



City of
Doncaster
Council

STATEMENT OF ACCOUNTS 2022/23



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Narrative Report

Introduction

The accounts of such a large and diverse authority as City of Doncaster Council are, by their nature, both technical and complex. The information contained within the Statement of Accounts for 2022/23 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 mission – Thriving People, Places and Planet. 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 2022/23 (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 **Great 8 Priorities** from our Corporate Plan for 2022/23 and Borough Strategy. The Council is proud of these achievements set against the turbulent financial climate it has operated within during the year and the impact of this on cost of service delivery.



TACKLING CLIMATE CHANGE

- We continue to sustain a very high performance standard for successful collections of household waste and recycling. We need to reduce consumption in the first place by wider education and promotion of circular principles.
- There are 126 sites where areas of one form or another have been set aside for naturalisation, totalling 1,613,243 square metres. We need to create more sites that can be given back to nature, e.g. habitat banks but there is pressure on land for several competing reasons.
- We now have 39 electric vehicles which helps toward reducing the Carbon Dioxide (CO2) and Nitrogen Dioxide (NO2) emissions. The transition of our full fleet will take several years to replace fully.
- There has been a City-wide call to action to plant trees and populate the tree register, which has led to around 26,000 trees being planted in 2022/23. Our target to plant 1 million trees remains a significant challenge to meet both financially and from a land perspective.



DEVELOPING THE SKILLS TO THRIVE IN LIFE & WORK

- City of Doncaster Council has secured funding in order to support the UK's first ever Remake Learning Days festival.
- Doncaster's average of 16/17 year olds not meeting the duty to participate in education, employment or training (NEET) remains strong.
- Officers continue to work closely with schools to identify young people who are likely to become electively home educated. Current EHE numbers are 518 compared to 645 a year ago.
- Children Missing in Education have reduced from 293 to 128 this year.
- Since 2020, local special schools have been at capacity. This has had the impact of an increase in out of borough places, especially for Social, Emotional, Mental Health (SEMH) needs.



MAKING DONCASTER THE BEST PLACE TO DO BUSINESS & CREATE GOOD JOBS

- Performance remains stable for the number of people with a Learning Disability helped into work who are in receipt of paid employment.
- The new recorded investment into Doncaster at the end of 2022-23 stands at £206.5 million.
- At the end of the 2023 financial year, Business Doncaster facilitated £109 million of new inward investment.
- Recorded footfall into the city centre at the end of the financial year was over 14.2 million.



BUILDING OPPORTUNITIES FOR HEALTHIER, HAPPIER & LONGER LIVES FOR ALL

- During the year we significantly reduced the waiting list for adult social care self-supported assessments.
- There has been an improvement in the number of people who received an annual review of their adult social care.
- As at end March 2023, Doncaster has 106 Adult Social Care provision/services out of 141 currently rated as 'Good' or 'Outstanding' by the Care Quality Commission.
- The number of working age admissions to residential care (age 18-64yrs) has remained stable over the past 2 years; the ambition is to reduce in the future.
- The smoking 4 week quit rate has exceeded target (50%), 1,485 people set a quit date, and 1,020 (68.7%) successfully exited the programme.



CREATING SAFER, STRONGER, GREENER & CLEANER COMMUNITIES WHERE EVERYONE BELONGS

- We provided individual support plans for 689 victims of higher risk thresholds of anti-social behaviour.
- Overall, we have seen a 100% increase in the number of incidents attended by the Neighbourhood Response Team (NRT).
- Overall, we deployed an additional 16 CCTV cameras throughout 2022/23.
- The number of referrals to the Domestic Abuse Hub remained consistent throughout the year.
- Repeat safeguarding referrals remain stable throughout 2022/23.
- Our Communities Service identified and supported 321 Veterans throughout 2022/23.
- The percentage of Fly Tips investigated and removed within 7 days from public areas continues to be high. Over the course of the year, we have exceeded the target, and remained consistent at around 96%.
- 6 of our parks currently have a Green Flag status across the Borough.
- The number of affordable homes, from both Council and private sector provider/build, continues to exceed the 2022/23 target, and we have achieved 361 in this year. This is Doncaster's highest ever affordable housing figure.



NURTURING A CHILD & FAMILY-FRIENDLY BOROUGH EVERYONE BELONGS

- The Your Families Triage Teams are now established in each of the four localities and are a key element of the emerging Local Help Offer for families.
- Doncaster continues to be above the national trend for 2 Years olds accessing their 15 hours entitlement to funded childcare, performing 21.6% above the national average at 83.6% (993/1202).
- The Children in Care (CiC) numbers are positively reducing in a planned way.
- The number of children and young people in out of authority residential placements has grown significantly raising year on year during the last 3 years or so. Sufficiency of placements is a national challenge but one we are facing head on through the development of local homes and foster recruitment campaigns.
- Doncaster remains an outlier in relation to the number of contacts that we receive to the front door. Work is undergoing with the partnership to ensure we maximise their own safeguarding of triage and the application threshold.



BUILDING TRANSPORT & DIGITAL CONNECTIONS FIT FOR THE FUTURE

- The condition of the Principal Roads nationally has declined slightly but has remained stable at 96% throughout 2022-23.
- The percentage of estate roads in good to fair condition has improved by 5% this year. This improvement is down to the £5 million additional investment into the local road network, and also the relatively mild winters in 2021/22 and 2022/23.



PROMOTING THE BOROUGH & ITS CULTURAL, SPORTING & HERITAGE OPPORTUNITIES

- City of Doncaster Archives is now fully staffed and new staff have quickly and positively engaged with service aims and objectives.
- This year's Danum Read Aloud event took place at DGLAM. Danum Read Aloud is a competition for primary school children; children are encouraged to develop their confidence in speaking in front of an audience, and this year the theme was famous speeches.
- Music Education Service and Hub ensemble attendance has improved by approx. 68%, which is pre-Covid levels. The Music Service has also received Child Friendly Status.
- For Doncaster Music Hub's 2023 Sing Out concerts, we have partnered with the Royal Opera House who will be sharing an adapted song from the Magic Flute, the opera they're focusing on across their work in Doncaster.
- Continued good work ongoing between Culture Services and the Service for Children with a Hearing Impairment, with BSL training for volunteers and all staff taking place in May 2023, and story times to be posted online with sign language.

Financial Performance

Revenue Position: £3.0m overspend

The outturn position for the Council is a £3.0m overspend which represents only 0.5% 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).

	Gross Budget	Net Budget	Actual	Variance	
	£m	£m	£m	£m	%
Adults Health and Wellbeing	144.9	62.6	62.7	0.1	0.1%
Children, Young People & Families	140.3	78.5	89.4	10.9	7.8%
Corporate Resources	125.7	33.3	31.1	-2.2	-1.8%
Public Health	33.6	6.8	6.9	0.1	0.3%
Economy & Environment	106.5	47.1	43.7	-3.4	-3.2%
Services Budgets	551.0	228.3	233.8	5.5	1.0%
Council-Wide budgets	44.1	-55.2	-57.7	-2.5	-5.7%
Grand Total	595.1	173.1	176.1	3.0	0.5%

Though the outturn position is not positive the position did improve compared to a £7.8m overspend forecast at quarter 3 in part due to the managerial decisions taken to delay and reduce non-essential spend.

Key factors, within the overspend, have remained consistent throughout the year being pay, energy and children's social care costs significantly exceeding budgets. Pay costs rose by 7% in 2022/23 compared to a budgeted increase of 3% (including 1% carried forward from 2021/22). Energy costs increased by between 118% and 374% following the global hike in prices as a result of the conflict in Ukraine. These overspends were offset by underspends in other services including £2.5m in Waste & Recycling. It should be noted that the position also includes £10.8m delivered against planned savings, this is a £4.2m shortfall against the budgeted savings targets. Most of the shortfall related to Children's Social Care savings targets and was a contributory factor to the overall overspend.

The Council has control over St Leger Homes of Doncaster Limited (SLHD), whose accounts are consolidated with the Council's in the Group Accounts shown from page 95. SLHD were also affected by energy cost increases and their HRA related activity showed a £1.4m overspend at year-end funded by additional management fee, whilst General Fund activity showed a £0.3m underspend due to reduced temporary accommodation costs.

Further details can be found on the agendas for the meetings where the outturn position was discussed. Separate reports are prepared for the Council and SLHD. The Council's report can be found on the Cabinet agenda for 21st June, 2023, accessible via the Council's website: -

[Agenda for Cabinet on Wednesday, 21st June, 2023, 10.00 am - Modern Council \(moderngov.co.uk\)](https://www.moderngov.co.uk/agenda/2023/06/21/)

The SLHD report can be found on the 3rd August, 2023 SLHD Board agenda accessible via SLHD's website: -

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

DCST Closure

In March 2022, the Council took the decision to give notice to DCST to end the contract for the delivery of specified children's social care services. The contract ended on 31st August, 2022 and at that point DCST ceased trading. DCST's staff were transferred to the Council on 1st September, 2022 and since that date all children's social care has been provided by the Council or by 3rd parties commissioned by the Council. From 1st September, 2022 contracts with providers and other suppliers were novated to the Council. As a result of the transfer of staff, South Yorkshire Pensions Authority (SYPA) transferred the former DCST pension scheme into the City of Doncaster Council pension scheme. Between September and March, the following actions have been taken in respect of DCST's balance sheet: -

- Outstanding creditors have been paid and £2k of credit notes have been written off;
- Outstanding debts have been transferred to the Council where the debt is collectible (£93k) and written off in other cases (£24k);
- Fixed assets of £73k have been impaired.

The DCST balance sheet at 31st March, 2023 consisted of: -

- Debtors (VAT) £96k;
- Creditors (City of Doncaster Council, HMRC & Unison) £322k;
- Cash £226k.

The remaining balances will be dealt with in early 2023/24 and the intention to strike off the company will be lodged with Companies House.

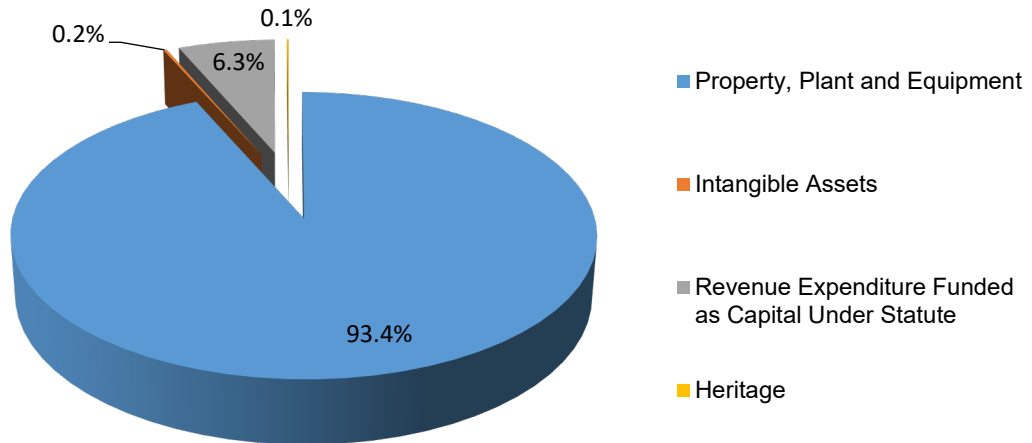
From 2022/23, DCST is no longer consolidated in the Group Accounts – see Group Accounts for more details.

Capital Position

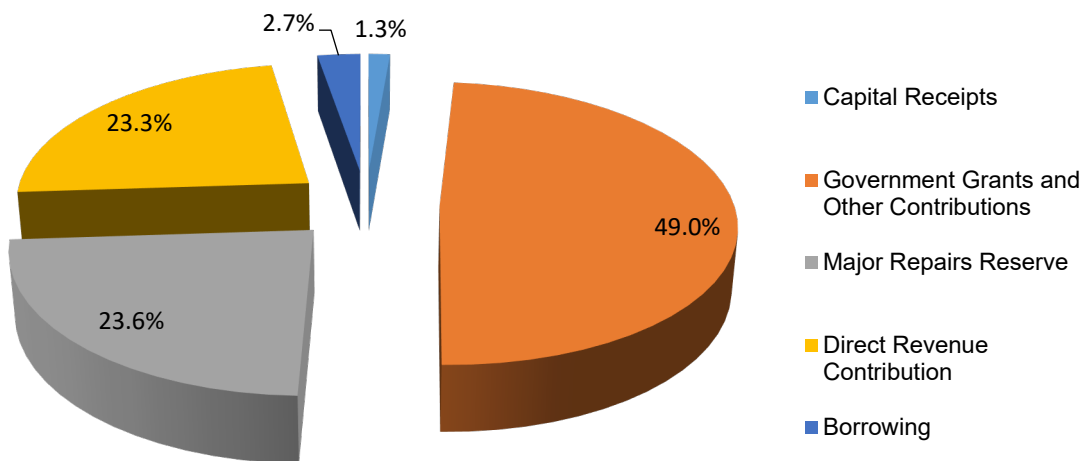
Capital expenditure represents money spent by the Council to purchase, upgrade or improve assets such as buildings, vehicles and roads. The distinction between capital and revenue expenditure is that the Council and its communities receive the benefit from capital expenditure over a longer period of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

The Council spent £89.1m on capital schemes which includes 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 (£89.1m)



How the costs were financed (£89.1m)

