



Doncaster
Council

STATEMENT OF ACCOUNTS 2021/22



Table of Contents

Narrative Report.....	3
Explanation of Accounting Statements.....	14
The Statement of Responsibilities for the Statement of Accounts.....	16
The Core Financial Statements	17
Comprehensive Income and Expenditure Statement.....	17
Movement in Reserves Statement	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Core Financial Statements.....	21
Housing Revenue Account.....	85
Comprehensive Income and Expenditure Account.....	85
Movement on the HRA Statement	86
Notes to the Statement of Movement on the Housing Revenue Account Balance	86
Collection Fund.....	89
Collection Fund Statement	89
Notes to the Collection Fund Statement	91
Group Accounts.....	93
The Core Financial Statements	93
Group Comprehensive Income and Expenditure Statement	93
Group Movement in Reserves Statement	94
Group Balance Sheet.....	95
Group Cash Flow Statement	96
Notes to the Group Core Financial Statements	97
Glossary	108
Independent auditor’s report to the members of Doncaster Metropolitan Borough Council.....	114

Narrative Report

Introduction

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

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

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

The Council's Performance

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

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

GREENER CLEANER

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

Headlines:

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



PROSPEROUS & CONNECTED

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

Headlines:

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



SAFE & RESILIENT

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

Headlines:

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



SKILLED & CREATIVE

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

Headlines:

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



HEALTHY & COMPASSIONATE

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

Headlines:

- Waiting time for completion of an assessment was 62.94 days, which is higher than the target of 42 days or less and is an increase on last quarter.
- 55% of the people who were assessed or reviewed by Adult Social Care received a review of their care between 42 and 365 days after assessment compared to 56% in Quarter 3, the target is 75%. This is due to the tail end impact of Omicron variant and it is projected to improve. Additional capacity has also been implemented to improve the number of people accessing a review.
- This quarter shows a slight rise in the number of verified 'Rough Sleepers' in March, rising from 20 to 23
- 25 people of working age (18-64 years) were permanently admitted into residential or nursing care homes over the financial year (1st April to 31st March) compared to 27 in 2020/21
- 434 people aged 65 years and above were permanently admitted into residential or nursing care homes over the financial year (1st April to 31st March), compared to 385 in 2020/21.
- Slight reduction in quarter 4 of number of individuals with a learning disability living in permanent residential care (123 individuals), compared to quarter 3 (125 individuals)



Financial Performance

Revenue Position: £8.9m underspend

The outturn position for the Council is a £8.9m underspend which represents 1.6% of the gross budget for the year. The table below represents General Fund services only. The figures differ from those shown in the Core Financial Statements as these statements include both General Fund and the Housing Revenue Account (HRA).

A summary and further details by service area is provided below: -

	Gross Budget	Net Budget	Actual	Variance	
	£m	£m	£m	£m	%
Adults Health and Wellbeing	134.4	61.3	57.5	-3.8	-2.8%
Learning Opportunities, Skills & Culture	67.6	18.5	19.7	1.2	1.8%
Doncaster Children's Services Trust (DCST)*	63.8	56.9	61.7	4.8	7.5%
Corporate Resources	120.6	25.8	23.5	-2.3	-1.9%
Public Health	30.1	2.0	1.2	-0.8	-2.7%
Economy & Environment	102.1	41.4	39.2	-2.2	-2.2%
Services Budgets	518.6	205.9	202.8	-3.1	-0.6%
Council-Wide budgets	33.2	-64.4	-70.2	-5.8	-17.5%
Grand Total	551.8	141.5	132.6	-8.9	-1.6%

* DCST contract forms part of the Learning Opportunities, Skills & Culture Directorate but is shown separately for monitoring purposes.

This is an extremely positive year-end position given the financial pressures, however it also highlights the continued significant volatility, shown in a sizeable swing from break-even position reported at quarter 3. Changes include reduced expenditure on adults' social care as the omicron variant of COVID-19 didn't create pressure on the system as severely as expected at quarter 3, reduced homecare expenditure due to greater reductions in client numbers than anticipated as providers were unable to meet demand due to staffing recruitment/retention/sickness issues, higher level of Housing Benefit Subsidy income being received than anticipated and increased planning fees received in March. However, the resulting underspends in some circumstances relate to lower activity in 2021/22 than anticipated. It should be noted that the position also includes £7.2m delivered against planned savings, this is a £3.0m shortfall against the budgeted savings targets.

This position includes the use of £6.6m of COVID-19 emergency grant to meet COVID-19 related cost pressures and initiatives this financial year.

The Council has control or significant influence over two entities, St Leger Homes of Doncaster Limited (SLHD) and Doncaster Children's Services Trust Limited (DCST), whose accounts are consolidated with the Council's in the Group Accounts shown from page 93. DCST spent £7.15m more than planned in 2021/22 mainly as a result of an increased number of children with out of authority placements; the overspend was funded by additional management fees from the Council. Where increased costs were due to the impact of COVID-19 the Council used COVID-19 emergency grant to fund the additional management fees. SLHD were able to absorb COVID-19 related cost pressures and return small surpluses to the Housing Revenue Account and General Fund.

Further details can be found on the agendas for the Cabinet meetings where the outturn position was discussed. Separate reports are prepared for the Council, DCST and SLHD. The Council and DCST reports can be found on the 8th June, 2022 and 6th July 2022 agendas accessible via the Council's website:-

<https://doncaster.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>

The SLHD report can be found on the 26th May, 2022 agenda accessible via SLHD's website: -

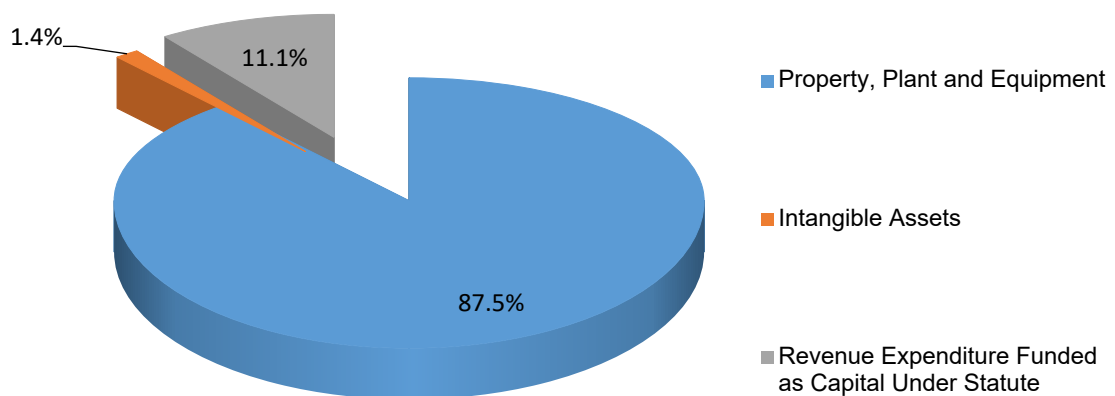
<https://www.stlegerhomes.co.uk/about/our-board/reports-and-minutes/>

Capital Position

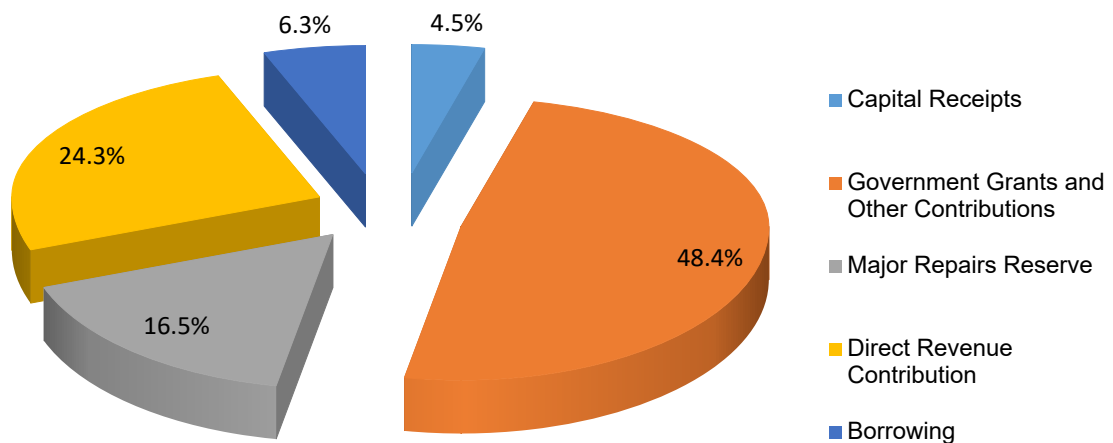
Capital expenditure represents money spent by the Council to purchase, upgrade or improve assets such as buildings, vehicles and roads. The distinction between capital and revenue expenditure is that the Council and its communities receive the benefit from capital expenditure over a longer period of time, usually over a number of years.

The Council spent £72.9m on capital schemes which includes schemes such as the new Danum Gallery, Library and Museum (DGLAM) which opened in year, adaptations for the disabled, creation of school places and the school condition programme, improvements and maintenance of roads, fleet replacement and decarbonisation schemes.

What the money was spent on (£72.9m)



How the costs were financed (£72.9m)

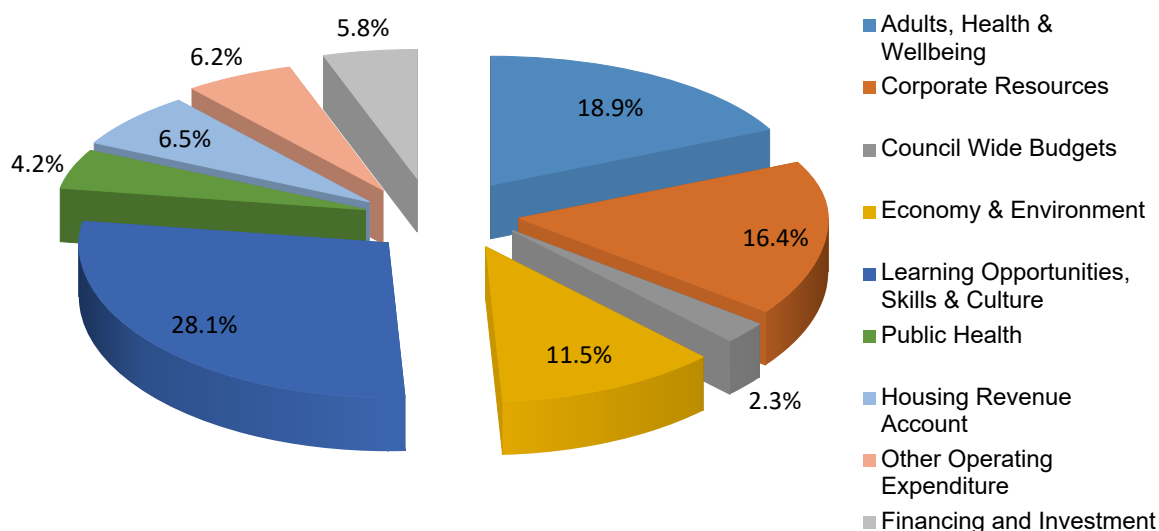


Cost of the Council's Services

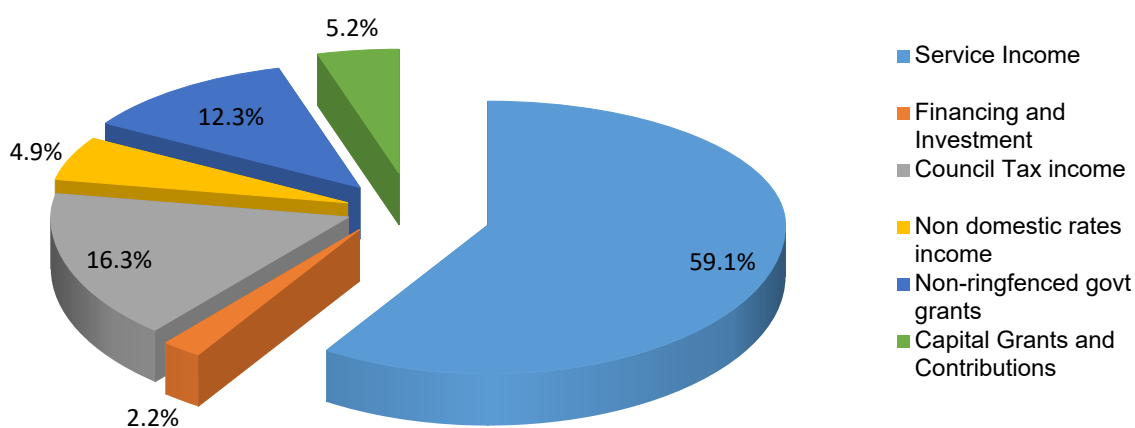
The Comprehensive Income and Expenditure Statement ('CI&ES') for 2021/22 shows the cost of running the Council's services and how that was funded between April 2021 and March 2022.

Overall expenditure on Council services was £790.7m, up £66.6m compared to 2020/21. Income was £755.9m, up £37.5m compared to 2020/21. The deficit on provision of services was £34.8m, up £29.2m compared to 2020/21. This was largely due to the revaluation increases on leisure assets in 2020/21.

CI&ES Expenditure (£790.7m)



CI&ES Income (£755.9m)



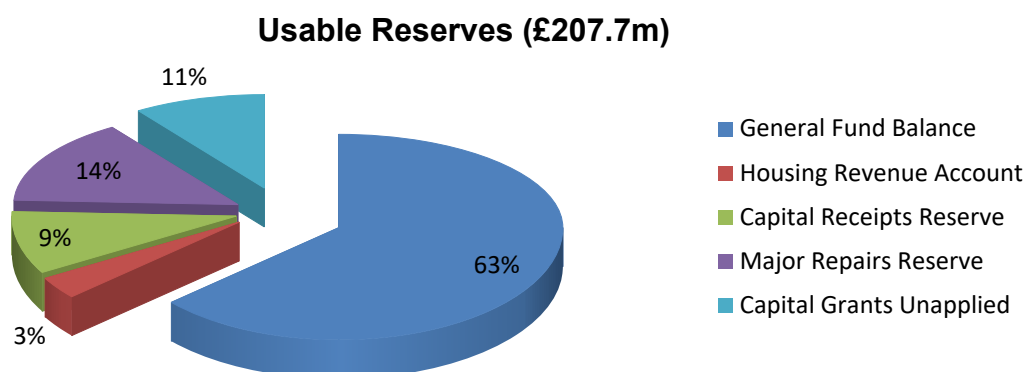
Balance Sheet

The Council's net worth increased by £232.5m from £540.2m to £772.7m which is mainly due to an increase in value of non-current assets due to a valuation increase in the housing stock and a decrease in the liability related to defined benefit pension scheme.

Balance Sheet	31st March 2022
	£m
Non-Current Assets (e.g. Property, Plant & Equipment)	1,528.3
Current Assets (e.g. short term debtors)	136.9
Cash and cash equivalents (net)	67.6
Current Liabilities (e.g. short term creditors, short term borrowing)	(182.1)
Long Term Liabilities (e.g. long term borrowing, pension deficit)	(778.0)
Net Worth (31st March 2021: £540.1m)	772.7
Financed by:	
Usable Reserves (see below)	207.7
Unusable Reserves	565.0
Net Worth (31st March 2021 £540.1m)	772.7

Usable Reserves

The Council's usable reserves have increased by £10.4m to £207.7m; General Fund reserves have remained largely unchanged with a small increase of £0.02m to £131.7m.



Financial Outlook

Revenue

On 28 February 2022, the Council set a budget based on closing a budget gap of £21.7m over 2022/23 to 2024/25 (including £13.1m in 2022/23). This was a significant challenge in the context of COVID-19, ongoing demand for services and considerable cost pressures with no reduction in statutory obligations to provide services, whilst continuing to invest in the Borough and protecting the most vulnerable in our communities.

This position incorporates £19.0m of budget pressures in 2022/23, increasing to £22.1m by 2024/25. This includes pay and price inflation; with £4.7m set aside for Adults, Health & Wellbeing in 2022/23 for Adult Social Care contracts including the impact of the Government National Living Wage. The service specific budget pressures include significant investment in both adults and children's social care in 2022/23.

The savings proposals identified amount to £19.8m over the 3 years, with £12.1m in 2022/23, reducing the ongoing budget position and supporting the financial sustainability of the Council going forward. The savings include central budgets, e.g. pension budgets and treasury management. Like many other Councils we also plan to review and reduce our use of assets, utilising the new ways of operating and blended approach to working.

The government's Spending Review announcement in October 2021 only covered the spending period 2022/23. The Secretary of State for Levelling Up, Housing and Communities announced on 28th June, 2022 that he will be introducing a 2-year financial settlement to give Councils certainty and confidence. The Department for Levelling Up, Housing and Communities (DLUHC) will launch a consultation on this shortly. A further promise was made to consult on the delayed Fair Funding review in this calendar year although it is not clear how that would fit in with a 2-year settlement. Although the Government only provided a one-year Spending Review, the Council needs to look longer term as service change and transformation takes time to form and implement. For that reason, the Council has set out a three year balanced budget. This will allow the Council to move forward with some certainty and deliver these plans. Whilst at the same time acknowledging the future financial uncertainties and remaining sufficiently flexible to respond to future challenges.

Since the approval of the budget the financial outlook has worsened with inflation posing a significant risk to the budget. The impact of rising energy, fuel and other prices is impacting on both revenue and capital budgets. In addition, the Council is seeing increased demand for children's social care and special education. The increase in the cost of living will also impact on collection rates for council tax and business rates. Careful monitoring will be undertaken and budgets will be adjusted using contingencies or reserves. The MTFs will be refreshed during the summer to pick up the longer-term impact in preparation for the 2023/24 budget setting process.

The Capital Programme

The Capital Strategy outlines the principles and decision making process involved when approving the Capital Budget. The aim is to contribute to the achievement of the Council's priorities and objectives, through the regeneration of the Borough, improved infrastructure, improved efficiency and effective operation of services. This is to be delivered via an affordable programme of capital investment consistent with the Council's financial strategy.

The Council continues to invest in the future of the Borough despite the tough economic climate with an estimated £386.9m of capital investment over 2022/23 to 2025/26 that will continue to stimulate growth and prosperity, with £141.6m of spend estimated for 2022/23. The Council is investing in projects to further improve core services such as Education, Housing, Infrastructure, Leisure and Culture, as well as attracting investors and visitors to the Borough. This includes £196.8m investment in the Council's social housing stock over the next four years, covering maintenance, adaptations and the new build programme.

New additions to the capital programme include continued investment in our leisure facilities, retained public buildings and fleet replacement with the acquisition of electric vehicles being prioritised where possible, and £6m additional investment for improving the condition of our roads and road safety.

Further details on the 2022/23 Revenue Budget, Capital Strategy and Capital Budget can be found on the Council's website: -

<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=3722&Ver=4>

Explanation of Accounting Statements

- **The Statement of Responsibilities for the Statement of Accounts**

A brief statement of the Council's financial responsibilities and those of the Chief Financial Officer.

- **Core Financial Statements**

- **Comprehensive Income and Expenditure Statement** shows the income and expenditure in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- **Movement in Reserves Statement ('MiRS')** shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The (Surplus) or Deficit on the Provision of Services line shows the economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.
- **Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- **Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital, i.e. borrowing, to the Council.

- **Notes to the Core Financial Statements**

Notes identify the nature and value of various entries within the core statements often providing additional information to aid the understanding of the accounts.

- **Expenditure and Funding Analysis ('EFA')** shows how annual expenditure is used and funded from resources (government grants, rents, Council Tax and Business Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

- **Supplementary Statements**

- **Housing Revenue Account ('HRA')**, which is consolidated into the main statements, reports on the Council's activities as a social landlord. The HRA reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure (maintenance and administration) and how these are met by rents, subsidy and other income. From 1st October 2005, maintenance and administration of the Council's dwellings was transferred to St. Leger Homes of Doncaster Limited, an Arms' Length Management Organisation, limited by guarantee and wholly owned by the Council.
- **Collection Fund** statement reports on the collection of local taxes and their distribution. The account reflects the statutory requirement for billing authorities to establish and maintain a separate Collection Fund, which accounts for the income from Council Tax and National Non-Domestic Rates (NNDR). This income finances the net expenditure requirements of the authorities within the Doncaster Council area, including the Council itself, the South Yorkshire Joint Authorities and Parish Councils.
- **Group Accounts** include the assets and liabilities of companies and similar entities, which the Council either controls or significantly influences. These are St Leger Homes of Doncaster Limited and Doncaster Children's Services Trust Limited.

Significant Changes in Accounting Policy

The Council's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the CIPFA Code of Practice on Local Authority Accounting 2021/22. The accounting policies are compliant with IFRS and have been applied in preparing the financial statements and the comparative information.

