5,459)
Written off balances	0	0	(8)	(8)
Balance outstanding at year-end	511	172	67	750

Comparative 2013/14	Consumable Stores	Transport	General Materials	Total
	£'000	£'000	£'000	£'000
Balance outstanding at start of year	526	202	157	885
Purchases	1,424	1,523	2,451	5,398
Recognised as an expense in the year	(1,357)	(1,515)	(2,480)	(5,352)
Written off balances	0	(4)	(72)	(76)
Balance outstanding at year-end	593	206	56	855

18 Construction Contracts

There are no material transactions relating to construction contracts within 2014/15

19 Debtors

	31 st March 2014	31 st March 2015
	£'000	£'000
Debtors		
Central Government bodies	17,140	21,011
Other local authorities	2,939	1,768
NHS bodies	1,778	1,204
Other entities and individuals	45,561	55,211
Sub Total	67,418	79,194
Payments in advance	9,068	9,629
Total	76,486	88,823

20 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 st March 2014	31 st March 2015
	£'000	£'000
Cash held by the Council	110	20
Bank overdraft	(6,760)	(20,546)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	66,850	24,300
Total Cash and Cash Equivalents	60,200	3,774

21 Assets Held For Sale

	Current	
	2013/14	2014/15
	£'000	£'000
Balance outstanding at start of year	90	237
Assets newly classified as held for sale: Property, Plant and Equipment	237	2,850
Assets declassified as held for sale: Assets sold	(90)	(3,087)
Balance outstanding at year-end	237	0

22 Creditors

	31 st March	31 st March
	2014	2015
	£'000	£'000
Creditors		
Central Government bodies	(6,927)	(8,994)
Other local authorities	(1,634)	(1,593)
NHS bodies	(794)	(887)
Public corporations and trading funds	(2,605)	(2)
Other entities	(55,470)	(42,163)
Sub Total	(67,430)	(53,639)
Receipts in Advance	(1,651)	(4,337)
Total	(69,081)	(57,976)

23 Provisions

Provisions are included in the accounts for potential liabilities that are likely or certain to be incurred but there is a degree of uncertainty as to the amount concerned or the dates on which these may arise.

	Balance at 1 st April 2014	Additional provisions made in 2014/15	Amounts used in 2014/15	Unused amounts reversed in 2014/15	Balance at 31 st March 2015	Short Term Provisions	Long Term Provisions
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance fund	7,608	4,693	(3,213)	0	9,088	948	8,140
NNDR Appeals	3,058	4,074	(2,197)	0	4,935	4,935	0
Grant Claw-back	2,660	432	0	0	3,092	244	2,848
Municipal Mutual Insurance	1,361	185	0	0	1,546	0	1,546
Digital Region Limited	4,756	0	(2,521)	(1,300)	935	935	0
South Yorkshire Trading Standards	3,007	0	(2,500)	(507)	0	0	0
Other Provisions	1,772	65	(469)	(132)	1,236	383	853
Total	24,222	9,449	(10,900)	(1,939)	20,832	7,445	13,387

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. These excesses apply to various categories of cover including property, 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 31st March 2015 this was estimated to be approximately £8.2m, and it is estimated that the cost to the Council of settling these claims will be £5.6m based on previous claims experience.

In addition, the Council continues to monitor claims experience and has identified an appropriate reserve to meet other potential insurance claims incurred but not reported, the value of those claims being estimated at £1.4m, this together with a reserve for emerging claims gives a total insurance fund value of £9m.

NNDR 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 & 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 total provision for appeals as at 31st March 2015 is £10.072m. The Council's share is £4.935m (49%). The increase in provision is due to the government announced during the year that appeals could only be back dated to the start of the current ratings list (1st April 2010) if they were lodged by 31st March 2015 which caused a spike in the number of appeals outstanding.

Grant Claw-back

The provision has been established to meet the cost of potential clawback of grants, specifically in relation to the Derelict Land Grant (DLG), Land Reclamation Programme Grant (LRPG) and European Regional Development Fund (ERDF). 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 all 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%. Because of the nature of many of the claims, the fact that trends continue to be adverse and the projections are subject to substantial uncertainty, a provision of £1.546m is now recognised.

Digital Region Limited

The Council provided £7.58m to cover the costs of the orderly closedown of DRL (£6.28m in 2011/12 and £1.30m in 2012/13). Of this provision £2.82m has been used in prior years and a further £2.52m has been used during 2014/15. As the estimated costs of closure have reduced (to around £5.3m for Doncaster) a further £1.3m has been released back to revenue during the year. The balance of £0.94m is retained to cover any further costs during 2015/16 when DRL will cease to exist.

South Yorkshire Trading Standards

In February 2006 the South Yorkshire Trading Standards Organisation was reviewed and found to be financially unviable and was subsequently closed down. The Council's share of the cost of recovering the financial losses incurred as well as the closure costs was estimated at £3.007m. The final settlement was agreed, and payment of £2.5m made, during 2014/15.

Other Provisions

This balance represents the Council's other provisions and includes provisions for Stadium Management Company, Equal Pay Claims, section 117 Mental Health Act and various other smaller provisions.

24 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

25 Unusable Reserves

31 st March 2014		31 st March 2015
£'000		£'000
251,696	Revaluation Reserve (Note 25a)	268,610
521,126	Capital Adjustment Account (Note 25b)	530,745
(1,060)	Financial Instruments Adjustment Account (Note 25c)	(1,572)
(296,261)	Pension Reserve (Note 25d)	(410,550)
4,845	Deferred Capital Receipts Reserve (Note 25e)	4,839
3,735	Collection Fund Adjustment (Note 25f)	3,322
(4,065)	Accumulated Absences Account (Note 25g)	(2,815)
(314)	Unequal Pay Back Pay Account (Note 25h)	(38)
479,702	Total Unusable Reserves	392,541

25a 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.

2013/14		2014/15
£'000		£'000
257,409	Balance at 1st April	251,696
15,576	Upward revaluation of assets	39,249
(3,835)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(6,346)
11,741	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	32,903
(3,832)	Difference between fair value depreciation and historical cost depreciation	(5,799)
(13,622)	Accumulated gains on assets sold or scrapped	(10,190)
(17,454)	Amount written off to the Capital Adjustment Account	(15,989)
251,696	Balance at 31st March	268,610

25b 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 7 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

2013/14 £'000		2014/15 £'000	
518,720	Balance at 1st April		521,126
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(21,114)	Charges for depreciation of non-current assets	(22,997)	
(19,465)	Charges for depreciation on council dwellings	(20,100)	
(1,461)	Charges for impairment of non-current assets	(2,238)	
2,224	Revaluation gains / (losses) on Property, Plant and Equipment	7,953	
(743)	Amortisation of intangible assets	(1,056)	
(6,597)	Revenue expenditure funded from capital under statute	(5,173)	
(53,430)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CI&ES	(65,924)	
(100,586)			(109,535)
17,454	Adjusting amounts written out of the Revaluation Reserve	15,989	
(83,132)	Net written out amount of the cost of non-current assets consumed in the year		(93,546)
Capital financing applied in the year:			
3,225	Use of the Capital Receipts Reserve to finance new capital expenditure	4,011	
21,929	Use of the Major Repairs Reserve to finance new capital expenditure	30,713	
31,380	Capital grants and contributions credited to the CI&ES that have been applied to capital financing	38,103	
6,482	Application of grants to capital financing from the Capital Grants Unapplied Account	7,948	
10,978	Capital expenditure charged against the General Fund and HRA balances	10,500	
8,987	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	8,882	
1,507	Write down of PFI Finance Liabilities	1,670	
52	Write down of Finance Lease Liabilities	0	
1,222	Former South Yorkshire County Council debt repayment	1,344	
85,762			103,171
(222)	Movements in the market value of Investment Properties debited or credited to the CI&ES	(6)	
(2)	Other	0	
521,126	Balance at 31st March		530,745

25c 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 2015 will be charged to the General Fund.

2013/14		2014/15	
£'000		£'000	
(1,072)	Balance at 1st April		(1,060)
(80)	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	(632)	
92	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	120	
12	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		(512)
(1,060)	Balance at 31st March		(1,572)

25d 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. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pay's 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 will have been set aside by the time the benefits come to be paid.

2013/14		2014/15	
£'000		£'000	
(395,859)	Balance at 1st April		(296,261)
109,423	Actuarial gains or losses on pensions assets and liabilities		(108,130)
(35,875)	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 48)		(34,787)
26,050	Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 48)		28,628
(296,261)	Balance at 31st March		(410,550)

25e 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.

2013/14		2014/15	
£'000		£'000	
4,852	Balance at 1st April		4,845
(7)	Transfer to the capital Receipts Reserve upon receipt of cash		(6)
4,845	Balance at 31st March		4,839

25f 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.

2013/14		2014/15
£'000		£'000
1,791	Balance at 1st April	3,735
1,944	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	(413)
3,735	Balance at 31st March	3,322

25g 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.

2013/14		2014/15
£'000		£'000
(5,262)	Balance at 1st April	(4,065)
5,262	Settlement or cancellation of accrual made at the end of the preceding year	4,065
(4,065)	Amounts accrued at the end of the current year	(2,815)
1,197	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	1,250
(4,065)	Balance at 31st March	(2,815)

25h Unequal Pay Back Pay Account

The Unequal Pay Back Pay Account compensates for the differences between the rate at which the Authority provides for the potential costs of back pay settlements in relation to Equal Pay cases and the ability under statutory provisions to defer the impact on the General Fund Balance until such time as cash might be paid out to claimants.