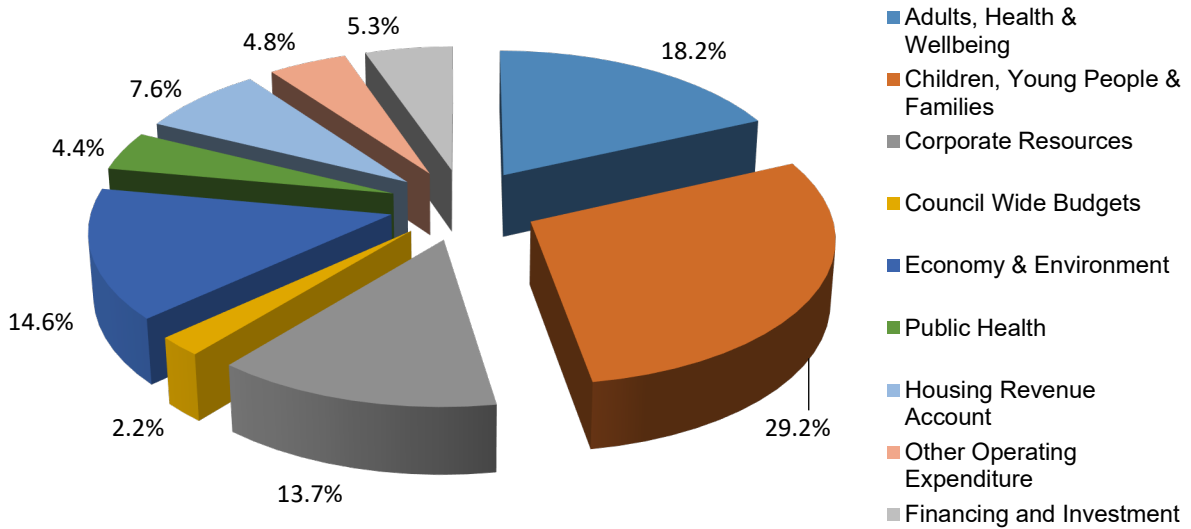


Cost of the Council's Services

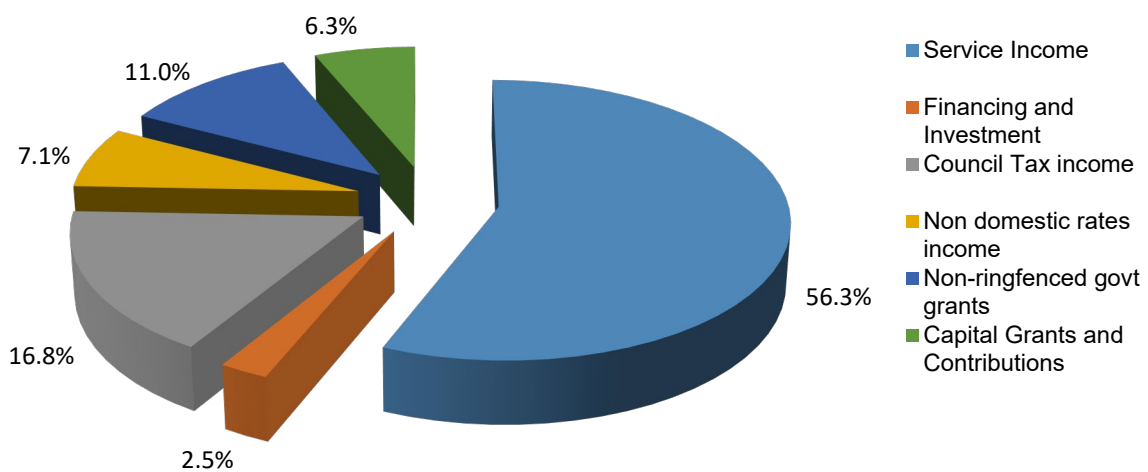
The Comprehensive Income and Expenditure Statement ('CI&ES') for 2022/23 shows the cost of running the Council's services and how that was funded between April 2022 and March 2023.

Overall expenditure on Council services was £850.0m, up £59.3m compared to 2021/22. Income was £774.4m, up £18.5m compared to 2021/22. The deficit on provision of services was £75.6m, up £40.8m compared to 2021/22. This was largely due to increased depreciation charges due to a review of the Useful Economic Lives (UEL) of infrastructure assets.

CI&ES Expenditure (£850.0m)



CI&ES Income (£774.4m)



Balance Sheet

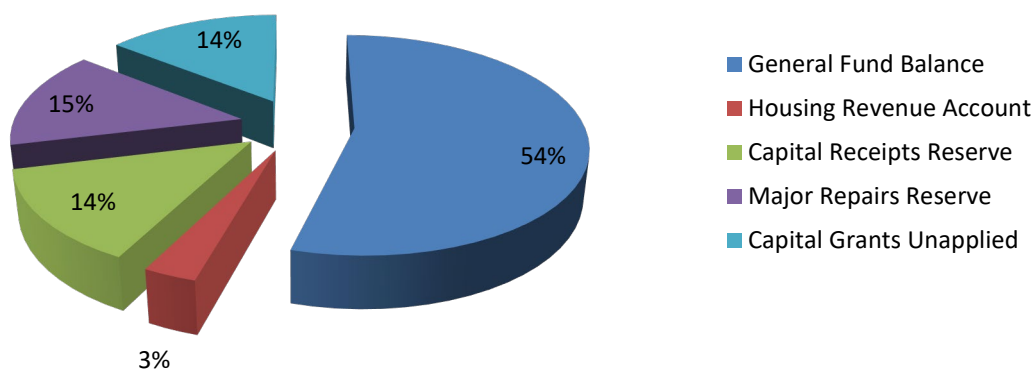
The Council's net worth increased by £488.8m from £764.9m to £1,253.7m which is mainly due to an increase in the asset related to defined benefit pension scheme (previously was a liability).

Balance Sheet	31st March 2023
	£m
Non-Current Assets (e.g. Property, Plant & Equipment, Pension Asset)	1,698.4
Current Assets (e.g. short term debtors)	113.2
Cash and cash equivalents (net)	37.7
Current Liabilities (e.g. short term creditors, short term borrowing)	(139.1)
Long Term Liabilities (e.g. long term borrowing)	(456.5)
Net Worth (31st March 2022: £764.9m)	1,253.7
Financed by:	
Usable Reserves (see below)	193.2
Unusable Reserves	1,060.5
Net Worth (31st March 2022 £764.9m)	1,253.7

Usable Reserves

The Council's usable reserves have decreased by £14.6m to £193.2m; General Fund reserves have fallen by £26.6m to £105.1m which is mainly due to the use of COVID-19 related reserves.

Usable Reserves (£193.2m)



Financial Outlook

Revenue

On 27th February 2023, the Council set a budget based on closing a budget gap of £22.3m over 2023/24 to 2025/26 (including £10.2m in 2022/23). This was a significant challenge in the context of ongoing demand for services, particularly for children's social care and high levels of inflation 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 £17.2m of budget pressures identified by services for 2023/24, increasing to £23.1m by 2025/26. Additionally, pay and price inflation adds a further £32.5m in 2023/24, increasing to £56.0m by 2025/26. The 2023/24 total includes £9.2m for pay inflation and £7.5m 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 2023/24.

The savings proposals identified amount to £22.3m over the 3 years, with £10.9m in 2023/24, reducing the ongoing budget position and supporting the financial sustainability of the Council going forward. The savings include revised targets for Children's Social Care through the more efficient use of resources to reduce overall child placement costs, as well as further plans to review and reduce our use of assets, utilising the new ways of operating and blended approach to working.

The Autumn Statement 2022 was announced on 17th November 2022; the Government announced indicative allocations of funding for 2023/24 in the provisional local government finance settlement announcement on 19th December, 2022. Final allocations of funding for 2023/24 were confirmed in the final local government finance settlement announcement on 6th February 2023. The Autumn Statement 2022 set out the funding available for Government Departments for 2023/24 to 2025/26. The Fair Funding Review (FFR), which would set out how the funding determined by the future Spending Reviews would be allocated and a "full reset" of the Business Rates Retention scheme were postponed until 2025/26 at the earliest. 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 it has become apparent that the 2023/24 pay award is likely to cost more than was provided in the budget. On the other hand the 2022/23 outturn position is better than expected. In the wider economy inflation is expected to fall with interest rates reducing later in the financial year. Careful monitoring will be undertaken and budgets will be adjusted potentially using contingencies or reserves. The longer-term impact of such pressures will be factored into the 2024/25 budget setting process.

The Capital Programme

The Capital Strategy outlines the principles and decision making process involved when considering new bids and the monitoring of City of Doncaster Council's capital programme. The aim is to ensure alignment with the Council's priorities and objectives, support the regeneration of the borough and improve infrastructure, improved efficiency and effectiveness of operational of services. Set within a context of being affordable and within available finances, as set out in the Council's Medium-term Financial Strategy.

The Council continues to invest in the future of the Borough despite the tough economic climate, with an estimated £492.8m of capital investment over 2023/24 to 2026/27 that will continue to stimulate growth and prosperity, with £194.9m of spend estimated for 2023/24. The Council is investing in projects to further improve core services such as Education, Housing, Infrastructure, Leisure and Culture. This includes £220.6m investment in the Council's social housing stock over the next four years, covering maintenance, adaptations, acquisitions and the new build programme.

New additions to the capital programme include continued investment in our leisure facilities, retained public buildings, infrastructure across the city including street lighting, footpaths and signage and further investment in flood prevention measures prioritised to areas with the greatest need.

Further details on the 2023/24 Revenue Budget, Capital Strategy and Capital Budget can be found on the Council's website: -

[Agenda for Council on Monday, 27th February, 2023, 2.00 pm - Modern Council \(modern.gov.co.uk\)](#)

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 City of 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 controls. This is St Leger Homes of Doncaster Limited.

Significant Changes in Accounting Policy

The Council's financial statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (The Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting policies are compliant with The Code and have been applied in preparing the financial statements and the comparative information.

There have been no significant changes in accounting policy during 2022/23.

Faye Tyas
Chief Financial Officer &
Assistant Director of Finance & Technology
(Section 151 officer)
8th December, 2023

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 & Technology;
- 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
8th December, 2023

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 & Technology.

In preparing this Statement of Accounts, the Chief Financial Officer & Assistant Director of Finance & Technology 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 2023.

Faye Tyas
Chief Financial Officer &
Assistant Director of Finance & Technology
(Section 151 officer)
8th December, 2023

The Core Financial Statements

Comprehensive Income and Expenditure Statement

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
149,689	(85,733)	63,956	Adults, Health & Wellbeing	154,881	(84,977)	69,904
222,161	(132,102)	90,059	Children, Young People & Families	248,199	(139,042)	109,157
129,362	(94,805)	34,557	Corporate Resources	115,859	(74,795)	41,064
18,163	(1,234)	16,929	Council Wide Budgets	18,817	(1,290)	17,527
91,215	(26,029)	65,186	Economy & Environment	124,294	(27,933)	96,361
33,370	(29,247)	4,123	Public Health	37,091	(26,479)	10,612
51,601	(77,719)	(26,118)	Housing Revenue Account	64,908	(81,539)	(16,631)
695,561	(446,869)	248,692	Net Cost of Services	764,049	(436,055)	327,994
2,501	0	2,501	Parish Council Precepts	2,578	0	2,578
1,939	0	1,939	Payments to the Government Housing Capital Receipts Pool	0	0	0
44,974	0	44,974	(Gains) / Losses on the disposal of non-current assets	38,085	0	38,085
49,414	0	49,414	Other operating expenditure	40,663	0	40,663
19,676	0	19,676	Interest payable & similar charges	19,710	0	19,710
9,568	0	9,568	Pensions interest cost & expected return on pensions assets	9,490	0	9,490
0	(498)	(498)	Interest receivable & similar income	0	(2,708)	(2,708)
13	(165)	(152)	Income & expenditure in relation to investment properties & changes in their fair value	(80)	(151)	(231)
16,469	(15,590)	879	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	16,160	(16,386)	(226)
45,726	(16,253)	29,473	Financing and investment income and expenditure	45,280	(19,245)	26,035
0	(122,897)	(122,897)	Council tax income	0	(130,135)	(130,135)
0	(37,156)	(37,156)	Non domestic rates redistribution	0	(54,767)	(54,767)
0	(93,072)	(93,072)	Non-ring fenced Government grants (Note 33)	0	(85,377)	(85,377)
0	(39,646)	(39,646)	Capital grants and contributions (Note 33)	0	(48,777)	(48,777)
0	(292,771)	(292,771)	Taxation and non-specific grant income	0	(319,056)	(319,056)
790,701	(755,893)	34,808	(Surplus) / Deficit on Provision of Services	849,992	(774,356)	75,636
		(94,585)	(Surplus) / Deficit on revaluation of non-current assets (Note 24a)			(100,941)
		(165,549)	Actuarial (gains) / losses on pension assets / liabilities (Note 24d)			(463,851)
		603	(Gains) / Losses on Revaluation of Financial Instruments (Note 24h)			426
		(259,531)	Other Comprehensive Income and Expenditure			(564,366)
		(224,723)	Total Comprehensive Income and Expenditure			(488,730)

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 2022 brought forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(557,197)	(764,927)
Movement in reserves during 2022/23								
Total Comprehensive Income and Expenditure	54,577	21,059	0	0	0	75,636	(564,366)	(488,730)
Adjustments between accounting basis and funding basis under regulations (Note 10)	(27,970)	(20,429)	(7,632)	26	(5,074)	(61,079)	61,079	0
(Increase) / Decrease in 2022/23	26,607	630	(7,632)	26	(5,074)	14,557	(503,287)	(488,730)
Balance at 31st March 2023 carried forward	(105,061)	(6,060)	(26,345)	(27,997)	(27,710)	(193,173)	(1,060,484)	(1,253,657)

The General fund balance consists of general reserves of £14.289m and earmarked reserves of £90.772m (see note 11 Movements in Earmarked Reserves for further analysis)

	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	(259,531)	(224,732)
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)	(214,304)	(224,723)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(557,197)	(764,927)

The General fund balance consists of general reserves of £23.162m and earmarked reserves of £108.506m (see note 11 Movements in Earmarked Reserves for further analysis)

Balance Sheet

31 st March 2022		Notes	31 st March 2023	
£'000	£'000		£'000	£'000
1,497,216		Property, Plant & Equipment	12	1,557,487
9,050		Heritage Assets	13	8,939
1,696		Investment Property	14	1,777
2,478		Intangible Assets	15	1,558
3,238		Long Term Investments	16	2,812
6,894		Long Term Debtors	16	6,666
0		Asset related to defined benefit pension scheme	39	119,129
	1,520,572	Long Term Assets		1,698,368
25,010		Short Term Investments	16	10
21,829		Assets Held for Sale	20	19,393
1,253		Inventories		1,068
88,765		Short Term Debtors	17	92,747
67,558		Cash & Cash Equivalents	19	37,659
	204,415	Current Assets		150,877
(27)		Cash & Cash Equivalents	19	0
(63,790)		Short Term Borrowing	16	(48,302)
(83,078)		Short Term Creditors	21	(77,649)
(1,593)		Provisions	22	(1,742)
(31,749)		Revenue Grants Receipts in Advance	33	(7,638)
(1,860)		Capital Grants Receipts in Advance	33	(3,775)
	(182,097)	Current Liabilities		(139,106)
(16,282)		Provisions	22	(7,535)
(398,902)		Long Term Borrowing	16	(383,801)
(40,400)		Other Long Term Liabilities	16, 42	(39,711)
(6,063)		Capital Grants Receipts in Advance	33	(5,133)
(316,316)		Liability related to defined benefit pension scheme	39	(20,302)
	(777,963)	Long Term Liabilities		(456,482)
	764,927	Net Assets		1,253,657
207,730		Usable Reserves		193,173
557,197		Unusable Reserves	24	1,060,484
	764,927	Total Reserves		1,253,657

This balance sheet was completed and authorised for issue on 8th December, 2023, the date to which events after the balance sheet date have been considered. These accounts present fairly the financial position of City of Doncaster Council as at 31st March 2023.