There have been no significant changes in accounting policy during 2021/22.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)
6th July, 2022

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to: -

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Financial Officer & Assistant Director of Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

Cllr Austen White
Chair of Audit Committee

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In this Council, the Section 151 Officer is the Chief Financial Officer & Assistant Director of Finance.

In preparing this Statement of Accounts, the Chief Financial Officer & Assistant Director of Finance has: -

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error,

This Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2022.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)

The Core Financial Statements

Comprehensive Income and Expenditure Statement

2020/21				2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
142,769	(78,568)	64,201	Adults, Health & Wellbeing	149,689	(85,733)	63,956
122,229	(82,852)	39,377	Corporate Resources	129,362	(94,805)	34,557
19,783	(1,942)	17,841	Council Wide Budgets	18,163	(1,234)	16,929
94,135	(19,479)	74,656	Economy & Environment	91,215	(26,029)	65,186
212,276	(126,310)	85,966	Learning Opportunities, Skills & Culture	222,161	(132,102)	90,059
(27,132)	(30,631)	(57,763)	Public Health	33,370	(29,247)	4,123
52,452	(76,410)	(23,958)	Housing Revenue Account	51,601	(77,719)	(26,118)
616,512	(416,192)	200,320	Net Cost of Services	695,561	(446,869)	248,692
2,457	0	2,457	Parish Council Precepts	2,501	0	2,501
1,392	0	1,392	Payments to the Government Housing Capital Receipts Pool	1,939	0	1,939
55,594	0	55,594	(Gains) / Losses on the disposal of non-current assets	44,974	0	44,974
59,443	0	59,443	Other operating expenditure	49,414	0	49,414
21,110	0	21,110	Interest payable & similar charges	19,676	0	19,676
9,471	0	9,471	Pensions interest cost & expected return on pensions assets	9,568	0	9,568
0	(677)	(677)	Interest receivable & similar income	0	(498)	(498)
(55)	(165)	(220)	Income & expenditure in relation to investment properties & changes in their fair value	13	(165)	(152)
17,611	(12,478)	5,133	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	16,469	(15,590)	879
48,137	(13,320)	34,817	Financing and investment income and expenditure	45,726	(16,253)	29,473
0	(118,576)	(118,576)	Council tax income	0	(122,897)	(122,897)
0	(26,928)	(26,928)	Non domestic rates redistribution	0	(37,156)	(37,156)
0	(119,346)	(119,346)	Non-ring fenced Government grants (Note 33)	0	(93,072)	(93,072)
0	(24,086)	(24,086)	Capital grants and contributions (Note 33)	0	(39,646)	(39,646)
0	(288,936)	(288,936)	Taxation and non-specific grant income	0	(292,771)	(292,771)
724,092	(718,448)	5,644	(Surplus) / Deficit on Provision of Services	790,701	(755,893)	34,808
		(58,069)	(Surplus) / Deficit on revaluation of non-current assets (Note 24a)			(102,320)
		10,161	Actuarial (gains) / losses on pension assets / liabilities (Note 24d)			(165,549)
		754	(Gains) / Losses on Revaluation of Financial Instruments (Note 24h)			603
		(47,154)	Other Comprehensive Income and Expenditure			(267,266)
		(41,510)	Total Comprehensive Income and Expenditure			(232,458)

Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 24)	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2021 brought forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)
Movement in reserves during 2021/22								
Total Comprehensive Income and Expenditure	29,650	5,158	0	0	0	34,808	(267,267)	(232,459)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(29,816)	(3,581)	(874)	(6,643)	(4,313)	(45,227)	45,227	0
(Increase) / Decrease in 2021/22	(166)	1,577	(874)	(6,643)	(4,313)	(10,419)	(222,040)	(232,459)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(564,933)	(772,663)

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Note 24)	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2020 brought forward	(63,467)	(9,670)	(17,348)	(10,074)	(19,572)	(120,131)	(378,563)	(498,694)
Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	(5,212)	0	0	0	0	(5,212)	5,212	0
Restated Balance as 1 April 2020	(68,679)	(9,670)	(17,348)	(10,074)	(19,572)	(125,343)	(373,351)	(498,694)
Movement in reserves during 2020/21								
Total Comprehensive Income and Expenditure	2,042	3,602	0	0	0	5,644	(47,154)	(41,510)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(64,865)	(2,199)	(491)	(11,306)	1,249	(77,612)	77,612	0
(Increase) / Decrease in 2020/21	(62,823)	1,403	(491)	(11,306)	1,249	(71,968)	30,458	(41,510)
Balance at 31st March 2021 carried forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)

Balance Sheet

31 st March 2021		Notes	31 st March 2022	
£'000	£'000		£'000	£'000
1,419,642		Property, Plant & Equipment	12	1,504,952
9,120		Heritage Assets	13	9,050
1,710		Investment Property	14	1,696
3,891		Intangible Assets	15	2,478
3,841		Long Term Investments	16	3,238
7,024		Long Term Debtors	16	6,894
	1,445,228	Long Term Assets		1,528,308
25,007		Short Term Investments	16	25,010
31,084		Assets Held for Sale	20	21,829
1,071		Inventories		1,253
96,400		Short Term Debtors	17	88,765
64,413		Cash & Cash Equivalents	19	67,558
	217,975	Current Assets		204,415
0		Cash & Cash Equivalents	19	(27)
(103,070)		Short Term Borrowing	16	(63,790)
(73,913)		Short Term Creditors	21	(83,078)
(1,722)		Provisions	22	(1,593)
(16,228)		Revenue Grants Receipts in Advance	33	(31,749)
(8,917)		Capital Grants Receipts in Advance	33	(1,860)
	(203,850)	Current Liabilities		(182,097)
(14,720)		Provisions	22	(16,282)
(419,357)		Long Term Borrowing	16	(398,902)
(41,846)		Other Long Term Liabilities	16, 42	(40,400)
0		Donated Assets Account	33	0
(1,044)		Revenue Grants Receipts in Advance	33	0
(2,541)		Capital Grants Receipts in Advance	33	(6,063)
(439,641)		Liability related to defined benefit pension scheme	39	(316,316)
	(919,149)	Long Term Liabilities		(777,963)
	540,204	Net Assets		772,663
197,311		Usable Reserves		207,730
342,893		Unusable Reserves	24	564,933
	540,204	Total Reserves		772,663

This balance sheet was completed and authorised for issue on 6th July, 2022, the date to which events after the balance sheet date have been considered. These accounts present fairly the financial position of Doncaster Council as at 31st March 2022.

Faye Tyas
Chief Financial Officer
& Assistant Director of Finance
(Section 151 officer)

6th July, 2022

Cash Flow Statement

31st March 2021 £'000		31st March 2022 £'000
(5,644)	Net surplus or (deficit) on the provision of services	(34,808)
87,486	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 25)	174,033
(32,571)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 25)	(45,789)
49,271	Net cash flows from Operating Activities	93,436
(28,429)	Investing Activities (Note 26)	(29,680)
(385)	Financing Activities (Note 27)	(60,638)
20,457	Net increase or (decrease) in cash and cash equivalents	3,118
43,956	Cash and cash equivalents at the beginning of the reporting period	64,413
64,413	Cash and cash equivalents at the end of the reporting period (Note 19)	67,531

Notes to the Core Financial Statements

Note 1 Expenditure and Funding Analysis.....	22
Note 2 Accounting Policies	23
Note 3 Accounting Standards that have been issued but have not yet been adopted	37
Note 4 Critical Judgements in Applying Accounting Policies.....	37
Note 5 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty	38
Note 6 Events after the Balance Sheet Date	38
Note 7 Note to the Expenditure and Funding Analysis	39
Note 8 Segmental Income	40
Note 9 Expenditure and Income Analysed by Nature.....	41
Note 10 Adjustments between Accounting Basis and Funding Basis under Regulations	42
Note 11 Movements in Earmarked Reserves	45
Note 12 Property, Plant and Equipment	48
Note 13 Heritage Assets.....	51
Note 14 Investment Properties	52
Note 15 Intangible Assets.....	53
Note 16 Financial Instruments and Nature and Extent of Risks Arising from Financial Instruments....	54
Note 17 Debtors.....	60
Note 18 Debtors for Local Taxation	61
Note 19 Cash and Cash Equivalents.....	61
Note 20 Assets Held for Sale.....	61
Note 21 Creditors.....	62
Note 22 Provisions.....	62
Note 23 Usable Reserves.....	63
Note 24 Unusable Reserves.....	63
Note 25 Cash Flow Statement – Operating Activities.....	68
Note 26 Cash Flow Statement – Investing Activities	68
Note 27 Cash Flow Statement – Financing Activities	69
Note 28 Pooled Budget Arrangements	69
Note 29 Members’ Allowances	69
Note 30 Officers’ Remuneration	70
Note 31 External Audit Costs.....	71
Note 32 Dedicated Schools Grant	72
Note 33 Grant Income	73
Note 34 Related Parties.....	75
Note 35 Capital Expenditure and Capital Financing	76
Note 36 Leases.....	76
Note 37 Private Finance Initiatives (PFI) and Similar Contracts.....	78
Note 38 Pensions Schemes Accounted for as Defined Contribution Schemes.....	79
Note 39 Defined Benefit Pension Schemes.....	80
Note 40 Contingent Liabilities	83
Note 41 Trust Funds	84
Note 42 Other Long Term Liabilities	84

Note 1 Expenditure and Funding Analysis

2020/21				2021/22		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
58,823	5,378	64,201	Adults, Health & Wellbeing	58,721	5,235	63,956
20,588	18,789	39,377	Corporate Resources	22,571	11,986	34,557
11,424	6,417	17,841	Council Wide Budgets	9,510	7,419	16,929
36,997	37,659	74,656	Economy & Environment	35,169	30,017	65,186
65,522	20,444	85,966	Learning Opportunities, Skills & Culture	80,594	9,465	90,059
(3,507)	(54,256)	(57,763)	Public Health	1,412	2,711	4,123
(21,249)	(2,709)	(23,958)	Housing Revenue Account	(20,660)	(5,458)	(26,118)
168,598	31,722	200,320	Net Cost of Services	187,317	61,375	248,692
2,281	57,162	59,443	Other Operating Expenditure	2,395	47,019	49,414
58,261	(23,444)	34,817	Financing and Investment Income and Expenditure	51,515	(22,042)	29,473
(290,560)	1,624	(288,936)	Taxation and Non-specific Grant income	(239,816)	(52,955)	(292,771)
(61,420)	67,064	5,644	(Surplus) or deficit	1,411	33,397	34,808
(73,137)			Opening General Fund and HRA Balance	(139,769)		
(5,212)			Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	0		
(61,420)			Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year	1,411		
(139,769)			Closing General Fund and HRA Balance at 31 March*	(138,358)		

* For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement

Note 2 Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year-end of 31st March 2022. The Council is required by the Accounts and Audit Regulations 2015 to prepare an annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

Accruals of Income and Expenditure

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

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

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature within three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents include bank overdrafts that are an integral part of the Council's cash management. Investments or loans with a longer maturity at acquisition do not become cash equivalents once their remaining maturity period falls to three months.

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

Charges to Revenue for Non-Current Assets

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

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

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

Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund, i.e. the Collection Fund, for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to Council Wide Budgets line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

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

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

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

The Teachers Pensions Scheme and NHS Pension Scheme

The arrangements for the Teachers' Pensions Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The Learning Opportunities, Skills & Culture line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year and the Public Health line is charged with the employer's contributions payable to the NHS pensions in year.

The Local Government Pension Scheme

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

- The liabilities of the South Yorkshire Pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate. Details of the rates used and assumptions made are included in the Defined Benefit Pension Scheme Note to the core financial statements;
- The assets of South Yorkshire Pension fund attributable to the Council are included in the Balance Sheet at their fair value: -
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price;
 - property – market value.

The change in the net pension liability is analysed into the following components: -

- Service cost comprising: -
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to Council Wide Budgets.
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising: -
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to South Yorkshire Pension fund: - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. The Council's current policy is not to award enhancements for non-school Council employees, i.e. those who are members of the Local Government Pension Scheme.

Events after the Reporting Period

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

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

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

Fair value measurement of non-financial assets

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either: -

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows: -

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 – unobservable inputs for the asset.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure statement is the amount payable for the year according to the loan agreement.

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Council holds financial assets measured at: -

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument). These are classified as fair value through profit or loss. Equity investments are held for strategic purposes and are designated at FVOCI.

Financial Assets Measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

Equity Instruments Designated to Fair Value through Other Comprehensive Income

Equity Instruments not held for trading, i.e. held for strategic purposes, are elected into a FVOCI treatment rather than FVPL. Movements in fair value will not be debited/credited to the Surplus or Deficit on the Provision of Services as they arise. Instead, movements will be accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund Balance.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis;
- equity shares with no quoted market prices – net worth analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels: -

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Financial Assets Measured at Fair Value through Profit and Loss

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

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels: -

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

Heritage Assets (Tangible and Intangible)

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Heritage assets include Historic land and buildings, recordings of historically significant events and other heritage assets which include Civic Regalia, Exhibits, Statues and Monuments, military and scientific equipment, and works of art.

Heritage Assets are recognised on balance sheet at cost or value. Valuations for historic land and buildings have been prepared by in house assets and property valuers over a five year rolling programme. All other categories have been valued by the most appropriate and relevant valuation method including insurance and auction values. They are reviewed annually and updated if more up to date information is available.

There are heritage assets within the Council with an individual value below £10,000 that are not disclosed. The value has been considered to have an immaterial effect and therefore the cost of valuing these assets would again outweigh any benefit.

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

Depreciation is not required to be charged on heritage assets as, by nature, they will be preserved for future generations however, some of the buildings within the category of historic land and buildings are still depreciated as determinable lives have been estimated by the internal valuers. These asset lives are reviewed in line with the revaluation programme.

Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. No intangible asset held by the Council meets this criterion and therefore all such assets are carried at amortised cost. The depreciable amounts for intangible asset is amortised over its useful lives to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the assets might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation and impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

Interest in Companies and Other Entities

The Council has interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures. Group Accounts are prepared where these interests are material.

Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-In-First-Out (FIFO) costing formula and the Weighted Average Cost method. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those operators. In relation to its interest in a joint operation, the Council as a joint operator recognises: -

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation;
- Its expenses, including its share of any expenses incurred jointly.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Council as Lessee

Finance Leases:

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between: -

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

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

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases:

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

The Council as Lessor

Finance Leases:

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

Lease rentals receivable are apportioned between: -

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

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

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

Operating leases:

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the asset, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Non-current Assets - Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance, however, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (for any sale proceeds greater than £10,000).

Non-current Assets - Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the costs of the item can be measured reliably. Expenditure that maintains but does not add value or increase an assets potential to deliver future economic benefits or service potential is charged as an expense when it is incurred. The de-minimis value of £100,000 is applied when reviewing revenue spend for capital items.

Measurement

Assets are initially measured at cost, comprising: -

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost;
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH);
- School buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value;
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective;
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

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

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable useful life, e.g. freehold land and certain community assets and assets that are not yet available for use, i.e. assets under construction.

Depreciation is calculated on the following bases: -

Asset Category	Useful Life
Other Land & Building	Up to 100 years, dependent upon the asset
Vehicles, Plant & Equipment	3 - 20 years, dependent upon the asset
Infrastructure	40 years
Intangible e.g. surveys	Up to 15 years dependent upon the asset
Council dwellings	The calculation for the depreciation of Council Dwellings uses the straight line method over 30 years. The calculation uses the value of the dwellings stock excluding the value of land.

Assets in the course of construction are not depreciated until they are brought into use.

For Property, Plant & Equipment, other than non-depreciable land, non-operational investment properties and assets held for sale, the only ground for not charging depreciation is that the charge would be immaterial.

Depreciation is calculated using the straight-line method.

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

Disposals and Non - Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisations or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not classified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the Government. The capital financing regulations allow disposal costs of up to 4% of capital receipt to be met from the sale proceeds. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against Council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Enhancement Expenditure and De-recognition of Replaced Part of an Asset

Enhancement expenditure on Property, Plant & Equipment increases both the historic cost and carrying amount records. The enhancement expenditure could be in relation to one component, multiple components or for a single asset that has not been componentised.

The carrying amount of a replaced or restored part of the asset is de-recognised, with the carrying amount of the new component being recognised subject to the capital recognition principles being met.

This recognition and de-recognition takes place regardless of whether the replaced part had been depreciated separately, where it is not practicable to determine the carrying amount of the replaced part the cost of the new part is used as a proxy for the calculation of the old element to be de-recognised (adjustments for depreciation and impairment, are made if required).

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The Council has established a threshold of £1.5million for determining whether an asset needs to be reviewed for components. To be separately accounted for, a component has a cost of at least £300,000 or costs at least 20% of the overall asset (whichever is the higher) and has a useful life which is at least plus or minus 5 years from the main asset.

Accounting for non-current schools' assets

The Council has made the following judgements regarding the accounting treatment of the differing types of schools: -

- **Community schools** are run by the local authority, which employs the staff, owns the land and buildings and decides which admission criteria to use. The land and buildings of these schools are accounted for on the Council's balance sheet.
- **Foundation Schools** are run by their governing body. The governing body employs the staff and sets its own admissions criteria. The land and buildings are usually owned by the governing body or, in trust schools, a charity. Doncaster does not currently have any Foundation schools.

- **Trust schools** are a type of foundation school which forms a charitable trust with an outside partner. They are run by their own governing body, which employs the staff and sets the admission criteria. Land and buildings are transferred out of local authority ownership upon transfer to trust status. These schools are not accounted for on the Council's balance sheet and the assets are treated as a disposal upon transfer to trust status.
- **Voluntary-aided schools** are mainly religious or 'faith' schools and as with foundation schools, the governing body employs the staff and sets the admissions criteria. The school buildings are not accounted for on the Council's balance sheet as ownership and control of the building lies with the voluntary body. The ownership of the land remains with the Council so is accounted for on the balance sheet.
- **Voluntary-controlled schools** are similar to voluntary aided schools but are run by the local authority. As with community schools, the local authority employs the school's staff and sets the admission criteria. The land and buildings of these schools are accounted for on the Council's balance sheet.
- **Academies** are independently managed, all-ability schools. They are set up by sponsors from business, faith or voluntary groups in partnership with the Department for Education and the Council. Together they fund the land and buildings, with the Government covering the running costs. The land and buildings are usually leased to the academy on a long term lease. The lease terms are reviewed on transfer to determine whether they represent finance or operating lease. Schools which are leased on a finance lease are treated as disposals. The buildings are not included on the Council's balance sheet but the land remains on the balance sheet at a nominal value. Schools which are issued on an operating lease are revalued in the year of transfer.

Overheads and Support Services

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

Prior period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts fall within scope of International Financial Reporting Interpretations Committee (IFRIC) 12 and are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment owned by the Council. The amounts payable to the PFI operators each year are analysed into five elements: -

- **fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- **finance cost** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **contingent rent** – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

- **payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease);
- **lifecycle replacement costs** – Recognised as additions to Property, Plant and Equipment in the Balance Sheet as the scheduled works are carried out and the expenditure is incurred.

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party, e.g. from an insurance claim, income is only recognised for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Reserves

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

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority maintained schools lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 3 Accounting Standards that have been issued but have not yet been adopted

The Council is required to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The Council shall provide known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the Council's financial statements in the period of initial application. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1st January of the financial year in question (i.e. on or before 1st January 2022 for 2021/22). For this disclosure the proposals for change include: -

- IFRS 16 *Leases* (but **only** for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year – the Council intends to adopt this standard in 2024/25).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

These are not expected to have a material impact on the council's statement of accounts.

Note 4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are: -

Central Government Funding

There is a high degree of uncertainty about future levels of funding for Local Government. The Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision other than those already earmarked for closure as part of budget delivery plans.

Group Accounts

The Council has reviewed its relationship and interest with external organisations and concludes that it does have an interest in subsidiaries, associated companies and joint ventures that are material both individually and in aggregate and therefore a set of Group Accounts has been prepared. This consideration has been made under the provisions of IFRS 10 ('Consolidated Financial Statements') and IFRS 11 ('Joint Arrangements') as required by the Code.

Property, Plant and Equipment valuations

The Code of Practice has clarified the requirements for valuing Property, Plant and Equipment and states explicitly that revaluations must be 'sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period.' In order to be satisfied that the value of assets in the balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31st March 2022 the Council, for assets not valued in the year, has judged that their value has not altered materially at the balance sheet date. This judgement is supported by a year-end valuation report provided by the Council's qualified valuers that provides assurance that valuations are materially correct at the balance sheet date.