2013/14		2014/15
£'000		£'000
0	Balance at 1st April	(314)
(921)	Increase in provision for back pay in relation to Equal Pay cases	(65)
607	Cash settlements paid in year	341
(314)	Amount by which amounts charged for Equal Pay claims to the Comprehensive Income and Expenditure Statement are different from the cost of settlements chargeable in the year in accordance with statutory requirements	276
(314)	Balance at 31st March	(38)

26. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2013/14 £'000		2014/15 £'000
645	Interest received	663
(17,883)	Interest paid	(18,250)

The surplus or deficit on the provision of services has been adjusted on the following non-cash movements:

2013/14 £'000		2014/15 £'000
40,579	Depreciation	43,097
(763)	Impairment and downward valuations	(5,642)
743	Amortisation	1,056
435	Increase/(Decrease) in creditors	(13,446)
(21,270)	(Increase)/Decrease in debtors	(14,831)
30	(Increase)/Decrease in inventories	(519)
9,825	Movement in pension liability	(16,251)
53,430	Carrying amount of non-current assets held for sale, sold or de-recognised	65,924
(332)	Other non-cash items charged to the net surplus or deficit on the provision of services	(2,610)
82,677		56,778

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2013/14 £'000		2014/15 £'000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	1,055
(3,136)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8,719)
(41,367)	Capital Grants credited to surplus or deficit on the provision of services	(42,416)
(44,503)		(50,080)

27 Cash Flow Statement – Investing Activities

2013/14 £'000		2014/15 £'000
(73,951)	Purchase of property, plant and equipment, investment property and intangible assets	(102,951)
(5,000)	Purchase of short-term and long-term investments	(40,000)
(212)	Other payments for investing activities	(3,040)
3,092	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8,725
10,018	Proceeds from short-term and long-term investments	5,000
60,981	Capital grant received	39,125
58	Other capital cash receipts	150
(5,014)	Net cash flows from investing activities	(92,991)

28 Cash Flow Statement – Financing Activities

2013/14 £'000		2014/15 £'000
55,500	Cash receipts of short- and long-term borrowing	135,235
2,208	Other receipts from financing activities	1,403
(1,557)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,670)
(50,751)	Repayments of short- and long-term borrowing	(96,245)
5,400	Net cash flows from financing activities	38,723

29 Amounts Reported For Resource Allocation Decisions

The disclosure note for Amounts Reported for Resource Decisions has been included within the group section of these accounts.

30 Acquired and Discontinued Operations

This disclosure note shows where operations have been acquired or discontinued in the year, the nature of the acquired or discontinued operations and details of any outstanding liabilities in respect of discontinued operations.

During the 2014/15 financial year there were no acquired or discontinued operations.

31 Trading Operations

The Council has reviewed its trading units in 2014/15 which are detailed below. Trading units are where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the Council or other organisations.

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. The trading operations are separated into two groups, those which are an integral part of the Council's services to the public and those that are support services to the Council's services to the public (e.g. schools catering). The expenditure of these operations is allocated or recharged to headings in the Net Operating Expenditure of Continuing Operations.

	2013/14			2014/15		
	Turnover	Expenditure	Surplus	Turnover	Expenditure	Surplus
Services to the public included in Expenditure of Continuing Operations						
Markets	(1,820)	1,463	(357)	(1,703)	1,440	(263)
Bereavement Services	(2,670)	1,151	(1,519)	(2,706)	1,442	(1,264)
Parking	(1,665)	1,532	(133)	(1,707)	1,505	(202)
Trade Waste	(1,921)	1,530	(391)	(2,156)	1,653	(503)
Total Services to the public included in Expenditure of Continuing Operations	(8,076)	5,676	(2,400)	(8,272)	6,040	(2,232)
Support services recharged to Expenditure of Continuing Operations						
Metro Clean	(5,639)	5,631	(8)	(5,668)	5,720	52
Schools Catering	(8,446)	7,724	(722)	(9,133)	8,455	(678)
Total Support services recharged to Expenditure of Continuing Operations	(14,085)	13,355	(730)	(14,801)	14,175	(626)
Net surplus credited to Other Operating Expenditure (Note 10)	(22,161)	19,031	(3,130)	(23,073)	20,215	(2,858)

Services to the public included in Expenditure of Continuing Operations

Markets

The Markets undertaking is regarded as one of the foremost in the region. It includes three retail sites providing a wide range of produce and goods as well as a Wholesale Market supplying local businesses.

Bereavement Services

Bereavement Services has management responsibility for the crematorium, thirteen cemeteries, thirteen closed churchyards and community War Memorials in the Borough (excluding Elmfield Park).

The Crematorium complies with the requirements of the Environmental Protection Act 1990.

Parking Services

The Parking Services department operates both on and off street parking in the town centre and rural areas. The department's responsibilities include a range of services relating to the operational management of the car parks, including revenue collection and control as well as the maintenance of the car park assets. The department also maintains and manages on street pay and display machines including the processing of parking tickets (Penalty Charge Notices).

Business waste and recycling (commercial and trade)

The Council provides an extensive range of waste collection and disposal services available to all businesses located in Doncaster. Expenditure includes the collection cost of trade refuse and commercial recycling, along with the associated trade refuse disposal costs. Turnover includes income from businesses and other external parties including schools.

Support Services recharged to Expenditure of Continuing Operations

Metro Clean

Metro Clean is the Council's in-house building cleaning service provider responsible for the cleaning at numerous sites across the borough. These include the majority of schools and academies, all St Leger Homes' buildings, all internal council sites and 8 NHS LIFT buildings.

Schools Catering

Schools Catering provides meals in Doncaster for schools and academies.

32 Agency Services

The Council is allowed to undertake certain work on behalf of other bodies and authorities. The nature and amount of any significant agency income and expenditure is required to be disclosed under the Code.

No significant agency services have been identified in 2014/15.

33 Road Charging Schemes under the Transport Act 2000

The Council does not currently operate a road charging or workplace charging scheme

34 Pooled Budget Arrangements

The Council has not entered into pooled budget arrangements under section 31 of the Health Act 1999

35 Members' Allowances

The Code requires the disclosure of the total amount of members' allowances paid under the Local Authorities (Members' Allowances) Regulations 2003.

2013/14		2014/15
£		£
760,692	Basic allowance	760,855
245,507	Special responsibility allowance	220,467
5,775	Travel	4,030
3,391	Co-opted members	2,434
1,015,365	Total	987,786

36 Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Employer Pension Contribution	Total
		£	£	£	£
Chief Executive J Miller	2014/15	149,000	0	19,221	168,221
	2013/14	149,000	60	29,949	179,009
Director of Adults & Communities J Beck – Note 1	2014/15	20,063	0	0	20,063
	2013/14	120,379	0	24,196	144,575
Director of Adults, Health & Wellbeing D Hamilton – Note 2	2014/15	75,739	46	9,770	85,555
Director of Regeneration & Environment P Dale	2014/15	120,379	0	15,529	135,908
	2013/14	120,379	187	24,196	144,762
Director of Learning Opportunities: Children & Young People E Brazil – Note 3	2014/15	140,675	13,240	0	153,915
Director of Children & Young People's Services E Brazil from July 2013	2013/14	125,800	11,840	0	137,640
Director of Children & Young People's Services C Pratt to June 2013	2013/14	30,095	0	6,049	36,144
Director of Finance & Corporate Services (Section 151 Officer) S Wiles	2014/15	112,652	0	14,532	127,184
	2013/14	112,695	0	22,652	135,347
Director of Public Health T Baxter – Note 4	2014/15	111,596	27,740	18,726	158,062
	2013/14	132,878	265	17,865	151,008
Monitoring Officer R Harvey	2014/15	89,943	149	11,622	101,714
	2013/14	89,644	210	18,019	107,873

Note 1 – J Beck left the Council on 31st May 2014.

Note 2 – D Hamilton started work with the Council on 4th August 2014.

Note 3 – E Brazil, although not regarded as an employee of the Council under employment law, currently occupies the statutory role of the Director of Children’s Services and is therefore included within this note as a senior officer of the Council. The figures include all payments received by E Brazil e.g. expense allowances and the estimated monetary value of any other benefits received otherwise than in cash.

Note 4 – T Baxter covered the statutory role for Rotherham MBC from 4th December 2014 to 31st March 2015; the Council received income from Rotherham MBC for this period.

During the year, the Council changed the following Directorate names:

- Director of Children & Young People’s Services changed to Director of Learning Opportunities: Children & Young People; and
- Director of Adults & Communities changed to Director of Adults, Health & Wellbeing.

The employer pension contribution has decreased in 2014/15 to 12.9% from 20.1% due to all pension fund deficit payments being centralised instead of charging a combined future service rate and deficit payment rate to services.

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

2013/14			Salary Banding	2014/15		
DMBC	Schools	Total	£	DMBC	Schools	Total
21	38	59	50,000 - 54,999	11	35	46
17	31	48	55,000 - 59,999	18	28	46
14	25	39	60,000 - 64,999	19	19	38
2	11	13	65,000 - 69,999	3	12	15
2	5	7	70,000 - 74,999	1	9	10
0	4	4	75,000 - 79,999	1	4	5
10	1	11	80,000 - 84,999	2	0	2
3	2	5	85,000 - 89,999	8	1	9
0	0	0	90,000 - 94,999	2	0	2
1	1	2	95,000 - 99,999	1	0	1
0	1	1	100,000 - 104,999	0	0	0
0	0	0	105,000 - 109,999	0	1	1
70	119	189	Total	66	109	175

The table above excludes the senior employees and posts whose remuneration for 2013/14 and 2014/15 are shown in the senior officer remuneration analysis. The inclusion of termination payments has had the effect of certain employees being in a higher band for 2013/14 and 2014/15 than would otherwise be the case.

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 (£)	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
£0 - £20,000	37	34	150	84	187	118	1,310,700	781,725
£20,001 - £40,000	2	0	13	7	15	7	397,125	170,637
£40,001 - £60,000	0	2	0	1	0	3	0	136,457

TOTAL	39	36	163	92	202	128	1,707,825	1,088,819
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37 External Audit Costs

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

	2013/14	2014/15
	£'000	£'000
Fees payable to KPMG with regard to external audit services carried out by the appointed auditor for the year	218	166
Fees payable to KPMG for the certification of grant claims and returns for the year	49	37
Fees payable in respect of other services provided by KPMG during the year	14	26
Total	281	229

38 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by DSG provided by the Department for Education. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2014.