Faye Tyas
Chief Financial Officer &
Assistant Director of Finance & Technology
(Section 151 officer)
8th December, 2023

Cash Flow Statement

31st March 2022 £'000		31st March 2023 £'000
(34,808)	Net surplus or (deficit) on the provision of services	(75,636)
174,033	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 25)	117,189
(45,789)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 25)	(57,744)
93,436	Net cash flows from Operating Activities	(16,191)
(29,680)	Investing Activities (Note 26)	7,952
(60,638)	Financing Activities (Note 27)	(21,633)
3,118	Net increase or (decrease) in cash and cash equivalents	(29,872)
64,413	Cash and cash equivalents at the beginning of the reporting period	67,531
67,531	Cash and cash equivalents at the end of the reporting period (Note 19)	37,659

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Note 1 Expenditure and Funding Analysis

2021/22				2022/23		
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
58,721	5,235	63,956	Adults, Health & Wellbeing	63,721	6,183	69,904
80,594	9,465	90,059	Children, Young People & Families	88,894	20,263	109,157
22,571	11,986	34,557	Corporate Resources	29,998	11,066	41,064
9,510	7,419	16,929	Council Wide Budgets	9,673	7,854	17,527
35,169	30,017	65,186	Economy & Environment	43,668	52,693	96,361
1,412	2,711	4,123	Public Health	7,285	3,327	10,612
(20,660)	(5,458)	(26,118)	Housing Revenue Account	(17,737)	1,106	(16,631)
187,317	61,375	248,692	Net Cost of Services	225,502	102,492	327,994
2,395	47,019	49,414	Other Operating Expenditure	2,421	38,242	40,663
51,515	(22,042)	29,473	Financing and Investment Income and Expenditure	50,735	(24,700)	26,035
(239,816)	(52,955)	(292,771)	Taxation and Non-specific Grant income	(251,420)	(67,636)	(319,056)
1,411	33,397	34,808	(Surplus) or deficit	27,238	48,398	75,636
(139,769)			Opening General Fund and HRA Balance	(138,358)		
1,411			Less/Plus Surplus or (Deficit) on General Fund and HRA Balance in Year	27,237		
(138,358)			Closing General Fund and HRA Balance at 31 March*	(111,121)		

* 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 2022/23 financial year and its position at the year-end of 31st March 2023. 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 2022/23 (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 Children, Young People & Families 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.
- Where the net position arising from defined obligations is an asset, it is valued at the lower of the surplus in the defined benefit plan and the asset ceiling (calculated based on the present value of employer future service costs less the present value of future employer contributions, in perpetuity) in line with IAS19 Employee Benefits and IFRIC14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

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 loan at less than market rate (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 amount for an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the 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: -

- 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
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.

Non-current Assets – Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year.

The useful life of the highways network is assessed by the Head of Highways Infrastructure as shown in the table below:

Infrastructure Asset Type	Useful Economic Life
Road/Foot Path/ Cycle Path	25
Signs/Signals	20
Street Lighting	40
Structure (Assets such as bridges and culverts)	100
PROW Structures (Foot bridges, etc.)	25
Flood Defence Structural	100
Flood Defence Mechanical	15
Street Furniture	25

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component 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 (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are 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 transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

Where the Authority replaces a component of an infrastructure asset, for the purposes of determining the carrying amount to be derecognised in respect of that component, the Authority assumes the carrying amount to be derecognised is nil.

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.

If it is not clear whether an event has taken place on or before the Balance sheet date, it is deemed to give rise to a present obligation if, taking account all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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.

Short Term Investments / Loans

Short term investments / loans are those that mature three months or more but less than twelve months 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. They are an integral part of the Council's cash management.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His 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 2023 for 2022/23). For this disclosure the proposals for change include: -

- IFRS 16 *Leases* (but **only** for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year – the Council has opted to defer the adoption of this standard in 2023/24).
- Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in the 2022/23 statement of accounts. – the Council has opted to defer the adoption of this standard
- Definition of Accounting Estimates (Amendment to IAS 8) issued in February 2021
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued February 2021
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020

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

Note 4 Critical Judgements in Applying Accounting Policies

The Council has not made any critical judgements in Applying Accounting Policies.

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 2023 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)	
<p>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.</p>	<p>The fair value of the Council's housing dwellings stock as at the 31st March 2023 has been determined using an adjustment factor of 41%. A 1% decrease in this adjustment factor would have resulted in a revaluation loss of £19.271m in 2022/23.</p>
Defined Benefit Pension Schemes Assets/Liabilities (Note 39)	
<p>Estimation of the net asset/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.</p>	<p>The net pension asset which the Council has in the long run is estimated to be £98.827m as at 31st March 2023 (£316.316m liability as at 31st March 2022). A 0.1% increase in the discount rate assumption would result in an increase in the pensions' asset of £22.395m. A 0.1% increase in the inflation rate assumption would result in a decrease in the pensions' asset of £20.155m. Similarly, a one-year addition to members' life expectancy as at 31st March 2023 would result in a decrease in the pensions' asset of £52.974m.</p>

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 & Technology on 8th December, 2023. 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, 2023, 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 2023, as they provide information that is relevant to an understanding of the Councils financial position but do not relate to conditions at that date.

The transfer of 4 schools which became academies after 31st March, 2023. The value of these schools is £12.7m.

Note 7 Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis				2022/23
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	1,045	46	5,092	6,183
Children, Young People & Families	5,843	6,055	8,365	20,263
Corporate Resources	4,365	62	6,639	11,066
Council Wide Budgets	868	0	6,986	7,854
Economy & Environment	46,761	55	5,877	52,693
Public Health	2,734	8	585	3,327
Housing Revenue Account	1,106	0	0	1,106
Net Cost of Services	62,722	6,226	33,544	102,492
Other income and expenditure from the Expenditure and Funding Analysis	(35,169)	(18,925)	0	(54,094)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	27,553	(12,699)	33,544	48,398

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
Children, Young People & Families	(1,071)	5,392	5,144	9,465
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
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

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: -

	2021/22	2022/23
Services	Fees, charges and other service income	Fees, charges and other service income
	£'000	£'000
Adults, Health & Wellbeing	(21,618)	(23,011)
Children, Young People & Families	(7,211)	(9,512)
Corporate Resources	(8,969)	(7,749)
Council Wide Budgets	(456)	(467)
Economy & Environment	(15,666)	(16,888)
Public Health	(51)	(203)
Housing Revenue Account	(77,609)	(81,539)
Total Fees, charges and other service income analysed on a segmental basis	(131,580)	(139,369)

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 £16.488m (£15.705m in 2021/22).

Note 9 Expenditure and Income Analysed by Nature

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

	2021/22	2022/23
	£'000	£'000
Expenditure / Income		
Expenditure		
Employee benefits expenses	194,175	225,633
Other services expenses	455,511	449,319
Support service recharges	20,917	24,692
Depreciation, amortisation, impairment	41,426	80,566
Interest payments	29,258	29,119
Precepts and levies	2,501	2,578
Payments to Housing Capital Receipts Pool	1,939	0
(Gains) / Losses on the disposal of non-current assets	44,974	38,085
Total expenditure	790,701	849,992
Income		
Fees, charges and other service income	(147,284)	(155,857)
Interest and investment income	(498)	(2,708)
Income from Council tax and non-domestic rates	(160,052)	(184,902)
Government grants and contributions	(448,059)	(430,889)
Total income	(755,893)	(774,356)
Surplus or Deficit on the Provision of Services	34,808	75,636

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.

2022/23	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)	(33,544)	0	0	0	0
Financial instruments (transferred to the Financial Instruments Adjustments Account)	67	0	0	0	0
Council tax & NNDR (transfers to (or from) Collection Fund)	18,859	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(41)	0	0	0	0
DSG Adjustment Account	(6,186)	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)	(38,028)	(54,061)	0	0	0
Total Adjustments to Revenue Resources	(58,873)	(54,061)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	2,478	6,489	(8,967)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(157)	157	0	0
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	20,986	0	(20,986)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	4,792	0	0	0	0
PFI Finance Lease - principal repayment	1,446	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	12,000	6,314	0	0	0
Total Adjustments between Revenue and Capital Resources	20,716	33,632	(8,810)	(20,986)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	1,184	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	21,012	0
Application of capital grants to finance capital expenditure	0	0	0	0	5,113
Cash payments in relation to deferred capital receipts	0	0	(6)	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	10,187	0	0	0	(10,187)
Total Adjustments to Capital Resources	10,187	0	1,178	21,012	(5,074)
Total Adjustments	(27,970)	(20,429)	(7,632)	26	(5,074)

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
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)

Note 11 Movements in Earmarked Reserves

	Balance at 31 st March 2021	Transfers Out 2021/22	Transfers In 2021/22	Balance at 31 st March 2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31 st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Service Transformation Fund	12,209	(1,141)	603	11,671	(2,630)	600	9,641
Severance costs	999	(985)	3,000	3,014	(5,868)	10,600	7,746
COVID-19 Response	15,033	(8,807)	7,457	13,683	(7,626)	0	6,057
Public Health	1,883	(16)	2,600	4,467	(71)	1,157	5,553
Enhance Leisure Facilities	0	0	0	0	(67)	5,150	5,083
Environment & Sustainability/Net Zero Carbon	5,000	0	37	5,037	(153)	0	4,884
Revenue Contribution to the Capital Programme (pre-work/development costs)	2,419	(70)	500	2,849	(574)	1,500	3,775
Balances held by schools under a scheme of delegation	4,978	(862)	5	4,121	(423)	44	3,742
Adult Social Care Contracts	3,998	(278)	0	3,720	(60)	0	3,660
Health & Social Care Transformation Fund	5,810	(139)	0	5,671	(2,072)	824	4,423
Insurance Fund	4,094	(475)	0	3,619	(220)	0	3,399
Section 106	796	(116)	64	744	(77)	1,734	2,401
Revenue Contribution to capital schemes for Road Improvement & Safety	0	0	0	0	(3,881)	6,000	2,119
New NNDR Incentive Scheme	1,494	(90)	600	2,004	(26)	0	1,978
Health & Social Care/HDP	0	0	1,900	1,900	(500)	0	1,400
Civic Office Major Items Replacement	1,481	(12)	208	1,677	(66)	212	1,823
Transformational projects in Social Care	3,600	(624)	0	2,976	(1,518)	0	1,458
Business Rates Volatility	18,949	0	(8,430)	10,519	(9,201)	0	1,318
Specialist Safeguarding	0	(378)	3,000	2,622	(1,368)	0	1,254
Homes for Ukraine Grant	0	0	0	0	0	1,091	1,091
Stronger Families Programme	1,688	(124)	0	1,564	(536)	0	1,028
Section 38 (The Highways Act 1980) Income	518	0	462	980	0	246	1,226
Mental Health Trailblazer	1,105	(85)	0	1,020	(4)	0	1,016
Other	22,877	(10,894)	12,665	24,648	(19,090)	9,139	14,697
Total	108,931	(25,096)	24,671	108,506	(56,031)	38,297	90,772

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.

Severance Costs

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

COVID-19 Response

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

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

Leisure Refurbishment

This reserve has been established to develop and enhance Doncaster's leisure facilities

Environment & Sustainability/Net Zero Carbon

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

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.

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 consequently, balances from school budgets have been built up over many years.

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.

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.

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.

Section 106 Agreements

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

Revenue Contribution to capital schemes for Road Improvement & Safety

Revenue Contribution to capital schemes for Road Improvement & Safety

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.

Health & Social Care/HDP

Earmarked to fund costs to be incurred by Doncaster Integrated Care Board (ICB) in 2023/24 including Intermediate Care/complex care beds non-recurrent support, review of Hospital Discharge Pathway (HDP), ICB Cost of care impact on fees and staffing support for backlogs of Continuing Health Care (CHC) reviews.

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.

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.

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.

Specialist Safeguarding

On 1st December, 2021 Cabinet approved 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.

Homes for Ukraine Grant

The funds are not ringfenced and the funding was provided so that we can support people arriving on the Homes for Ukraine scheme. The funding will be used in 2023/24 to provide wrap around support, Refugee Council and Migration Yorkshire charges, Bonds/ rent payments, furnishings, homelessness

provision and staffing costs. It is likely that their 12-month contracts will need to be extended as we are still receiving people on the scheme.

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.

Section 38 (The Highways Act 1990) Income

Section 38 of The Highways Act 1980 allows the Council to receive payment from developers to cover the costs associated with adoption of new roads constructed as part of the development.

Mental Health Trailblazer

Funding from Doncaster Integrated Care board (ICB) 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.

Other

A number of other reserves are earmarked for specific purposes.