Note 5 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors, however because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet as at 31st March 2022 for which there is a significant risk of material adjustments in the forthcoming financial year are as follows: -

Item and Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment, HRA valuation (Note 12)	
The value of the Council's housing dwellings stock is calculated using beacon properties. These valuations are then adjusted for the vacant possession value for the properties and to reflect their occupation by a secure tenant. This adjustment is considered to reflect the additional risk and liability the public sector landlords undertake when compared with private sector investors. The adjustment factor which is applied to the total vacant possession valuation (based on the beacon valuation) is for local authorities to determine seeking appropriate professional advice where applicable.	The fair value of the Council's housing dwellings stock as at the 31 st March 2022 has been determined using an adjustment factor of 41%. A 1% decrease in this adjustment factor would have resulted in a revaluation loss of £18.309m in 2021/22.
Defined Benefit Pension Schemes Liabilities (Note 39)	
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Hymans Robertson, a firm of consulting actuaries, are engaged to provide the Council with expert advice about the assumptions to be applied.	The net pension liability which the Council has in the long run is estimated to be £316.316m (£439.641m as at 31 st March 2021). A 0.1% increase in the discount rate assumption would result in a decrease in the pensions' liability of £30.531m. A 0.1% increase in the inflation rate assumption would result in an increase in the pensions' liability of £26.062m. Similarly, a one year addition to members' life expectancy as at 31 st March 2022 would result in an increase in the pensions' liability of £69.367m.

Note 6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer & Assistant Director of Finance on 6th July, 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March, 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The financial statements and notes have not been adjusted for the following events which took place after 31st March, 2022 as they provide information that is relevant to an understanding of the Council's financial position but do not relate to conditions at that date.

On 1st September, 2022 all services provided by Doncaster Children's Services Trust Limited (DCST) transferred to the Council. From 1st October, 2014 until 31st August, 2022, DCST - a subsidiary of the Council - had provided children's services on behalf of the Council.

Note 7 Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis				2021/22
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)	
	£'000	£'000	£'000	£'000
Adults, Health & Wellbeing	664	4,575	(4)	5,235
Corporate Resources	6,039	5,949	(2)	11,986
Council Wide Budgets	1,698	5,721	0	7,419
Economy & Environment	24,763	5,243	11	30,017
Learning Opportunities, Skills & Culture	(1,071)	5,392	5,144	9,465
Public Health	2,034	664	13	2,711
Housing Revenue Account	(5,458)	0	0	(5,458)
Net Cost of Services	28,669	27,544	5,162	61,375
Other income and expenditure from the Expenditure and Funding Analysis	(14,523)	0	(13,455)	(27,978)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	14,146	27,544	(8,293)	33,397

Adjustments between Funding and Accounting Basis				2020/21
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)	
	£'000	£'000	£'000	£'000
Adults, Health & Wellbeing	2,284	3,102	(8)	5,378
Corporate Resources	14,848	3,919	22	18,789
Council Wide Budgets	(73)	6,490	0	6,417
Economy & Environment	34,294	3,349	16	37,659
Learning Opportunities, Skills & Culture	13,331	3,737	3,376	20,444
Public Health	(54,256)	0	0	(54,256)
Housing Revenue Account	(2,709)	0	0	(2,709)
Net Cost of Services	7,719	20,597	3,406	31,722
Other income and expenditure from the Expenditure and Funding Analysis	9,802	0	25,540	35,342
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	17,521	20,597	28,946	67,064

Note 1 Adjustment for Capital Purposes

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

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;

- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year

Note 2 Net Change for Pension Adjustments

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

- For **services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs;
- For **Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES.

Note 3 Other Differences

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

- For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts;
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for Council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 8 Segmental Income

Income received on a segmental basis is analysed below: -

	2020/21	2021/22
Services	Fees, charges and other service income	Fees, charges and other service income
	£'000	£'000
Adults, Health & Wellbeing	(19,833)	(21,618)
Corporate Resources	(7,529)	(8,969)
Council Wide Budgets	(610)	(456)
Economy & Environment	(13,599)	(15,666)
Learning Opportunities, Skills & Culture	(7,013)	(7,211)
Public Health	(66)	(51)
Housing Revenue Account	(76,410)	(77,609)
Total Fees, charges and other service income analysed on a segmental basis	(125,060)	(131,580)

The amounts in the table differ from the Fees, charges and other service income in Note 9 due to income relating to Trading Operations of £15.705m (£12.616m in 2020/21).

Note 9 Expenditure and Income Analysed by Nature

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

	2020/21 £'000	2021/22 £'000
Expenditure / Income		
Expenditure		
Employee benefits expenses	179,339	194,175
Other services expenses	415,355	455,511
Support service recharges	19,964	20,917
Depreciation, amortisation, impairment	19,368	41,426
Interest payments	30,518	29,258
Precepts and levies	2,457	2,501
Payments to Housing Capital Receipts Pool	1,392	1,939
(Gains) / Losses on the disposal of non-current assets	55,698	44,974
Total expenditure	724,091	790,701
Income		
Fees, charges and other service income	(137,676)	(147,284)
Interest and investment income	(677)	(498)
Income from Council tax and non-domestic rates	(145,503)	(160,052)
Government grants and contributions	(434,591)	(448,059)
Total income	(718,447)	(755,893)
Surplus or Deficit on the Provision of Services	5,644	34,808

Note 10 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

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

Housing Revenue Account Balance

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

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied for these purposes at the year-end.

Capital Receipts Reserve

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

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2021/22	Usable reserves				
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	(27,544)	0	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	123	0	0	0	0
Council tax & NNDR (transfers to (or from) Collection Fund)	13,332	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(586)	0	0	0	0
DSG Adjustment Account	(4,576)	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(29,318)	(36,003)	0	0	0
Total Adjustments to Revenue Resources	(48,569)	(36,003)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,941	4,224	(6,165)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(107)	107	0	0
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(1,939)	0	1,939	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	18,645	0	(18,645)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	4,219	0	0	0	0
Former SYCC debt	0	0	0	0	0
PFI Finance Lease - principal repayment	2,195	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,858	9,660	0	0	0
Total Adjustments between Revenue and Capital Resources	12,274	32,422	(4,119)	(18,645)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	3,252	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	12,002	0
Application of capital grants to finance capital expenditure	0	0	0	0	2,166
Cash payments in relation to deferred capital receipts	0	0	(7)	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	6,479	0	0	0	(6,479)
Total Adjustments to Capital Resources	6,479	0	3,245	12,002	(4,313)
Total Adjustments	(29,816)	(3,581)	(874)	(6,643)	(4,313)

2020/21	Usable reserves				
	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000
Adjustments to Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	(20,597)	0	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	161	0	0	0	0
Council tax & NNDR (transfers to (or from) Collection Fund)	(25,701)	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	432	0	0	0	0
DSG Adjustment Account	(3,838)	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(34,258)	(34,345)	0	0	0
Total Adjustments to Revenue Resources	(83,801)	(34,345)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,270	3,471	(8,741)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(73)	73	0	0
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(1,392)	0	1,392	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	18,306	0	(18,306)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	3,590	0	0	0	0
Former SYCC debt	2,381	0	0	0	0
PFI Finance Lease - principal repayment	2,653	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	4,154	10,442	0	0	0
Total Adjustments between Revenue and Capital Resources	16,656	32,146	(7,276)	(18,306)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	6,796	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	6,999	0
Application of capital grants to finance capital expenditure	0	0	0	0	3,529
Cash payments in relation to deferred capital receipts	0	0	(11)	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	2,280	0	0	0	(2,280)
Total Adjustments to Capital Resources	2,280	0	6,785	6,999	1,249
Total Adjustments	(64,865)	(2,199)	(491)	(11,307)	1,249

Note 11 Movements in Earmarked Reserves

	Balance at 31 st March 2020	Transfer to DSG Adjustment Account	Restated balance as at 1 April 2020	Transfers Out 2020/21	Transfers In 2020/21	Balance at 31 st March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 st March 2022
General Fund:	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Volatility	0	0	0	0	18,949	18,949	(8,430)	0	10,519
COVID-19 Response	10,090	0	10,090	(26,484)	31,427	15,033	(8,807)	7,457	13,683
Service Transformation Fund	3,867	0	3,867	(1,414)	9,756	12,209	(1,141)	603	11,671
Health & Social Care Transformation Fund	6,768	0	6,768	(958)	0	5,810	(139)	0	5,671
Environment & Sustainability/Net Zero Carbon	0	0	0	0	5,000	5,000	0	37	5,037
School Balances	3,342	0	3,342	(442)	2,078	4,978	(862)	5	4,121
COVID-19 Contain Outbreak Management Fund	0	0	0	0	4,742	4,742	(2,949)	0	1,793
Insurance Fund	4,864	0	4,864	(770)	0	4,094	(475)	0	3,619
Adult Social Care Contracts	1,887	0	1,887	(101)	2,212	3,998	(278)	0	3,720
Transformational projects in Social Care	0	0	0	0	3,600	3,600	(624)	0	2,976
Revenue Contribution to the Capital Programme (pre-work/development costs)	227	0	227	(146)	2,338	2,419	(70)	500	2,849
Public Health	349	0	349	(77)	1,611	1,883	(16)	2,600	4,467
Stronger Families Programme	1,422	0	1,422	0	266	1,688	(124)	0	1,564
New National Non-Domestic Rates (NNDR) Incentive Scheme	1,669	0	1,669	(175)	0	1,494	(90)	600	2,004
Civic Office Major Items Replacement	1,308	0	1,308	0	173	1,481	(12)	208	1,677
Mental Health Trailblazer	390	0	390	(197)	912	1,105	(85)	0	1,020
Severance costs	0	0	0	(2,001)	3,000	999	(985)	3,000	3,014
Leisure Refurbishment	0	0	0	0	0	0	0	3,906	3,906
Specialist Safeguarding	0	0	0	0	0	0	(378)	3,000	2,622
Health & Social Care/HDP	0	0	0	0	0	0	0	1,900	1,900
ICB Transition & Transformation	0	0	0	0	0	0	0	1,200	1,200
ASC Care Ladder Pressures	0	0	0	0	0	0	0	1,000	1,000
Central DSG	(5,212)	5,212	0	0	0	0	0	0	0
Other	15,956	0	15,956	(7,011)	10,504	19,449	(8,061)	7,085	18,473
Total	46,927	5,212	52,139	(39,776)	96,568	108,931	(33,526)	33,101	108,506

Business Rates Volatility

This reserve is used to smooth the timing differences between recovering the deficit on the Collection Fund for Business Rates and the receipt of section 31 Business Rates grants from Central Government. Grants are received in year and the deficit is recovered in the following year.

COVID-19 Response

The reserve consists of government grants to fund the Council's response to the COVID-19 pandemic

Service Transformation Fund

This reserve was established to fund the costs of a number of service transformation projects across the Council. It will be used to help the Council achieve its savings targets in a timely and well managed way partly from those redesigned services.

Health and Social Care Transformation Fund

This reserve has been established from joint health and social care grants, including the Better Care Fund and will be used to support the transformation of Health and Social Care and delivering the Doncaster Place Plan.

Environment & Sustainability/Net Zero Carbon

The reserve is to support net zero carbon/environmental strategy initiatives.

Balances held by schools under a scheme of delegation

This reserve represents balances held by schools under delegated schemes from the Dedicated Schools Grant (DSG). The Scheme of Financing Schools, prepared in accordance with the School Standards and Framework Act 1998, provides that under-spending and over-spending will accrue to the school and be added to any balance brought forward from a previous year and as a consequence balances from school budgets have been built up over many years.

COVID-19 Contain Outbreak Management Fund

This reserve has been established to continue to fund COVID-19 related activities and support costs associated with dealing with containing further outbreaks of the pandemic. Costs include infection prevention control, communications, advice & guidance, supporting vulnerable groups & a number of temporary funded posts.

Insurance Fund

The Council continues to monitor insurance claims experience and has identified an appropriate reserve to meet other potential insurance claims Incurred But Not Reported (IBNR) and emerging risks.

Adult Social Care Contracts

The money has been set aside to meet Adult Social Care expenditure; this will include supporting future spend on domiciliary care, learning disability support contracts and the development of the Intermediate Care agenda.

Transformational projects in Social Care

This includes investment in the new model of locality working to support the development of vibrant communities and provide resourcing to strengthen activities for Early Help and prevention. It will also support practice development across the social care sector and workforce capacity changes. This will certainly help provide resources to work with the voluntary sector and how they may support our changing practices and ambitions regarding localities.

Revenue Contribution to the Capital Programme

This reserve was created to meet the revenue costs associated with major capital projects - for example feasibility work supporting master planning and strategic acquisitions.

Public Health

The reserve has been established from the Public Health grant and is being used to fund any annual variations in Public Health service expenditure including any unforeseen costs, the implementation of service changes and associated savings

Stronger Families Programme

This reserve has been created to support the council's Stronger Families Programme and will be used to sustain the extended programme and to continue elements of the programme after the Supporting Families grant funding ends.

New National Non-Domestic Rates (NNDR) Incentive Scheme

The reserve is a fund to facilitate incentives to potential investors where there is a clear demonstration that it would lead to a sustainable and substantial contribution to economic growth within the borough, with the main focus being increase to business rates and job creation.

Civic Office Major Items Replacement

The reserve is to be used for replacing major items in the Civic Office. A planned maintenance programme has been drawn up and includes, for example electrical installations. There is an annual contribution from the Council's revenue budget to the reserve.

Mental Health Trailblazer

Funding from Doncaster Clinical Commissioning Group (CCG) specifically held in reserve to be spent on improving Children and Young People's Mental Health. This links to the Mental Health green paper for Children & Young People and there are explicit outcomes expected as part of this funding. The planned spend is in line with national mental health financial expectations.

Severance Costs

The earmarked reserve is used to fund the redundancy and retirement costs for post reductions in subsequent years.

Leisure Refurbishment

This reserve has been set up to support investment in leisure facilities and will predominantly be used for Capital works in Doncaster Culture & Leisure Trust.

Specialist Safeguarding

Cabinet approved on 1st December, 2021 the estimated additional costs of up to £3m to the council as the home authority to carry out a specialist safeguarding investigation, covering the period until December 2023.

Health & Social Care/HDP

Earmarked to fund costs to be incurred by Doncaster Clinical Commissioning Group (CCG) in 2022/23 including Intermediate Care/complex care beds non-recurrent support, review of Hospital Discharge Pathway (HDP), CCG Cost of care impact on fees and staffing support for backlogs of Continuing Health Care (CHC) reviews.

ICB Transition & Transformation

Earmarked to fund costs in 2022/23 including Integrated Care Board transition and transformation, push for provider collaboratives to be set up and costs in relation to Bentley Health Centre development including Bentley Library demolition, VAT advice and other costs.

ASC Care Ladder Pressures

Earmarked to fund 2022/23 health related cost pressures in LA's adult social care ladder including:

- 1) Impact from cessation of NHS England hospital discharge funding from 1st April 2022 onwards; and,
- 2) Impact of high cost transforming care patient (TCP) placements, following transition from hospital, expected to have significant packages of care in 22/23.

Earmarked to fund 2022/23 health related cost pressures in the Council's adult social care ladder including impact from cessation of NHS England hospital discharge funding from 1st April 2022 onwards and impact of high cost transforming care patient (TCP) placements, following transition from hospital, expected to have significant packages of care in 2022/23.

Central Dedicated Schools Grant (DSG)

This reserve represented the central balance held by the Authority under delegated schemes from the Dedicated Schools Grant (DSG). The DSG conditions of grant provide that any underspend or overspend on DSG must be carried forward to support eligible expenditure in the future years in line with the Schools and Early Years Finance (England) Regulations. This deficit is no longer held in an earmarked reserve and was transferred to the Dedicated Schools Grant (DSG) Adjustment Account. Further details are shown in Note 24i.

Other

A number of other reserves are earmarked for specific purposes.

Note 12 Property, Plant and Equipment

Movements in 2021/22

2021/22									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2021	660,707	438,706	66,232	371,281	6,881	5,058	17,054	1,565,919	25,655
Additions	19,435	9,319	6,625	25,102	172	243	2,913	63,809	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	83,622	(1,222)	0	0	(1,551)	(312)	(88)	80,449	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	5,872	0	0	(251)	(184)	(1,029)	10,731	0
De-recognition – disposals	(3,587)	(17,196)	(11,500)	0	0	0	0	(21,061)	0
De-recognition – other	(19,300)	(6,482)	(252)	(3,594)	(90)	(243)	0	(29,961)	0
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	(100)	0	(100)	0
Reclassification within PPE	0	16,149	0	0	0	(1)	(16,148)	0	0
At 31st March 2022	747,200	445,146	61,105	392,789	5,161	4,461	2,702	1,669,786	25,655
Accumulated Depreciation & Impairment									
At 1st April 2021	0	(6,358)	(36,181)	(103,119)	(618)	0	0	(146,276)	(4,244)
Depreciation charge	(17,619)	(11,254)	(5,955)	(9,658)	(82)	(9)	0	(44,577)	(1,014)
Depreciation written out to the Revaluation Reserve	17,619	7,480	0	0	82	3	0	25,184	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	1,088	0	0	14	6	0	1,108	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(881)	0	(89)	0	(71)	0	(1,041)	0
De-recognition – disposals	0	373	11,617	0	0	0	0	768	0
At 31st March 2022	0	(9,552)	(30,519)	(112,866)	(604)	(71)	0	(164,834)	(5,258)
Net Book Value									
At 31st March 2022	747,200	435,594	30,586	279,923	4,557	4,390	2,702	1,504,952	20,397
At 31st March 2021	660,707	432,348	30,051	268,162	6,263	5,058	17,054	1,419,643	21,411

Comparative Movements in 2020/21

2020/21									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2020	655,219	413,830	62,871	341,253	9,434	26,899	35,797	1,545,303	25,655
Additions	17,291	3,951	4,497	12,001	1,423	0	18,776	57,939	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	2,842	28,486	0	0	452	1,836	463	34,079	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,231	25,488	0	0	(4,266)	2,048	(6,362)	20,139	0
De-recognition – disposals	(2,017)	(38,100)	(658)	0	0	0	0	(40,775)	0
De-recognition – other	(16,085)	(3,439)	(478)	(2,528)	(102)	0	(200)	(22,832)	0
Assets reclassified (to)/from Assets Held for Sale	0	(1,830)	0	0	(35)	(26,069)	0	(27,934)	0
Reclassification within PPE	226	10,320	0	20,555	(25)	344	(31,420)	0	0
At 31st March 2021	660,707	438,706	66,232	371,281	6,881	5,058	17,054	1,565,919	25,655
Accumulated Depreciation & Impairment									
At 1st April 2020	0	(11,814)	(31,542)	(92,994)	(538)	0	0	(136,888)	(3,395)
Depreciation charge	(17,473)	(9,931)	(5,565)	(9,364)	(80)	(1)	0	(42,414)	(849)
Depreciation written out to the Revaluation Reserve	17,358	7,781	0	0	0	0	0	25,139	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	115	7,190	0	0	0	1	0	7,306	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(499)	0	(761)	0	0	0	(1,260)	0
De-recognition – disposals	0	915	926	0	0	0	0	1,841	0
At 31st March 2021	0	(6,358)	(36,181)	(103,119)	(618)	0	0	(146,276)	(4,244)
Net Book Value									
At 31st March 2021	660,707	432,348	30,051	268,162	6,263	5,058	17,054	1,419,643	21,411
At 31st March 2020	655,219	402,016	31,329	248,259	8,896	26,899	35,797	1,408,415	22,260

Depreciation is provided for on all Property, Plant & Equipment with a finite useful life according to the accounting policies.

Capital Commitments

At 31st March 2022, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2021/22 and future years budgeted to cost £5.954m. Similar commitments at 31st March 2021 were £2.215m. The major commitments are: -

	£'000
Council Housing - thermal external wall insulation works	1,484
Council Housing new build programme - Adwick Lane Toll Bar	3,246
Council Housing new build programme - Appleby Road Intake	1,224
Total	5,954

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. The policy is shown under accounting policies Note.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	0	0	30,586	279,923	1,402	0	2,702	314,613
Valued at Fair Value as at:								
31st March 2022	747,200	232,298	0	0	804	4,390	0	984,692
31st March 2021	0	147,121	0	0	652	0	0	147,773
31st March 2020	0	25,842	0	0	1,110	0	0	26,952
31st March 2019	0	8,790	0	0	426	0	0	9,216
31st March 2018	0	21,543	0	0	163	0	0	21,706
Total Cost or Valuation	747,200	435,594	30,586	279,923	4,557	4,390	2,702	1,504,952

Fair Value Hierarchy – Surplus Assets

All surplus assets were valued at Level 2 of the fair value hierarchy in 2020/21 and 2021/22.