The Schools Budget includes elements for a range of educational services provided on a council-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details for the deployment of DSG receivable for 2014/15 are as follows:

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Final DSG for 2014/15 before academy recoupment	23,375	196,879	220,254
Academy figure recouped for 2014/15	(1,818)	(92,773)	(94,591)
Total DSG after academy recoupment for 2014/15	21,557	104,106	125,663
Plus: Brought Forward from 2013/14	3,367	0	3,367
Less: Carry-forward to 2015/16 agreed in advance	(4,017)	0	(4,017)
Agreed initial budgeted distribution in 2014/15	20,907	104,106	125,013
In-year adjustments	80	0	80
Final budgeted distribution for 2014/15	20,987	104,106	125,093
Less: Actual central expenditure	(19,486)	0	(19,486)
Less: Actual ISB deployed to schools	0	(104,106)	(104,106)
Carry forward to 2015/16	1,501	0	1,501

39 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15:

	2013/14	2014/15
	£'000	£'000
Credited to Taxation and Non Specific Grant Income		
Capital Grants and Contributions - Note 11		
Developer Contributions - Finningley and Rossington regeneration route scheme	0	13,600
Department for Education - Targeted Basic Need Programme	39	4,936
Department for Business, Innovation and Skills - Regional Growth Fund (Finningley and Rossington Regeneration Route Scheme)	13,109	4,891
Department for Transport - Local Transport Plan (Maintenance)	3,590	3,478
Department for Education - Local Authority Capital Maintenance	2,986	2,867
Department for Transport - Local Transport Plan (LTP) Central Pot	633	2,189
National Heritage Memorial Fund - Bentley Park	748	1,639
Homes and Communities Agency - Traveller Pitch Funding Programme	0	1,437
Department for Education - New Pupil Places (Basic Need)	1,332	1,332
Homes and Communities Agency - Empty Property	281	1,239
Department of Health - Adults Personal Social Services Capital Grant	812	828
S106 contributions	1,011	674
Department for Education - Devolved Formula Capital	451	662
Department for Transport - Pot hole fund	0	660
Department for Education - Universal free infant school meals	0	603
Department for Transport - Local Sustainable Transport Fund (Waterfront)	1,084	403
Department for Transport - Local Transport Plan (LTP) Additional Maintenance	528	75
Homes and Communities Agency - Decent Homes	7,000	0
Department for Transport - White Rose Way	3,484	0
Department of Communities and Local Government - White Rose Way	1,419	0
Community Energy Saving Programme - Borough Wide Decency	851	0
European Regional Development Fund - Energy Efficiency	784	0
Other Grants and Contributions	1,713	904
Total	41,855	42,417
Non-Ring fenced Government Grants – Note 11		
Revenue Support Grant	100,279	83,450
Business Rates Retention Top Up Grant	25,961	26,466
New Homes Bonus	1,879	2,430
Small Business Rates Relief	1,359	1,517
Troubled Families- Set up Costs	1,128	1,141
Social Fund	1,108	1,091
Council Tax Freeze Grant	1,429	0
Other	2,994	2,877
Total	136,137	118,972
Credited to Services		
Dedicated Schools Grant (DSG)	135,752	125,743
Mandatory Rent Allowance: subsidy	53,213	51,070
Mandatory Rent Rebates: subsidy	43,649	42,778
Public Health Grant	19,648	20,198
Pupil Premium	8,411	11,191
PFI Annuity Grant	3,478	3,478
Education Services Grant	3,902	3,474
Housing and Council Tax Admin Benefit Subsidy	2,649	1,877
Department for Education Improvement Grant	1,516	1,816
Universal Infant Free School Meals Education Funding	0	1,542

	2013/14	2014/15
	£'000	£'000
Department for Education Children's Trust Implementation Grant	157	1,338
Skills Funding Agency Sixth Forms	3,860	1,238
Skills Funding Agency Safeguarded Learning	583	945
Youth Justice Board	886	886
Initial Teacher Training Grant	0	771
PE & Sports Grant	522	755
Special Educational Needs Reform Grant	0	714
Discretionary Housing Payments	522	664
European Regional Development Fund Grant	1,073	644
Department for Transport - Local Sustainable Transport Fund (LSTF)	2,384	594
Other Grants	4,045	2,375
Total	286,250	274,091
Contributions		
Primary Care Trust - Section 256	5,594	12,589
Primary Care Trust Continuing Healthcare Contribution to care packages	6,633	3,741
Rotherham MBC Contribution for Coroners	461	592
Other	2,501	3,885
Total	15,189	20,807

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	Current		Long Term	
	2013/14	2014/15	2013/14	2014/15
	£'000	£'000	£'000	£'000
Donated Assets Account				
Finningley and Rossington Regeneration Route Scheme - Road Infill	0	6,500	0	0
Total	0	6,500	0	0
Revenue Grants Receipts in Advance				
Reablement Grant	7,630	7,630	0	0
Improvement Grant	826	0	0	0
Other	515	556	0	56
Total	8,971	8,186	0	56
Capital Grants & Contributions Receipts in Advance				
Department for Education - Targeted Basic Need	1,767	1,523	0	0
Department for Transport - Local Transport Plan (LTP) Maintenance	1,094	1,056	0	0
Section 106	135	55	894	865
Department for Transport - Local Transport Plan (LTP) Integrated transport	267	739	0	0
Department for Education - Devolved Formula Capital	600	700	443	165
Department for Transport - Local Transport Plan (LTP) Additional	149	429	0	0
Developer Contributions - Finningley and Rossington Regeneration Route scheme	0	0	5,500	0
Department for Business, Innovation and Skills - Regional Growth Fund (Finningley and Rossington Regeneration Route Scheme)	585	0	0	0
Other Grant & Contribution	287	89	10	0
Total	4,884	4,591	6,847	1,030

40 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. In this context, related parties include:

- Central Government
- Members
- Officers
- Other Public Bodies
- Entities controlled or significantly influenced by 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 Note 39.

Members

Members of the Council have a direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2014/15 is shown in Note 35. Members have not disclosed any material transactions with related parties during 2014/15.

The Register of Members' Interest is open to public inspection at the Civic Office during office hours, on application, and is also available on the Council's website.

Officers

Officers have disclosed material transactions with Doncaster Children's Services Trust. During 2014/15 the Council provided £23.107m, under the terms of service delivery contract.

Other Public Bodies

The Council pays levies towards the services provided by the Sheffield City Region Combined Authority (SCR CA). The amount paid to SCR CA in 2014/15 was £16.966m (£19.372m in 2013/14 to South Yorkshire Integrated Transport Authority).

Entities controlled or significantly influenced by the Council

The Council has interests in one subsidiary and three joint ventures. Details of the relationships with these companies are shown within the Group Accounts.

The Council's subsidiary company is as follows:

- St Leger Homes of Doncaster Limited (SLHD)

The Council's joint venture companies are as follows:

- Digital Region Limited
- Doncaster Racecourse Management Company Limited
- Lakeside Sports Complex LLP

41 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/PPP contracts), together with the resources that have been used to finance it.

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2013/14	2014/15
	£'000	£'000
Opening Capital Financing Requirement	538,650	533,742
Capital investment		
Property, Plant and Equipment *	72,416	101,531
Donated Property, Plant and Equipment	0	6,500
Heritage Assets **	24	383
Intangible Assets ***	1,535	1,037
Long term loans and advances	282	2,800
Revenue Expenditure Funded from Capital Under Statute	6,597	5,173
Sources of Finance		
Capital receipts	(3,225)	(4,011)
Government grants and other contributions	(37,862)	(46,051)
Major Repairs Reserve	(21,929)	(30,713)
Direct revenue contributions	(10,978)	(10,500)
MRP / loans fund principal	(11,768)	(11,896)
Closing Capital Financing Requirement	533,742	547,995
Explanation of movements in year		
Increase in underlying need to borrowing (supported by government financial assistance)	519	59
MRP / loans fund principal	(11,768)	(11,896)
Increase in underlying need to borrowing (unsupported by government financial assistance)	5,880	18,644
Unfinanced expenditure	461	7,446
Increase / (decrease) in Capital Financing Requirement	(4,908)	14,253

* 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

42 Leases**a) Council as lessee****Finance Leases**

The Council acquired plant, vehicles and equipment under leases accounted for as finance leases under IAS17.

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

	2013/14	2014/15
	£'000	£'000
Vehicles, Plant, Furniture and Equipment	49	0
Total	49	0

There are no outstanding obligations to make payments under these finance lease arrangements as at 31st March 2015.

Operating Leases

The Council has entered into a number of operating leases for vehicles, plant and equipment and 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	
	2013/14	2014/15
	£'000	£'000
Hire of plant and machinery	1,931	1,341
Land and buildings	1,430	1,418
Total	3,361	2,759

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

	Land and buildings	Other operating leases	Land and buildings	Other operating leases
	2013/14		2014/15	
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	1,298	1,308	1,418	643
Between 1 and 5 years	4,387	900	4,763	235
After 5 years	10,329	0	9,419	0
Total	16,014	2,208	15,600	878

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 arrangement for Doncaster Racecourse and the Keepmoat Stadium in January 2006 and August 2012 respectively.

The gross investment is made up of the following amounts:

	31st March 2014	31st March 2015
	£'000	£'000
Finance lease debtor (net present value of minimum lease payments):		
Current	4	5
Non-Current	4,824	4,819
Finance Income	16,193	15,974
Gross investment in the lease	21,021	20,798

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	
	31st March 2014	31st March 2015	31st March 2014	31st March 2015
	£'000	£'000	£'000	£'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	19,905	19,682	19,905	19,682
Total	21,021	20,798	21,021	20,798

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 (see Note 3, Critical Judgements in Applying Accounting Policies).

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	
	2013/14	2014/15
	£'000	£'000
Operating leases which expire:		
Within 1 year	1,716	1,578
Between 1 and 5 years	3,847	3,699
After 5 years	28,329	35,661
Total	33,892	40,938

43 Private Finance Initiatives and Similar Contracts

a) Schools PFI

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 £6.275m in 2014/15 (£6.199m in 2013/14).

31 st March 2014 £'000		31 st March 2015 £'000
The value of assets held under PFI arrangements and similar contracts		
21,815	Property, Plant & Equipment - other land & buildings NBV b/fwd.	21,180
133	Lifecycle replacement costs	0
(92)	De-recognised component	0
0	Disposal of Asset	(20,568)
(676)	less depreciation	(612)
21,180	Net Book Value c/fwd	0
The value of liabilities resulting from PFI arrangements and similar contracts		
1,670	Current liabilities: Finance lease principal repayment due within one year	1,791
38,061	Long Term Liabilities: Deferred Liabilities (finance lease liability)	36,270
39,731	Total	38,061

The analysis of the amounts due going forward are shown below with the contract due to expire in 2033/34.

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

Details of payments due to be made under PFI arrangements and similar contracts							
	Sir Thomas Wharton College			Mexborough Science College			Total
	Repayment of finance lease liability	Unitary charge (other)	Total	Repayment of finance lease liability	Unitary charge (other)	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 year	887	2,256	3,143	904	2,301	3,205	6,348
Within 2-5 years	3,404	9,542	12,946	3,472	9,734	13,206	26,152
Within 6-10 years	3,990	13,115	17,105	4,070	13,377	17,447	34,552
Within 11-15 years	5,786	12,468	18,254	5,902	12,717	18,619	36,873
Within 16-20 years	4,775	9,434	14,209	4,871	9,624	14,495	28,704
Total	18,842	46,815	65,657	19,219	47,753	66,972	132,629

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 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 and unitary charge (other)

b) Waste Management PFI

The Council, in partnership with Barnsley and Rotherham Councils, has entered into a 25 year contract with 3SE to dispose of the authorities' residual waste. The project is supported by a joint award of £77.4m PFI credits.

Financial close occurred 30th March 2012. The planned service commencement date is 1st July 2015, therefore no payments in respect of the Unitary Charge have yet been made. The Council started delivering some of its waste to the Facility late February 2015 as part of the commissioning and testing period which will run until the Facility is deemed to be fully operational at Service Commencement. The commissioning fee paid to the contractor is lower than the Unitary Charge and limited obligations and a reduced performance framework apply.