Note 12 Property, Plant and Equipment

Movements in 2022/23

2022/23								
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	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
Cost or Valuation								
At 1st April 2022	747,200	437,410	61,105	5,161	4,461	2,702	1,258,039	25,424
Additions	23,812	15,886	5,901	227	(5)	6,479	52,300	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	42,161	29,673	0	25	52	0	69,097	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	749	2,790	0	0	(191)	0	3,348	(143)
De-recognition – disposals	(5,127)	(80)	(52)	0	0	0	(5,259)	138
De-recognition – other	(27,372)	(11,939)	(9,143)	(227)	5		(48,676)	0
Assets reclassified (to)/from Assets Held for Sale	0	(515)	0	0	0	0	(515)	0
Assets reclassified (to)/from Heritage	0	0	0	(108)	0	0	(108)	0
Reclassification within PPE	5,986	(334)	0	(128)	47	(5,571)	0	0
At 31st March 2023	787,409	472,891	57,811	4,950	4,369	3,610	1,331,040	25,419
Accumulated Depreciation & Impairment								
At 1st April 2022	0	(9,552)	(30,519)	(604)	(71)	0	(40,746)	(1,014)
Depreciation charge	(19,925)	(13,479)	(5,915)	(76)	(3)	0	(39,398)	(1,014)
Depreciation written out to the Revaluation Reserve	19,889	8,076	0	6	3	0	27,974	2,028
Depreciation written out to the Surplus/Deficit on the Provision of Services	36	2,523	0	0	71	0	2,630	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	(187)	(739)	0	0	0	0	(926)	0
De-recognition – disposals	0	0	9,035	0	0	0	9,035	0
De-recognition - other	24	0	0	0	0	0	24	0
Reclassification within PPE	(24)	15	0	9	0	0	0	0
At 31st March 2023	(187)	(13,156)	(27,399)	(665)	0	0	(41,407)	0
Net Book Value								
At 31st March 2023	787,222	459,735	30,412	4,285	4,369	3,610	1,289,633	25,419
At 31st March 2022	747,200	427,858	30,586	4,557	4,390	2,702	1,217,293	24,410

Comparative Movements in 2021/22

2021/22								
	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	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
Cost or Valuation								
At 1st April 2021	660,707	438,706	66,232	6,881	5,058	17,054	1,194,638	25,424
Additions	19,435	9,319	6,625	172	243	2,913	38,707	0
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	83,622	(8,958)	0	(1,551)	(312)	(88)	72,713	0
Revaluation increases/ (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,323	5,872	0	(251)	(184)	(1,029)	10,731	0
De-recognition – disposals	(3,587)	(17,196)	(278)	0	0	0	(21,061)	0
De-recognition – other*	(19,300)	(6,482)	(11,474)	(90)	(243)	0	(37,589)	0
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	(100)	0	(100)	0
Reclassification within PPE	0	16,149	0	0	(1)	(16,148)	0	0
At 31st March 2022	747,200	437,410	61,105	5,161	4,461	2,702	1,258,039	25,424
Accumulated Depreciation & Impairment								
At 1st April 2021	0	(6,358)	(36,181)	(618)	0	0	(43,157)	0
Depreciation charge	(17,619)	(11,254)	(5,955)	(82)	(9)	0	(34,919)	(1,014)
Depreciation written out to the Revaluation Reserve	17,619	7,480	0	82	3	0	25,184	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	1,088	0	14	6	0	1,108	0
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	0	(881)	0	0	(71)	0	(952)	0
De-recognition – disposals	0	373	11,617	0	0	0	11,990	0
At 31st March 2022	0	(9,552)	(30,519)	(604)	(71)	0	(40,746)	(1,014)
Net Book Value								
At 31st March 2022	747,200	427,858	30,586	4,557	4,390	2,702	1,217,293	24,410
At 31st March 2021	660,707	432,348	30,051	6,263	5,058	17,054	1,151,481	25,424

*The disposal and derecognition figure to vehicles, plant, furniture and equipment has been amended to be consistent with how the figures are presented in 2022/23.

Infrastructure Assets

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	2021/22	2022/23
	£'000	£'000
Cost or Valuation		
Net book value (modified historical cost) At 1st April	268,162	279,923
Additions	25,102	30,889
De-recognition	(3,594)	(6)
Depreciation charge*	(9,658)	(42,614)
impairment losses / (reversals) recognised in the Surplus/ Deficit on the Provision of Services	(89)	(338)
Assets reclassified (to)/from PPE	0	0
Net Book Value 31st March	279,923	267,854

Reconciliation of Infrastructure assets and PPE assets to the Balance Sheet total:

	2021/22	2022/23
	£'000	£'000
Infrastructure assets	279,923	267,854
Other PPE assets	1,217,293	1,289,633
Net Book Value 31st March	1,497,216	1,557,487

*The 2022/23 depreciation figure has an increased element of £31.4m due to the reduction in asset lives resulting from S11232/2022. This has had no impact upon the prior year figures.

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

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

Capital Commitments

At 31st March 2023, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2022/23 and future years budgeted to cost £3.884m. Similar commitments at 31st March 2022 were £5.954m. The major commitments are: -

	£'000
Council Housing - thermal external wall insulation works	1,916
Infrastructure - Quality Streets Scheme Phase 2	1,968
Total	3,884

Revaluations

The authority ensures that all property, plant and equipment required to be measured at current value is revalued sufficiently regularly so that their carrying amount is not materially different from their current value at the year-end, and as a minimum every five years.

	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	790	57,811	423,671	1,997	0	3,610	487,879
Valued at Fair Value as at:								
31st March 2023	787,409	254,533	0	0	83	4,369	0	1,046,394
31st March 2022	0	75,146	0	0	677	0	0	75,823
31st March 2021	0	112,121	0	0	653	0	0	112,774
31st March 2020	0	21,858	0	0	1,114	0	0	22,972
31st March 2019	0	8,443	0	0	426	0	0	8,869
Total Cost or Valuation	787,409	472,891	57,811	423,671	4,950	4,369	3,610	1,754,711

Fair Value Hierarchy – Surplus Assets

All surplus assets were valued at Level 2 of the fair value hierarchy in 2021/22 and 2022/23.

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

2022/23	Historic Land & Buildings	Recording of Historically Significant Events	Other Heritage Assets	Total Assets
Cost or Valuation	£'000	£'000	£'000	£'000
At 1st April 2022	3,814	237	5,277	9,328
Additions	74	0	0	74
Disposals	0	0	(150)	(150)
De-recognition	(74)	0	0	(74)
Assets reclassified (to)/from PPE	0	0	108	108
At 31st March 2023	3,814	237	5,235	9,287
Depreciation & Impairment				
At 31st March 2022	(278)	0	0	(278)
Depreciation	(69)	0	0	(70)
At 31st March 2023	(347)	0	0	(348)
Net Book Value At 31st March 2023	3,467	237	5,235	8,939

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

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: -

	2021/22 £'000	2022/23 £'000
Rental income from investment property	165	151
Direct operating expenses arising from investment property	(13)	(1)
Net gain/(loss)	152	150

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:

	2021/22 £'000	2022/23 £'000
Balance at start of the year	1,710	1,696
Net gains/(losses) from fair value adjustments	(14)	81
Balance at end of the year	1,696	1,777

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 31st March 2023 are as follows:

Recurring fair value measurement using:	Fair Value as at 31 st March 2023 £'000
Commercial Unit	417
Industrial Unit	1,360
Total	1,777

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: -

	2021/22 £'000	2022/23 £'000
Other Assets		
Balance at start of year		
- Gross carrying amounts	13,205	14,203
- Accumulated amortisation	(9,314)	(11,725)
Net carrying amount at start of year	3,891	2,478
Additions – Purchases	1,006	221
Other Disposals	(8)	0
Amortisation for the period	(2,419)	(1,141)
Other Changes	8	0
Net carrying amount at end of year	2,478	1,558
Comprising:		
- Gross carrying amounts	14,203	14,424
- Accumulated amortisation	(11,725)	(12,866)
	2,478	1,558

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	
	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023
	£'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	6,405	6,177	25,010	10	124,531	97,515	155,946	103,702
Fair value through other comprehensive income - designated equity instruments	3,238	2,812	0	0	0	0	0	0	3,238	2,812
Total financial assets	3,238	2,812	6,894	6,666	25,010	10	124,531	97,515	159,673	107,003

The current debtors figure includes cash of £37.659m (67.531m in 2021/22).

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: £32.891m (£31.766m in 2021/22) comprising local taxation debtors, prepayments, payroll and amounts owed in respect of VAT.

Financial Liabilities

	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	(439,303)	(423,512)	0	0	(65,236)	(48,991)	(53,259)	(39,327)	(557,798)	(511,830)
Total financial liabilities	(439,303)	(423,512)	0	0	(65,236)	(48,991)	(53,259)	(39,327)	(557,798)	(511,830)

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: £37.633m (£28.373m in 2021/22) comprising receipts in advance, accumulated absences accrual, payroll creditors, NNDR, Council Tax and other amounts payable in relation to VAT.

The carrying value of soft loans provided as at 31st March 2023 is £1.288m, 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 is shown in the table below: -

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

	2021/22	2022/23
	£'000	£'000
Non-current assets (long term)		
Non-listed securities		
Arthur Street Developments	2,024	2,030
BDR Property Limited	55	(36)
Doncaster Estates Partnership Limited	10	8
Doncaster Racecourse	1,149	810
Total	3,238	2,812

Income, Expense, Gains and Losses

	2021/22		2022/23	
	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	(602)	0	(426)
Total net gains/losses	0	(602)	0	(426)
Interest revenue:				
Financial assets measured at amortised cost	(438)	0	(2,648)	0
Other financial assets measured at fair value through other comprehensive income	(60)	0	(60)	0
Total Interest revenue	(498)	0	(2,708)	0
Interest expense	19,676	0	19,710	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 31/03/22 £'000	As at 31/03/23 £'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^	2,024	2,030
BDR Property Limited	Level 3	Valuation of company^	55	(36)
Doncaster Estates Partnership Limited	Level 3	Valuation of company^	10	8
Doncaster Racecourse	Level 3	Valuation of company^	1,149	810
Total			3,727	3,301

^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 £2.812m 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-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23
	Unquoted Shares	Unquoted Shares	Other	Other	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	3,841	3,238	489	489	4,330	3,727
Total gains or losses for the period:						
- Included in Other Comprehensive Income and Expenditure	(603)	(426)	0	0	(603)	(426)
Closing Balance	3,238	2,812	489	489	3,727	3,301

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 liabilities and 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 2022		31 st March 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities Held at Amortised Cost:				
Lender Option Borrower Options Loans	39,283	55,133	39,285	36,244
Market Debt	75,818	76,045	45,872	45,464
PWLB Loan – Maturity	344,261	443,534	344,261	318,695
PWLB Loan - Equal Instalments Principal	1,406	1,451	1,218	1,170
Matured Local Bonds	4	4	0	0
Salix Loan	681	681	227	227
SCRIF Loan	1,240	1,240	1,240	1,240
PFI and finance lease liabilities	41,846	48,898	40,400	41,329
Total	504,539	626,986	472,503	444,369

The fair value of borrowings is less than the carrying amount because although 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 there are currently more loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date due to the increases in base rate throughout 2022/23. This shows a notional future gain (based on economic conditions at 31st March 2023) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 st March 2022		31 st March 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Assets held at amortised cost:				
Cash & Cash Equivalents	67,531	67,531	37,659	37,659
Fixed Term Deposits	25,010	25,010	10	10
Long Term debtors	6,405	6,405	6,177	6,177
Total	98,946	98,946	43,846	43,846

The fair value of the financial assets is equal to the carrying amount because the authority's portfolio of investments currently only includes short dated investments (95 days or fewer) where the fair value is the same as the principal plus accrued interest.

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 £2.1m and are in respect of Doncaster Culture & Leisure Trust, Northern Racing College, Doncaster Community Transport and Shaw Trust.

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 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 replace a financial instrument 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 28th February 2022 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 £0.01m 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 2023 that this was likely to crystallise.

The Council also has trade debtors of £40.711m outstanding at the year end. The Council does not generally allow credit for its trade debtors, such that £13.972m of the balance is past its due date for payment (£15.733m of £19.580m in 2021/22). The past due amount can be analysed by age as follows: -

31st March 2022	Aged Debt Analysis	31st March 2023
£'000		£'000
5,610	Less than three months	5,518
2,753	Three to six months	1,840
3,094	Six months to one year	1,901
4,276	More than one year	4,713
15,733		13,972

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 (£0.01m) from financial assets are due to be paid in less than one year.

All trade and other payables 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 28th February 2022 Appendix A Paragraph 5).

Maturity Profile	Lower Limit	Upper Limit	Actual 31 st March 2022		Actual 31 st March 2023	
			%	£'000	%	£'000
Less than one year	0	30	13.70	63,109	11.12	47,888
Between one and two years	0	50	3.19	14,728	2.90	12,500
Between two and five years	0	50	5.74	26,440	5.06	21,820
Between five and ten years	0	75	2.87	13,220	1.20	5,153
Between ten and twenty years	10	95	10.80	49,768	13.39	57,648
Between twenty and thirty years			9.28	42,753	8.10	34,873
Over thirty years			54.42	250,753	58.23	250,754
Total			100.00	460,771	100.00	430,636

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, 2023, 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	801
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)	(45,806)

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 £2.8m in a number of joint ventures and in local industry. The Council is consequently exposed to losses arising from movements in the value 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 £141k gain or loss being recognised in the Financial Instrument Revaluation Reserve.

Foreign Exchange Risk

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

Note 17 Short-Term Debtors

	31st March 2022 £'000	31st March 2023 £'000
Debtors		
Trade Receivables	40,683	40,711
Capital Debtors	18,173	17,595
Local Taxation (NNDR and Council Tax)	17,823	14,912
Other Receivables	1,254	9,600
Payments in advance	10,832	9,929
Total	88,765	92,747

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 2022		After due date	31 st March 2023	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
8,010	1,914	Less than 1 year	8,791	2,294
8,565	2,047	1 to 2 years	8,369	2,184
5,498	2,634	3 to 5 years	6,391	3,209
2,584	1,925	6 to 8 years	2,866	2,178
1,603	1,603	More than 8 years	1,933	1,933
26,260	10,123	Total	28,350	11,798

National Non-Domestic Rates (NNDR)				
31 st March 2022		After due date	31 st March 2023	
Arrears £'000	Impairment £'000		Arrears £'000	Impairment £'000
2,647	793	Less than 1 year	2,748	824
2,665	800	1 to 2 years	2,300	690
1,410	1,058	3 to 5 years	1,711	1,283
1,043	1,043	More than 6 years	1,057	1,057
7,765	3,694	Total	7,816	3,854

Note 19 Cash and Cash Equivalents

	31 st March 2022 £'000	31 st March 2023 £'000
Cash held by the Council	28	12,558
Bank overdraft	(27)	0
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	67,530	25,101
Total Cash and Cash Equivalents	67,531	37,659

Note 20 Assets Held for Sale

	2021/22 £'000	2022/23 £'000
Balance outstanding at start of year	31,084	21,829
Assets newly classified as held for sale:		
• Property, Plant and Equipment	100	515
Revaluation Losses	(8,540)	(1,003)
Revaluation Gains	70	0
Assets Declassified as Held for Sale:		
• Property, Plant and Equipment	0	0
Assets sold	(885)	(1,948)
Balance outstanding at year-end	21,829	19,393

Note 21 Creditors

	31 st March 2022 £'000	31 st March 2023 £'000
Creditors		
Trade Payables	(59,393)	(36,041)
Local Taxation (NNDR and Council Tax)	0	(10,190)
Other Payables	(3,660)	(9,537)
Capital Creditors	(2,828)	(3,846)
Receipts in advance	(17,197)	(18,035)
Total	(83,078)	(77,649)

Note 22 Provisions

	Insurance Fund	Municipal Mutual Insurance	NNDR	Grant Claw-back	Other Provisions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1st April 2022	4,423	1,413	10,492	1,547	0	17,875
Additional provisions made in 2022/23	1,526	515	0	0	380	2,421
Amounts used in 2022/23	(1,231)	0	(96)	0	0	(1,327)
Unused amounts reversed in 2022/23	(927)	0	(8,765)	0	0	(9,692)
Balance at 31st March 2023	3,791	1,928	1,631	1,547	380	9,277
Short Term Provisions	1,362	0	0	0	380	1,742
Long Term Provisions	2,429	1,928	1,631	1,547	0	7,535

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 2023 this was estimated to be approximately £5.1m, and it is estimated that the cost to the Council of settling these claims will be £3.8m based on previous claims experience.