Valuation Techniques used to Determine Level 2 Fair Values for surplus assets – Significant Observable Inputs – Level 2. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Note 13 Heritage Assets

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

2021/22	Historic Land & Buildings	Recording of Historically Significant Events	Other Heritage Assets	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1st April 2021	3,814	237	5,277	9,328
Additions	0	0	0	0
Revaluation increases / decreases) recognised in the Revaluation Reserve	0	0	0	0
Revaluation increases / decreases) recognised in surplus or deficit on the provision of services	0	0	0	0
De-recognition	0	0	0	0
At 31st March 2022	3,814	237	5,277	9,328
Depreciation & Impairment				
At 31st March 2021	(208)	0	0	(208)
Depreciation	(70)	0	0	(70)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0
At 31st March 2022	(278)	0	0	(278)
Net Book Value At 31st March 2022	3,536	237	5,277	9,050

2020/21	Historic Land & Buildings	Recording of Historically Significant Events	Other Heritage Assets	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1st April 2020	3,853	237	5,277	9,367
Additions	2	0	0	2
Revaluation increases / decreases) recognised in the Revaluation Reserve	(12)	0	0	(12)
Revaluation increases / decreases) recognised in surplus or deficit on the provision of services	(27)	0	0	(27)
De-recognition	(2)	0	0	(2)
At 31st March 2021	3,814	237	5,277	9,328
Depreciation & Impairment				
At 31st March 2020	(147)	0	0	(147)
Depreciation	(70)	0	0	(70)
Impairment losses/(reversals) recognised in the Revaluation Reserve	9	0	0	9
At 31st March 2021	(208)	0	0	(208)
Net Book Value At 31st March 2021	3,606	237	5,277	9,120

Historic Land and Buildings

One of the main items held within this category is Cusworth Hall, which is a grade 1 listed building set in acres of historic parkland with lakes and plantations with dramatic views across the town. The site which was extensively restored between 2003 and 2007 invites visitors to experience a wealth of architecture, heritage and landscape history. Other main items include cemeteries. Valuations for historic land and buildings have been prepared by in house assets and property valuers as part of a five year rolling programme. The Council holds several other listed buildings; however they do not meet the definition of a Heritage asset as they are used as office accommodation and therefore classified as operational land and buildings.

Recording of Historically Significant events

These include more than a thousand title deeds (including the series of royal charters), the four volumes of the borough courtier (or act book) detailing the Council's decisions from the mid-16th century up to the municipal reforms of the 1830s, records of the manor court of Doncaster from the 1450s, the records of the borough courts from 1533 onwards, and accounts of the borough collectors, the chamberlain, and other finance officers from 1551 until the mid-19th century. Recording of Historically Significant events are valued at cost.

Other Heritage Assets

This category includes items of decorative art, pottery and furniture. The decorative art collection has just under 500 items from the Hull Grundy collection of costume jewellery, treen, textiles, glassware, metalwork (including the Doncaster Gold Cups) and a collection of art medals.

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

A small military collection of less than 500 items, concentrating on a small number of specific regiments.

There is a small fine art collection of around 1,750 items consisting of oil paintings, watercolours, prints, drawings, sculpture/bronzes and art photographs. The art collection aims to provide visitors with access to a wide variety of artistic styles over the last 250 years. A large section of the prints collection is related to Doncaster, either through portraying Doncaster scenes or horseracing.

Monuments within this category include cemetery and War memorials.

Note 14 Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement: -

	2020/21 £'000	2021/22 £'000
Rental income from investment property	165	165
Direct operating expenses arising from investment property	(7)	(13)
Net gain/(loss)	158	152

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties during the year:

	2020/21 £'000	2021/22 £'000
Balance at start of the year	1,647	1,710
Net gains/(losses) from fair value adjustments	63	(14)
Balance at end of the year	1,710	1,696

Fair Value Hierarchy

All investment properties were valued at level 2 of the fair value hierarchy. Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2022 are as follows:

Recurring fair value measurement using:	Fair Value as at 31 st March 2022 £'000
Commercial Unit	386
Industrial Unit	1,310
Total	1,696

Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties – Significant Observable Inputs – Level 2. The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Note 15 Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware, item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The Council does not revalue its software assets as they are currently of immaterial value and have a life of no more than 15 years.

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

	2020/21 £'000	2021/22 £'000
Other Assets		
Balance at start of year		
- Gross carrying amounts	11,509	13,205
- Accumulated amortisation	(7,773)	(9,314)
Net carrying amount at start of year	3,735	3,891
Additions – Purchases	1,696	1,006
Other Disposals	0	(8)
Amortisation for the period	(1,541)	(2,419)
Other Changes	0	8
Net carrying amount at end of year	3,891	2,478
Comprising:		
- Gross carrying amounts	13,205	14,203
- Accumulated amortisation	(9,314)	(11,725)
	3,891	2,478

Note 16 Financial Instruments and Nature and Extent of Risks Arising from Financial Instruments

Categories of Financial Instruments

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

Financial Assets

	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		Total	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value through profit or loss	0	0	489	489	0	0	0	0	489	489
Amortised Cost	0	0	6,535	6,405	25,007	25,010	112,732	123,199	144,274	154,614
Fair value through other comprehensive income - designated equity instruments	3,841	3,238	0	0	0	0	0	0	3,841	3,238
Total financial assets	3,841	3,238	7,024	6,894	25,007	25,010	112,732	123,199	148,604	158,341

The current debtors figure includes cash of £67.531m (64.413m in 2020/21).

It should be noted that within the Balance Sheet totals for debtors there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. These include: £31.766m (£48.081m in 2020/21) comprising local taxation debtors, prepayments, payroll and amounts owed in respect of VAT.

Financial Liabilities

	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	(461,203)	(439,303)	0	0	(105,265)	(65,236)	(47,236)	(53,259)	(613,704)	(557,798)
Total financial liabilities	(461,203)	(439,303)	0	0	(105,265)	(65,236)	(47,236)	(53,259)	(613,704)	(557,798)

It should be noted that within the Balance Sheet totals for creditors, there are some amounts that do not meet the definition of financial instruments. As such they have not been disclosed again in the above table. These include: £28.373 (£24.482m in 2020/21) comprising receipts in advance, payroll creditors, NNDR, Council Tax and other amounts payable in relation to VAT.

The carrying value of soft loans provided as at 31st March 2022 is £1.507m, these are not considered material.

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

The council owns shares in a number of companies. These shareholdings are held for strategic purposes rather than investment purposes and are therefore treated as equity instruments designated at fair value through other comprehensive income. The fair value of the shareholdings are shown in the table below: -

Fair Value of Equity instruments designated at fair value through other comprehensive income include the following: -

	2020/21	2021/22
	£'000	£'000
Non-current assets (long term)		
Non-listed securities		
Arthur Street Developments	2,053	2,024
BDR Property Limited	(54)	55
Doncaster Estates Partnership Limited	37	10
Doncaster Racecourse	1,805	1,149
Total	3,841	3,238

Income, Expense, Gains and Losses

	2020/21		2021/22	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£'000	£'000	£'000	£'000
Net gains/Losses on:				
Investments in equity instruments designated at fair value through other comprehensive income	0	(754)	0	(602)
Total net gains/losses	0	(754)	0	(602)
Interest revenue:				
Financial assets measured at amortised cost	(617)	0	(438)	0
Other financial assets measured at fair value through other comprehensive income	(60)	0	(60)	0
Total Interest revenue	(677)	0	(498)	0
Interest expense	21,110	0	19,676	0

Fair Values of Financial Assets

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

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure	As at 31/03/21 £'000	As at 31/03/22 £'000
Fair Value through profit or loss:				
Housing Equity Loans	Level 3	History of Sales	489	489
Fair value through other comprehensive income - designated equity instruments:				
Arthur Street Developments	Level 3	Valuation of company^	2,053	2,024
BDR Property Limited	Level 3	Valuation of company^	(54)	55
Doncaster Estates Partnership Limited	Level 3	Valuation of company^	37	10
Doncaster Racecourse	Level 3	Valuation of company^	1,805	1,149
Total			4,330	3,727

^Equity shareholdings

The Council's has shareholdings in Arthur Street Developments, BDR Property Limited, Doncaster Estates Partnership Limited and Doncaster Racecourse – the shares in these companies are not traded in an active market and fair value of £3.238m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuations have been made based on the net worth of the companies using the latest audited accounts.

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for financial instruments.

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22
	Unquoted Shares	Unquoted Shares	Other	Other	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	4,595	3,841	583	489	5,178	4,330
Total gains or losses for the period:						
- Included in Surplus or Deficit on the Provision of Services	0	0	(94)	0	(94)	0
- Included in Other Comprehensive Income and Expenditure	(754)	(603)	0	0	(754)	(603)
Closing Balance	3,841	3,238	489	489	4,330	3,727

The Fair Values of Financial Assets and Financial Liabilities that Are Not Measured at Fair Value (but for which Fair Value Disclosures Are Required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the authority are carried in the Balance Sheet at amortised cost.

The fair values calculated are as follows: -

Financial Liabilities	31 st March 2021		31 st March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities Held at Amortised Cost:				
Lender Option Borrower Options Loans	39,284	60,897	39,283	55,133
Market Debt	154,938	155,790	75,818	76,045
PWLB Loan – Maturity	324,233	464,462	344,261	443,534
PWLB Loan - Equal Instalments Principal	1,593	1,726	1,406	1,451
Matured Local Bonds	4	4	4	4
Salix Loan	1,135	1,135	681	681
SCRIF Loan	1,240	1,240	1,240	1,240
PFI and finance lease liabilities	44,041	58,914	41,846	48,898
Total	566,468	744,168	504,539	626,986

The fair value of borrowings is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31st March 2022) arising from a commitment to pay interest to lenders above current market rates.

Financial Assets	31 st March 2021		31 st March 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Assets held at amortised cost:				
Cash & Cash Equivalents	64,413	64,413	67,531	67,531
Fixed Term Deposits	25,007	25,007	25,010	25,010
Long Term debtors	6,535	6,535	6,405	6,405
Total	95,955	95,955	98,946	98,946

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

Financial Guarantees

Pensions

The Council provides financial guarantees to the South Yorkshire Pension Authority (SYPA) for a number of community admission bodies following TUPE (Transfer of Undertakings Protection of Employment) regulations. These total £4.6m and are in respect of Doncaster Culture & Leisure Trust, Northern Racing College, Doncaster Community Transport and Shaw Trust.

The Council provides an additional financial guarantee to SYPA in respect of Doncaster Childrens Services Trust (DCST) which are consolidated in the Group Accounts - see Group Accounts section.

The Council has agreed to assist St Leger Homes of Doncaster (SLHD) in meeting its pension liabilities as and when they fall due (the Council has agreed that all contributions to the South Yorkshire Pensions Scheme that are the responsibility of SLHD in respect of both transferred and new staff are funded from the monthly Management Fee payments to SLHD - these payments are agreed between the parties as part of the annual review process pursuant to the Management Agreement) and guarantees the full amount of SLHD's pension deficit, which are consolidated in the Group Accounts - see Group Accounts Section.

Bank

A cross guarantee exists for the pooling agreement and interest set off between the Council, Doncaster Children Services Trust Ltd (DCST) and St Leger Homes of Doncaster (SLHD), i.e. an agreement with Lloyds Bank, signed by all parties, to operate the bank accounts of the Council, DCST and SLHD all together and pool the collective balances for interest payments. There is minimal risk to the Council as the Council is the controlling body and monitors and reconciles the pool of accounts on a daily basis, therefore this financial guarantee is not considered material.

Nature and Extent of Risks Arising From Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks, including: -

- **Credit Risk** - the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity Risk** - the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Re-financing and Maturity Risk** - the possibility that the Council might need to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- **Market Risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

Overall procedures for managing risks

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the resources available to fund services.

Risk Management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which was approved by Council on 1st March 2021 and is available on the Council's website..

Credit Risk Management Practices

The Council's credit risk management practices are set out on paragraphs 80 to 92 of the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below: -

The Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

All credit ratings are monitored daily and changes to ratings are notified to the Council by Link Asset Treasury Solutions, creditworthiness service. If a downgrade results in the financial institution / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £25.0m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Council's deposits but there was no evidence at the 31st March 2022 that this was likely to crystallise.

The Council also has trade debtors of £19.580m outstanding at the year end. The Council does not generally allow credit for its trade debtors, such that £15.733m of the balance is past its due date for payment (£13.268m of £19.552m in 2020/21). The past due amount can be analysed by age as follows: -

31st March 2021	Aged Debt Analysis	31st March 2022
£'000		£'000
4,647	Less than three months	5,610
1,354	Three to six months	2,753
1,653	Six months to one year	3,094
5,614	More than one year	4,276
13,268		15,733

Liquidity Risk

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

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

All sums owing (£25.0m) from financial assets are due to be paid in less than one year.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

- The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes: -
- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy Statement 01/03/2021 Appendix A Paragraph 4).

Maturity Profile	Lower Limit	Upper Limit	Actual 31 st March 2021		Actual 31 st March 2022	
	%	%	%	£'000	%	£'000
Less than one year	0	30	19.69	102,389	13.70	63,109
Between one and two years	0	50	10.56	54,915	3.19	14,728
Between two and five years	0	50	4.43	23,060	5.74	26,440
Between five and ten years	0	75	2.40	12,474	2.87	13,220
Between ten and twenty years	10	95	10.33	53,708	10.80	49,768
Between twenty and thirty years			4.43	23,053	9.28	42,753
Over thirty years			48.16	250,453	54.42	250,753
Total			100.00	520,052	100.00	460,771

For the Prudential Code the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable without limit, such as in a Lender Offer Borrower Offer (LOBO) loan, this should be treated as a right to require repayment. Following an assessment of this type of loan, it is unlikely that the interest rate will be increased at the next call date and therefore the loan maturity date has been set as per the original contract. They will continue to be assessed against interest rate expectations.

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- Borrowings at fixed rates - the fair value of the liabilities borrowing will fall (no impact on revenue balances);
- Investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise; and
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances)

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 30% of its borrowing in variable rate loans. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate loans would be postponed.

The Treasury Management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the quarterly budget monitoring reports during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31st March, 2022, if all interest rates had been 1% higher with all other variables held constant, the financial effect would be: -

	£'000
Increase in interest receivable on variable rate investments	567
Decrease in fair value of fixed rate investment assets	(21)
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(79,829)

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

Price Risk

The Council does not generally invest in equity shares but does have shareholdings to the value of £3.8m in a number of joint ventures and in local industry. The Council is consequently exposed to losses arising from movements in the prices of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

The shares have all been elected/classified as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instrument Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £192k gain or loss being recognised in the Financial Instrument Revaluation Reserve.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in a foreign currencies and thus has no exposure to loss arising from movement in exchange rates.

Note 17 Debtors

	31st March 2021 £'000	31st March 2022 £'000
Debtors		
Trade Receivables	38,085	40,683
Other Receivables	49,997	39,292
Payments in advance	8,318	8,790
Total	96,400	88,765

Note 18 Debtors for Local Taxation

Impairment is determined using an analysis of historic collection rates relating to the age of the debt. Outstanding debt is considered as a whole for a financial year when determining impairment. In addition, individual accounts are considered for impairment where there is a significant risk of insolvency.

Council Tax				
31 st March 2021		After due date	31 st March 2022	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
9,304	2,038	Less than 1 year	8,010	1,914
8,115	1,777	1 to 2 years	8,565	2,047
4,954	2,343	3 to 5 years	5,498	2,634
2,272	1,670	6 to 8 years	2,584	1,925
1,522	1,522	More than 8 years	1,603	1,603
26,167	9,350	Total	26,260	10,123

National Non-Domestic Rates (NNDR)				
31 st March 2021		After due date	31 st March 2022	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
4,854	1,104	Less than 1 year	2,647	793
2,936	881	1 to 2 years	2,665	800
1,241	931	3 to 5 years	1,410	1,058
891	891	More than 6 years	1,043	1,043
9,922	3,807	Total	7,765	3,694

Note 19 Cash and Cash Equivalents

	31 st March 2021 £'000	31 st March 2022 £'000
Cash held by the Council	12,403	28
Bank overdraft	0	(27)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	52,010	67,530
Total Cash and Cash Equivalents	64,413	67,531

Note 20 Assets Held for Sale

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	8,468	31,084
Assets newly classified as held for sale:		
• Property, Plant and Equipment	27,958	100
Revaluation Losses	(3,242)	(8,540)
Revaluation Gains	595	70
Assets Declassified as Held for Sale:		
• Property, Plant and Equipment	(25)	0
Assets sold	(2,670)	(885)
Balance outstanding at year-end	31,084	21,829

Note 21 Creditors

	31 st March 2021 £'000	31 st March 2022 £'000
Creditors		
Trade Payables	(47,072)	(59,393)
Other Payables	(12,445)	(6,488)
Receipts in advance	(14,396)	(17,197)
Total	(73,913)	(83,078)

Note 22 Provisions

	NNDR	Insurance Fund	Grant Claw-back	Municipal Mutual Insurance	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1st April 2021	8,835	4,686	1,547	1,374	16,442
Additional provisions made in 2021/22	2,143	2,178	0	39	4,360
Amounts used in 2021/22	(486)	(1,492)	0	0	(1,978)
Unused amounts reversed in 2021/22	0	(949)	0	0	(949)
Balance at 31st March 2022	10,492	4,423	1,547	1,413	17,875
Short Term Provisions	0	1,593	0	0	1,593
Long Term Provisions	10,492	2,830	1,547	1,413	16,282

National Non-Domestic Rates (NNDR) alteration to list and appeals

Under the Business Rates Retention scheme 50% of local business rates income is retained locally (Doncaster retains 49% and passes on 1% to the South Yorkshire Fire and Rescue Authority) and 50% is passed to Central Government. Business rate payers can appeal against the rateable value and provision must be made for successful appeals. The Valuations Office Agency can also make amendments to the rating list. The total provision for alteration to list and appeals as at 31st March 2022 is £21.413m. The Council's share is £10.492m (49%). The increase in provision is mainly due to an increase in provision from the 2017 rating list as few appeals have been settled but can be backdated to 01/04/17. Past trends are that appeals are at a low level in the early years following a revaluation and so the provision is being maintained on the expectation of appeals in later years as those appeals can go back to the start of the 2017 list.

Insurance Fund

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

The insurance provision covers the estimated value of outstanding insurance claims for which the Council has a potential legal liability, as at 31 March 2022 this was estimated to be approximately £5.8m, and it is estimated that the cost to the Council of settling these claims will be £4.4m based on previous claims experience.

Grant Claw-back

The provision has been established to meet the cost of claw-back of grants, specifically in relation to the Derelict Land Grant (DLG) and Land Reclamation Programme Grant (LRPG). DLG and LRPG were used for the reclamation of land to facilitate future development. As part of the grant conditions, on disposal, appropriation or bringing the land into use the Council has to repay grant based on the after value of the land.

Municipal Mutual Insurance

MMI were the Council's insurer until their demise in 1992 when they ceased writing new business. A Scheme of Arrangement was set up with its creditors under which MMI continued to settle outstanding claims whilst they had sufficient funds to do so. In the eventuality that the company became insolvent then a clawback clause would be triggered with the Council liable to repay MMI. This Scheme of Arrangement was triggered in November 2012 and so a levy was imposed on all scheme creditors, including the Council, who have been paid amounts in respect of scheme liabilities. An initial levy set at 15% by the administrators has been paid in 2013/14 with projected outcomes for a solvent run-off ranging anywhere between 9.5% and 28% at that time. However, in January 2016 MMI advised that due to volatile classes remaining uncertain the Levy range had been extended to be 15%-34%. A further Levy notice was issued in March 2016 for a further 10% repayment (£823k). The Council's provision has been set at 40%. The remaining provision totalling £1.413m represents 15% against paid claims, 40% of outstanding claims.

Note 23 Usable Reserves

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

Note 24 Unusable Reserves

31 st March 2021 £'000		31 st March 2022 £'000
299,949	Revaluation Reserve (Note 24a)	386,995
543,694	Capital Adjustment Account (Note 24b)	532,999
(489)	Financial Instruments Adjustment Account (Note 24c)	(366)
(469,485)	Pension Reserve (Note 24d)	(331,480)
4,798	Deferred Capital Receipts Reserve (Note 24e)	4,792
(24,477)	Collection Fund Adjustment (Note 24f)	(11,145)
(1,837)	Accumulated Absences Account (Note 24g)	(2,423)
(210)	Financial Instruments Revaluation Reserve (Note 24h)	(813)
(9,050)	DSG Adjustment Account (Note 24i)	(13,626)
342,893	Total Unusable Reserves	564,933

24a Revaluation Reserve

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

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

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

2020/21 £'000		2021/22 £'000
265,339	Balance at 1st April	299,949
77,746	Upward revaluation of assets	134,648
(19,677)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(32,328)
58,069	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	102,320
(5,980)	Difference between current value depreciation and historical cost depreciation	(4,833)
(17,479)	Accumulated gains on assets sold or scrapped	(10,441)
(23,459)	Amount written off to the Capital Adjustment Account	(15,274)
299,949	Balance at 31st March	386,995

24b Capital Adjustment Account

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

The account contains accumulated gains and losses on investment properties and assets held for sale and gains recognised on donated assets that have yet to be consumed by the Council.