The unitary charge payments are estimated to total £721m (nominal) for the partnership over the contract term. The net present value of the unitary charge payments is £255.4m. The Council's share of the total unitary charge is estimated to be £281m (nominal), £220m net of PFI credits.

The analysis of the amounts due going forward are shown below with the contract due to expire in 2040/41

Details of payments due to be made under Waste Management PFI	
	Unitary charge
	£'000
Within 1 year	6,508
Within 2-5 years	36,215
Within 6-10 years	49,096
Within 11-15 years	54,065
Within 16-20 years	61,226
Within 21-25 years	70,000
Within 26-29 years	3,810
Total	280,920

44 Impairment Losses

During 2014/15 the Council recognised an Impairment loss of £1.576m relating to the demolition of Council buildings (£1.022m re Council Dwellings demolished in year and demolition costs of £554k re Council house, Civic Theatre and Scarborough House). There was also an impairment loss of £383k due to work required to secure the building fabric of Cusworth Hall.

45 Capitalisation of Borrowing Costs

The Council did not capitalise any interest charges in 2014/15

46 Termination Benefits

The Council terminated the contracts of a number of employees in 2014/15 incurring liabilities of £1.089m (£1.708m in 2013/14) - see Note 36 for the number of exit packages and total cost per band.

47 Pensions Schemes Accounted For As Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme. The scheme is a Defined Benefit scheme administered by the Department for Children, Schools and Families. It provides teachers with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based upon a percentage of members' pensionable salaries.

Although the scheme is unfunded, teachers' pensions use a notional fund as the basis for calculating the employers' 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 2014/15, the Council's contribution to the Department for Children, Schools and Families in respect of teachers' retirement benefits was £5.87m (£6.948m in 2013/14), which represents 14.1% of teachers' pensionable pay (14.1% in 2013/14). In addition a further sum of £3.365m (£3.345m in 2013/14) 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 in 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 members' 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 2014/15, the Council's contribution to Public Health staff in respect of retirement benefits was £0.185m (£0.174m in 2013/14) which represents 14.0% of related pensionable pay.

48 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 we are 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 Council has given an undertaking to assume responsibility for liabilities relating to the South Yorkshire Pension Fund relating to staff transferred to St Leger Homes of Doncaster Ltd which was formed on 1st October 2005 to provide housing management and other services on behalf of the Council (details of St Leger Homes of Doncaster Ltd retirement benefits are included in the Group Accounts). 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	2013/14	2014/15
	£'000	£'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	27,010	20,883
Past service costs	520	445
(gains)/loss from settlements	(2,796)	(3,415)
SLHD pre-transfer net pension liability	(4,458)	4,988
Financing and Investment Income and Expenditure		
Net Interest expense	15,599	11,886
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	35,875	34,787
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)	(33,212)	(74,074)
Actuarial gains and losses arising on changes in demographic assumptions	16,961	0
Actuarial gains and losses arising on changes in financial assumptions	(93,172)	182,204
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(109,423)	108,130
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	(9,825)	(6,159)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	26,050	28,628

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	2013/14	2014/15
	£'000	£'000
Present value of the defined benefit obligation	(1,140,507)	(1,326,086)
Fair value of plan assets	844,246	937,946
Net Liability arising from defined benefit obligation	(296,261)	(388,140)

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

Local Government Pension Scheme	2013/14	2014/15
	£'000	£'000
Opening fair value of scheme assets	799,086	844,246
Interest Income	31,926	35,771
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	7,095	74,074
- Other - Admin Expenses & Settlements	(602)	(28,434)
Contribution from employer	26,050	51,038
Contributions from employees into the scheme	7,177	7,010
Benefits paid	(35,941)	(37,308)
Closing balance at 31st March	834,791	946,397
Movement in SLHD plan assets pre-transfer	9,455	(8,451)
Closing balance at 31st March	844,246	937,946

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Local Government Pension Scheme	2013/14	2014/15
	£'000	£'000
Opening balance at 1 st April	(1,194,945)	(1,140,507)
Current service cost	(27,010)	(20,883)
Interest cost	(47,525)	(47,657)
Contributions from scheme participants	(7,177)	(7,010)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	(16,961)	0
- Actuarial gains/losses arising from changes in financial assumptions	93,172	(182,204)
- Other – Experience (gain)/loss	26,117	0
Past service cost	(57)	0
Losses/(gains) on curtailments	(767)	(948)
Benefits paid	35,941	37,308
Liabilities extinguished on settlement	3,702	32,352
Closing balance at 31st March	(1,135,510)	(1,329,549)
Movement in SLHD scheme liabilities pre-transfer	(4,997)	3,463
Closing balance at 31st March	(1,140,507)	(1,326,086)

In October 2014 the Council made a one-off payment to the Pension Fund of £28.013m to cover future deficit liabilities for the period from 2014/15 to 2016/17. In line with the Council's accounting policies £5.603m has been accounted for in 2014/15 with the remainder (£22.410m) being offset against the pension liability on the balance sheet. Over the next two financial years, the pension reserve (note 25d, £410.550m) and the net pension liability (£388.140m) will be brought into line as the prepayment arrangements are accounted for in 2015/16 and 2016/17.

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2013/14	2014/15
	£'000	£'000
Cash and cash equivalents	17,121	15,288
Equity Instruments:		
UK quoted	183,514	181,024
Overseas quoted	337,724	377,523
Bonds		
UK Government fixed	0	7,222
UK Government indexed	87,861	112,554
Overseas Government fixed	22,136	23,918
UK other	52,639	48,305
Overseas other	3,385	6,002
Property		
UK Direct	70,727	88,261
Property Funds	12,144	14,069
Alternatives		
Pooled Investment Vehicles	56,995	63,780
Total	844,246	937,946

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 Mercer Human Resource Consulting Limited, an independent firm of actuaries, estimates for the Council fund being based on the latest full valuation of the scheme as at 1st April 2015

The significant assumptions used by the actuary have been;

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.9	Men	23.0
25.5	Women	25.6
	Longevity at 65 for future pensioners	
25.2	Men	25.3
28.3	Women	28.4
2.4%	Rate of inflation	2.0%
4.15%	Rate of increase in salaries	3.75%
2.4%	Rate of increase in pensions	2.0%
4.5%	Rate for discounting scheme liabilities	3.3%

The estimation of the defined obligations is sensitive to the actuarial assumptions set out in the table above. The sensitive analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example assume that life expectancy increase 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 previous period.

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Longevity (increase or decrease in 1 year)	25,688	(25,688)
Rate of inflation (increase or decrease by 0.1%)	25,599	(25,599)
Rate of salaries (increase or decrease by 0.1%)	5,932	(5,932)
Rate of pensions (increase or decrease by 0.1%)	25,599	(25,599)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(25,114)	25,114

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 achieve a funding level of 100% over the next 3 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2016.

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 31st March 2014 (or service after 31st 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 in paying £16.320m expected contributions to the scheme in 2015/16. The estimated weighted average duration of the defined benefit obligation for scheme members is 19 years.

West Yorkshire Superannuation Fund

Payments in 2014/15 totalling £0.058m (£0.074m in 2013/14) 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

49 Contingent Liabilities

St Leger Homes of Doncaster Limited (SLHD)

To demonstrate the going concern status of SLHD the Council has issued a letter of support that guarantees the amount of their pensions' deficit. The actuary has assessed this deficit at £22.477m as at 31st March 2015 and this sum is included within the pension liability shown in the group accounts. However as the Council considers it unlikely that this guarantee will be exercised this is disclosed as a contingent liability in the Council's own accounts.

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 all 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%. Because of the nature of many of the claims, the fact that trends continue to be adverse and the projections are subject to substantial uncertainty, a provision of £1.546m has been recognised (see Note 23). This contingent liability covers the remaining claims up to 100% (£5.782m).

Sterefibre stockpile

In Partnership with other Councils, Doncaster Council contracted for the treatment and disposal of a proportion of its residual waste. Some of the material produced from the waste has been successfully deployed but since the contractor went into administration in Autumn 2012, the majority of the material remains stockpiled at a site in Doncaster owned by a third party. The administrator has advised that contractually the ownership of the material has now been passed onto the site owner. Doncaster Council served a planning enforcement notice on the site owner to remove the fibre by 30th October 2013 and Planning Committee subsequently agreed to extend the period for compliance to 30th October 2014 for the consideration of various options but the notice has not been complied with and the fibre remains on site. The Council has obtained external legal advice that confirms there is no basis for the site owner to recover costs from the Council. Depending on a number of future events the Council may or may not need to act under its Default Powers to remove the material itself. If this is the case, the cost of removing and disposing of the material could be significant and the likelihood of fully recovering the costs from the site owners is still to be verified. The value of any liability cannot be measured with sufficient reliability because it depends on the actions of the third party and subsequent decisions of the Planning Committee. The Council is in the process of considering the most appropriate course of further action which will seek to mitigate the level of risk. A forensic assessment of the finances of the related parties has been commissioned to test their ability to pay.

Doncaster Children's Services Trust ('DCST') pension liability

DCST has admitted body status and is a member of South Yorkshire Pension Authority (SYPA). Despite DCST being a legally separate body to the Council, SYPA required the provision of a third party guarantee before it would allow DCST to become an admitted body and the DfE asked that the Council provide that guarantee. The actuary has assessed this deficit at £4.941m as at 31st March 2015. However as the Council considers it unlikely that this guarantee will be exercised this is disclosed as a contingent liability in the Council's own accounts.

Doncaster Culture & Leisure Trust ('DCLT') pension liability

The Council provides the third party guarantee for the DCLT pension deficit liability. The actuary has assessed this deficit at £2.458m as at 31st March 2015. However as the Council considers it unlikely that this guarantee will be exercised this is disclosed as a contingent liability in the Council's own accounts.

50 Contingent Assets

Claims for Recovery of Tax

The Council is pursuing an outstanding claim against HMRC in respect of the recovery of landfill tax where material was put to certain uses by the landfill operator on site. The claim dates back to October 1996. The quantity and strength of the claim remains under review.

51 Nature and Extent of Risks Arising From Financial Instruments

Key Risks

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

- **Credit Risk** - The possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity Risk** - The possibility that the Council might not have funds available to meet its commitments to make payments;
- **Refinancing Risk** - The possibility that the Council might be requiring 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 movements.