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 Councils liable to repay MMI. This Scheme of Arrangement was triggered in November 2012, and 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 was 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 circumstances 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 (£0.823m). The Council's provision has been set at 40%. The remaining provision totalling £1.928m represents 15% against paid claims, 40% of outstanding claims. The provision was increased in 2022/23 due to a significant increase in the outstanding claims reserves, from £0.137m in 2021 to £1.389m in 2022 due mainly to historical abuse claims.

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 2023 is £3.330m. The Council's share is £1.632m (49%). The decrease in provision is due a review of the provision relating to the 2017 rating list based on local knowledge of appeals.

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.

Other Provisions

This balance represents the Council's other provisions

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 2022 £'000		31 st March 2023 £'000
379,260	Revaluation Reserve (Note 24a)	470,107
532,999	Capital Adjustment Account (Note 24b)	502,865
(366)	Financial Instruments Adjustment Account (Note 24c)	(299)
(331,480)	Pension Reserve (Note 24d)	98,827
4,792	Deferred Capital Receipts Reserve (Note 24e)	4,785
(11,145)	Collection Fund Adjustment (Note 24f)	7,714
(2,423)	Accumulated Absences Account (Note 24g)	(2,464)
(813)	Financial Instruments Revaluation Reserve (Note 24h)	(1,239)
(13,626)	DSG Adjustment Account (Note 24i)	(19,812)
557,198	Total Unusable Reserves	1,060,484

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.

2021/22 £'000		2022/23 £'000
299,949	Balance at 1st April	379,260
128,874	Upward revaluation of assets	110,621
(34,289)	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	(9,680)
94,585	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	100,941
(4,833)	Difference between current value depreciation and historical cost depreciation	(6,162)
(10,441)	Accumulated gains on assets sold or scrapped	(3,932)
(15,274)	Amount written off to the Capital Adjustment Account	(10,094)
379,260	Balance at 31st March	470,107

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.

2021/22 £'000		2022/23 £'000	
543,694	Balance at 1st April		532,999
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(27,027)	Charges for depreciation of non-current assets	(62,157)	
(17,619)	Charges for depreciation on Council dwellings	(19,925)	
(1,041)	Charges for impairment of non-current assets	(1,263)	
11,839	Revaluation gains / (losses) on Property, Plant and Equipment	5,979	
(2,419)	Charges for amortisation of non-current assets	(1,141)	
(8,078)	Revenue expenditure funded from capital under statute	(5,596)	
(51,139)	Amounts of non-current asset written off on disposal or sale as part of P/L on disposal to CI&ES	(47,053)	
(5,158)	Revaluation gains / (losses) on Assets Held for Sale	(2,059)	
(100,642)			(133,215)
15,274	Adjusting amounts written out of the Revaluation Reserve	10,093	
(85,368)	Net written out amount of the cost of non-current assets consumed in the year		(123,122)
Capital financing applied in the year:			
3,252	Use of the Capital Receipts Reserve to finance new capital expenditure	1,184	
12,002	Use of the Major Repairs Reserve to finance new capital expenditure	21,012	
33,145	Capital grants and contributions credited to the CI&ES that have been applied to capital financing	38,590	
2,166	Application of grants to capital financing from the Capital Grants Unapplied Account	5,113	
17,708	Capital expenditure charged against the General Fund and HRA balances	20,769	
4,219	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	4,793	
2,195	Write down of PFI Finance Liabilities	1,446	
74,687			92,907
(14)	Movements in the market value of Investment Properties debited or credited to the CI&ES	81	
532,999	Balance at 31st March		502,865

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 2023 will be charged to the General Fund over future years.

2021/22 £'000		2022/23 £'000	
(489)	Balance at 1st April		(366)
0	Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	0	
123	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	67	
123	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		67
(366)	Balance at 31st March		(299)

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 credit balance on the Pensions Reserve shows a substantial excess between the resources the Council has set aside to meet its obligations and the benefits earned by past and current employees. The statutory arrangements will ensure that funding is set aside by the time the benefits are paid.

2021/22 £'000		2022/23 £'000	
(469,485)	Balance at 1st April		(331,480)
165,549	Actuarial gains or losses on pensions assets and liabilities	463,851	
(47,884)	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)	(56,276)	
20,340	Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 39)	22,732	
(331,480)	Balance at 31st March		98,827

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.

2021/22 £'000		2022/23 £'000
4,798	Balance at 1st April	4,792
(6)	Transfer to the Capital Receipts Reserve upon receipt of cash	(7)
4,792	Balance at 31st March	4,785

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.

2021/22 £'000		2022/23 £'000
(24,477)	Balance at 1st April	(11,145)
13,332	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	18,859
(11,145)	Balance at 31st March	7,714

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.

2021/22 £'000		2022/23 £'000
(1,837)	Balance at 1st April	(2,423)
1,837	Settlement or cancellation of accrual made at the end of the preceding year	2,423
(2,423)	Amounts accrued at the end of the current year	(2,464)
(586)	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	(41)
(2,423)	Balance at 31st March	(2,464)

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.

2021/22 £'000		2022/23 £'000	
(210)	Balance at 1st April		(813)
109	Upward revaluation of investments	6	
(712)	Downward revaluation of investments	(432)	
0	Change in impairment loss allowances	0	
(603)			(426)
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
(813)	Balance at 31st March		(1,239)

24i DSG Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools budget. Where the Council has incurred a deficit on its schools budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

Further details on DSG are provided in Note 32.

2021/22 £'000		2022/23 £'000
(9,050)	Balance at 1st April	(13,626)
(4,576)	In year DSG over/under spend	(6,186)
(13,626)	Balance at 31st March	(19,812)

Note 25 Cash Flow Statement – Operating Activities

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

2021/22 £'000		2022/23 £'000
447	Interest received	2,670
(20,270)	Interest paid	(19,654)
60	Dividends received	60

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

2021/22 £'000		2022/23 £'000
44,646	Depreciation	82,082
(5,640)	Impairment and valuations	(2,657)
2,419	Amortisation	1,141
23,796	Increase/(Decrease) in creditors	(38,917)
13,012	(Increase)/Decrease in debtors	(11,679)
(182)	(Increase)/Decrease in inventories	185
42,224	Movement in pension liability	48,708
51,139	Carrying amount of non-current assets held for sale, sold or de-recognised	47,053
2,619	Other non-cash items charged to the net surplus or deficit on the provision of services	(8,727)
174,033		117,189

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

2021/22 £'000		2022/23 £'000
(6,166)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8,967)
(39,623)	Capital Grants credited to surplus or deficit on the provision of services	(48,777)
(45,789)		(57,744)

Note 26 Cash Flow Statement – Investing Activities

2021/22 £'000		2022/23 £'000
(64,816)	Purchase of property, plant and equipment, investment property and intangible assets	(83,483)
(25,010)	Purchase of short-term and long-term investments	(10)
(644)	Other payments for investing activities	(147)
6,172	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8,974
25,000	Proceeds from short-term and long-term investments	25,000
29,436	Capital grant received	57,349
182	Other capital cash receipts	269
(29,680)	Net cash flows from investing activities	7,952

Note 27 Cash Flow Statement – Financing Activities

2021/22 £'000		2022/23 £'000
40,454	Cash receipts of short and long term borrowing	30,000
(2,194)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,446)
(99,595)	Repayments of short- and long-term borrowing	(60,645)
697	Other payments for financing activities	10,458
(60,638)	Net cash flows from financing activities	(21,633)

Note 28 Pooled Budget Arrangements

The Council has entered into a pooled budget arrangement with South Yorkshire Integrated Care Board (ICB) [previously Doncaster Clinical Commissioning Group (CCG)]; a joint operation for the provision of integrated health and social care services for people in the Doncaster area, the services being provided by the Council or South Yorkshire ICB depending on the client requirements. The Council and South Yorkshire ICB 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 South Yorkshire ICB is actually spent by the Council.

Overall, the pooled budget is considered a joint operation as both parties have joint control, have rights to the assets, and obligations for the liabilities in respect of the pooled budget arrangement. As a joint operation the Council accounts for the assets, liabilities, revenues and expenses relating to the Council's interest in the joint operation.

South Yorkshire ICB budgeted to spend £20.285m and spent £20.285m resulting in no surplus or deficit. The Council budgeted to spend £29.361m and spent £29.034m resulting a surplus of £0.327m Disabled Facilities Grant which will be carried forward into 2023/24.

	2021/22			2022/23		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Funding provided to the pooled budget:						
City of Doncaster Council	15,831	2,782	18,613	17,568	2,782	20,350
South Yorkshire ICB	25,973	0	25,973	29,296	0	29,296
	41,804	2,782	44,586	46,864	2,782	49,646
Expenditure met from the pooled budget:						
City of Doncaster Council	24,359	2,127	26,486	26,579	2,455	29,034
South Yorkshire ICB	17,445	0	17,445	20,285	0	20,285
	41,804	2,127	43,931	46,864	2,455	49,319
Net surplus arising on the pooled budget during the year	0	655	655	0	327	327
Council share of the net surplus arising on the pooled budget	0	655	655	0	327	327

Note 29 Members' Allowances

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

2021/22		2022/23
£		£
978,250	Allowances	1,084,884
0	Expenses	274
0	Co-opted members	0
978,250	Total	1,085,158

Note 30 Officers' Remuneration

Senior Officer Remuneration

Title / Name	Year	Gross Salary	Additional payments	Employer Pension Contribution	Total
		£	£	£	£
Chief Executive D Allen	2022/23	175,793	0	29,885	205,678
	2021/22	171,286	0	29,119	200,405
Director of Economy & Environment D Swaine	2022/23	132,859	0	11,128	143,987
	2021/22	128,989	0	0	128,989
Director of Corporate Resources D Hogg	2022/23	132,859	0	22,586	155,445
	2021/22	128,989	0	21,928	150,917
Director of Adults Health and Wellbeing P Holmes	2022/23	132,859	0	22,586	155,445
	2021/22	128,989	0	21,928	150,917
Director of Children, Young People and Families R Nelson	2022/23	132,859	5,000	23,436	161,295
	2021/22	132,816	5,000	22,849	160,665
Director of Public Health R Suckling	2022/23	132,859	0	19,105	151,964
	2021/22	128,989	0	18,549	147,538
Monitoring Officer S Fawcus	2022/23	100,256	13	17,044	117,313
	2021/22	98,700	0	16,468	115,168
Section 151 Officer F Tyas	2022/23	100,256	(992)	17,044	116,308
	2021/22	96,870	(1,488)	16,468	111,850

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: -

City of Doncaster Council	2021/22		Salary Banding	2022/23		
	Schools	Total	£	City of Doncaster Council	Schools	Total
51	19	70	50,000 - 54,999	96	17	113
24	10	34	55,000 - 59,999	39	16	55
15	8	23	60,000 - 64,999	14	7	21
19	10	29	65,000 - 69,999	11	7	18
10	8	18	70,000 - 74,999	27	6	33
5	4	9	75,000 - 79,999	2	4	6
2	1	3	80,000 - 84,999	4	3	7
3	0	3	85,000 - 89,999	1	1	2
1	1	2	90,000 - 94,999	0	0	0
8	0	8	95,000 - 99,999	1	0	1
2	0	2	100,000 - 104,999	9	0	9
0	0	0	105,000 - 124,999	0	0	0
1	0	1	125,000 - 129,999	0	0	0
1	0	1	130,000 - 134,999	0	0	0
0	0	0	135,000 - 144,999	0	0	0
1	0	1	145,000 - 149,999	1	0	1
143	61	204	Total	205	61	266

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2021/22 and 2022/23 is shown in the senior officer remuneration analysis.

The 2021/22 pay award of £1,925.00 per post was paid in April 2022. This has resulted in an increase in numbers in 2022/23 in the table above.

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 (£)	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0 - £20,000	4	7	10	6	14	13	111,321	93,601
£20,001 - £60,000	0	4	2	3	2	7	110,120	264,834
Total	4	11	12	9	16	20	221,441	358,435

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.

	2021/22 £'000	2022/23 £'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	213	212
Total	213	212

The Council incurred costs of £61,425 to KMPG for the certification of grant claims relating to 2022/23.

Note 32 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 2022.

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 2022/23 are as follows: -

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Final DSG for 2022/23 before academy and high needs recoupment			300,621
Academy and high needs figure recouped for 2022/23			(197,698)
Total DSG after academy and high needs recoupment for 2022/23			102,923
Agreed initial budgeted distribution in 2022/23	32,970	69,953	102,923
In year adjustments	323	0	323
Final budget distribution for 2022/23	33,293	69,953	103,246
Less: Actual central expenditure	(39,479)	0	(39,479)
Less: Actual ISB deployed to schools	0	(69,953)	(69,953)
In Year Carry-forward to 2023/24	(6,186)	0	(6,186)
DSG unusable reserve at the end of 2021/22			(13,626)
Addition to DSG unusable reserve at the end of 2022/23			(6,186)
Net DSG position at the end of 2022/23			(19,812)

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 participating in the Department for Education's Delivering Better Value in Special Educational Needs and Disabilities (SEND) programme which plans to manage and reduce the Council's high needs block overspend position.