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

Note 10 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

2020/21 £'000		2021/22 £'000	
548,295	Balance at 1st April		543,694
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(25,012)	Charges for depreciation of non-current assets	(27,027)	
(17,473)	Charges for depreciation on Council dwellings	(17,619)	
(1,259)	Charges for impairment of non-current assets	(1,041)	
27,417	Revaluation gains / (losses) on Property, Plant and Equipment	11,839	
(1,541)	Charges for amortisation of non-current assets	(2,419)	
(8,659)	Revenue expenditure funded from capital under statute	(8,078)	
(64,439)	Amounts of non-current asset written off on disposal or sale as part of P/L on disposal to CI&ES	(51,139)	
(1,500)	Revaluation gains / (losses) on Assets Held for Sale	(5,158)	
(92,466)			(100,642)
23,459	Adjusting amounts written out of the Revaluation Reserve	15,274	
(69,007)	Net written out amount of the cost of non-current assets consumed in the year		(85,368)
Capital financing applied in the year:			
6,796	Use of the Capital Receipts Reserve to finance new capital expenditure	3,252	
6,999	Use of the Major Repairs Reserve to finance new capital expenditure	12,002	
21,797	Capital grants and contributions credited to the CI&ES that have been applied to capital financing	33,145	
3,529	Application of grants to capital financing from the Capital Grants Unapplied Account	2,166	
16,598	Capital expenditure charged against the General Fund and HRA balances	17,708	
3,591	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	4,219	
2,653	Write down of PFI Finance Liabilities	2,195	
2,380	Former South Yorkshire County Council debt repayment	0	
64,343			74,687
63	Movements in the market value of Investment Properties debited or credited to the CI&ES	(14)	
543,694	Balance at 31st March		532,999

24c Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31st March 2022 will be charged to the General Fund over future years.

2020/21 £'000		2021/22 £'000	
(650)	Balance at 1st April		(489)
0	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0	
161	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	123	
161	Amount by which finance costs charged to the Comprehensive Income and Expenditure are different from finance costs chargeable in the year in accordance with statutory requirements		123
(489)	Balance at 31st March		(366)

24d Pensions Reserve

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

2020/21 £'000		2021/22 £'000	
(438,728)	Balance at 1st April		(469,485)
(10,161)	Actuarial gains or losses on pensions assets and liabilities	165,549	
(40,063)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement (see Note 39)	(47,884)	
19,467	Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 39)	20,340	
(469,485)	Balance at 31st March		(331,480)

24e Deferred Capital Receipts Reserve

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

2020/21 £'000		2021/22 £'000
4,809	Balance at 1st April	4,798
(11)	Transfer to the Capital Receipts Reserve upon receipt of cash	(6)
4,798	Balance at 31st March	4,792

24f Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council tax payers and non-domestic rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2020/21 £'000		2021/22 £'000
1,224	Balance at 1st April	(24,477)
(25,701)	Amount by which Council tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	13,332
(24,477)	Balance at 31st March	(11,145)

24g Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave and time off in lieu (TOIL) entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21 £'000		2021/22 £'000
(2,270)	Balance at 1st April	(1,837)
2,270	Settlement or cancellation of accrual made at the end of the preceding year	1,837
(1,837)	Amounts accrued at the end of the current year	(2,423)
433	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(586)
(1,837)	Balance at 31st March	(2,423)

24h Financial Instruments Revaluation Reserve

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

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

2020/21 £'000		2021/22 £'000	
544	Balance at 1st April		(210)
6	Upward revaluation of investments	109	
(760)	Downward revaluation of investments	(712)	
0	Change in impairment loss allowances	0	
(754)			(603)
0	Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		0
0	Accumulated gains or losses on assets sold and maturing assets written out to the General Fund Balances for financial assets designated to fair value through other comprehensive income		0
(210)	Balance at 31st March		(813)

24i DSG Adjustment Account

On the 6th November 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument (the instrument) to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29th November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where the Council has a deficit on its schools budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, it must not charge the amount of that deficit to a revenue account. The Council must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the Councils' general fund for a period of three financial years.

This issue can only be fully resolved by closing the deficits. Therefore, the accounting treatment introduced by this regulation is limited to the financial reporting periods 2020/21, 2021/22 and 2022/23 to provide time for Government and the Council to look at budgetary and financial management strategies to reduce the deficit.

Further details on DSG are provided in Note 32.

2020/21 £'000		2021/22 £'000
0	Balance at 1st April	(9,050)
(5,212)	DSG Opening Balance	0
(5,212)	Restated Opening Balance	(9,050)
(3,838)	In year DSG over/under spend	(4,576)
(9,050)	Balance at 31st March	(13,626)

Note 25 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items: -

2020/21 £'000		2021/22 £'000
810	Interest received	447
(21,165)	Interest paid	(20,270)
60	Dividends received	60

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

2020/21 £'000		2021/22 £'000
42,485	Depreciation	44,646
(24,658)	Impairment and valuations	(5,640)
1,541	Amortisation	2,419
39,701	Increase/(Decrease) in creditors	23,796
(28,236)	(Increase)/Decrease in debtors	13,012
13	(Increase)/Decrease in inventories	(182)
(9,248)	Movement in pension liability	42,224
64,439	Carrying amount of non-current assets held for sale, sold or de-recognised	51,139
1,449	Other non-cash items charged to the net surplus or deficit on the provision of services	2,619
87,486		174,033

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

2020/21 £'000		2021/22 £'000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(8,741)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,166)
(23,830)	Capital Grants credited to surplus or deficit on the provision of services	(39,623)
(32,571)		(45,789)

Note 26 Cash Flow Statement – Investing Activities

2020/21 £'000		2021/22 £'000
(59,637)	Purchase of property, plant and equipment, investment property and intangible assets	(64,816)
(25,000)	Purchase of short-term and long-term investments	(25,010)
0	Other payments for investing activities	(644)
8,752	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,172
13,000	Proceeds from short-term and long-term investments	25,000
34,142	Capital grant received	29,436
314	Other capital cash receipts	182
(28,429)	Net cash flows from investing activities	(29,680)

Note 27 Cash Flow Statement – Financing Activities

2020/21 £'000		2021/22 £'000
113,604	Cash receipts of short and long term borrowing	40,454
(2,654)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(2,194)
(102,773)	Repayments of short- and long-term borrowing	(99,595)
(8,562)	Other payments for financing activities	697
(385)	Net cash flows from financing activities	(60,638)

Note 288 Pooled Budget Arrangements

The Council has entered into a pooled budget arrangement with Doncaster Clinical Commissioning Group (CCG) for the provision of integrated health and social care services for people in the Doncaster area, the services being provided by the Council or Doncaster CCG depending on the client requirements. The Council and Doncaster CCG have an annual agreement in place for funding these services, with partners contributing funds to the agreed budget in line with funding allocations, taking responsibility for its own deficit or surplus. Some of the funding provided to the pooled budget by Doncaster CCG is actually spent by the Council. Doncaster CCG budgeted to spend £17.445m and spent £17.445m resulting in no surplus or deficit. The Council budgeted to spend £27.141m and spent £26.486m resulting a surplus of £0.007m Disabled Facilities Grant which will be carried forward into 2022/23.

	2020/21			2021/22		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Funding provided to the pooled budget:						
Doncaster Council	15,831	2,782	18,613	15,831	2,782	18,613
Doncaster CCG	24,731	0	24,731	25,973	0	25,973
	40,562	2,782	43,344	41,804	2,782	44,586
Expenditure met from the pooled budget:						
Doncaster Council	23,929	1,738	25,667	24,359	2,127	26,486
Doncaster CCG	16,633	0	16,633	17,445	0	17,445
	40,562	1,738	42,300	41,804	2,127	43,931
Net surplus arising on the pooled budget during the year	0	1,044	1,044	0	655	655
Council share of the net surplus arising on the pooled budget	0	1,044	1,044	0	655	655

Note 299 Members' Allowances

The Council paid the following amounts to Council Members and Co-optees during the year: -

2020/21		2021/22
£		£
965,473	Allowances	978,250
0	Expenses	0
0	Co-opted members	0
965,473	Total	978,250

Note 300 Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Employer Pension Contribution	Total
		£	£	£	£
Chief Executive D Allen	2021/22	171,286	0	29,119	200,405
	2020/21	168,755	0	28,688	197,443
Director of Economy & Environment D Swaine - Note 1	2021/22	128,989	0	0	128,989
	2020/21	52,598	0	0	52,598
Director of Economy & Environment P Dale - Note 2	2020/21	84,722	0	14,403	99,125
Director of Corporate Resources D Hogg	2021/22	128,989	0	21,928	150,917
	2020/21	127,083	0	21,605	148,688
Director of Adults Health and Wellbeing P Holmes	2021/22	128,989	0	21,928	150,917
	2020/21	127,083	0	21,605	148,688
Director of Learning Opportunities, Skills and Culture R Nelson - Note 3	2021/22	132,816	5,000	22,849	160,665
	2020/21	127,083	0	21,605	148,688
Director of Public Health R Suckling – Note 4	2021/22	128,989	0	18,549	147,538
	2020/21	104,309	0	15,000	119,309
Monitoring Officer S Fawcus	2021/22	98,700	0	16,468	115,168
	2020/21	95,438	0	16,224	111,662
Section 151 Officer F Tyas – Note 5	2021/22	96,870	(1,488)	16,468	111,850
	2020/21	94,112	(1,488)	16,218	108,842

Note 1 - D Swaine started work with the Council on 02/11/2020, as Director of Economy and Environment.

Note 2 - P Dale left the Council as Director of Economy and Environment on the 30/11/2020.

Note 3 - R Nelson was appointed as Director of Learning Opportunities, Skills and Culture on 23/04/2020

Note 4 - R Suckling, roles and responsibilities changed with effect from 01/04/2021.

Note 5 - F Tyas returned from maternity leave 06/04/2020

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions), expressed in bands of £5,000, is as below: -

2020/21			Salary Banding £	2021/22		
DMBC	Schools	Total		DMBC	Schools	Total
36	17	53	50,000 - 54,999	51	19	70
17	8	25	55,000 - 59,999	24	10	34
16	9	25	60,000 - 64,999	15	8	23
10	10	20	65,000 - 69,999	19	10	29
5	8	13	70,000 - 74,999	10	8	18
7	6	13	75,000 - 79,999	5	4	9
4	0	4	80,000 - 84,999	2	1	3
0	1	1	85,000 - 89,999	3	0	3
1	0	1	90,000 - 94,999	1	1	2
10	0	10	95,000 - 99,999	8	0	8
0	0	0	100,000 - 104,999	2	0	2
1	0	1	105,000 - 149,999	3	0	3
107	59	166	Total	143	61	204

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2020/21 and 2021/22 is shown in the senior officer remuneration analysis.

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The information does not include any costs relating to schools.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0 - £20,000	5	4	34	10	39	14	319,632	111,321
£20,001 - £60,000	0	0	8	2	8	2	223,865	110,120
Total	5	4	42	12	47	16	543,497	221,441

Note 31 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims.

	2020/21 £'000	2021/22 £'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	212	213
Additional fees payable in current year with regard to external audit services carried out by the appointed auditor in the previous year (relates to 19/20 and agreed after the year end)	24	0
Total	236	213

In 2020/21 the proposed fee of £172,930 and fee variation of £39,500 agreed by Public Sector Audit Appointments total actual fee of £212,430 for the year.

The Council paid KPMG £45,400 for the certification of grant claims during 2021/22.

Note 322 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2021.

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

Details for the deployment of DSG receivable for 2021/22 are as follows: -

	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
Final DSG for 2021/22 before academy and high needs recoupment			285,743
Academy and high needs figure recouped for 2021/22			(187,712)
Total DSG after academy and high needs recoupment for 2021/22			98,031
Agreed initial budgeted distribution in 2021/22	30,713	67,318	98,031
In year adjustments	66	0	66
Final budget distribution for 2021/22	30,779	67,318	98,097
Less: Actual central expenditure	(35,355)		(35,355)
Less: Actual ISB deployed to schools		(67,318)	(67,318)
In Year Carry-forward to 2022/23	(4,576)	0	(4,576)
DSG unusable reserve at the end of 2020/21			(9,050)
Addition to DSG unusable reserve at the end of 2021/22			(4,576)
Total of DSG unusable reserve at the end of 2021/22			(13,626)
Net DSG position at the end of 2021/22			(13,626)

Whilst the overspend position is significant it is not uncommon to other Local Authority (LA) positions and the Council, amongst 55 LA's, is currently in early discussions around participating in the Department for Education's Delivering Better Value in Special Educational Needs and Disabilities (SEND) programme which will look at plans to manage and reduce the Council's high needs block overspend position.

Note 333 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22: -

	2020/21 £'000	2021/22 £'000
Credited to Taxation and Non Specific Grant Income		
Capital Grants and Contributions		
Department for Transport - Local Transport Plan (Maintenance)	4,596	5,743
South Yorkshire Mayoral Combined Authority - Getting Building Done	0	5,500
Department for Transport - Footways Refurbishment	488	4,412
Department for Transport - Pot hole Challenge	732	4,332
Department for Levelling Up, Housing and Communities - Towns Fund	0	2,248
Department for Transport - Transforming Cities	434	2,164
Department for Environment, Food and Rural Affairs - Property Flood Resilience Recovery Fund	171	1,756
Department for Business Energy and Industrial Strategy - Salix Decarbonise	0	1,718
Department for Education - New Pupil Places Basic Need	0	1,393
Department for Transport - Local Transport Plan (LTP) Central Pot	2,004	1,234
Department for Education - Local Authority Capital Maintenance	1,589	1,085
Department for Education - Higher needs provision	0	1,065
Department for Transport – COVID-19 Active Travel	180	1,007
National Productivity Investment Fund - A630 Westmoor Link	2,133	915
South Yorkshire Mayoral Combined Authority Local Growth Fund - A630 West Moor Link	1,981	250
Developer Contribution (DN7)	1,500	219
Department for Education - New Doncaster SEN Free school	4,006	0
Department for Levelling Up, Housing and Communities (DLUHC) - Accelerated Town Deal	1,500	0
Other Grants and Contributions	2,772	4,605
Total	24,086	39,646
Non-Ring fenced Government Grants		
Business Rates Retention Top Up Grant	34,854	34,854
Business Rate Relief: Reimbursement for Local Authority Income Loss Payments	27,099	13,418
Revenue Support Grant	20,368	20,480
COVID-19 Support Grant	18,637	9,791
Section 31 Grant For COVID-19 Additional Relief Fund	0	5,314
Local Council Tax Support Grant	0	2,791
New Homes Bonus	4,086	2,455
Troubled Families	1,486	1,259
COVID-19 Sales Fees and Charges	3,393	182
COVID-19 Support for Clinically Extremely Vulnerable Individuals	1,047	37
Tax Income Guarantee	3,105	(544)
COVID-19 Council Tax Hardship Fund	2,993	0
Other	2,278	3,035
Total	119,346	93,072
Credited to Services		
Dedicated Schools Grant (DSG)	93,639	97,985
Mandatory Rent Allowance: subsidy	31,404	29,074
Mandatory Rent Rebates: subsidy	28,361	26,523
Public Health Grant	24,412	24,609
COVID-19 Business Grants	0	15,181
Social Care Support Grant	9,562	12,537
Improved Better Care Fund Announcement 2015	12,184	12,185
COVID-19 Business Grants - Additional Restrictions Grant - South Yorkshire Mayoral Combined Authority	5,967	6,333
Pupil Premium	4,639	4,258
Improved Better Care Fund Announcement 2017	3,646	3,645
Private Finance Initiative (PFI) Annuity Grant	3,478	3,478

	2020/21 £'000	2021/22 £'000
Adult Social Care Infection Control Fund	5,938	2,918
COVID-19 Workforce Recruitment and Retention	0	2,910
Household Support Fund	0	2,877
Test Track & Contain Grant	8,376	2,527
Department for Environment, Food and Rural Affairs - Waste Infrastructure Grant	2,385	2,385
Disabled Facilities Grant	2,002	2,190
Test & Trace Support Payment Scheme	812	2,068
COVID-19 Care Home Testing Grant	786	1,930
Opportunity Area Social Mobility Grant	1,516	1,479
COVID-19 Local Support Grant	0	1,416
Sport England Grant	876	1,238
COVID-19 Community Testing Grant	566	1,203
Rapid Rehousing Pathway	462	1,118
Universal Infant Free School Meals Funding	1,215	1,077
Holiday Activities Fund	0	992
Housing Benefit & Council Tax Admin Benefit Subsidy	1,031	977
Homelessness Prevention Grant	0	894
Practical Support Framework	0	877
Inpatient Detox Grant	0	853
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses Addendum-National Lockdown	0	810
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses-National Lockdown (5 Jan)	0	764
Domestic Abuse Grant	50	733
Skills Funding Agency Safeguarded Learning	1,096	726
Discretionary Housing Payments	904	702
Independent Living Fund Grant	682	682
PE & Sports Grant	724	672
Youth Justice Board	618	670
Asylum Seekers Children's Grant	319	610
COVID-19 Winter Grant Scheme	1,225	397
COVID-19 Business Grants - Local Authority Discretionary Grant Fund	3,007	0
COVID 19 Track & Trace Service Support Grant	2,234	0
Teachers Pension Grant	2,032	0
Other	9,047	8,784
Total	265,195	283,287
Contributions		
Other Health Contributions	5,781	9,907
Better Care Fund Income	8,098	8,528
Primary Care Trust Continuing Healthcare Contribution to care packages	4,746	7,143
Primary Care Trust – Section 256	3,862	543
Other	3,477	5,933
Total	25,964	32,054

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

	Current		Long Term	
	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000
Revenue Grants Receipts in Advance				
Energy Bills Council Tax Rebate	0	20,053	0	0
COVID-19 Business Grants	12,817	8,979	0	0
Other	3,411	2,717	1,044	0
Total	16,228	31,749	1,044	0

Capital Grants & Contributions Receipts in Advance				
Department for Business Energy and Industrial Strategy - Housing Decarbonise	0	0	0	3,244
Section 106	1,199	1,452	1,832	2,346
Department for Business Energy and Industrial Strategy - Local Authority Delivery Scheme	0	0	0	240
National Productivity Investment Fund - A630 Westmoor Link	1,122	207	0	0
Department for Transport - Highways Maintenance Challenge Fund	4,412	0	0	0
Department for Business, Energy & Industrial Strategy - Salix Decarbonisation	1,718	0	0	0
Department for Transport - Local Transport Plan (Maintenance Block)	0	0	602	0
Other Grant & Contribution	466	201	107	233
Total	8,917	1,860	2,541	6,063

Note 344 Related Parties

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

Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, housing benefits). Grant information is shown in the Grant Income note.

Members

Members of the Council have a direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2021/22 is shown in the Members' Allowance note. Members have disclosed transactions with related parties during 2021/22 however these are not material.

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

Officers

Officers have disclosed transactions with related parties during 2021/22 however these are not material.

Other Public Bodies

The Council pays towards the services provided by the South Yorkshire Mayoral Combined Authority (SYMCA). The amount paid to SYMCA in 2021/22 was £12.298m (£12.304m in 2020/21).

Entities controlled or significantly influenced by the Council

- **Subsidiary**

St Leger Homes of Doncaster Limited (SLHD)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2005 to provide housing management and other services on behalf of the Council.

Details of the relationship with this company are shown within the Group Accounts.

Doncaster Children's Services Trust Limited (DCST)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2014 to provide children's services on behalf of the Council.

Details of the relationship with this company are shown within the Group Accounts.

Arthur Street Developments

In 2017/18 Doncaster Council bought all the shares in Arthur Street Developments.

The accounts for the year ended 31st July 2021 show net assets valued at £1,358,382 (£1,387,024 in 2020). The company made a loss for the year of £21,301 after tax (a loss of £242,864 after tax for the year ended 31st July 2020).

The figures are not included in the group accounts as they are not material.

Note 355 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it.