Overall procedures for managing risks

The Council's overall risk management procedures focus on the unpredictability of financial markets, and seeks 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.

a) Credit Risk - Investments

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This Council regards it as being a prime objective to ensure the security of the principal sums it invests. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with information provided by various credit rating agencies. The Annual Investment Strategy also considers maximum amounts and time limits for each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. The Council uses the creditworthiness service provided by Capita Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies forming the core element. However, it does not rely solely on the current ratings of counterparties but also takes into account credit watches and outlooks from credit rating agencies, Credit Default Swap prices which provide early warning of likely changes in credit ratings and sovereign ratings to select counterparties from only the most creditworthy countries. The full Investment Strategy for 2014-15 was approved by Full Council on 20th February 2014. An analysis of the credit criteria and lending limits at the time the investment was placed is given below for outstanding deposits at 31st March 2015.

Credit Ratings							
Long Term Rating	Short Term Rating	Viability Rating	Support Rating	Max Limit £'m	Highest Investment £'m	Total Investments £'m	Number of Institutions
A	F1	a-	1	£30m	£20m	£30m	2
A	F1	a	1	£10m	£10m	£30m	3
B	B	b	5	£11m	£4.3m	£4.3m	1

A maturity analysis based on the expectation of repayment of the investments as at 31st March, 2015 is:

	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
	£'m	£'m	£'m	£'m	£'m
Deposits with Banks and Building Societies	24.3	20.0	10.0	10.0	64.3

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £64.3m 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 irrecoverability applies to all of the Council's deposits, but there is no evidence at the 31st March 2015 that this was likely to crystallise.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

As a result of the Icelandic banking crisis the Council has amended its investment policy to only invest in UK banks which are protected by the UK government. The plunge in shorter-term interest rates as a result of the global depression has resulted in the council foregoing borrowing, and instead utilising the investment balance to fund capital spending. In addition, this also benefited the revenue budget position as the bank rate remained at its lowest for many years, reducing the level of returns available through investment activities. This action avoids the need for more expensive borrowing, but is only a short-term solution, which requires re-assessing when interest rates start increasing.

Exposure to Icelandic Banks – Impaired Investment

In October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. The Council had £3m deposited with Landsbanki, with a maturity date and interest rate as follows:

Bank	Date Invested	Maturity Date	Amount Invested	Interest Rate	Carrying Amount	Impairment
Landsbanki Islands	03/09/08	11/11/08	£3,000,000	5.59%	£0	£0

By October 2014 the Council was one of twelve UK Authorities with claims outstanding against the Landsbanki Winding Up Board. Following a review of the risks the group, through its lawyers, Bevan Brittan, instructed a broker to approach the market on its behalf with a view to selling its priority claims against the insolvent estate. In October 2014 the Council sold its claim at a price of 92.76%. The sale resulted in receiving a substantial cash payment, £1.194m, in the year rather than having to wait until 2018, or possibly beyond, whilst being exposed to the many risks, some of which remained difficult to measure, influence or guard against.

Following a previous distribution of assets the Council is a party to an escrow account held in Iceland. Our share is currently valued at £23666 and is earning interest at 4.17% annually. Until the Central Bank of Iceland agrees to the lifting of currency controls the Council is unable to repatriate these funds. They will therefore remain subject to exchange rate risk. The investment will be revalued annually and adjusted for any changes in exchange rates during the year.

b) Other Credit Risks

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings within parameters set by the Council.

The sundry debtors total net of provision for bad debts, £88.823m (Note 19), includes trade debtors (£45.251m). In respect of trade debtors, the Council does not generally allow credit for customers,

however £15.244m of the £45.251m balance is past its due date for repayment. The past due date amount can be analysed by age as follows:

Trade Debtors

2013/14		After due date	2014/15	
Arrears £'000	Provision £'000		Arrears £'000	Provision £'000
3,430	1	Less than 3 months	4,631	1
3,455	1	3 to 6 months	1,708	1
3,000	33	6 months to 1 year	2,443	83
4,711	2,188	More than 1 year	6,462	2,137
14,596	2,223	Total Trade Debtors	15,244	2,222

The carrying amount of housing rent arrears is split into two parts, those where the arrears relate to former tenants and those where the arrears relate to current tenants. The table below shows the analysis of former tenant arrears. The current tenants arrears are considered to be current and amount to £2.257m (£2.111m in 2013/14), which is equivalent to 1.58 weeks total rent debit (1.53 weeks in 2013/14) or £110.05 per dwelling (£102.51 in 2013/14). Whilst individual tenants may be in arrears or advance these amounts are considered to be immaterial for the purposes of this statement and with the exception of 25% provision for non-collection the £2.257m is considered to represent fair value for this class of tenant.

Housing Rents

2013/14		After due date	2014/15	
Arrears £'000	Provision £'000		Arrears £'000	Provision £'000
		2014/15	458	436
359	341	2013/14	291	276
272	258	2012/13	0	0
766	735	More than 2 years old	784	761
1,397	1,334	Total Housing Rents	1,533	1,473

c) 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 Code of Practice.

The Council ensures it has sufficient funds available on a daily basis that are necessary for the achievement of its service objectives. If excess funds are available following receipt of income/grants, etc. they are placed with counter-parties to gain some income from interest until they are needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loan Board (PWL) 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 the Council will be unable to raise finance to meet its commitments under financial instruments.

All sums owing from financial assets are due to be paid in less than one year, with the exception of the Councils escrow account with Landsbanki Islands hf detailed above.

d) 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.

MATURITY PROFILE	UPPER LIMIT	LOWER LIMIT	Actual 31 st March 2014		Actual 31 st March 2015	
	%	%	%	£'000	%	£'000
UNDER 12 MONTHS	30.00	0	23.95	94,885	19.30	84,281
12 MONTHS AND WITHIN 24 MONTHS	50.00	0	11.08	43,885	10.21	44,586
24 MONTHS AND 5 YEAR	50.00	0	6.36	25,195	12.08	52,747
5 YEARS AND WITHIN 10 YEAR	75.00	0	8.76	34,728	4.85	21,161
10 YEARS AND WITHIN 20 YEARS	95.00	10	5.20	20,594	8.75	38,213
20 YEARS AND WITHIN 30 YEARS			13.36	52,942	10.56	46,093
OVER 30 YEARS			31.29	124,019	34.25	149,502
TOTAL			100.00	396,248	100.00	436,583

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. On this basis this type of loan has been included within the table with a maturity date of the next call date.

e) Market Risk

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

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

Investments – With the exception of Landsbanki Islands hf, all deposits will mature within a year, and the majority are at fixed rates of interest. The protection of capital is more important than maximising a return. However in order to ensure an adequate return is achieved compatible with this risk principle, an appropriate benchmark is used to measure the interest earned.

Borrowing – The majority of the debt portfolio is at fixed rates of interest that ensures certainty of borrowing costs. In order to protect the Council against adverse movements in interest rates the policy is to keep the variable interest rate debt to a maximum of 30%. The actual variable element in 2014/15 equated to 6.64%.

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, subject to influences from Government grants. 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 Corporate Financial Management Group 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, and the analysis also informs the decision relating to whether new borrowing is to be fixed or variable. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

2013/14		2014/15
£'000		£'000
	External Debt	
290	Increase in interest payable on variable rate borrowings	290
194	Share attributable to the HRA	194
	Investments	
(619)	Increase in interest receivable on variable rate investments	(634)

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

f) Foreign Exchange Risk

With the exception of its investment in Landsbanki, the Council has no financial assets or liabilities denominated in a foreign currency and thus have no exposure to loss arising from movement in exchange rates. If income or expenditure is incurred in a foreign currency, exposure is eliminated as soon as it is identified by immediate conversion to ensure certainty of values.

Foreign exchange risk in relation to Icelandic deposits - The Council has foreign exchange exposure resulting from an element of the settlement received from Landsbanki. This is being held in Icelandic Kroner in an escrow account due to the current imposition of currency controls. The maximum exposure is currently £23,666.

g) Price Risk

The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds. However, it does have shareholdings to the value of £2.772m in a number of joint ventures and in local industry. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, generally associated with the economic regeneration of the borough, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

The shares are unquoted equity investments and are accounted for at the open book value.

52 Trust Funds

These are funds that are held on trust 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. In all cases listed below the Council is the sole trustee for the funds.

	Balance 1 st April 2014	Net Movement	Balance 31 st March 2015
	£'000	£'000	£'000
Children and Young Persons - Money is held on the behalf of clients. Funds can only be used for the benefit of the individual to which they belong	40	(11)	29
Adults - Money is held on the behalf of clients. Funds can only be used for the benefit of the individual to which they belong	8,847	337	9,184
Education Prize Funds - Interest received on these donations is used to provide prizes and grants to award children who are currently educated in certain Doncaster Schools for their academic and sporting achievements.	262	(7)	255
Youth Clubs - Youth clubs monies held by the Council	76	0	76
Museum and Libraries Bequests - Donations to the services, the interest on which is used to purchase exhibits and publications	7	0	7
Conisbrough Miners Welfare - Amounts to be used for the provision of a community centre for the inhabitants of Conisbrough	2	0	2
Parish Investments - Amounts invested on behalf of parish councils	1	0	1
Carcroft Welfare - A fund set up from the transfer of balances held by the Carcroft social welfare and recreation ground when the trusteeship of this organisation passed to the Council.	21	0	21

53 Deferred Liabilities

These liabilities totalling £46.198m (£49.468m at 31st March 2014) are payable in a period exceeding 12 months and include the following

- a) £9.928m (£11.407m as at 31st March 2014) in respect of debt taken over from the former South Yorkshire County Council which by arrangement are payable over a repayment period ending 31st March 2021 and for which the loan management rests with Rotherham MBC
- b) £36.270m (£38.061m at 31st March 2014) relating to PFI schemes' long term liabilities as disclosed in Note 16 and 43.

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 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.

2013/14		Notes	2014/15	
£'000			£'000	£'000
	Expenditure			
9,445	Repairs and maintenance		10,233	
23,220	Supervision and management		23,499	
997	Rents, rates, taxes and other charges		1,051	
	Depreciation of Property, Plant & Equipment	5		
19,464	On dwellings		20,100	
565	On other assets		554	
(3,281)	Impairment of Property, Plant & Equipment	6	(5,880)	
35	Debt management costs		16	
938	Increased provision for bad or doubtful debts		673	
51,383				50,246
	Income			
(70,362)	Dwelling rents (gross)		(72,935)	
(834)	Non-dwelling rents (gross)		(813)	
(694)	Charges for services and facilities		(860)	
(217)	Contributions towards expenditure		(39)	
(72,107)				(74,647)
(20,724)	Net cost of HRA Services as included in the whole authority Income and Expenditure Account			(24,401)
676	HRA share of Corporate and Democratic Core			712
(20,048)	Net Cost of HRA Services			(23,689)
	HRA share of the operating income and expenditure included in the whole authority Income and Expenditure Account			
19,410	(Gain) or Loss on sale of HRA Property, Plant & Equipment			19,390
11,470	Interest payable and similar charges			11,746
(172)	Interest and investment income			(110)
(8,065)	Capital Grants and Contributions			(1,339)
(6)	Other Income			0
2,589	(Surplus) or Deficit for the year on HRA services			5,998

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.