Note 33 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2022/23: -

	2021/22 £'000	2022/23 £'000
Credited to Taxation and Non Specific Grant Income		
Capital Grants and Contributions		
Department for Transport - Transforming Cities	2,164	11,324
Department for Transport - Local Transport Plan (Maintenance)	5,743	7,187
Department for Levelling Up, Housing and Communities - Towns Fund	2,248	5,850
Department for Levelling Up, Housing and Communities - Levelling Up Grant	227	5,844
Department for Education - Higher needs provision	1,065	5,503
Department for Education - New Pupil Places Basic Need	1,393	3,309
Department for Business, Energy & Industrial Strategy - Housing Decarbonisation	0	1,483
Department for Transport - Local Transport Plan (LTP) Central Pot	1,234	1,131
Homes England - Council House New Build Programme Phase 1 2021-26	0	1,110
Department for Business, Energy & Industrial Strategy - Local Authority Delivery Scheme Phase 2	80	1,040
Other Grants and Contributions	25,492	4,996
Total	39,646	48,777
Non-Ring fenced Government Grants		
Business Rates Retention Top Up Grant	34,854	34,854
Revenue Support Grant	20,480	21,112
Business Rate Relief: Reimbursement for Local Authority Income Loss Payments	18,732	15,497
Services Grant	0	5,264
New Homes Bonus	2,455	2,478
Supporting Families	1,259	1,558
Market Sustainability and fair cost of care fund	0	1,019
Other	15,292	3,595
Total	93,072	85,377
Credited to Services		
Dedicated Schools Grant (DSG)	97,985	102,560
Mandatory Rent Allowance: subsidy	29,074	28,641
Mandatory Rent Rebates: subsidy	26,523	25,750
Public Health Grant	24,609	25,300
Social Care Support Grant	12,537	16,936
Improved Better Care Fund Announcement 2015	12,185	12,664
Household Support Fund	2,877	6,091
Pupil Premium	4,258	4,438
Improved Better Care Fund Announcement 2017	3,645	3,646
Private Finance Initiative (PFI) Annuity Grant	3,478	3,478
Disabled Facilities Grant	2,190	2,455
Department for Environment, Food and Rural Affairs - Waste Infrastructure Grant	2,385	2,385
Ukraine Grant	0	2,220
Asylum Seekers Children's Grant	610	1,703
Community Renewal Fund	77	1,467
Holiday Activities Fund	992	1,431
DFE Grant Income	206	1,347
Social Care Discharge Fund	0	1,258
Universal Infant Free School Meals Funding	1,077	1,126
Health and Social Levy	0	1,092
Housing Benefit & Council Tax Admin Benefit Subsidy	977	993
Family Hub / Start for Life	0	888
Sport England Grant	1,238	887
Homelessness Prevention Grant	894	883
Inpatient Detox Grant	853	853
UK Shared Prosperity Fund	0	852
City Region Sustainable Transport Revenue Grant	0	825

	2021/22 £'000	2022/23 £'000
Youth Justice Board	670	736
Domestic Abuse Grant	733	735
Rapid Rehousing Pathway	1,118	723
Energy Bills Council Tax Rebate	0	722
COVID-19 Schools Recovery Premium	202	694
Adult Education Grant	0	691
Independent Living Fund Grant	682	682
Treatment and Recovery Grant	0	634
PE & Sports Grant	672	605
Skills Funding Agency Safeguarded Learning	726	537
Other	49,814	7,913
Total	283,287	266,841
Contributions		
Better Care Fund Income	8,528	9,011
Continuing Healthcare Contribution to care packages	7,143	5,701
Other Health Contributions	9,907	4,972
Section 256 Contributions	543	581
Other	5,933	9,628
Total	32,054	29,893

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	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
Revenue Grants Receipts in Advance				
Energy Bills Council Tax Rebate	20,053	268	0	0
COVID-19 Business Grants	8,979	0	0	0
Disabled Facilities Grant	1,699	2,026	0	0
Other	1,018	5,344	0	0
Total	31,749	7,638	0	0
Capital Grants & Contributions Receipts in Advance				
Department for Business Energy and Industrial Strategy - Housing Decarbonise	0	1,762	3,244	0
Section 106	1,452	826	2,346	4,696
Department for Levelling Up, Housing and Communities - Traveller Site Fund 2022-23	0	624	0	0
Other Grant & Contribution	408	563	473	437
Total	1,860	3,775	6,063	5,133

Note 34 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 2022/23 is shown in the Members' Allowance note. Members have disclosed transactions with related parties during 2022/23 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 2022/23 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 2022/23 was £12.292m (£12.298m in 2021/22).

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 City of Doncaster Council bought all the shares in Arthur Street Developments.

The accounts for the year ended 31st July 2022 show net assets valued at £1,364,548 (£1,358,382 in 2021). The company made a profit for the year of £6,166 after tax (a loss of £28,642 after tax for the year ended 31st July 2021).

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

The table below shows the transactions that relate to the Council.

	2021/22	2022/23
	£'000	£'000
Related Party Transactions		
SLHD		
Debtors	3,723	3,755
Creditors	5,269	3,516
Management Fee	35,133	38,055
Capital Works	9,448	11,913
Other	2,567	2,788
Total	47,148	52,756
DCST		
Debtors	2,970	320
Creditors	1,021	0
Service Delivery Contract	70,216	31,647
Other	329	214
Total	70,545	31,861

Note 35 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.

	2021/22 £'000	2022/23 £'000
Opening Capital Financing Requirement	637,478	635,683
Opening Balance Adjustment	0	(7,710)
Amended Opening Balance	637,478	627,973
Capital investment:		
Property, Plant and Equipment *	63,810	83,188
Heritage Assets **	0	74
Intangible Assets ***	1,006	221
Revenue Expenditure Funded from Capital Under Statute	8,078	5,596
Sources of Finance:		
Capital receipts	(3,253)	(1,184)
Government grants and other contributions	(35,311)	(43,703)
Major Repairs Reserve	(12,003)	(21,012)
Direct revenue contributions	(17,708)	(20,769)
MRP / loans fund principal	(6,414)	(6,239)
Closing Capital Financing Requirement	635,683	624,145
Explanation of movements in year:		
MRP / loans fund principal	(6,414)	(6,239)
Increase in underlying need to borrowing (unsupported by Government financial assistance)	4,281	3,536
Un-financed expenditure	338	(1,126)
Increase / (decrease) in Capital Financing Requirement	(1,795)	(3,829)

Opening balance reduced by £7.7m due to overstated capital additions in a prior year.

* 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 36 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	
	2021/22 £'000	2022/23 £'000
Land and buildings	1,310	1,274
Total	1,310	1,274

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

	Land and buildings	
	2021/22 £'000	2022/23 £'000
Operating leases which expire:		
Within 1 year	1,310	1,274

Between 1 and 5 years	4,976	4,684
After 5 years	19,875	18,223
Total	26,161	24,181

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: -

	31st March 2022 £'000	31st March 2023 £'000
Finance lease debtor (net present value of minimum lease payments):		
Current	6	6
Non-Current	4,784	4,778
Finance Income	14,444	14,226
Gross investment in the lease	19,234	19,010

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

	Gross Investment in the Lease		Minimum Lease Payments	
	31st March 2022 £'000	31st March 2023 £'000	31st March 2022 £'000	31st March 2023 £'000
Not later than one year	223	223	217	217
Later than one year and not later than five years	893	893	869	868
Later than five years	18,118	17,894	13,357	13,141
Total	19,234	19,010	14,443	14,226

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. These are leases at a peppercorn rate therefore no payments. 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	
	2021/22 £'000	2022/23 £'000
Operating leases which expire:		
Within 1 year	2,933	2,938
Between 1 and 5 years	8,528	8,324
After 5 years	34,189	33,582
Total	45,650	44,844

Note 37 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 is inflated by RPIX each year. The contractor payments began in December 2008 with actual payments of £7.043m in 2022/23 (£6.774m in 2021/22).

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 2023 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	73	4,421	6,870	483	0	11,847
Mexborough Science College	74	4,510	7,007	493	0	12,084
Waste Management PFI	543	1,652	3,525	6,468	4,282	16,470
Total	690	10,583	17,402	7,444	4,282	40,401

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	462	1,571	908	19	0	2,960
Mexborough Science College	471	1,603	927	19	0	3,020
Waste Management PFI	2,259	8,617	9,141	5,828	829	26,674
Total	3,192	11,791	10,976	5,866	829	32,654

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	3,194	9,450	12,814	2,368	0	27,826
Mexborough Science College	3,258	9,639	13,070	2,415	0	28,382
Waste Management PFI	7,532	33,094	47,545	56,487	29,095	173,753
Total	13,984	52,183	73,429	61,270	29,095	229,961

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: -

	2021/22 £'000	2022/23 £'000
Balance outstanding at start of year	44,041	41,847
Payments during the year	(2,194)	(1,446)
Balance outstanding at year-end	41,847	40,401

Note 38 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 2022/23, the Council's contribution to the Department for Education in respect of teachers' retirement benefits was £4.7m (£4.8m in 2021/22), which represents 23.68% of teachers' pensionable pay (23.68% in 2021/22). In addition, a further sum of £2.82m (£3.06m in 2021/22) 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 2022/23, the Council's contribution for Public Health staff in respect of retirement benefits was £0.128m (£0.119m in 2021/22) 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	2021/22 £'000	2022/23 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	40,400	47,570
Past service costs (including curtailments)	395	528
(gains)/loss from settlements	(2,479)	(1,312)
Financing and Investment Income and Expenditure		
Net Interest expense	9,568	9,490
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	47,884	56,276
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)	(99,023)	86,986
Actuarial gains and losses arising on changes in demographic assumptions	0	2,579
Actuarial gains and losses arising on changes in financial assumptions	(69,473)	(670,978)
Other – Experience gains and losses	2,947	89,681
Effect on business combinations and disposals	0	27,881
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(165,549)	(463,851)
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	(27,544)	(56,276)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	20,340	22,732

The Effect on business combinations and disposals line in the above table represents the reintegration of the Doncaster Children's Services Trust (DCST) pension scheme members into the City of Doncaster Council pension scheme. The effect on the Plan Assets and Defined Benefit Obligations is shown in the tables on the following page. Please see the Group Accounts section for more detail.

In line with IAS19 and IFRIC14, the net defined benefit asset should be valued at the lower of the surplus in the defined benefit plan and the asset ceiling. The actuary has calculated the asset ceiling as £644.390m based on the present value of employer future service costs less the present value of future employer contributions, in perpetuity. Therefore, the net defined benefit asset is valued at the surplus in the defined benefit plan.

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	2021/22 £'000	2022/23 £'000
Present value of the defined benefit obligation	(1,734,186)	(1,324,340)
Fair value of plan assets	1,417,870	1,423,167
Net Asset/(Liability) arising from defined benefit obligation	(316,316)	98,827

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

Local Government Pension Scheme	2021/22 £'000	2022/23 £'000
Opening fair value of scheme assets	1,326,451	1,417,870
Interest Income	27,472	39,164
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	99,023	(86,986)
- Other - Experience gains and losses	0	(1,484)
- Other - Admin Expenses & Settlements	(2,647)	(1,441)
Contribution from employer	5,660	7,568
Contributions from employees into the scheme	6,530	8,138
Benefits paid	(44,619)	(44,862)
Effect on business combinations and disposals	0	85,200
Closing fair value of scheme assets	1,417,870	1,423,167

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

Local Government Pension Scheme	2021/22 £'000	2022/23 £'000
Opening balance at 1st April	(1,766,092)	(1,734,186)
Current service cost	(40,400)	(47,570)
Interest cost	(37,040)	(48,654)
Contributions from scheme participants	(6,530)	(8,138)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	(2,579)
- Actuarial gains/losses arising from changes in financial assumptions	69,473	670,978
- Other – Experience gains and losses	(2,947)	(88,197)
Past service cost (including curtailments)	(395)	(528)
Benefits paid	44,619	44,862
Liabilities extinguished on settlement	5,126	2,753
Effect on business combinations and disposals	0	(113,081)
Closing balance at 31st March	(1,734,186)	(1,324,340)

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, £14.680m was accounted for in 2021/22 and the remainder £15.164m is accounted for in 2022/23. In 2022/23, the pension reserve (note 24d, £98.827m) and the net pension asset £98.827m have been brought into line as the prepayment arrangements are accounted for in 2022/23.

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2021/22 £'000	2022/23 £'000
Quoted		
Equity Securities:		
Other	3,405	95
Debt Securities:		
Other	4,026	4,304
Private Equity:		
All	3,050	2,492
Real Estate:		
UK Property	2,349	1,932
Investment Funds and Unit Trusts:		
Infrastructure	18,206	15,071
Cash and Cash Equivalents:		
All	15,812	13,562
Unquoted		
Equity Securities:		
Other	7	14
Debt Securities:		
Corporate Bonds (non-investment grade)	154	28
UK Government	8,460	5,294
Other	66,711	78,574
Private Equity:		
All	135,927	148,718
Real Estate:		
UK Property	117,153	116,790
Overseas Property	1,910	1,784
Investment Funds and Unit Trusts:		
Equities	660,652	642,878
Bonds	254,675	237,815
Infrastructure	98,927	127,716
Other	26,446	26,100
Total	1,417,870	1,423,167

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 2023	Value on Increase	Value on Decrease
	(+/-)	£'000	£'000	£'000
Pooled Investment Vehicles	12%	354,309	396,826	311,792

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 2023.

The significant assumptions used by the actuary have been: -

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.6	Men	20.5
25.4	Women	23.7
	Longevity at 65 for future pensioners	
24.1	Men	21.5
27.3	Women	25.2
3.2%	Rate of inflation	3.0%
4.2%	Rate of increase in salaries	3.6%
3.2%	Rate of increase in pensions	3.0%
2.7%	Rate for discounting scheme liabilities	4.75%

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)	52,974	(52,974)
Rate of inflation (increase or decrease by 0.1%)	20,155	(20,155)
Rate of salaries (increase or decrease by 0.1%)	2,559	(2,559)
Rate of pensions (increase or decrease by 0.1%)	20,155	(20,155)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(22,395)	22,395

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 is due to be completed on 31st March 2026.

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 £20.732m expected contributions to the scheme in 2023/24. The estimated weighted average duration of the defined benefit obligation for scheme members is 17 years.

West Yorkshire Superannuation Fund

Payments in 2022/23 totalling £0.001m (£0.002m in 2021/22) 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 40 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 £1.928m. The contingent liability of £6.123m covers the remaining claims up to 100% (£8.051m).

Note 41 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.

	2021/22	2022/23
	£'000	£'000
Adult Trust Funds	5,784	5,754
Other Trust Funds	365	376
Total	6,149	6,130

Note 42 Other Long Term Liabilities

Liabilities totalling £39.711m (£40.401m at 31st March 2022) are payable in a period exceeding 12 months and relate to PFI schemes' long-term liabilities.

Housing Revenue Account

Income and Expenditure Statement

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.