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

	2020/21 £'000	2021/22 £'000
Opening Capital Financing Requirement	633,525	637,478
Capital investment:		
Property, Plant and Equipment *	57,939	63,810
Heritage Assets **	2	0
Intangible Assets ***	1,696	1,006
Long Term Loans and Advances	0	0
Revenue Expenditure Funded from Capital Under Statute	8,659	8,078
Sources of Finance:		
Capital receipts	(6,796)	(3,253)
Government grants and other contributions	(25,326)	(35,311)
Major Repairs Reserve	(6,999)	(12,003)
Direct revenue contributions	(16,598)	(17,708)
MRP / loans fund principal	(8,624)	(6,414)
Closing Capital Financing Requirement	637,478	635,683
Explanation of movements in year:		
MRP / loans fund principal	(8,624)	(6,414)
Increase in underlying need to borrowing (unsupported by Government financial assistance)	9,890	4,281
Un-financed expenditure	2,687	338
Increase / (decrease) in Capital Financing Requirement	3,953	(1,795)

* These figures match to the additions lines in Note 12 – Property, Plant and Equipment

** These figures match to the additions lines in Note 13 – Heritage Assets

*** These figures match to the additions lines in Note 15 – Intangible Assets

Note 366 Leases

a) Council as lessee

Finance Leases

The Council has not classified any leases as Finance Leases.

Operating Leases

The Council has entered into a number of operating leases for land and buildings. The expenditure charged to the services line in the Comprehensive Income and Expenditure during the year in relation to these leases is as below: -

	Rent Paid in Year	
	2020/21 £'000	2021/22 £'000
Land and buildings	1,154	1,310
Total	1,154	1,310

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

	Land and buildings	
	2020/21 £'000	2021/22 £'000
Operating leases which expire:		
Within 1 year	1,146	1,310
Between 1 and 5 years	4,273	4,976
After 5 years	19,991	19,875
Total	25,410	26,161

b) Council as lessor

Finance Leases

The Council has entered into two finance lease arrangements, one for Doncaster Racecourse and one for the Keepmoat Stadium. The Council has a gross investment in the leases made up of the minimum lease payments expected to be received over the remaining lease terms. There is no residual value anticipated at the end of either of the lease terms. The minimum lease payments comprise settlement of the long-term debtor for the interest in each property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. Both lease arrangements are for a term of 99 years. The Council entered into the lease arrangements for Doncaster Racecourse and the Keepmoat Stadium in January 2006 and August 2012 respectively.

The gross investment is made up of the following amounts: -

	31 st March 2021 £'000	31 st March 2022 £'000
Finance lease debtor (net present value of minimum lease payments):		
Current	5	6
Non-Current	4,790	4,784
Finance Income	14,662	14,444
Gross investment in the lease	19,457	19,234

The gross investment in leases and the minimum lease payments will be received over the following periods: -

	Gross Investment in the Lease		Minimum Lease Payments	
	31 st March 2021 £'000	31 st March 2022 £'000	31 st March 2021 £'000	31 st March 2022 £'000
Not later than one year	223	223	223	223
Later than one year and not later than five years	893	893	893	893
Later than five years	18,342	18,118	18,342	18,118
Total	19,458	19,234	19,458	19,234

In both of the above arrangements, the minimum lease payments do not include rents that are contingent on events taking place after the balance sheet date.

The Council currently leases a number of land and school buildings to academies on long term arrangements. Where these have been classified as finance leases the schools have subsequently been treated as disposals and are excluded from the Council's balance sheet in line with the appropriate accounting standard and accounting policy.

Operating Leases

The Council has properties which it leases out under operating leases which generate revenue. The future minimum lease payments receivable under non-cancellable leases in future years are: -

	Land and buildings	
	2020/21 £'000	2021/22 £'000
Operating leases which expire:		
Within 1 year	2,711	2,933
Between 1 and 5 years	8,727	8,528
After 5 years	34,910	34,189
Total	46,348	45,650

Note 377 Private Finance Initiatives (PFI) and Similar Contracts

Details of the PFI arrangements entered into by the Council are disclosed below along with information relating to payments still to be made under the contracts.

Schools PFI Contracts

In 2007/08 the council entered a contract over 25 years with Doncaster School Solutions and committed to making payments estimated at £6.8m per annum on average over the 25 years for the provision of two secondary PFI schools. The variable element of the payments are inflated by RPIX each year. The contractor payments began in December 2008 with actual payments of £6.774m in 2021/22 (£6.710m in 2020/21).

Sir Thomas Wharton College transferred to Trust Status with effect from 1st March 2010 and then to be an Academy from 1st February 2013, so the asset is no longer recognised on the Council's balance sheet in accordance with the council's accounting policies. Mexborough Science College has also transferred to be an Academy from 1st January 2015 and the asset is also no longer recognised on the Council's balance sheet. The unitary charge will continue to be paid by the Council over the remaining contract period with the liability shown between repayment of the finance lease liability, interest and unitary charge.

Waste Management PFI Contract

Barnsley, Doncaster and Rotherham jointly entered into a PFI contract with 3SE (Shanks, Scottish and Southern Energy) on the 30th March 2012. The contract is for the construction, development and operation of a new mechanical biological treatment plant (ITS facility) to dispose of the Councils' residual waste. The facility has a processing capacity of 250,000 tonnes p.a. and anaerobic digestion facility (AD facility) to generate power from gas emissions for use on site and produce a bio-compost for land remediation. The ITS AD facility is constructed on land at Bolton Road, Rotherham, this land was in the ownership of Rotherham MBC but was part disposed to Barnsley and Doncaster, based on 1/3rd equal shares.

The period of operation is 25 years from the Service Commencement Date which was 3rd July 2015. The local authorities have the option to extend the service element of the contract by a further 5 years. If this option is not exercised, the facility reverts to the ownership of the local authorities at the end of the 25 year contract at nil cost, otherwise it will revert after 30 years. The financing costs, operating costs and lifecycle replacement will be met through unitary payments payable by the three local authorities and third party revenue contributions.

Rotherham MBC, as lead authority, make the unitary payment initially and then recover the proportionate shares due from Barnsley and Doncaster respectively. 62% of the unitary payment increases annually by January's RPIX figure. The PFI asset and liability are shared 30% Barnsley, 40% Doncaster, and 30% Rotherham. This is considered a reasonable basis as it corresponds to each Council's share of the Guaranteed Minimum Tonnage.

Property, Plant and Equipment

The assets used to provide services at the Waste Management facility are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the Property, Plant and Equipment Note.

Payments

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

Breakdown of the Repayment of the Finance Lease Liability

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	557	3,506	6,596	1,745	0	12,404
Mexborough Science College	567	3,576	6,728	1,780	0	12,651
Waste Management PFI	322	1,400	3,110	5,625	6,335	16,792
Total	1,446	8,482	16,434	9,150	6,335	41,847

Breakdown of the Interest payments

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	483	1,708	1,166	87	0	3,444
Mexborough Science College	493	1,742	1,189	89	0	3,513
Waste Management PFI	2,311	8,819	9,585	6,634	1,636	28,985
Total	3,287	12,269	11,940	6,810	1,636	35,942

Breakdown of the remaining Unitary Charge

PFI Scheme	Within 1 year £'000	Within 2-5 years £'000	Within 6-10 years £'000	Within 11-15 years £'000	Within 16-20 years £'000	Total £'000
Sir Thomas Wharton College	2,453	9,227	11,430	4,880	0	27,990
Mexborough Science College	2,502	9,412	11,659	4,978	0	28,551
Waste Management PFI	7,508	32,320	45,990	54,694	40,747	181,259
Total	12,463	50,959	69,079	64,552	40,747	237,800

Although the payments made to the contractor are described as unitary charge, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows: -

	2020/21 £'000	2021/22 £'000
Balance outstanding at start of year	46,694	44,041
Payments during the year	(2,653)	(2,194)
Balance outstanding at year-end	44,041	41,847

Note 388 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

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

Although the scheme is unfunded, teacher's pensions use a notional fund as the basis for calculating the employer's contribution rate paid by local education authorities. However, it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22, the Council's contribution to the Department for Education in respect of teachers' retirement benefits was £3.8m (£5.06m in 2020/21), which represents 23.68% of teachers' pensionable pay (23.68% in 2020/21). In addition, a further sum of £3.06m (£3.16m in 2020/21) was paid to former teachers representing the cost of added years and related increases. Amendments to the scheme came into force in 1997/98 under the Pensions Act 1995 making employers responsible for additional costs of the scheme.

NHS Pension Scheme

Public Health staff transferred to the Council on 1st April 2013. These staff are members of the NHS Pension Scheme. The scheme is a Defined Benefit scheme administered by NHS Pensions as a multi-employer scheme in which the Council's liability cannot be separated out. It provides staff with defined benefits upon their retirement and the Council contributes towards the costs by making contributions based upon a percentage of member's pensionable salaries.

It is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2021/22, the Council's contribution for Public Health staff in respect of retirement benefits was £0.119m (£0.116m in 2020/21) which represents 14.38% of related pensionable pay.

Note 39 Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

Local Government Pension Scheme

The Council participates in the South Yorkshire Pension Scheme which is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balances via the Movement in Reserves Statement during the year: -

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	30,753	40,400
Past service costs	486	395
(gains)/loss from settlements and curtailments	(647)	(2,479)
Financing and Investment Income and Expenditure		
Net Interest expense	9,471	9,568
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	40,063	47,884
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(207,747)	(99,023)
Actuarial gains and losses arising on changes in demographic assumptions	0	0
Actuarial gains and losses arising on changes in financial assumptions	250,748	(69,473)
Other – Experience gains and losses	(32,840)	2,947
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	10,161	(165,549)
Movement in the Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(20,596)	(27,544)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	19,467	20,340

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(1,766,092)	(1,734,186)
Fair value of plan assets	1,326,451	1,417,870
Net Liability arising from defined benefit obligation	(439,641)	(316,316)

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	1,087,918	1,326,451
Interest Income	26,663	27,472
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	207,747	99,023
- Other - Admin Expenses & Settlements	(3,043)	(2,647)
Contribution from employer	49,311	5,660
Contributions from employees into the scheme	6,220	6,530
Benefits paid	(48,365)	(44,619)
Closing fair value of scheme assets	1,326,451	1,417,870

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening balance at 1st April	(1,526,646)	(1,766,092)
Current service cost	(30,753)	(40,400)
Interest cost	(36,134)	(37,040)
Contributions from scheme participants	(6,220)	(6,530)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	0
- Actuarial gains/losses arising from changes in financial assumptions	(250,748)	69,473
- Other – Experience gains and losses	32,840	(2,947)
Past service cost	0	0
Losses/(gains) on curtailments	(1,237)	(395)
Benefits paid	48,365	44,619
Liabilities extinguished on settlement	4,441	5,126
Closing balance at 31st March	(1,766,092)	(1,734,186)

In April 2020 the Council made a one-off payment to the Pension Fund of £43.838m for 80% of the future service rate contributions for the period from 2020/21 to 2022/23. In line with the Council's accounting policies £13.994m was accounted for in 2020/21, £14.680 is accounted for in 2021/22, with the remainder £15.164m being offset against the pension liability on the balance sheet. Over the next financial year, the pension reserve (note 24d, £331.480m) and the net pension liability (£316.316m) will be brought into line as the prepayment arrangements are accounted for in 2022/23.

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2020/21 £'000	2021/22 £'000
Quoted		
Equity Securities:		
Other	7,420	3,405
Debt Securities:		
Other	3,856	4,026
Private Equity:		
All	7,175	3,050
Real Estate:		
UK Property	2,764	2,349
Investment Funds and Unit Trusts:		
Infrastructure	24,300	18,206
Cash and Cash Equivalents:		
All	16,967	15,812
Unquoted		
Equity Securities:		
Other	0	7
Debt Securities:		
Corporate Bonds (non-investment grade)	72,255	154
UK Government	25,991	8,460
Other	61,345	66,711
Private Equity:		
All	111,411	135,927
Real Estate:		
UK Property	111,572	117,153
Overseas Property	1,827	1,910
Investment Funds and Unit Trusts:		
Equities	639,969	660,652
Bonds	178,499	254,675
Infrastructure	61,100	98,927
Other	0	26,446
Total	1,326,451	1,417,870

Assets in the Net Assets Statement are classified into 3 levels, according to the quality and reliability of information used to determine fair values. Level 3 assets are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Having analysed historical data and current market trends and consulted with independent investment advisors, the Actuary has determined that the valuation methods of Assets valued at Level 3 are likely to be accurate within certain ranges. The approximate changes in value of Assets valued at Level 3 are shown in the table below however, it should be noted that this is illustrative only and is not necessarily indicative of the actual effects that would be experienced.

Assets valued at Level 3	Assessed Valuation Range	Value at 31 March 2022	Value on Increase	Value on Decrease
	(+/-)	£'000	£'000	£'000
Pooled Investment Vehicles	12%	296,350	331,913	260,788

Basis for Estimating Assets and Liabilities

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

The significant assumptions used by the actuary have been: -

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.5	Men	22.6
25.3	Women	25.4
	Longevity at 65 for future pensioners	
24.0	Men	24.1
27.2	Women	27.3
2.7%	Rate of inflation	3.2%
3.95%	Rate of increase in salaries	4.2%
2.8%	Rate of increase in pensions	3.2%
2.1%	Rate for discounting scheme liabilities	2.7%

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year)	69,367	(69,367)
Rate of inflation (increase or decrease by 0.1%)	26,062	(26,062)
Rate of salaries (increase or decrease by 0.1%)	4,203	(4,203)
Rate of pensions (increase or decrease by 0.1%)	26,062	(26,062)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(30,531)	30,531

Valuation techniques are used to determine the carrying amount of the property funds and pooled investment vehicles. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to maintain a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation was due to be completed on 31st March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The Council anticipates paying £16.526m expected contributions to the scheme in 2022/23. The estimated weighted average duration of the defined benefit obligation for scheme members is 18 years.

West Yorkshire Superannuation Fund

Payments in 2021/22 totalling £0.002m (£0.004m in 2020/21) were made to the West Yorkshire Superannuation Fund being the Council's share of payments to employees of the former West Riding County Council incurred as a result of the Local Government Reorganisation in 1974.

Note 400 Contingent Liabilities

Municipal Mutual Insurance Ltd (MMI)

MMI were the Council's insurer until their demise in 1992 when they ceased writing new business. A Scheme of Arrangement was set up with its creditors under which MMI continued to settle outstanding claims whilst they had sufficient funds to do so. In the eventuality that the company became insolvent then a clawback clause would be triggered with the Council liable to repay MMI. This Scheme of Arrangement was triggered in November 2012 and so a levy was imposed on all scheme creditors, including the Council, who have been paid amounts in respect of scheme liabilities. An initial levy set at 15% by the administrators has been paid in 2013/14 with projected outcomes for a solvent run-off ranging anywhere between 9.5% and 28% at that time. However, in January 2016 MMI advised that due to volatile classes remaining uncertain the Levy range had been extended to be 15%-34%. Whilst a further Levy notice was issued in March 2016 for a further 10% repayment, the Council's provision has been set at 40%, totalling an outstanding amount of £1.413m. The contingent liability of £5.314m covers the remaining claims up to 100% (£6.727m).

Note 411 Trust Funds

Trust Funds are held for specified purposes in which the Council has an interest but do not form part of the Council's finances. They are maintained by the Council and, where appropriate, invested by the Council as trustee either externally or in the consolidated loans and advances pool.

	2020/21	2021/22
	£'000	£'000
Adult Trust Funds	5,855	5,784
Other Trust Funds	341	365
Total	6,196	6,149

Note 422 Other Long Term Liabilities

Liabilities totalling £40.401m (£41.846m at 31st March 2021) are payable in a period exceeding 12 months and relate to PFI schemes' long term liabilities.

Housing Revenue Account

Comprehensive Income and Expenditure Account

The Housing Revenue Account reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Part 6, Schedule 4, of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure (maintenance and administration) and how these are met by rents, subsidy and other income.

From the 1st October 2005, maintenance and administration of the Council's dwellings were transferred to St. Leger Homes of Doncaster Limited, an Arm's Length Management Organisation, limited by guarantee and wholly owned by the Council.

2020/21		Notes	2021/22	
£'000			£'000	£'000
	Expenditure			
13,822	Repairs and maintenance		14,357	
21,143	Supervision and management		22,239	
1,508	Rents, rates, taxes and other charges		1,428	
	Depreciation of Property, Plant & Equipment	8		
17,473	On dwellings		17,619	
783	On other assets		936	
1,499	Impairment of Property, Plant & Equipment	9	865	
(4,208)	Reversal of previous Impairment loss	9	(6,323)	
50	Amortisation of Intangible assets		90	
10	Debt management costs		6	
0	Movement in the allowance for bad debts		0	
52,080	Total Expenditure			51,217
	Income			
(74,426)	Dwelling rents (gross)		(75,703)	
(846)	Non-dwelling rents (gross)		(837)	
(663)	Charges for services and facilities		(598)	
(476)	Contributions towards expenditure		(578)	
(76,411)	Total Income			(77,716)
(24,331)	Net cost of HRA Services as included in the whole authority Income and Expenditure Account			(26,499)
373	HRA share of Corporate and Democratic Core		383	
(23,958)	Net Income/(Cost) for HRA Services			(26,116)
	HRA share of the operating income and expenditure included in the whole authority Income and Expenditure Account			
15,277	Gain or (loss) on sale of HRA non-current assets		19,063	
12,348	Interest payable and similar charges		12,739	
(65)	Interest receivable and similar income		(56)	
0	Capital Grants and Contributions receivable		(470)	
3,602	(Surplus) or Deficit for the year on HRA services			5,160

Movement on the HRA Statement

This statement identifies those amounts in addition to the HRA Income and Expenditure Account surplus or deficit for the year that are required by statute to be charged to or credited to the HRA Balance. The reconciliation statement summarises the differences between the outturn on the HRA Income and Expenditure Account and the HRA Balance.

2020/21		2021/22	
£'000		£'000	£'000
(9,670)	Balances on the HRA at the end of the previous year		(8,267)
3,602	(Surplus) or deficit for the year on the HRA Income and Expenditure statement	5,160	
(2,199)	Adjustments between accounting basis and funding basis under statute (note10)	(3,583)	
1,403	Net (increase) or decrease before transfers to or from reserves	1,577	
1,403	(Increase) or decrease in year on the HRA		1,577
(8,267)	Balance on the HRA at the end of the current year		(6,690)

Notes to the Statement of Movement on the Housing Revenue Account Balance

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

31 st March 2021		31 st March 2022
16,352	Houses and bungalows	16,278
2,337	Low-rise flats and maisonettes	2,332
1,391	Medium and high-rise flats	1,390
20,080	Total	20,000

2 Major Repairs Reserve (MRR)

2020/21 £'000		2021/22 £'000
(10,073)	Balance as at 1st April	(21,380)
(833)	Transfer Depreciation Non Dwellings to MRR	(1,026)
(17,473)	Transfer Depreciation Dwellings to MRR	(17,619)
6,999	Financing of capital expenditure	12,003
(21,380)	Balance as at 31st March	(28,022)

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

31 st March 2021 £'000		31 st March 2022 £'000
1,054	Former Tenants Rent Arrears	1,284
2,190	Current Tenants Rent Arrears	2,061
3,244	Total	3,345

The bad debt provision in respect of all un-collectable rent arrears was £2,360,565 (£2,436,128 in 2020/21). The aggregate balance sheet provision in respect of all un-collectable debts relating to the Housing Revenue Account was £2,556,077 (£2,590,964 in 2020/21).

4 Movement of Property, Plant & Equipment

2020/21 Total £'000		Council Dwellings £'000	Other Operational Land & Buildings £'000	Other Property, Plant & Equipment £'000	2021/22 Total £'000
	Cost or Valuation				
679,541	At 1st April 2021	660,706	15,555	10,960	687,221
18,476	Additions	19,436	786	3,142	23,364
5,131	Revaluation increases / (decreases) recognised in the Revaluation Reserve	83,622	363	(868)	83,117
2,823	Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	(782)	0	5,541
(2,057)	De-recognition – disposals	(3,587)	0	0	(3,587)
(16,693)	De-recognition – other	(19,300)	(380)	(21)	(19,701)
0	Reclassifications within PPE	0	0	0	0
687,221	At 31st March 2022	747,200	15,542	13,213	775,955
	Accumulated Depreciation and Impairment				
(4,120)	At 1st April 2021	0	(1,452)	(3,496)	(4,948)
(18,256)	Depreciation charge	(17,618)	(404)	(532)	(18,554)
17,541	Depreciation written out to the Revaluation Reserve	17,618	50	7	17,675
115	Depreciation written out to the Surplus/Deficit on the Provision of Services	0	244	0	244
(228)	impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	(327)	0	(327)
(4,948)	At 31st March 2022	0	(1,889)	(4,021)	(5,910)
682,273	Net Book Value as at 31st March 2022	747,200	13,653	9,192	770,045

5 Vacant possession value of dwellings

The vacant possession value of dwellings within the HRA following annual revaluation as at 31st March 2022 was £1.795 billion. A difference arises between the vacant possession valuation £1.795 billion and the valuation used for balance sheet purposes of £0.751 billion because the latter represents the social housing value of tenanted dwellings. The difference £1.044 billion indicates the economic cost to Government of providing Council Housing at less than open market rents.