2013/14		Notes	2014/15	
£'000			£'000	£'000
(9,262)	Balances on the HRA at the end of the previous year			(5,929)
2,589	(Surplus) or deficit for the year on the HRA Income and Expenditure statement		5,998	
744	Adjustments between accounting basis and funding basis statute	Note 7	(6,196)	
3,333	Net (increase) or decrease before transfers to or from reserves		(198)	
3,333	(Increase) or decrease in year on the HRA			(198)
(5,929)	Balance on the HRA at the end of the current year			(6,127)

Notes to the Housing Revenue Account

1 The number and type of dwellings in the Council's housing stock.

31 st March 2014		31 st March 2015
16,698	Houses and bungalows	16,675
2,482	Low-rise flats and maisonettes	2,428
1,415	Medium and high-rise flats	1,405
20,595	Total	20,508

2 Major Repairs Reserve (MRR)

2013/14		2014/15
£'000		£'000
(15,303)	Balance as at 1 st April	(21,187)
(7,784)	Transfer Capital grant to MRR	0
(565)	Transfer Depreciation Non Dwellings to MRR	(554)
(19,464)	Transfer Depreciation Dwellings to MRR	(20,100)
21,929	Financing of capital expenditure	30,713
(21,187)	Balance as at 31st March	(11,128)

3 Rent arrears, excluding amounts collectable on behalf of other agencies.

31 st March 2014		31 st March 2015
£'000		£'000
1,334	Former Tenants Rent Arrears	1,472
2,111	Current Tenants Rent Arrears	2,256
3,445	Total	3,728

The bad debt provision in respect of all uncollectable rent arrears was £2.036m (£1.862m in 2013/14). The aggregate balance sheet provision in respect of all uncollectable debts relating to the Housing Revenue Account was £2.482m (£2.254m in 2013/14).

4 Movement of Property, Plant & Equipment

2013/14 Total		Council Dwellings	Other Operational Land & Buildings	Other Property, Plant & Equipment	2014/15 Total
£'000		£'000	£'000	£'000	£'000
	Cost or Valuation				
527,541	At 1st April 2014	500,243	11,403	12,086	523,732
34,527	Additions	46,095	40	1,956	48,091
(16,586)	Revaluation increases/ (decreases) recognised in the Revaluation Reserve	(16,561)	94	1	(16,466)
(45)	Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,221	(51)	0	3,170
(1,699)	De-recognition – disposals	(3,250)	0	0	(3,250)
(20,106)	De-recognition – other	(20,062)	(167)	(443)	(20,672)
0	Assets reclassified (to)/from Held for Sale	0	0	(150)	(150)
100	Reclassifications within PPE	49	345	91	485
523,732	At 31st March 2015	509,735	11,664	13,541	534,940
	Accumulated Depreciation and Impairment				
(23,101)	At 1st April 2014	(20,367)	(960)	(757)	(22,084)
(20,029)	Depreciation charge	(20,100)	(380)	(174)	(20,654)
17,306	Depreciation & Impairment written out to the Revaluation Reserve	16,610	61	0	16,671
4,225	Depreciation & Impairment written out to the Surplus/Deficit on the Provision of Services	3,756	0	0	3,756
(899)	impairment losses/(reversals) recognised in the Surplus/ Deficit on the Provision of Services	(1,022)	0	0	(1,044)
418	De-recognition – disposals	0	0	0	0
0	De-recognition – other	0	14	0	14
0	Assets reclassified (to)/from Held for Sale	0	0	12	12
(3)	Reclassifications within PPE	0	(12)	0	(12)
(22,083)	At 31st March 2015	(21,123)	(1,299)	(919)	(23,341)
501,649	Net Book Value as at 31st March	488,612	10,365	12,622	511,599

5 Vacant possession value of dwellings

The vacant possession value of dwellings within the HRA following annual revaluation as at 1st April 2014 was £1.543 billion. A difference arises between the vacant possession valuation £1.543 billion and the valuation used for balance sheet purposes of £0.478 billion because the latter represents the social housing value of tenanted dwellings. The difference £1.065 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.

2013/14 £'000		2014/15 £'000
	Capital expenditure per asset classification:	
33,906	Council Dwellings	46,095
380	Other operational Land and Buildings	40
82	Vehicles Plant and equipment	1,597
159	Infrastructure	359
34,527		48,091
	Sources of funding:	
(226)	Useable Capital Receipts	(29)
(286)	Capital Grants and Contributions	(1,239)
(21,929)	Major Repairs Reserve	(30,713)
(8,425)	Direct revenue financing	(5,934)
(3,661)	Unsupported borrowing	(10,176)
(34,527)		(48,091)

7 Capital receipts from the disposals of land, houses and other property within the HRA

2013/14 £'000	Receipts Description	2014/15 £'000
1,799	Houses (Council Dwellings)	4,431
178	Land	224
1,977	Total	4,655

8 Depreciation charged to the HRA

2013/14 £'000		2014/15 £'000
19,464	Council Dwellings	20,100
364	Other Land and Buildings	380
201	Other PPE	174
20,029		20,654

9 Impairment charge to HRA.

2013/14 £'000		2014/15 £'000
5,997	Revaluation Loss on Council Dwellings	5,250
0	Revaluation Loss relating to non-Council Dwelling Assets	74
385	Impairment due to Council Dwelling demolition in year and proposed future	364
514	Consumption of Economic Benefit re Council Dwellings	658
(10,177)	Reversal of previous impairment loss re Council Dwellings	(12,226)
(3,281)		(5,880)

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, Business Rates 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. There is no requirement for a separate Collection Fund balance sheet and Collection Fund balances are consolidated into the Council's balance sheet.

2013/14		Notes	2014/15
£'000			£'000
	Amounts required by statute to be credited to the collection fund		
(100,323)	Council Tax (showing the amount receivable, net of benefits discounts for prompt payments and transitional relief)	1	(104,533)
(91,500)	Non-domestic rates (showing the amount receivable, net of discretionary and mandatory reliefs)	2	(92,362)
0	Contributions towards previous year's Collection Fund deficit - non-domestic rates		(3,116)
(191,823)	Total Income		(200,011)
	Amounts required by statute to be debited to the collection fund		
	Precepts and demands from major preceptors and the authority – Council Tax	3	
79,849	- Doncaster Council		85,215
10,115	- South Yorkshire Police Authority		10,793
4,526	- South Yorkshire Fire and Rescue Authority		4,830
	Shares of non-domestic rating income to major preceptors and the (billing) authority – non domestic rates		
42,135	- Doncaster Council		44,271
860	- South Yorkshire Fire and Rescue Authority		903
42,995	Payment with respect to central share (including allowable deductions) of the non-domestic rating income to be paid to central government by billing authorities		45,174
358	Transitional protection payments non-domestic rates		757
	Impairment of debts/appeals for council tax		
379	- Write-offs of uncollectable amounts		374
857	- Allowance for impairment		551
	Impairment of debts/appeals for non-domestic rates		
1,681	- Write-offs of uncollectable amounts		1,151
6,430	- Allowance for impairment		3,641
368	Charge to General fund for allowable collection costs for non-domestic rates		370
354	Contributions towards previous years Collection Fund surplus – Council Tax		2,968
190,907	Total Expenditure		200,998

2013/14		Notes	2014/15
£'000			£'000
	Opening fund balance		
(2,116)	- Council Tax		(6,359)
0	- Non Domestic Rates		3,326
	Closing fund balance		
(6,359)	- Council Tax		(6,160)
3,326	- Non-domestic rates		4,114
	Movement on fund balance		
(4,243)	- Council Tax		199
3,326	- Non-domestic rates		788
	Accumulated (surplus)/deficit of the collection fund (Council Tax) is attributable to the following:		
(5,364)	- Doncaster Council		(5,197)
(686)	- South Yorkshire Police Authority		(664)
(309)	- South Yorkshire Fire and Rescue Authority		(299)
(6,359)			(6,160)
	Accumulated (surplus)/deficit of the collection fund (non-domestic rates) is attributable to the following:		
1,630	- Doncaster Council		2,016
1,663	- Central Government		2,057
33	- South Yorkshire Fire and Rescue Authority		41
3,326			4,114

Collection Fund

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 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 4).

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 Local Tax Support, Exemptions, Discounts & Other Changes	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwelling	Council Tax 2014/15 (Excluding Parishes) £
A	79,054	(28,384)	50,670	6/9	33,780	£889.04
B	23,410	(3,772)	19,638	7/9	15,274	£1,037.21
C	14,200	(1,778)	12,422	8/9	11,042	£1,185.38
D	8,588	(691)	7,897	1	7,897	£1,333.56
E	4,144	(301)	3,843	11/9	4,697	£1,629.91
F	1,781	(98)	1,683	13/9	2,431	£1,926.26
G	809	(15)	794	15/9	1,323	£2,222.60
H	121	(61)	60	18/9	120	£2,667.12
Total	132,107	(35,100)	97,007		76,564	
Less allowance for non-collection					(2,297)	
Tax base for the calculation of Council Tax					74,267	

Reconciliation of Council Tax income to the tax base

2013/14		2014/15
73,777	No of band D properties	76,564
£1,308.04	Band D rate	£1,333.56
£1,675,884	Parish Precepts	£1,799,109
£'000		£'000
(98,179)	Estimated Income	(103,902)
(2,144)	In year changes	(631)
(100,323)	Income	(104,533)

The in year changes in 2014/15 are due to an increase in the number of band D properties to 74,633, compared with 74,267 used in the calculation of the budget. This is mainly attributable to 180 fewer Local Council Tax Scheme discounts being awarded and growth of 186 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 2014/15 the Standard Rate was 48.2p (47.1p in 2013/14) and the Small Business Rate was 47.1p (46.2p in 2013/14).

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 & 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. Central government have made it clear there will be no updating of needs in this new system until at least 2020. Doncaster Council received top-up funding of £26.466m, which represents the difference between our individual business rate baseline funding level of £41.546m and the calculated baseline level of £68.012m.

The Business Rates collectable after reliefs and provisions was £92.4m in 2014/15 (£91.5m in 2013/14) and was based on a rateable value for the Council's area of £229,111,327 as at 28th March 2015 (£227,509,056 as at 31st March 2014). Full revaluations are carried out every five years and the next revaluation was due in April 2015, however central government announced in October 2012 the decision to postpone the next business rates revaluation until 2017.