2021/22		Notes	2022/23	
£'000			£'000	£'000
	Expenditure			
14,357	Repairs and maintenance		14,583	
22,239	Supervision and management		26,243	
1,428	Rents, rates, taxes and other charges		1,238	
	Depreciation of Property, Plant & Equipment	8		
17,619	On dwellings		19,925	
936	On other assets		940	
865	Impairment of Property, Plant & Equipment	9	1,904	
(6,323)	Reversal of previous Impairment loss	9	(798)	
90	Amortisation of Intangible assets		120	
6	Debt management costs		11	
0	Movement in the allowance for bad debts		340	
51,217	Total Expenditure			64,506
	Income			
(75,703)	Dwelling rents (gross)		(78,617)	
(837)	Non-dwelling rents (gross)		(811)	
(598)	Charges for services and facilities		(861)	
(578)	Contributions towards expenditure		(1,249)	
(77,716)	Total Income			(81,538)
(26,499)	Net cost of HRA Services as included in the whole authority Income and Expenditure Account			(17,032)
383	HRA share of Corporate and Democratic Core		401	
(26,116)	Net (Income)/Cost for HRA Services			(16,631)
	HRA share of the operating income and expenditure included in the whole authority Income and Expenditure Account			
19,063	(Gain) or loss on sale of HRA non-current assets		26,590	
12,739	Interest payable and similar charges		12,837	
(56)	Interest receivable and similar income		(627)	
(470)	Capital Grants and Contributions receivable		(1,110)	
5,160	(Surplus) or Deficit for the year on HRA services			21,059

Movement on the HRA Statement

This statement identifies those amounts in addition to the HRA Income and Expenditure Statement 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 Statement and the HRA Balance.

2021/22		2022/23	
£'000		£'000	£'000
(8,267)	Balances on the HRA at the end of the previous year		(6,690)
5,160	(Surplus) or deficit for the year on the HRA Income and Expenditure statement	21,059	
(3,583)	Adjustments between accounting basis and funding basis under statute (note10)	(20,429)	
1,577	Net (increase) or decrease before transfers to or from reserves	630	
1,577	(Increase) or decrease in year on the HRA		630
(6,690)	Balance on the HRA at the end of the current year		(6,060)

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 2022		31 st March 2023
16,278	Houses and bungalows	16,186
2,332	Low-rise flats and maisonettes	2,321
1,390	Medium and high-rise flats	1,387
20,000	Total	19,894

2 Major Repairs Reserve (MRR)

2021/22 £'000		2022/23 £'000
(21,380)	Balance as at 1st April	(28,022)
(1,026)	Transfer Depreciation Non Dwellings to MRR	(1,060)
(17,619)	Transfer Depreciation Dwellings to MRR	(19,926)
12,003	Financing of capital expenditure	21,012
(28,022)	Balance as at 31st March	(27,996)

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

31 st March 2022 £'000		31 st March 2023 £'000
1,284	Former Tenants Rent Arrears	988
2,061	Current Tenants Rent Arrears	2,233
3,345	Total	3,221

The bad debt provision in respect of all un-collectable rent arrears was £2.125m (£2.361m in 2021/22). The aggregate balance sheet provision in respect of all un-collectable debts relating to the Housing Revenue Account was £2.265m (£2.556m in 2021/22).

4 Movement of Property, Plant & Equipment

2021/22 Total £'000		Council Dwellings £'000	Other Operational Land & Buildings £'000	Other Property, Plant & Equipment £'000	2022/23 Total £'000
	Cost or Valuation				
687,221	At 1st April 2022	747,200	15,542	12,830	775,572
23,364	Additions	23,812	1,033	6,063	30,908
83,117	Revaluation increases / (decreases) recognised in the Revaluation Reserve	42,161	711	(10)	42,862
5,541	Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	749	(1,296)	0	(547)
(3,970)	De-recognition – disposals	(5,127)	0	0	(5,127)
(19,701)	De-recognition – other	(27,372)	(604)	(817)	(28,793)
0	Reclassifications within PPE	5,986	(223)	(5,652)	111
775,572	At 31st March 2023	787,409	15,163	12,414	814,986
	Accumulated Depreciation and Impairment				
(4,948)	At 1st April 2022	0	(1,889)	(3,638)	(5,527)
(18,554)	Depreciation charge	(19,925)	(416)	(524)	(20,865)
17,675	Depreciation written out to the Revaluation Reserve	19,889	61	0	19,950
244	Depreciation written out to the Surplus/Deficit on the Provision of Services	36	20	0	56
(327)	impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	(187)	(428)	0	(615)
383	De-recognition - Disposals	0	0	817	817
0	De-recognition - Other	24	0	0	24
0	Reclassifications within PPE	(24)	15	9	0
(5,527)	At 31st March 2023	(187)	(2,637)	(3,336)	(6,160)
770,045	Net Book Value as at 31st March 2023	787,222	12,526	9,078	808,826

5 Vacant possession value of dwellings

The vacant possession value of dwellings within the HRA following annual revaluation as at 31st March 2023 was £1.928 billion. A difference arises between the vacant possession valuation £1.928 billion and the valuation used for balance sheet purposes of £0.791 billion because the latter represents the social housing value of tenanted dwellings. The difference £1.137 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.

2021/22 £'000		2022/23 £'000
	Capital expenditure per asset classification:	
19,436	Council Dwellings	23,812
786	Other operational Land and Buildings	1,033
341	Vehicles Plant and equipment	562
2,699	Assets Under Construction	5,501
102	Community Assets	0
121	Intangible Assets	63
23,485		30,971
	Sources of funding:	
(533)	Useable Capital Receipts	(300)
(1,269)	Capital Grants and Contributions	(3,345)
(12,002)	Major Repairs Reserve	(21,012)
(9,681)	Direct revenue financing	(6,314)
(23,485)		(30,971)

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

2021/22 £'000		2022/23 £'000
4,225	Houses (Council Dwellings)	6,466
1	Land	24
4,226	Total	6,490

8 Depreciation charged to the HRA

2021/22 £'000		2022/23 £'000
17,618	Council Dwellings	19,925
404	Other Land and Buildings	416
532	Other PPE	524
18,554		20,865

9 Impairment charge to HRA

2021/22 £'000		2022/23 £'000
0	Revaluation Loss on Council Dwellings	11
865	Revaluation Loss relating to non-Council Dwelling Assets	1,706
0	Impairment due to Council Dwelling demolition in year and proposed future demolitions	187
(6,323)	Reversal of previous revaluation loss	(798)
(5,458)		1,106

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 City of 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

2021/22 £'000		Notes	2022/23 £'000
	Amounts required by statute to be credited to the Collection Fund		
(147,395)	Council Tax (showing the amount receivable, net of benefits discounts for prompt payments and transitional relief)	1	(156,485)
(1,668)	Transfers from the General Fund – Council Tax Discretionary Reliefs Awarded via S13a(1)(c)	1	(1,475)
(82,001)	Non-Domestic Rates (showing the amount receivable, net of discretionary and mandatory reliefs)	2	(96,468)
(2,468)	Contribution towards previous year's Collection Fund deficit - Council Tax		0
(40,141)	Contribution towards previous year's Collection Fund deficit - Non-Domestic Rates		(20,794)
(273,673)	Total Income		(275,222)
	Amounts required by statute to be debited to the Collection Fund		
	Precepts and demands from major preceptors and the authority - Council Tax	3	
122,253	- City of Doncaster Council		130,414
17,642	- South Yorkshire Police Authority		18,870
6,299	- South Yorkshire Fire and Rescue Authority		6,563
	Shares of Non-Domestic Rating income to major preceptors and the (billing) authority - Non-Domestic Rates		
46,010	- City of Doncaster Council		44,698
939	- South Yorkshire Fire and Rescue Authority		912
46,949	Payment with respect to central share (including allowable deductions) of the Non-Domestic Rating income to be paid to central government by billing authorities		45,610
2,426	Transitional protection payments Non-Domestic Rates		1,547
	Impairment of debts/appeals for Council Tax		
1,324	- write-offs of uncollectable amounts		775
773	- allowance for impairment		1,675
	Impairment of debts/appeals for Non-Domestic Rates:		
520	- write-offs of uncollectable amounts		1,107
3,267	- allowance for impairment		(17,923)
369	Charge to General Fund for allowable collection costs for Non-Domestic Rates		389

2021/22 £'000		Notes	2022/23 £'000
0	Contributions towards previous year's Collection Fund surplus for Council Tax		1,104
0	Contributions towards previous year's Collection Fund surplus for Non-Domestic Rates		0
248,771	Total Expenditure		235,741
	Opening fund balance:		
3,527	- Council Tax		286
43,942	- Non-Domestic Rates		22,280
	Closing fund balance:		
286	- Council Tax		1,727
22,280	- Non-Domestic Rates		(18,641)
	Movement on fund balance:		
(3,241)	- Council Tax		1,441
(21,662)	- Non-Domestic Rates		(40,921)
	Accumulated surplus/deficit of the Collection Fund (Council Tax) is attributable to the following: -		
227	- City of Doncaster Council		1,430
45	- South Yorkshire Police Authority		221
14	- South Yorkshire Fire and Rescue Authority		76
286			1,727
	Accumulated surplus/deficit of the Collection Fund (Non-Domestic Rates) is attributable to the following: -		
10,918	- City of Doncaster Council		(9,134)
11,139	- Central Government		(9,321)
223	- South Yorkshire Fire and Rescue Authority		(186)
22,280			(18,641)

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 2022/23 (Excluding Parishes) £
A	81,626	(25,526)	56,100	6/9	37,380	£1,207.76
B	25,860	(3,790)	22,070	7/9	17,165	£1,409.07
C	15,449	(1,817)	13,632	8/9	12,118	£1,610.36
D	9,646	(653)	8,993	1	8,993	£1,811.65
E	4,707	(274)	4,433	11/9	5,418	£2,214.23
F	2,196	(101)	2,095	13/9	3,026	£2,616.83
G	950	(37)	913	15/9	1,522	£3,019.41
H	131	(40)	91	18/9	181	£3,623.30
Total	140,565	(32,238)	108,327		85,803	
Less allowance for non-collection					(1,201)	
Tax base for the calculation of Council Tax					84,602	

Reconciliation of Council Tax income to the tax base: -

2021/22		2022/23
84,933	No of Band D properties	85,803
£1,735.21	Band D rate	£1,811.65
£2,501,182	Parish Precepts	£2,577,885
£'000		£'000
(149,878)	Estimated Income	(158,022)
2,483	In-year changes	63
(147,395)	Income	(157,960)

The in-year changes in 2022/23 are due to a decrease in the number of band D properties to 84,548, compared with 84,602 used in the calculation of the budget. This is mainly attributable to 344 more Local Council Tax Scheme discounts being awarded and lower than expected growth of 511 dwellings, partially offset by Council Tax hardship discounts of 801.

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 2022/23 the Standard Rate was 51.2p (51.2p in 2021/22) and the Small Business Rate was 49.9p (49.9p in 2021/22).

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. City of 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 £96.5m in 2022/23 (£82.0m in 2021/22) and was based on a rateable value for the Council's area of £257,150,886 as at 31st March 2023 (£254,003,961 as at 31st March 2022).

3 Precepts and Demands

Expenditure requirements financed by the Collection Fund: -

	Net Budget Requirement	Band D Equivalent Dwellings	Band D Council Tax
	£'000		£
City of Doncaster Council Demand *	127,836	84,602	1,511.03
S Y Police Authority	18,870	84,602	223.04
S Y Fire and Rescue Authority	6,563	84,602	77.58
Total	153,269		1,811.65
* Excludes Parish Precepts of £2,577,885			

Group Accounts

The Core Financial Statements

Group Comprehensive Income and Expenditure Statement

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
149,689	(85,733)	63,956	Adults, Health & Wellbeing	154,881	(84,977)	69,904
229,617	(135,206)	94,411	Children, Young People & Families	248,199	(139,042)	109,157
129,362	(94,805)	34,557	Corporate Resources	115,859	(74,795)	41,064
18,163	(1,234)	16,929	Council Wide Budgets	18,817	(1,290)	17,527
91,215	(26,029)	65,186	Economy & Environment	124,294	(27,933)	96,361
33,370	(29,247)	4,123	Public Health	37,091	(26,479)	10,612
58,459	(79,023)	(20,564)	Housing Revenue Account	71,951	(82,992)	(11,041)
709,875	(451,277)	258,598	Net Cost of Services	771,092	(437,508)	333,584
2,501	0	2,501	Parish Council Precepts	2,578	0	2,578
1,939	0	1,939	Payments to the Government Housing Capital Receipts Pool	0	0	0
44,974	0	44,974	(Gains) / Losses on the disposal of non-current assets	38,085	0	38,085
49,414	0	49,414	Other operating expenditure	40,663	0	40,663
19,676	0	19,676	Interest payable & similar charges	19,710	0	19,710
11,756	0	11,756	Pensions interest cost & expected return on pensions Assets	10,719	0	10,719
0	(498)	(498)	Interest receivable & similar income	0	(2,708)	(2,708)
13	(165)	(152)	Income & expenditure in relation to investment properties & changes in their fair value	(80)	(151)	(231)
15,741	(14,862)	879	(Surplus) / Deficit on Trading Undertakings not in Net Cost of Services	15,526	(15,752)	(226)
47,186	(15,525)	31,661	Financing and investment income and expenditure	45,875	(18,611)	27,264
0	(122,897)	(122,897)	Council tax income	0	(130,135)	(130,135)
0	(37,156)	(37,156)	Non domestic rates redistribution	0	(54,767)	(54,767)
0	(93,072)	(93,072)	Non-ring fenced Government grants	0	(85,377)	(85,377)
0	(39,646)	(39,646)	Capital grants and contributions	0	(48,777)	(48,777)
0	(292,771)	(292,771)	Taxation and non-specific grant income	0	(319,056)	(319,056)
806,475	(759,573)	46,902	(Surplus) / Deficit on Provision of Services	857,630	(775,175)	82,455
		(94,585)	(Surplus) / Deficit on revaluation of non-current assets			(100,941)
		(200,510)	Actuarial (gains) / losses on pension assets / liabilities			(569,151)
		603	(Gains) / Losses on Revaluation of Financial Instruments			426
		(294,492)	Other Comprehensive Income and Expenditure			(669,666)
		(247,590)	Total Comprehensive Income and Expenditure			(587,211)

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 2022 brought forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(557,197)	(764,927)	74,519	(690,408)
Movement in reserves during 2022/23										
Total Comprehensive Income and Expenditure	107,333	21,059	0	0	0	128,392	(564,366)	(435,974)	(151,237)	(587,211)
Adjustments between group accounts and authority accounts	(52,756)	0	0	0	0	(52,756)	0	(52,756)	52,756	0
Net Increase or decrease before transfer	54,577	21,059	0	0	0	75,636	(564,366)	(488,730)	(98,481)	(587,211)
Adjustments between accounting basis and funding basis under regulations	(27,970)	(20,429)	(7,632)	26	(5,074)	(61,079)	61,079	0	0	0
(Increase) / Decrease in 2022/23	26,607	630	(7,632)	26	(5,074)	14,557	(503,287)	(488,730)	(98,481)	(587,211)
Balance at 31st March 2023 carried forward	(105,061)	(6,060)	(26,345)	(27,997)	(27,710)	(193,173)	(1,060,484)	(1,253,657)	(23,962)	(1,277,619)