6 Capital expenditure on land, houses and other property within the HRA and the sources of funding.

2020/21 £'000		2021/22 £'000
	Capital expenditure per asset classification:	
17,291	Council Dwellings	19,436
751	Other operational Land and Buildings	786
430	Vehicles Plant and equipment	341
0	Assets Under Construction	2,699
4	Community Assets	102
297	Intangible Assets	121
18,773		23,485
	Sources of funding:	
(1,345)	Useable Capital Receipts	(533)
(84)	Capital Grants and Contributions	(1,269)
(6,998)	Major Repairs Reserve	(12,002)
(10,346)	Direct revenue financing	(9,681)
(18,773)		(23,485)

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

2020/21 £'000		2021/22 £'000
2,476	Houses (Council Dwellings)	4,225
1,001	Land	1
3,477	Total	4,226

8 Depreciation charged to the HRA

2020/21 £'000		2021/22 £'000
17,473	Council Dwellings	17,618
259	Other Land and Buildings	404
524	Other PPE	532
18,256		18,554

9 Impairment charge to HRA

2020/21 £'000		2021/22 £'000
840	Revaluation Loss on Council Dwellings	0
659	Revaluation Loss relating to non-Council Dwelling Assets	865
0	Impairment due to Council Dwelling demolition in year and proposed future demolitions	0
0	Consumption of Economic Benefit re Council Dwellings	0
(4,208)	Reversal of previous revaluation loss	(6,323)
(2,709)		(5,458)

The regional adjustment factor, applied to ascertain the value of social housing stock, has remained at 41%.

Collection Fund

The account reflects the statutory requirement contained in Section 89 of the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) for billing authorities to establish and maintain a separate Collection Fund, which accounts for the income from Council Tax, National Non-Domestic Rates (NNDR) and residual Community Charge. This income finances the net expenditure requirements of the authorities within the Doncaster Council area, including the Council itself, the South Yorkshire Joint Authorities and Parish Councils. The Collection Fund accounts are prepared on an accruals basis. The Collection Fund balances are consolidated into the Council's balance sheet as there is no requirement for a separate Collection Fund Balance Sheet.

Collection Fund Statement

2020/21 £'000		Notes	2021/22 £'000
	Amounts required by statute to be credited to the Collection Fund		
(141,622)	Council Tax (showing the amount receivable, net of benefits discounts for prompt payments and transitional relief)	1	(147,395)
(1,555)	Transfers from the General Fund – Council Tax Discretionary Reliefs Awarded via S13a(1)(c)	1	(1,668)
(62,293)	Non-Domestic Rates (showing the amount receivable, net of discretionary and mandatory reliefs)	2	(82,001)
0	Contribution towards previous year's Collection Fund deficit - Council Tax		(2,468)
0	Contribution towards previous year's Collection Fund deficit - Non-Domestic Rates		(40,141)
(205,470)	Total Income		(273,673)
	Amounts required by statute to be debited to the Collection Fund		
	Precepts and demands from major preceptors and the authority - Council Tax	3	
120,704	- Doncaster Council		122,253
16,663	- South Yorkshire Police Authority		17,642
6,276	- South Yorkshire Fire and Rescue Authority		6,299
	Shares of Non-Domestic Rating income to major preceptors and the (billing) authority - Non-Domestic Rates		
47,856	- Doncaster Council		46,010
977	- South Yorkshire Fire and Rescue Authority		939
48,833	Payment with respect to central share (including allowable deductions) of the Non-Domestic Rating income to be paid to central government by billing authorities		46,949
2,069	Transitional protection payments Non-Domestic Rates		2,426
	Impairment of debts/appeals for Council Tax		
17	- write-offs of uncollectable amounts		1,324
2,072	- allowance for impairment		773
	Impairment of debts/appeals for Non-Domestic Rates:		
0	- write-offs of uncollectable amounts		520
5,304	- allowance for impairment		3,267
371	Charge to General Fund for allowable collection costs for Non-Domestic Rates		369

2020/21 £'000		Notes	2021/22 £'000
1,105	Contributions towards previous year's Collection Fund surplus for Council Tax		0
3,116	Contributions towards previous year's Collection Fund surplus for Non-Domestic Rates		0
255,363	Total Expenditure		248,771
	Opening fund balance:		
(133)	- Council Tax		3,527
(2,291)	- Non-Domestic Rates		43,942
	Closing fund balance:		
3,527	- Council Tax		286
43,942	- Non-Domestic Rates		22,280
	Movement on fund balance:		
3,660	- Council Tax		(3,241)
46,233	- Non-Domestic Rates		(21,662)
	Accumulated surplus/deficit of the Collection Fund (Council Tax) is attributable to the following:-		
2,947	- Doncaster Council		227
426	- South Yorkshire Police Authority		45
154	- South Yorkshire Fire and Rescue Authority		14
3,527			286
	Accumulated surplus/deficit of the Collection Fund (Non-Domestic Rates) is attributable to the following:-		
21,533	- Doncaster Council		10,918
21,970	- Central Government		11,139
439	- South Yorkshire Fire and Rescue Authority		223
43,942			22,280

The National Non-Domestic Rates (NNDR) element of the Collection Fund saw a large drop of £39.6m in income in 2021/22 compared to 2020/21. This was almost entirely due to Central Government introducing the Retail Relief scheme during 2020/21 whereby qualifying businesses received a 100% relief on their Business Rates, i.e. they didn't have to pay anything. This meant that the NNDR element of the Collection Fund made a deficit of £46.2m in 2020/21. The Council's share of NNDR is 49% therefore the Council's share of the deficit was £22.6m. Central Government introduced a new reduced scope Retail Relief scheme in 2021/22. This resulted in an increase in NNDR income in 2021/22 of £24.8m compared to 2020/21. Central Government also introduced a new COVID-19 Additional Relief Fund (CARF) in 2021/22. The fund was available to support those businesses affected by the pandemic but that were ineligible for existing support linked to business rates. This resulted in a decrease in NNDR income in 2021/22 of £5.1m compared to 2020/21.

As the changes to NNDR were national policy decisions, Central Government reimbursed Councils for this lost income via a section 31 grant in 2020/21 and 2021/22. By statute, this grant income has to be credited to the CIES not the Collection Fund. In order to smooth the impact on the budget, the Council placed these grants (2020/21 £18.9m 2021/22 £17.6m) into an ear-marked reserve so they can be used to offset the recovery of the accumulated deficit in 2021/22 and 2022/23 respectively. The reduction in income from the Collection Fund in future years was addressed in the budget and will continue to be monitored.

Notes to the Collection Fund Statement

1 Council Tax

Income from Council Tax is derived from charges raised according to the value of residential properties, which have been classified into eight valuation bands using estimated values as at 1st April 1991. The Tax Base calculation is based upon the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for the Local Council Tax Support (LCTS) scheme, discounts and exemptions. Individual charges are calculated by estimating the amount of income required to fund the demands on the Collection Fund and then dividing this by the Tax Base (see note 3).

The table below shows the number of properties in each band and the equivalent number of band D properties: -

Band	Number of Dwellings in the Band	Less LCTS, Exemptions, Discounts & Other Changes	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Equivalent Band D Dwelling	Council Tax 2021/22 (Excluding Parishes) £
A	81,359	(25,664)	55,695	6/9	37,109	£1,156.81
B	25,559	(3,815)	21,744	7/9	16,912	£1,349.61
C	15,301	(1,810)	13,491	8/9	11,993	£1,542.41
D	9,541	(647)	8,894	1	8,894	£1,735.21
E	4,672	(303)	4,369	11/9	5,340	£2,120.81
F	2,172	(109)	2,063	13/9	2,979	£2,506.41
G	939	(34)	905	15/9	1,508	£2,892.02
H	131	(32)	99	18/9	198	£3,470.42
Total	139,674	(32,414)	107,260		84,933	
Less allowance for non-collection					(2,123)	
Tax base for the calculation of Council Tax					82,810	

Reconciliation of Council Tax income to the tax base: -

2020/21		2021/22
85,336	No of Band D properties	84,933
£1,677.98	Band D rate	£1,735.21
£2,456,805	Parish Precepts	£2,501,182
£'000		£'000
(145,649)	Estimated Income	(149,878)
2,472	In-year changes	2,483
(143,177)	Income	(147,395)

The in-year changes in 2021/22 are due to an increase in the number of band D properties to 83,247, compared with 82,810 used in the calculation of the budget. This is mainly attributable to 592 more Local Council Tax Scheme discounts being awarded and higher than expected growth of 1,029 dwellings.

2 NNDR

Under statutory arrangements, NNDR are collected locally on the basis of a nationally determined rate in the pound charged on the rateable value of the property. The multiplier is set nationally by Central Government and local rateable values are provided by the Valuation Office Agency (VOA). In 2021/22 the Standard Rate was 51.2p (51.2p in 2020/21) and the Small Business Rate was 49.9p (49.9p in 2020/21).

Since 1st April 2013 and the introduction of the Local Government Finance Act 2012, business rates are shared between Central and Local government. 50% of local business rates income is retained locally (Doncaster retains 49% and passes on 1% to the South Yorkshire Fire and Rescue Authority) and 50% is passed to Central Government. The local retention of business rates model calculates the difference between each Council's individual business rate baseline and their calculated baseline funding level and either a top up or a tariff will be paid to Councils from Central Government. The emphasis of these reforms is to move Local Government funding away from a needs based system to one based on business rates. Doncaster Council received top-up funding of £34.854m, which represents the difference between our individual business rate baseline funding level of £41.513m and the calculated baseline level of £76.367m.

The Business Rates collectable after reliefs and provisions was £82.0m in 2021/22 (£62.3m in 2020/21) and was based on a rateable value for the Council's area of £254,003,961 as at 31st March 2022 (£252,227,613 as at 31st March 2021).

3 Precepts and Demands

Expenditure requirements financed by the Collection Fund: -

	Net Budget Requirement	Band D Equivalent Dwellings	Band D Council Tax
	£'000		£
Doncaster Council Demand *	119,752	82,810	1,446.10
S Y Police Authority	17,642	82,810	213.04
S Y Fire and Rescue Authority	6,299	82,810	76.07
Total	143,693		1,735.21
* Excludes Parish Precepts of £2,501,182			

Group Accounts

The Core Financial Statements

Group Comprehensive Income and Expenditure Statement

2020/21				2021/22		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
142,769	(78,568)	64,201	Adults, Health & Wellbeing	149,689	(85,733)	63,956
122,229	(82,852)	39,377	Corporate Resources	129,362	(94,805)	34,557
19,783	(1,942)	17,841	Council Wide Budgets	18,163	(1,234)	16,929
94,135	(19,479)	74,656	Economy & Environment	91,215	(26,029)	65,186
218,592	(129,571)	89,021	Learning Opportunities, Skills & Culture	229,617	(135,206)	94,411
(27,132)	(30,631)	(57,763)	Public Health	33,370	(29,247)	4,123
57,564	(77,654)	(20,090)	Housing Revenue Account	58,459	(79,023)	(20,564)
627,940	(420,697)	207,243	Net Cost of Services	709,875	(451,277)	258,598
2,457	0	2,457	Parish Council Precepts	2,501	0	2,501
1,392	0	1,392	Payments to the Government Housing Capital Receipts Pool	1,939	0	1,939
55,594	0	55,594	(Gains) / Losses on the disposal of non-current assets	44,974	0	44,974
59,443	0	59,443	Other operating expenditure	49,414	0	49,414
21,110	0	21,110	Interest payable & similar charges	19,676	0	19,676
11,118	0	11,118	Pensions interest cost & expected return on pensions Assets	11,756	0	11,756
0	(677)	(677)	Interest receivable & similar income	0	(498)	(498)
(55)	(165)	(220)	Income & expenditure in relation to investment properties & changes in their fair value	13	(165)	(152)
16,915	(11,782)	5,133	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	15,741	(14,862)	879
49,088	(12,624)	36,464	Financing and investment income and expenditure	47,186	(15,525)	31,661
0	(118,576)	(118,576)	Council tax income	0	(122,897)	(122,897)
0	(26,928)	(26,928)	Non domestic rates redistribution	0	(37,156)	(37,156)
0	(119,346)	(119,346)	Non-ring fenced Government grants	0	(93,072)	(93,072)
0	(24,086)	(24,086)	Capital grants and contributions	0	(39,646)	(39,646)
0	(288,936)	(288,936)	Taxation and non-specific grant income	0	(292,771)	(292,771)
736,471	(722,257)	14,214	(Surplus) / Deficit on Provision of Services	806,475	(759,573)	46,902
		(58,069)	(Surplus) / Deficit on revaluation of non-current assets			(102,320)
		23,340	Actuarial (gains) / losses on pension assets / liabilities			(200,510)
		754	(Gains) / Losses on Revaluation of Financial Instruments			603
		(33,975)	Other Comprehensive Income and Expenditure			(302,227)
		(19,761)	Total Comprehensive Income and Expenditure			(255,325)

Group Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	(Group) Share of Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2021 brought forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)	94,283	(445,921)
Movement in reserves during 2021/22										
Total Comprehensive Income and Expenditure	147,343	5,158	0	0	0	152,501	(267,267)	(114,766)	(137,457)	(252,223)
Adjustments between group accounts and authority accounts	(117,693)	0	0	0	0	(117,693)	0	(117,693)	117,693	0
Net Increase or decrease before transfer	29,650	5,158	0	0	0	34,808	(267,267)	(232,459)	(19,764)	(252,223)
Adjustments between accounting basis and funding basis under regulations	(29,816)	(3,581)	(874)	(6,643)	(4,313)	(45,227)	45,227	0	0	0
(Increase) / Decrease in 2021/22	(166)	1,577	(874)	(6,643)	(4,313)	(10,419)	(222,040)	(232,459)	(19,764)	(252,223)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(564,933)	(772,663)	74,519	(698,144)

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	(Group) Share of Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2020 brought forward	(63,467)	(9,670)	(17,348)	(10,074)	(19,572)	(120,131)	(378,563)	(498,694)	72,535	(426,159)
Reporting of Schools Budget Deficit to new Adjustment Account as 1 April 2020	(5,212)	0	0	0	0	(5,212)	5,212	0	0	0
Restated Balance as 1 April 2020	(68,679)	(9,670)	(17,348)	(10,074)	(19,572)	(125,343)	(373,351)	(498,694)	72,535	(426,159)
Movement in reserves during 2020/21										
Total Comprehensive Income and Expenditure	106,348	3,602	0	0	0	109,950	(47,154)	62,796	(82,558)	(19,762)
Adjustments between group accounts and authority accounts	(104,306)	0	0	0	0	(104,306)	0	(104,306)	104,306	0
Net Increase or decrease before transfer	2,042	3,602	0	0	0	5,644	(47,154)	(41,510)	21,748	(19,762)
Adjustments between accounting basis and funding basis under regulations	(64,865)	(2,199)	(491)	(11,306)	1,249	(77,612)	77,612	0	0	0
(Increase) / Decrease in 2020/21	(62,823)	1,403	(491)	(11,306)	1,249	(71,968)	30,458	(41,510)	21,748	(19,762)
Balance at 31st March 2021 carried forward	(131,502)	(8,267)	(17,839)	(21,380)	(18,323)	(197,311)	(342,893)	(540,204)	94,283	(445,921)

Group Balance Sheet

31 st March 2021			Notes	31 st March 2022	
£'000	£'000			£'000	£'000
1,419,751		Property, Plant & Equipment	c	1,505,021	
9,120		Heritage Assets		9,050	
1,710		Investment Property		1,696	
3,891		Intangible Assets		2,478	
3,841		Long Term Investments		3,238	
7,024		Long Term Debtors		6,894	
	1,445,337	Long Term Assets			1,528,377
25,007		Short Term Investments		25,010	
31,084		Assets Held for Sale		21,829	
1,879		Inventories		2,122	
94,727		Short Term Debtors	d	86,283	
68,310		Cash & Cash Equivalents	e	75,379	
	221,007	Current Assets			210,623
0		Cash & Cash Equivalents	e	(27)	
(103,070)		Short Term Borrowing		(63,790)	
(76,994)		Short Term Creditors	f	(89,285)	
(1,722)		Provisions		(1,593)	
(16,228)		Revenue Grants Receipts in Advance		(31,749)	
(8,917)		Capital Grants Receipts in Advance		(1,860)	
	(206,931)	Current Liabilities			(188,304)
(14,780)		Provisions		(16,352)	
(419,357)		Long Term Borrowing		(398,902)	
(41,846)		Deferred Liabilities		(40,400)	
0		Donated Assets Account		0	
(1,044)		Revenue Grants Receipts in Advance		0	
(2,541)		Capital Grants Receipts in Advance		(6,063)	
(533,924)		Liability related to defined benefit pension scheme	i	(390,835)	
	(1,013,492)	Long Term Liabilities			(852,552)
	445,921	Net Assets			698,144
197,311		Usable Reserves		207,730	
248,610		Unusable Reserves		490,414	
	445,921	Total Reserves			698,144

Group Cash Flow Statement

31st March 2021 £'000		31st March 2022 £'000
(5,643)	Net surplus or (deficit) on the provision of services	(34,809)
87,370	Adjustments to net surplus or deficit on the provision of services for non-cash movements	178,060
(32,571)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(45,789)
49,156	Net cash flows from Operating Activities	97,462
(28,496)	Investing Activities	(29,782)
(385)	Financing Activities	(60,638)
20,275	Net increase or (decrease) in cash and cash equivalents	7,042
48,035	Cash and cash equivalents at the beginning of the reporting period	68,310
68,310	Cash and cash equivalents at the end of the reporting period (Note e)	75,352

Notes to the Group Core Financial Statements

a Details of the Group

Notes are only produced for the group accounts if the notes differ from the single entity accounts.

Subsidiary – St Leger Homes of Doncaster Limited (SLHD)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2005 to provide housing management and other services on behalf of the Council.

SLHD has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the Council with those of SLHD and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between entities of the group.

Subsidiary – Doncaster Children’s Services Trust Limited (DCST)

This is a company limited by guarantee and does not have any share capital. The Council is the sole member. The company was formed on 1st October 2014 to provide children’s services on behalf of the Council.

DCST has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the Council with those of SLHD and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between entities of the group.