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 *	83,416	74,267	1,123.19
S Y Police Authority	10,793	74,267	145.33
S Y Fire and Rescue Authority	4,830	74,267	65.04
Total	99,039		1,333.56
* Excludes Parish Precepts of £1,799k			

Group Accounts

Group Comprehensive Income and Expenditure Account						
2013/14				2014/15		
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
7,959	(5,151)	2,808	Central services to the public	9,601	(5,597)	4,004
19,765	(3,147)	16,618	Cultural and related services	19,352	(3,210)	16,142
31,768	(2,464)	29,304	Environmental and Regulatory	31,419	(4,510)	26,909
11,594	(5,207)	6,387	Planning services	10,092	(5,191)	4,901
236,249	(171,519)	64,730	Children's and education services	222,725	(162,746)	59,979
39,639	(3,670)	35,969	Highways and transport services	36,180	(2,548)	33,632
51,383	(72,107)	(20,724)	Local authority housing (HRA)	50,246	(74,647)	(24,401)
114,499	(100,822)	13,677	Other housing services	112,548	(111,450)	1,098
112,141	(33,911)	78,230	Adult social care	116,988	(40,065)	76,923
17,105	(18,780)	(1,675)	Public Health	16,593	(17,046)	(453)
			Exceptional Items			
5,267	0	5,267	- Redundancies	1,011	0	1,011
11,880	(6,392)	5,488	Corporate and democratic core	13,562	(9,278)	4,284
			<i>Non distributed costs</i>			
(4,458)	0	(4,458)	- SLHD pre-transfer net pension liability	4,988	0	4,988
(2,063)	(213)	(2,276)	- past service	3,221	(6,191)	(2,970)
1,302	(114)	1,188	- surplus properties	1,576	(3)	1,573
2,805	(3,328)	(523)	Doncaster Racecourse Management Company	2,805	(3,328)	(523)
5,187	(4,292)	895	Digital Region Limited	51	(4,361)	(4,310)
662,022	(431,117)	230,905	Net Cost of Services	652,958	(450,171)	202,787
		53,428	Other Operating Expenditure			61,250
		26,293	Financing and Investment Income and Expenditure			26,323
		(302,219)	Taxation and non-specific grant income			(291,435)
		8,407	(Surplus) / Deficit for the year			(1,075)

Group Balance Sheet				
Restated 2013/14 (Note d)			2014/15	
£'000	£'000		£'000	£'000
1,271,232		Property, Plant & Equipment	1,310,722	
10,890		Heritage Assets	10,582	
17,312		Investment Properties	17,306	
3,271		Intangible Assets	3,252	
3,851		Long Term Investments	2,796	
5,835		Long Term Debtors	7,873	
	1,312,391	Long term Assets		1,352,531
1,168		Investment in Doncaster Racecourse Management Company Limited	1,507	
(5,191)		Investment in Digital Region Limited	(933)	
	(4,023)	Investment in Associates and Joint Ventures		574
0		Current Intangible Assets	624	
5,196		Short Term Investments	40,073	
237		Assets Held for Sale	0	
1,484		Inventories	1,458	
70,482		Debtors	86,395	
67,047		Cash and cash equivalents	24,322	
	144,446	Current Assets		152,872
(6,760)		Cash & cash equivalents	(24,065)	
(98,215)		Short term borrowing	(87,587)	
(63,543)		Short term creditors	(53,511)	
(9,430)		Provisions	(7,445)	
0		Donated Assets	(6,500)	
(8,971)		Revenue Grants Receipts in Advance	(8,186)	
(4,884)		Capital Grants Receipts in Advance	(4,591)	
	(191,803)	Current Liabilities		(191,885)
(15,042)		Provisions	(13,622)	
(301,363)		Long term borrowing	(352,502)	
(49,468)		Deferred Liabilities	(46,198)	
0		Grants Receipts in Advance (Revenue)	(56)	
(6,847)		Grants Receipts in Advance (Capital)	(1,030)	
(299,269)		Liabilities Related to Defined Benefit Pension Schemes	(401,019)	
	(671,989)	Long Term Liabilities		(814,427)
	589,022	Total Net Assets		499,665
		Financed by:		
		Reserves of Group Entities		
(1,112)		DMBC Share of Doncaster Racecourse Management Company Limited Profit & Loss	(773)	
2,280		DMBC Share of Doncaster Racecourse Management Company Limited Share Premium	2,280	
(5,191)		DMBC Share of Digital Region Limited Profit & Loss	(933)	
	(4,023)			574
	116,351	Usable Reserves		119,429
	476,694	Unusable Reserves		379,662
	589,022	Total Equity		499,665

Group Movement in Reserves Statement 2013/14	General Fund Balance	Earmarked General Fund Reserves	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	£'000
Balance at 31 st March 2013 brought forward	(11,868)	(37,599)	(9,262)	(9,574)	(15,303)	(16,755)	(100,361)	(380,579)	(480,940)	14,824	(466,116)
Movement in reserves during 2013/14											
Surplus or (deficit) on provision of services	3,454	0	2,589	0	0	0	6,043	0	6,043	2,364	8,407
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	(121,164)	(121,164)	(10,157)	(131,321)
Total Comprehensive Expenditure and Income	3,454	0	2,589	0	0	0	6,043	(121,164)	(115,121)	(7,793)	(122,914)
Adjustments between accounting basis & funding basis under regulations	(18,766)	0	744	1,826	(5,884)	41	(22,039)	22,039	0	0	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(15,312)	0	3,333	1,826	(5,884)	41	(15,996)	(99,125)	(115,121)	(7,793)	(122,914)
Transfers to/from Earmarked Reserves	9,717	(10,204)	0	0	0	487	0	0	0	0	0
Other movement in reserves	0	0	0	6	0	0	6	2	8	0	8
(Increase)/Decrease in Year	(5,595)	(10,204)	3,333	1,832	(5,884)	528	(15,990)	(99,123)	(115,113)	(7,793)	(122,906)
Balance at 31 st March 2014 carried forward	(17,463)	(47,803)	(5,929)	(7,742)	(21,187)	(16,227)	(116,351)	(479,702)	(596,053)	7,031	(589,022)

Group Movement in Reserves Statement 2014/15	General Fund Balance	Earmarked General Fund Reserves	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	£'000
Balance at 31 st March 2014 brought forward	(17,463)	(47,803)	(5,929)	(7,742)	(21,187)	(16,227)	(116,351)	(479,702)	(596,053)	7,031	(589,022)
Movement in reserves during 2014/15											
Surplus or (deficit) on provision of services	2,858	0	5,998	0	0	0	8,856	0	8,856	(9,931)	(1,075)
Other Comprehensive Expenditure and Income	0	0	0	0	0	0	0	75,227	75,227	15,205	90,432
Total Comprehensive Expenditure and Income	2,858	0	5,998	0	0	0	8,856	75,227	84,083	5,274	89,357
Adjustments between accounting basis & funding basis under regulations	(17,151)	0	(6,196)	(2,281)	10,059	3,635	(11,934)	11,934	0	0	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(14,293)	0	(198)	(2,281)	10,059	3,635	(3,078)	87,161	84,083	5,274	89,357
Transfers to/from Earmarked Reserves	11,069	(11,174)	0	0	0	105	0	0	0	0	0
(Increase)/Decrease in Year	(3,224)	(11,174)	(198)	(2,281)	10,059	3,740	(3,078)	87,161	84,083	5,274	89,357
Balance at 31 st March 2015 carried forward	(20,687)	(58,977)	(6,127)	(10,023)	(11,128)	(12,487)	(119,429)	(392,541)	(511,970)	12,305	(499,665)

Group Cash Flow Statement

31st March 2014		31st March 2015
£'000		£'000
(6,043)	Net surplus or (deficit) on the provision of services - DMBC	(8,856)
(5,333)	Net surplus or (deficit) on the provision of services - SLHD	5,334
(11,376)	Net surplus or (deficit) on the provision of services – total *	(3,522)
88,146	Adjustments to net surplus or deficit on the provision of services for non-cash movements	47,840
(44,503)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(50,080)
32,267	Net cash flows from Operating Activities	(5,762)
(5,014)	Investing Activities	(92,991)
5,400	Financing Activities	38,723
32,653	Net increase or decrease in cash and cash equivalents	(60,030)
27,634	Cash and cash equivalents at the beginning of the reporting period	60,287
60,287	Cash and cash equivalents at the end of the reporting period	257

Notes to the Group Accounts**Note a****Details of the Group**

A review undertaken during 2014/15 of the Council's related companies has indicated that there are three entities to be included within the Council's Group Accounts.

- **Subsidiaries**

St. Leger Homes of Doncaster Limited are accounted for as subsidiary undertakings under IFRS 10 'Consolidated Financial Statements'.

St. Leger Homes of Doncaster Limited

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.

- **Joint Ventures**

The Doncaster Racecourse Management Company Limited and Digital Region Limited are accounted for as joint ventures under the provisions of IFRS 11 'Joint Arrangements'. The Council recognises its interest in these companies using the equity method of consolidation.

The financial year for The Doncaster Racecourse Management Company Limited ends on 31st December. The latest financial statements are as at 31st December 2013. As no changes have taken place in the period between this date and 31st March 2015 the accounts for The Doncaster Racecourse Management Company Limited for the year ended 31st December 2013 have been used as estimates within the group accounts.

The latest financial statements for Digital Region Limited are as at 30th September 2014. As no changes have taken place in the period between this date and 31st March 2015 which would affect the understanding of the group accounts, the accounts for Digital Region Limited for the period to 30th September 2014 have been incorporated within the group accounts.

The Doncaster Racecourse Management Company Limited

The Council has 190 shares of £1 each, which is 19% of the share capital. The company was formed on 1st January 2006 to develop and operate the Racecourse.

Digital Region Limited

The Council has a 6/70th share in the company. The company was set up to manage and procure a high speed broadband network in the South Yorkshire region and to undertake the promotion of the network to the service provider market. Under the original business model achievement of this objective was dependent on the company generating sufficient revenue sales in the early years of operation. Due to a range of factors, the target level of sales was not achieved. As a consequence, the shareholders took a decision in August 2013 to commence an orderly and managed closure of DRL to enable services to be migrated without interruption of business and to enable the company to meet its debts as they fell due. A funding agreement was signed by all shareholders in February 2014 to ensure that sufficient funds would be made available to meet this objective. This has not involved the shareholders having to provide any additional funding to that already committed. In the Council's case this comprises £2m of capital loans as the Council's contribution towards deployment of the network and up to a further £7.580m of support of which £6.280m is covered by a capitalisation direction received from DCLG in 2011/12. The actual amount advanced to date against the £7.580m up to and including 31st March 2015 was £5.340m. During the year £1.300m of this provision has been released back to revenue leaving a balance in the provision of £0.940m.