	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	(259,531)	(107,030)	(137,457)	(244,487)
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	(259,531)	(224,723)	(19,764)	(244,487)
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)	(214,304)	(224,723)	(19,764)	(244,487)
Balance at 31st March 2022 carried forward	(131,668)	(6,690)	(18,713)	(28,023)	(22,636)	(207,730)	(557,197)	(764,927)	74,519	(690,408)

Group Balance Sheet

31 st March 2022		Notes	31 st March 2023	
£'000	£'000		£'000	£'000
1,497,285		Property, Plant & Equipment	1,557,487	
9,050		Heritage Assets	8,939	
1,696		Investment Property	1,777	
2,478		Intangible Assets	1,558	
3,238		Long Term Investments	2,812	
6,894		Long Term Debtors	6,666	
0		Asset related to defined benefit pension scheme	143,091	
	1,520,641	Long Term Assets		1,722,330
25,010		Short Term Investments	10	
21,829		Assets Held for Sale	19,393	
2,122		Inventories	2,108	
86,283		Short Term Debtors	90,752	
75,379		Cash & Cash Equivalents	37,737	
	210,623	Current Assets		150,000
(27)		Cash & Cash Equivalents	0	
(63,790)		Short Term Borrowing	(48,302)	
(89,285)		Short Term Creditors	(76,702)	
(1,593)		Provisions	(1,742)	
(31,749)		Revenue Grants Receipts in Advance	(7,638)	
(1,860)		Capital Grants Receipts in Advance	(3,775)	
	(188,304)	Current Liabilities		(138,159)
(16,352)		Provisions	(7,605)	
(398,902)		Long Term Borrowing	(383,801)	
(40,400)		Deferred Liabilities	(39,711)	
(6,063)		Capital Grants Receipts in Advance	(5,133)	
(390,835)		Liability related to defined benefit pension scheme	(20,302)	
	(852,552)	Long Term Liabilities		(456,552)
	690,408	Net Assets		1,277,619
207,730		Usable Reserves	193,173	
482,678		Unusable Reserves	1,084,446	
	690,408	Total Reserves		1,277,619

Group Cash Flow Statement

31 st March 2022 £'000		31 st March 2023 £'000
(34,809)	Net surplus or (deficit) on the provision of services	(82,455)
178,060	Adjustments to net surplus or deficit on the provision of services for non-cash movements	121,559
(45,789)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(57,744)
97,462	Net cash flows from Operating Activities	(18,640)
(29,782)	Investing Activities	7,952
(60,638)	Financing Activities	(21,633)
7,042	Net increase or (decrease) in cash and cash equivalents	(32,321)
68,310	Cash and cash equivalents at the beginning of the reporting period	75,352
0	Removal of DCST Opening Balance	(5,294)
68,310	Restated Cash and cash equivalents at the beginning of the reporting period	70,058
75,352	Cash and cash equivalents at the end of the reporting period (Note d)	37,737

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.

In March 2022, the Council took the decision to give notice to DCST to end the contract for the delivery of specified children’s social care services. The contract ended on 31st August 2022 and at that point DCST ceased trading. DCST’s staff were transferred to the Council on 1st September 2022 and since that date all children’s social care have been provided by the Council or by 3rd parties commissioned by the Council. From 1st September contracts with providers and other suppliers were novated to the Council. As a result of the transfer of staff South Yorkshire Pensions Authority (SYPA) transferred the former DCST pension scheme into the City of Doncaster Council pension scheme.

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 are only two material difference between the accounting policies of the group entities and the Council which require realignment. This is in relation to: -

- SLHD Pension costs and other post-retirement benefits. SLHD does not recognise a pension related asset in its Statement of Financial Position. The group accounts are realigned to recognise the SLHD pension asset.
- DCST Pension costs and other post-retirement benefits. DCST does not recognise a pension related liability in its Statement of Financial Position. The group accounts are realigned to recognise the DCST pension liability.

c Short-Term Debtors

	31st March 2022 £'000	31st March 2023 £'000
Debtors		
Trade Receivables	36,700	37,262
Other Receivables	38,347	43,089
Payments in advance	11,236	10,401
Total	86,283	90,752

d Cash and Cash Equivalents

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

	31st March 2022 £'000	31st March 2023 £'000
Cash held by the Group	7,849	12,636
Bank balance / (overdraft)	(27)	0
Cash investments regarded as cash equivalents (bank current accounts and short-term deposits with bank, building societies and other banking sector)	67,530	25,101
Total Cash and Cash Equivalents	75,352	37,737

e Creditors

	31st March 2022 £'000	31st March 2023 £'000
Creditors		
Trade Payables	(58,352)	(32,606)
Other Payables	(6,958)	(23,573)
Receipts in Advance	(21,113)	(20,523)
Total	(86,423)	(76,702)

f 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	2022/23	175,793	0	0	29,885	205,678
	2021/22	171,286	0	0	29,119	200,405
Director of Economy & Environment D Swaine	2022/23	132,859	0	0	11,128	143,987
	2021/22	128,989	0	0	0	128,989
Director of Corporate Resources D Hogg	2022/23	132,859	0	0	22,586	155,445
	2021/22	128,989	0	0	21,928	150,917
Director of Adults Health and Wellbeing P Holmes	2022/23	132,859	0	0	22,586	155,445
	2021/22	128,989	0	0	21,928	150,917
Director of Children, Young People and Families R Nelson	2022/23	132,859	5000	0	23,436	161,295
	2021/22	132,816	5,000	0	22,849	160,665
Director of Public Health R Suckling	2022/23	132,859	0	0	19,105	151,964
	2021/22	128,989	0	0	18,549	147,538
Monitoring Officer S Fawcus	2022/23	100,256	13	0	17,044	117,313
	2021/22	98,700	0	0	16,468	115,168
Section 151 Officer F Tyas	2022/23	100,256	(992)	0	17,044	116,308
	2021/22	96,870	(1,488)	0	16,468	111,850
St Leger Homes Executive Management Team	2022/23	422,477	0	0	67,613	490,090
	2021/22	410,781	0	0	65,725	476,506
Doncaster Children's Services Trust Management Team	2021/22	353,255	494	50,000	51,409	455,158

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: -

2021/22			Salary Banding	2022/23		
Group	Schools	Total	£	Group	Schools	Total
58	19	77	50,000 - 54,999	106	17	123
25	10	35	55,000 - 59,999	40	16	56
24	8	32	60,000 - 64,999	24	7	31
21	10	31	65,000 - 69,999	12	7	19
10	8	18	70,000 - 74,999	29	6	35
7	4	11	75,000 - 79,999	2	4	6
2	1	3	80,000 - 84,999	4	3	7
3	0	3	85,000 - 89,999	1	1	2
1	1	2	90,000 - 94,999	0	0	0
8	0	8	95,000 - 99,999	1	0	1
2	0	2	100,000 - 104,999	9	0	9
0	0	0	105,000 - 124,999	0	0	0
1	0	1	125,000 - 129,999	0	0	0
1	0	1	130,000 - 134,999	0	0	0
0	0	0	135,000 - 144,999	0	0	0
1	0	1	145,000 - 149,999	1	0	1
164	61	225	Total	229	61	290

The table above excludes the senior employees and posts shown in the first table above, whose remuneration for 2021/22 and 2022/23 is shown in the senior officer remuneration analysis.

The 2021/22 pay award of £1,925.00 per post was paid in April 2022. This has resulted in an increase in numbers in 2022/23 in the table above.

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 (£)	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0 - £20,000	4	7	11	7	15	14	114,767	102,282
£20,001 - £60,000	0	4	4	3	4	7	190,120	264,834
Total	4	11	15	10	19	21	304,887	367,116

g 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	2021/22 £'000	2022/23 £'000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current service cost	55,810	56,084
Past service costs (Including curtailments)	395	528
(gains)/loss from settlements	(2,479)	(1,312)
Financing and Investment Income and Expenditure		
Net Interest expense	11,756	10,719
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	65,482	66,019
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)	(116,119)	96,935
Actuarial gains and losses arising on changes in demographic assumptions	0	3,942
Actuarial gains and losses arising on changes in financial assumptions	(87,977)	(774,099)
Other – Experience gains and losses	3,586	107,787
Effect on business combinations and disposals	0	(3,716)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(200,510)	(569,151)
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	(39,638)	(56,276)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to scheme	25,844	25,652

In line with IAS19 and IFRIC14, the net defined benefit asset should be valued at the lower of the surplus in the defined benefit plan and the asset ceiling. The actuary has calculated the asset ceiling as £644.390m for CDC and £190.257m for SLHD based on the present value of employer future service costs less the present value of future employer contributions, in perpetuity. Therefore, the net defined benefit asset is valued at the surplus in the defined benefit plan.

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	2021/22 £'000	2022/23 £'000
Present value of the defined benefit obligation	(2,064,136)	(1,467,811)
Fair value of plan assets	1,673,301	1,590,600
Net Asset/(Liability) arising from defined benefit obligation	(390,835)	122,789

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

Local Government Pension Scheme	2021/22 £'000	2022/23 £'000
Opening fair value of scheme assets	1,558,071	1,673,301
Interest Income	32,395	43,787
<i>Remeasurement gain/(loss):</i>		
- The return on plan assets, excluding the amount included in the net interest expense	113,016	(96,935)
- Other – Experience gains and losses	0	(620)
- Other - Admin Expenses & Settlements	(2,647)	(1,441)
Contribution from employer	11,164	10,488
Contributions from employees into the scheme	9,165	9,676
Benefits paid	(47,863)	(47,895)
Effect on business combinations and disposals	0	239
Closing fair value of scheme assets	1,673,301	1,590,600

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

Local Government Pension Scheme	2021/22 £'000	2022/23 £'000
Opening balance at 1st April	(2,091,995)	(2,064,136)
Current service cost	(55,810)	(56,084)
Interest cost	(44,151)	(54,506)
Contributions from scheme participants	(9,165)	(9,676)
<i>Remeasurement (gains) and losses</i>		
- Actuarial gains/losses arising from changes in demographic assumptions	0	(3,942)
- Actuarial gains/losses arising from changes in financial assumptions	87,977	774,099
- Other - Experience gains and losses	(3,586)	(107,167)
Past service cost (Including curtailments)	(395)	(528)
Benefits paid	47,863	47,899
Liabilities extinguished on settlement	5,126	2,753
Effect on business combinations and disposals	0	3,477
Closing balance at 31st March	(2,064,136)	(1,467,811)

Local Government Pension Scheme assets comprised

	Fair value of scheme assets	
	2021/22 £'000	2022/23 £'000
Quoted		
Equity Securities:		
Other	3,405	106
Debt Securities:		
Other	4,026	4,811
Private Equity:		
All	3,050	2,785
Real Estate:		
UK Property	2,349	2,159
Investment Funds and Unit Trusts:		
Infrastructure	18,206	16,844
Cash and Cash Equivalents:		
All	15,812	15,158
Unquoted		
Equity Securities:		
Other	621	16
Debt Securities:		
Corporate Bonds (non-investment grade)	181	31
UK Government	9,984	5,917
Other	79,455	87,818
Private Equity:		
All	160,964	166,214
Real Estate:		0
UK Property	138,682	130,530
Overseas Property	2,254	1,994
Investment Funds and Unit Trusts:		
Equities	779,669	718,511
Bonds	300,554	265,793
Infrastructure	120,029	142,742
Other	31,211	29,171
Cash and Cash Equivalents:		
All	2849	0
Total	1,673,301	1,590,600

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 2023	Value on Increase	Value on Decrease
	(+/-)	£'000	£'000	£'000
Pooled Investment Vehicles	12%	395,993	443,512	348,474

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 2023.

The significant assumptions used by the actuary have been:

Beginning of period		End of period
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
22.6	Men	20.5
25.4	Women	23.7
	Longevity at 65 for future pensioners	
24.1	Men	21.5
27.3	Women	25.2
3.2% Council 3.2% SLHD 3.15% DCST	Rate of inflation	3.0% Council 2.95% SLHD
4.2% Council 4.2% SLHD 4.15% DCST	Rate of increase in salaries	3.6% Council 3.55% SLHD
3.2% Council 3.2% SLHD 3.15% DCST	Rate of increase in pensions	3.0% Council 2.95% SLHD
2.7% Council 2.7% SLHD 2.75% DCST	Rate for discounting scheme liabilities	4.75%

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)	58,444	(58,444)
Rate of inflation (increase or decrease by 0.1%)	22,701	(22,701)
Rate of salaries (increase or decrease by 0.1%)	3,064	(3,064)
Rate of pensions (increase or decrease by 0.1%)	22,701	(22,701)
Rate of discounting scheme liabilities (increase or decrease by 0.1%)	(25,405)	25,405

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 2026.

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 Group anticipates paying £23.085m expected contributions to the scheme in 2023/24. The estimated weighted average duration of the defined benefit obligation for scheme members is 17 years for the Council and 22 years for SLHD.

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, which 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 Accounting Standards ('IAS')

International Accounting Standards ('IAS') were issued by the antecedent International Accounting Standards Council ('IASC') and endorsed and amended by the International Accounting Standards Board ('IASB').

International Financial Reporting Interpretations Committee ('IFRIC')

IFRIC Interpretations are developed by the IFRS Interpretations Committee (previously the International Financial Reporting Interpretations Committee, IFRIC) and are issued after approval by the International Accounting Standards Board ('IASB').

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 City of Doncaster Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of City of Doncaster Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise, the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2023 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer and Assistant Director of Finance and Technology's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer and Assistant Director of Finance and Technology's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Financial Officer and Assistant Director of Finance and Technology's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer and Assistant Director of Finance and Technology with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer and Assistant Director of Finance and Technology is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Chief Financial Officer and Assistant Director of Finance and Technology

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority 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 authority, that officer is the Chief Financial Officer and Assistant Director of Finance and Technology. The Chief Financial Officer and Assistant Director of Finance and Technology is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer and Assistant Director of Finance and Technology determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer and Assistant Director of Finance and Technology is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003, the Local Government Act 1972, the Local Government and Housing Act 1989, the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) and the Local Government Finance Act 2012.

We enquired of management and the Audit Committee, concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

- material closing journals posted during the preparation of the financial statements

- material and unusual journals which fall outside the auditor's expectations which are considered as high risk journals such as journals posted by senior management, journals posted by staff not in the journals posting approval list, journals with no descriptions, journals with unusual descriptions which are outside our expectations and non-routine.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud
- journal entry testing
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings valuation and pension asset and liability valuation; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Our work on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority’s arrangements in our Auditor’s Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor’s report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2023.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for City of Doncaster Council for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2023.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2023.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

8 December 2023