From 1st September, 2022, DCST no longer provides children’s services on behalf of the Council – see Note 6 Events after the Balance Sheet Date.

b Accounting Policies

Statement of Accounting Policies

The group accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances as those for the Council. As far as can be ascertained, there is only one material difference between the accounting policies of the group entities and the Council which requires realignment. This is in relation to DCST Pension costs and other post-retirement benefits. DCST does not recognise a pension related asset or liability in its Statement of Financial Position. The group accounts are realigned to recognise the DCST pension liability.

c Property, Plant and Equipment

Movements in 2021/22

2021/22									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2021	660,707	438,706	67,753	371,281	6,881	5,058	17,054	1,567,440	25,655
Additions	19,435	9,319	6,726	25,102	172	243	2,913	63,910	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	83,622	(1,222)	0	0	(1,551)	(312)	(88)	80,449	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	5,872	0	0	(251)	(184)	(1,029)	10,731	0
De-recognition – disposals	(3,587)	(17,196)	(278)	0	0	0	0	(21,061)	0
De-recognition – other	(19,300)	(6,482)	(252)	(3,594)	(90)	(243)	0	(29,961)	0
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	(100)	0	(100)	0
Reclassification within PPE	0	16,149	0	0	0	(1)	(16,148)	0	0
At 31st March 2022	747,200	445,146	73,949	392,789	5,161	4,461	2,702	1,671,408	25,655
Accumulated Depreciation & Impairment									
At 1st April 2021	0	(6,358)	(37,592)	(103,119)	(618)	0	0	(147,687)	(4,244)
Depreciation charge	(17,619)	(11,254)	(6,097)	(9,658)	(82)	(9)	0	(44,719)	(1,014)
Depreciation written out to the Revaluation Reserve	17,619	7,480	0	0	82	3	0	25,184	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	1,088	0	0	14	6	0	1,108	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(881)	0	(89)	0	(71)	0	(1,041)	0
De-recognition – disposals	0	373	395	0	0	0	0	768	0
At 31st March 2022	0	(9,552)	(43,294)	(112,866)	(604)	(71)	0	(166,387)	(5,258)
Net Book Value									
At 31st March 2022	747,200	435,594	30,655	279,923	4,557	4,390	2,702	1,505,021	20,397
At 31st March 2021	660,707	432,348	30,161	268,162	6,263	5,058	17,054	1,419,753	21,411

Comparative Movements in 2020/21

2020/21									
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment	PFI Assets Included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1st April 2020	655,219	413,830	64,325	341,253	9,434	26,899	35,797	1,546,757	25,655
Additions	17,291	3,951	4,563	12,001	1,423	0	18,776	58,005	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	2,842	28,486	0	0	452	1,836	463	34,079	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	3,231	25,488	0	0	(4,266)	2,048	(6,362)	20,139	0
De-recognition – disposals	(2,017)	(38,100)	(658)	0	0	0	0	(40,775)	0
De-recognition – other	(16,085)	(3,439)	(478)	(2,528)	(102)	0	(200)	(22,832)	0
Assets reclassified (to)/from Assets Held for Sale	0	(1,830)	0	0	(35)	(26,069)	0	(27,934)	0
Reclassification within PPE	226	10,320	0	20,555	(25)	344	(31,420)	0	0
At 31st March 2021	660,707	438,706	67,752	371,281	6,881	5,058	17,054	1,567,439	25,655
Accumulated Depreciation & Impairment									
At 1st April 2020	0	(11,814)	(32,869)	(92,994)	(538)	0	0	(138,215)	(3,395)
Depreciation charge	(17,473)	(9,931)	(5,649)	(9,364)	(80)	(1)	0	(42,498)	(849)
Depreciation written out to the Revaluation Reserve	17,358	7,781	0	0	0	1	0	25,139	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	115	7,190	0	0	0	0	0	7,306	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(499)	0	(761)	0	0	0	(1,260)	0
De-recognition – disposals	0	915	926	0	0	0	0	1,841	0
At 31st March 2021	0	(6,358)	(37,592)	(103,119)	(618)	0	0	(147,687)	(4,244)
Net Book Value									
At 31st March 2021	660,707	432,348	30,160	268,162	6,263	5,058	17,054	1,419,752	21,411
At 31st March 2020	655,219	402,016	31,456	248,259	8,896	26,899	35,797	1,408,542	22,260

d Debtors

	31st March 2021 £'000	31st March 2022 £'000
Debtors		
Trade Receivables	34,328	36,700
Other Receivables	51,570	40,389
Payments in advance	8,829	9,194
Total	94,727	86,283

e Cash and Cash Equivalents

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

	31st March 2021 £'000	31st March 2022 £'000
Cash held by the Group	16,300	7,849
Bank balance / (overdraft)	0	(27)
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	52,010	67,530
Total Cash and Cash Equivalents	68,310	75,352

f Creditors

	31st March 2021 £'000	31st March 2022 £'000
Creditors		
Trade Payables	(46,608)	(58,352)
Other Payables	(12,924)	(6,958)
Receipts in Advance	(17,462)	(21,113)
Total	(76,994)	(86,423)

g Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Compensation for loss of office	Employer Pension Contribution	Total
		£	£		£	£
Chief Executive D Allen - Note 1	2021/22	171,286	0	0	29,119	200,405
	2020/21	168,755	0	0	28,688	197,443
Director of Economy & Environment D Swaine - Note 3	2021/22	128,989	0	0	0	128,989
	2020/21	52,598	0	0	0	52,598
Director of Economy & Environment P Dale - Note 4	2020/21	84,722	0	0	14,403	99,125
Director of Corporate Resources D Hogg	2021/22	128,989	0	0	21,928	150,917
	2020/21	127,083	0	0	21,605	148,688
Director of Adults Health and Wellbeing P Holmes - Note 5	2021/22	128,989	0	0	21,928	150,917
	2020/21	127,083	0	0	21,605	148,688
Director of Learning Opportunities, Skills and Culture R Nelson - Note 6	2021/22	132,816	5,000	0	22,849	160,665
	2020/21	127,083	0	0	21,605	148,688
Director of Public Health R Suckling	2021/22	128,989	0	0	18,549	147,538
	2020/21	104,309	0	0	15,000	119,309
Monitoring Officer S Fawcus	2021/22	98,700	0	0	16,468	115,168
	2020/21	95,438	0	0	16,224	111,662
Section 151 Officer F Tyas - Note 7	2021/22	96,870	(1,488)	0	16,468	111,850
	2020/21	94,112	(1,488)	0	16,218	108,842
St Leger Homes Executive Management Team	2021/22	410,781	0	0	65,725	476,506
	2020/21	408,287	0	0	63,734	472,021
Doncaster Children's Services Trust Management Team	2021/22	353,255	494	50,000	51,409	455,158
	2020/21	459,708	184	47,731	64,285	571,908

Note 1 - D Swaine started work with the Council on 02/11/20, as Director of Economy and Environment.

Note 2 - P Dale left the Council as Director of Economy and Environment on the 30/11/20.

Note 3 - R Nelson was appointed as Director of Learning Opportunities, Skills and Culture on 23/04/20.

Note 4 - R Suckling, roles and responsibilities changed with effect from 01/04/21.

Note 5 - F Tyas returned from maternity leave 06/04/20

The Group's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions), expressed in bands of £5,000, is as below: -

2020/21			Salary Banding	2021/22		
Group	Schools	Total	£	Group	Schools	Total
41	17	58	50,000 - 54,999	58	19	77
19	8	27	55,000 - 59,999	25	10	35
24	9	33	60,000 - 64,999	24	8	32
13	10	23	65,000 - 69,999	21	10	31
5	8	13	70,000 - 74,999	10	8	18
10	6	16	75,000 - 79,999	7	4	11
4	0	4	80,000 - 84,999	2	1	3
0	1	1	85,000 - 89,999	3	0	3
1	0	1	90,000 - 94,999	1	1	2
10	0	10	95,000 - 99,999	8	0	8
0	0	0	100,000 - 104,999	2	0	2
1	0	1	105,000 - 149,999	3	0	3
128	59	187	Total	164	61	225

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2020/21 and 2021/22 is shown in the senior officer remuneration analysis.

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The information does not include any costs relating to schools.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0 - £20,000	6	4	34	11	40	15	328,140	114,767
£20,001 - £60,000	0	0	8	4	8	4	223,865	190,120
Total	6	4	42	15	48	19	552,005	304,887

h Grant Income

	2020/21 £'000	2021/22 £'000
Credited to Services		
Dedicated Schools Grant (DSG)	93,639	97,985
Mandatory Rent Allowance: subsidy	31,404	29,074
Mandatory Rent Rebates: subsidy	28,361	26,523
Public Health Grant	24,412	24,609
COVID-19 Business Grants	0	15,181
Social Care Support Grant	9,562	12,537
Improved Better Care Fund Announcement 2015	12,184	12,185
COVID-19 Business Grants - Additional Restrictions Grant - Sheffield City Region Combined Authority	5,967	6,333
Pupil Premium	4,639	4,258
Improved Better Care Fund Announcement 2017	3,646	3,645
Private Finance Initiative (PFI) Annuity Grant	3,478	3,478
Adult Social Care Infection Control Fund	5,938	2,918
COVID-19 Workforce Recruitment and Retention	0	2,910
Household Support Fund	0	2,877
Test Track & Contain Grant	8,376	2,527
Department for Environment, Food and Rural Affairs (Defra) Waste Infrastructure Grant	2,385	2,385
Disabled Facilities Grant	2,002	2,190
Test & Trace Support Payment Scheme	812	2,068
COVID-19 Care Home Testing Grant	786	1,930
Opportunity Area Social Mobility Grant	1,516	1,479
Adoption Support Fund	0	1,416
COVID-19 Local Support Grant	0	1,416
Sport England Grant	876	1,238
COVID-19 Community Testing Grant	566	1,203
Rapid Rehousing Pathway (RRP)	462	1,118
Universal Infant Free School Meals (UIFSM) Funding	1,215	1,077
Holiday Activities Fund	0	992
Housing Benefit & Council Tax Admin Benefit Subsidy	1,031	977
Homelessness Prevention Grant	0	894
Practical Support Framework	0	877
Inpatient Detox Grant	0	853
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses Addendum-National Lockdown	0	810
COVID-19 Business Grants - Local Restrictions Support Grant-Closed Businesses-National Lockdown (5 Jan)	0	764
Domestic Abuse Grant	50	733
Skills Funding Agency Safeguarded Learning	1,096	726
Discretionary Housing Payments	904	702
Independent Living Fund Grant	682	682
PE & Sports Grant	724	672
Youth Justice Board	618	670
Asylum Seekers Childrens Grant	319	610
COVID-19 Winter Grant Scheme	1,225	397
DFE Grant Income	1,914	55
COVID-19 Business Grants - Local Authority Discretionary Grant Fund	3,007	0
COVID-19 Track & Trace Service Support Grant	2,234	0
Teachers Pension Grant	2,032	0
Other	9,507	9,003
Total	267,569	284,977
Contributions		
Better Care Fund Income	8,098	8,528

	2020/21 £'000	2021/22 £'000
Other Health Contributions	5,874	9,990
Primary Care Trust Continuing Healthcare Contribution to care packages	4,746	7,143
Primary Care Trust - Section 256	3,862	543
Other	4,007	6,936
Total	26,587	33,140

i Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

Local Government Pension Scheme

The Group participates in the South Yorkshire Pension Scheme which is a funded defined benefit final salary scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Group recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balances via the Movement in Reserves Statement during the year.

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	42,878	55,810
Past service costs	681	395
(gains)/loss from settlements and curtailments	(529)	(2,479)
Financing and Investment Income and Expenditure		
Net Interest expense	11,118	11,756
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	54,148	65,482
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(243,249)	(116,119)
Actuarial gains and losses arising on changes in demographic assumptions	0	0
Actuarial gains and losses arising on changes in financial assumptions	304,057	(87,977)
Other – Experience gains and losses	(37,468)	3,586
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	23,340	(200,510)
Movement in the Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(29,165)	(39,638)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	24,983	25,844

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(2,091,995)	(2,064,136)
Fair value of plan assets	1,558,071	1,673,301
Net Liability arising from defined benefit obligation	(533,924)	(390,835)

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening fair value of scheme assets	1,275,613	1,558,071
Interest Income	31,156	32,395
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	243,249	113,016
- Other - Admin Expenses & Settlements	(3,238)	(2,647)
Contribution from employer	54,827	11,164
Contributions from employees into the scheme	8,800	9,165
Benefits paid	(52,336)	(47,863)
Closing fair value of scheme assets	1,558,071	1,673,301

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

Local Government Pension Scheme	2020/21 £'000	2021/22 £'000
Opening balance at 1st April	(1,786,876)	(2,091,995)
Current service cost	(42,878)	(55,810)
Interest cost	(42,274)	(44,151)
Contributions from scheme participants	(8,800)	(9,165)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	0
- Actuarial gains/losses arising from changes in financial assumptions	(304,057)	87,977
- Other - Experience gains and losses	37,468	(3,586)
Past service cost	0	0
Losses/(gains) on curtailments	(1,355)	(395)
Benefits paid	52,336	47,863
Liabilities extinguished on settlement	4,441	5,126
Closing balance at 31st March	(2,091,995)	(2,064,136)

Local Government Pension Scheme assets comprised

	Fair value of scheme assets	
	2020/21 £'000	2021/22 £'000
Quoted		
Equity Securities:		
Other	8,717	3,405
Debt Securities:		
Other	4,529	4,026
Private Equity:		
All	8,427	3,050
Real Estate:		
UK Property	3,246	2,349
Investment Funds and Unit Trusts:		
Infrastructure	28,542	18,206
Cash and Cash Equivalents:		
All	19,930	15,812
Unquoted		
Equity Securities:		
Other	0	621
Debt Securities:		
Corporate Bonds (non-investment grade)	84,872	181
UK Government	30,530	9,984
Other	72,057	79,455
Private Equity:		
All	130,866	160,964
Real Estate:		
UK Property	131,055	138,682
Overseas Property	2,146	2,254
Investment Funds and Unit Trusts:		
Equities	751,717	779,669
Bonds	209,668	300,554
Infrastructure	71,769	120,029
Other	0	31,211
Cash and Cash Equivalents:	0	2,849
All		
Total	1,558,071	1,673,301

Basis for Estimating Assets and Liabilities

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

The significant assumptions used by the actuary have been:

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.5	Men	22.6
25.3	Women	25.4
	Longevity at 65 for future pensioners	
24.0	Men	24.1
27.2	Women	27.3
2.7%	Rate of inflation	3.2% Council 3.2% SLHD 3.15% DCST
3.95%	Rate of increase in salaries	4.2% Council 4.2% SLHD 4.15% DCST
2.8%	Rate of increase in pensions	3.2% Council 3.2% SLHD 3.15% DCST
2.1% Council 2.1% SLHD 2.2% DCST	Rate for discounting scheme liabilities	2.7% Council 2.7% SLHD 2.75% DCST

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

	Impact on the Defined Benefit Obligation in the Scheme	
	Increase in Assumption £'000	Decrease in Assumption £'000
Longevity (increase or decrease in 1 year)	82,565	(82,565)
Rate of inflation (increase or decrease by 0.1%)	31,996	(31,996)
Rate of salaries (increase or decrease by 0.1%)	5,877	(5,877)
Rate of pensions (increase or decrease by 0.1%)	31,996	(31,996)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(38,215)	38,215

Valuation techniques are used to determine the carrying amount of the property funds and pooled investment vehicles. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.

Impact on the Group's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to maintain a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2022.

West Yorkshire Superannuation Fund

Payments in 2021/22 totalling £0.002m (£0.004m in 2020/21) were made to the West Yorkshire Superannuation Fund being the Council's share of payments to employees of the former West Riding County Council incurred as a result of the Local Government Reorganisation in 1974.

Glossary

Accounting Period

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

Accounting Policies

These are the specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting financial statements.

Amortisation

An accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement over a period of years rather than when the initial payment is made. Its purpose is to charge / credit the cost / income over the accounting periods that gain benefit for the respective item.

Asset

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

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

Budgets

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

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing fixed asset.

Capital Financing

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

Capital Receipts

The proceeds from the disposal of land or other Property, Plant & Equipment. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government and up to 4% of the balance of receipts can be used to fund revenue expenditure.

Cash

Comprises cash on hand and demand deposits.

Cash Equivalents

These are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Chartered Institute of Public Finance and Accountancy ('CIPFA')

The Chartered Institute of Public Finance and Accountancy is the professional body for people in public finance.

Collection Fund

A fund administered by the Council recording receipts from Council Tax, National Non-Domestic Rates and payments to the General Fund.

Community Assets

These are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples include parks, historic buildings, museum exhibits and works of art.

Corporate and Democratic Core

The corporate and democratic core (CDC) comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Council Tax

A banded property tax, based on assessed property values at 1st April 1991, which is levied on domestic properties.

Credit Risk

The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.

Creditor

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

Debtor

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

Dedicated Schools Grant ('DSG')

A ring-fenced grant for schools paid by the Department for Education (DfE) to the Council.

Defined Benefit Scheme

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

Defined Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The measure of the wearing out, consumption or other reduction in the economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

De-Recognition

The process applied to assets that are no longer deemed to be controlled by the Council, either by sale, demolition or any other form of disposal.

Donated Assets

Assets that are received or acquired as gifts from other entities.

Earmarked Reserve

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

Equity

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

Events after the Balance Sheet Date

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

Exceptional Items

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

Fair Value

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

Finance Lease

A method of acquiring non-current assets where under the lease agreement all the risks and rewards of ownership of a fixed asset are substantially transferred to the Council, in return for rental payments to the legal owner of the asset.

Financial Instrument

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities and includes both the most straightforward financial assets such as trade receivable (debtors) and trade payable (creditors) and the most complex ones such as derivatives.

General Fund Balances

These are accumulated surpluses on the General Fund. They can be applied to reduce borrowing, reduce the Council Tax, or be held for use in future years.

General Fund Services

This comprises all services provided by the Council with the exception of services relating to the provision of local Council housing which is accounted for in the Housing Revenue Account. The net cost of General Fund services is met by Council Tax, Government grants and National Non-Domestic Rates.

Government Grants

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

Heritage Assets

Heritage assets are held and maintained by the Council principally for their contribution to knowledge and culture. Heritage assets can have historical, artistic, scientific, geophysical or environmental qualities.

Historic Cost

This represents the original cost of acquisition, construction or purchase of a non-current asset.

Housing Benefits

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

Housing Revenue Account ('HRA')

This account includes all revenue expenditure and income relating to the provision, maintenance and administration of Council housing. It is a statutory requirement that the account be maintained separately ('ring-fenced') from General Fund services.

Impairment

A reduction in the value of a fixed asset not caused by general changes in market values, e.g. obsolescence or physical damage.

Infrastructure Assets

These are assets where ownership cannot be transferred and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and drainage facilities.

Intangible Assets

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

International Financial Reporting Standards ('IFRS')

International Financial Reporting Standards are principles-based Standards, Interpretations and the Framework adopted by the International Accounting Standards Board ('IASB').

Investments

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

Liability

A liability is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources. A liability is where the Council owes payment to an individual or another organisation.

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

Liquid Resources

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

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

Local Authority (Scotland) Accounts Advisory Committee ('LASAAC')

The CIPFA/LASAAC Local Authority Code Board is established as a standing committee of CIPFA and LASAAC for the purpose of preparing, maintaining, developing and issuing the Code of Practice on Local Authority Accounting.

Long-Term Contract

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

Materiality

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

Minimum Revenue Provision ('MRP')

This is the minimum amount that must be charged to the Council's revenue account each year to provide for the repayment of loans used to finance capital expenditure.

National Non-Domestic Rates ('NNDR')

These are often referred to as Business Rates and are a levy on business properties. NNDR are collected by the Council and paid into their Collection Fund. This amount is then distributed 49% to the Council's General Fund, 1% to the SY Fire and Rescue Authority and 50% to central Government. The central Government share is then redistributed nationally, partly back to local authorities through Revenue Support Grant.

Net Book Value ('NBV')

The amount at which Property, Plant & Equipment are included in the balance sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

Net Expenditure

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

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

Non-Current Assets

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

Non-Distributed Costs

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

Operating Lease

A lease other than a finance lease. This is a method of financing assets, which allows the Council to use but not own an asset in exchange for rental payments but where the risks and rewards of ownership are not substantially transferred.

Operational Assets

These are non-current assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has a responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the statement of accounts is signed and authorised for issue by the responsible financial officer.

Precept

The proportion of total Council Tax that is due to local parishes and various authorities, e.g. the Police, Fire and Rescue Authorities and which is collected on their behalf by the Council.

Prior Year Adjustments

Material adjustments, applicable to prior years and arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates in prior years.

Private Finance Initiative ('PFI')

A contract in which the private sector is responsible for supplying services that are linked to the provision of a major asset and which traditionally have been provided by the Council. The Council will pay for the provision of this service, which is linked to availability, performance and levels of usage.

Property, Plant & Equipment

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

Provisions

Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.

Public Works Loan Board ('PWLB')

A Government agency that provides long-term loans to local authorities at interest rates lower than prevailing market rates. The Council is able to borrow a proportion of its capital financing requirement from this source.

Rateable Value

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

Recharges

The transfer of costs within the Council from one account to another to reflect work undertaken on behalf of another service.

Related Party

For the Council's purposes, related parties are deemed to include the elected Members of the Council and their partners; the Chief Officers of the Council and the companies in which the Council has an interest.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by either employer or employee are excluded.

Reserves

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

Residual Value

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

Retail Price Index Excluding Mortgage Interest Payments ('RPIX')

The RPIX is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a basket of retail goods and services equivalent to the all items Retail Price Index (RPI) excluding mortgage interest payments.

Retirement Benefits

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

Revaluation Reserve

Records unrealised revaluation gains arising (since 1st April 2007) from holding non-current assets.

Revenue Contributions

A method of financing capital expenditure through the Comprehensive Income and Expenditure Statement.

Revenue Expenditure

Expenditure on the day-to-day running costs of services, e.g. employees, premises, supplies and services.

Revenue Support Grant ('RSG')

This is a Government grant paid to the Council to finance the Council's general expenditure. It is based on the Government's assessment of how much an authority needs to spend in order to provide a standard level of service.

Ring Fencing

This refers to the statutory requirement that certain accounts such as the Housing Revenue Account must be maintained separately from the General Fund services.

Specific Government Grants

These are designed to aid particular services and may be revenue or capital in nature. They typically have specified conditions attached to them such that they may only be used to fund expenditure which is incurred in pursuit of defined objectives.

Termination Benefits

These are benefits payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

Trust Funds

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

Useful Life

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

**Independent auditor's report to the members of Doncaster
Metropolitan Borough Council**