In order to achieve a solvent liquidation of the company, the company's balance sheet needs to be restructured. To achieve this aim, the company has agreed with its shareholders that loans will be converted into a new class of 'C' shares. A first tranche of loans was converted on 30th June 2014 and the company is now taking the steps for a second tranche of £12.257m to be converted by 30th June 2015. Thereafter, a liquidator will be appointed to complete the closure of the company. Following the conversion of loans into share capital, the Council's shareholding in the equity of the company will comprise:

10% of the company's 'A' shares (150 shares), 8.57% of the company's 'B' shares (6 shares) and 6.3% (3,870,041 shares) of the new class of 'C' shares. The 'A' shares are non-equity shares which determine voting rights. The 'B' shares confer entitlement to profits and losses. The 'C' shares relate to the capitalisation of outstanding shareholder loans on a pound for pound basis in June 2014.

The table gives an analysis of the Council's share of the joint ventures' accounts which have been consolidated for 2014/15

Joint Ventures, proportion of ownership	Digital Region Limited (8.57%)	Doncaster Racecourse Management Company Limited (19.00%)
	£'000's	£'000's
(Profit) / Loss After Tax	(4,258)	(339)
Property, Plant & Equipment	0	6,383
Current Assets	716	607
Liabilities due within 1 year	(1,649)	(5,264)
Liabilities due > 1 year	0	(219)
Total Assets Less Liabilities	(933)	1,507

Note b

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 are no material differences between the accounting policies of the group entities and the Council which require realignment

Note c**Amounts Reported For Resource Allocation Decisions (Group Accounts)**

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice.

However, decisions about resource allocation are taken by the Council's cabinet on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year; and
- expenditure on some support services is budgeted for centrally and not charged to directorates.

The results of the group members are not reported to the Council's Chief Operating Decision Maker in internal management reports and as such are not shown as reportable segments in the analysis below. The Council is organised into four portfolios based around the services delivered. These are

Adults, Health and Wellbeing
Learning Opportunities - Children & Young People
Finance & Corporate Services
Regeneration & Environment

The income and expenditure of the Council's directorates recorded in the budget reports for the year, as referred to under the financial performance for 2014/15 in the explanatory foreword, is as follows:

2014/15 Directorate	Gross spend £'000	Income £'000	Net spend £'000
Adults, Health and Wellbeing	147,690	(66,376)	81,314
Learning Opportunities - Children & Young People (excluding schools budgets)	320,279	(276,550)	43,729
Finance & Corporate Services	124,964	(107,497)	17,467
Regeneration & Environment	128,647	(87,935)	40,712
Council Wide and other	152,829	(263,270)	(110,441)
Total	874,409	(801,628)	72,781

Comparative Figures

2013/14 Directorate	Gross spend £'000	Income £'000	Net spend £'000
Adults and Communities	128,924	(40,781)	88,143
Children & Young People's Services (excluding schools budgets)	340,139	(294,933)	45,206
Finance & Corporate Services	133,668	(112,291)	21,377
Public Health	17,223	(18,780)	(1,557)
Regeneration & Environment	129,709	(85,498)	44,211
Council Wide and other	88,051	(220,791)	(132,740)
Total	837,714	(773,074)	64,640

Reconciliation of Directorate Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement. The Council does not internally report on the assets and liabilities of individual segments and so therefore there is no separate segmental analysis required to be disclosed.

	2013/14 £'000	2014/15 £'000
Net expenditure in the directorate analysis	64,640	72,781
Additional segments not reported to management in the analysis	5,942	(9,397)
Amounts in the CI&ES not reported to management in the analysis	43,906	39,440
Amounts included in the analysis not included in the CI&ES	116,417	99,963
Cost of Services in Group Comprehensive Income and Expenditure Statement	230,905	202,787

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement

2014/15	Net expenditure in directorate analysis £000	Additional segments not reported in the analysis £000	Amounts not included in the analysis but included in the CI&ES £000	Amounts included in the analysis but not included in the CI&ES £000	Net cost of services £000	Amounts reported below the net expenditure of continuing operations in the CI&ES £000	Total (surplus) / deficit for the year £000
Net expenditure	184,756	0	7,692	0	192,448	0	192,448
Trading Services surplus	(3,117)	0	0	3,117	0	(2,858)	(2,858)
Interest and investment income	(599)	0	0	599	0	(709)	(709)
Income from Council Tax	0	0	0	0	0	(85,215)	(85,215)
Government grants and contributions	(118,972)	0	0	118,972	0	(206,220)	(206,220)
Capital grants and contributions applied	0	0	36,864	0	36,864	0	36,864
HRA	0	0	(23,689)	0	(23,689)	0	(23,689)
Investment in subsidiaries, joint ventures and associates	0	(9,397)	0	0	(9,397)	(534)	(9,931)
SLHD pension liability (pre transfer)	0	0	4,988	0	4,988	0	4,988
Pension interest cost and expected return in pension assets	0	0	(10,974)	0	(10,974)	11,886	912
Depreciation, Amortisation and Impairment	0	0	23,739	0	23,739	0	23,739
Interest payments	6,850	0	0	(6,850)	0	18,596	18,596
Precepts and levies	2,114	0	0	(2,114)	0	2,114	2,114
Payments to Government Housing Capital Receipts Pool	1,931	0	0	(1,931)	0	1,931	1,931
Gains / losses on disposal of Fixed Assets	0	0	0	0	0	57,205	57,205
Adjustments involving revenue expenditure funded from capital under statute	0	0	5,173	0	5,173	0	5,173
Adjustments involving other reserves	(118)	0	(4,353)	0	(4,471)	0	(4,471)
Items not included in CI&ES (e.g. MRP)	0	0	0	(11,896)	(11,896)	0	(11,896)
Other	(64)	0	0	66	2	(58)	(56)

Net Expenditure as per analysis	72,781	(9,397)	39,440	99,963	202,787	(203,862)	(1,075)
2013/14	Net expenditure in directorate analysis £000	Additional segments not reported in the analysis £000	Amounts not included in the analysis but included in the CI&ES £000	Amounts included in the analysis but not included in the CI&ES £000	Net cost of services £000	Amounts reported below the net expenditure of continuing operations in the CI&ES £000	Total (surplus) / deficit for the year £000
Net expenditure	195,013	0	24,489	0	219,502	0	219,502
Trading Services surplus	(3,237)	0	0	3,237	0	(3,130)	(3,130)
Interest and investment income	(429)	0	0	429	0	(601)	(601)
Income from Council Tax	0	0	0	0	0	(79,849)	(79,849)
Government grants and contributions	(136,137)	0	0	136,137	0	(222,370)	(222,370)
Capital grants and contributions applied	0	0	27,349	0	27,349	0	27,349
HRA	0	0	(20,048)	0	(20,048)	0	(20,048)
Investment in subsidiaries, joint ventures and associates	0	5,942	0	0	5,942	(3,578)	(2,364)
SLHD pension liability (pre transfer)	0	0	(4,458)	0	(4,458)	0	(4,458)
Pension interest cost and expected return in pension assets	0	0	(1,423)	0	(1,423)	15,599	14,176
Depreciation, Amortisation and Impairment	0	0	23,811	0	23,811	0	23,811
Interest payments	6,380	0	0	(6,380)	0	17,850	17,850
Precepts and levies	1,991	0	0	(1,991)	0	1,991	1,991
Payments to Government Housing Capital Receipts Pool	1,138	0	0	(1,138)	0	1,138	1,138
Gains / losses on disposal of Fixed Assets	0	0	0	0	0	50,299	50,299
Adjustments involving revenue expenditure funded from capital under statute	0	0	2,847	0	2,847	0	2,847
Adjustments involving other reserves	(10)	0	(8,661)	0	(8,671)	0	(8,671)
Items not included in CI&ES (e.g. MRP)	0	0	0	(13,946)	(13,946)	0	(13,946)
Other	(69)	0	0	69	0	153	153
Net Expenditure as per analysis	64,640	5,942	43,906	116,417	230,905	(222,498)	8,407

Note d**Restated 2013/14 Balance Sheet**

The 2013/14 Balance Sheet has been restated to include £7.783m that has been eliminated on consolidation between DMBC creditors and SLHD inventories (capital work-in-progress).

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.

Accruals Concept

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

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.

Audit of Accounts

An independent examination of the Council's financial affairs

Budgets

A statement of the Council's forecast spend, i.e. net revenue expenditure for the year

Capital Charge

A charge to service revenue accounts to reflect the cost of Property, Plant & Equipment used in the provision of services.

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 Programme

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

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, but they cannot be used to finance revenue expenditure.

Capitalisation

Capitalisation is the means by which the Department for Communities and Local Government, exceptionally, permits local authorities to treat revenue costs as capital costs. This means that these costs can be funded from capital, including by borrowing or use of capital receipts, and enables authorities to meet these costs over a number of years. Capitalisation is a relaxation of accounting

convention, that revenue costs should be met from revenue resources. It also permits authorities to borrow for revenue purposes, with implications for the levels of public sector borrowing. As such, capitalisation is strictly controlled and subject to an application process, with applications assessed against clear criteria.

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.

Consistency Concept

The principle that the accounting treatments of like items within an accounting period and from one period to the next should be the same

Contingent Asset

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

Contingent Liability

A condition which exists at the balance sheet date, which may arise in the future but where the outcome will be confirmed only on the occurrence or non-occurrence of one or more future events.

Corporate and Democratic Core

The corporate and democratic core 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, that 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 Authority 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.

Fees and Charges

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

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.

Formula Grant

This is a grant distributed by formula through the local government finance settlement. There are no restrictions on what local government can spend it on. It comprises redistributed business rates and Revenue Support Grant.

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 Non Domestic Rates.

Going Concern

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

Government Grants

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

Heritage Assets

Heritage assets are 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.

Major Repairs Allowance

A revenue grant received as part of the Council's Housing Subsidy used to finance major housing repairs.

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

These are often referred to as Business Rates and are a levy on business properties. Business rates 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 Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset

Net Debt

The Council's borrowings less cash and liquid resources

Net Expenditure

Gross expenditure less specific grants and income for charging for services

Net Realisable Value

The open market value of 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 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

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.

Prudence Concept

Requires that revenue is not anticipated until realisation can be assessed

Provision is made for all known liabilities whether the amount is certain or can only be estimated in light of the information available.

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.

Service Reporting Code of Practice ('SeRCOP')

The Service Reporting Code of Practice is published by the Chartered Institute of Public Finance and Accountancy ('CIPFA') and provides guidance for accounting and defines the cost data for performance indicators (replaced the Best Value Accounting Code of Practice ('BVACOP'))

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.

Temporary Borrowing

Money borrowed for a period of less than one year.

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**