Statement of Accounts

2022 - 2023

Contents

Chief Finance Officer's Narrative Report

The Council's Draft Statement of Accounts for the year ended 31 March 2023, together with the accompanying notes, explains how the Council spent your Council Tax, Business Rates and other sources of funding on the provision of services during the year. The narrative report provides a financial summary focusing on the current financial challenges and opportunities as identified within the Council's Medium-Term Financial Plan (MTFP); details of the financial performance for 2022/23; a focus on the Council's Corporate Plan; risk and performance framework; identification of the Council's key strategic partnerships; and an explanation of the key financial statements. These Draft Statements have yet to be audited and so may be subject to change.

High Peak Borough Council

The Borough of High Peak covers an area of 53,915 hectares, of which 30% is classed as rural, and serves a resident population of 90,900[1]. There are 43,377 domestic households on the Council Tax valuation list and 3,845 non-domestic properties on the Business Rates list as at 31st March 2023.

Local Authorities have continued to face significant financial challenges over recent years managing cost pressures within services and greater volatility in financing streams where there has been a shift in focus towards locally generated income streams, such as Council Tax, Business Rates, and other income, with core Central Government funding reduced substantially. This increases the control and influence the Council has over locally generated income but makes it more vulnerable to fluctuations within the local economy, increasing financial risk. This is exacerbated in the context of the current national and world economic and geo-political events. Significant volatility in inflation and interest rate rises has a tangible effect on the Council's finances, including significant cost increases, price rises and supply chain issues.

Future Challenges and Opportunities

The narrative below sets out some of the more significant recent developments that have or may have an impact on the financial position of the Council.

Changes to Local Government Finance

Business Rates: As part of the current Business Rates Retention system, local authorities (the billing Authority, County Council and fire Authority) retain a proportion of

[1] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimatesenglandandwalescensus2021

50% of any growth in Business Rates over and above a centrally established baseline after a system of tariffs and levies. The Retention system continues to be reviewed by Government subject to various delays. Therefore, no financial assumptions of a new system have been included with the Council's financial plans thus far.

Council Tax: The Council has the capacity to vary Council Tax levels, but any increase above a threshold set by Government is subject to a local referendum. For both 2022/23 and 2023/24, the threshold was 3%; the Council set a 2.99% Band D increase in 2022/23 and a 2.90% increase in 2023/24.

New Homes Bonus: This is a financial reward scheme awarded to Authorities who demonstrate an increase in housing provision on an annual basis. The Council received £675,212 in 2022/23. The provisional Local Government finance settlement in December 2022 reduced the funding to £368,950 for 2023/24. The Medium Term Financial Plan (MTFP) assumes that the funding will taper off in the following years to £300,000 in 2024/25, £275,000 in 2025/26, and £250,000 in 2026/27, pending the outcome of the Government's current consultation.

Social Housing: Housing Authorities may increase rents by CPI +1%. At September 2022 CPI was 10.1%, meaning the formula rent increase was 11.1%. However, recognising the cost of living pressures facing tenants, the HRA Plan approved in February 2023 included a 5% for 2023/24, and then, as CPI inflation reduces, an increase of 6.5%, and 3.5% for the subsequent years.

Other Government Funding: The provisional Local Government finance settlement in December 2022 confirmed the following Government support to the Council in 2023/24: a Funding Guarantee Grant of £446,120, a Services Grant of £91,970, and a Revenue Support Grant of £107,780. It is assumed that the Funding Guarantee Grant is a one year only award whereas the other grants will be on-going throughout the life of the MTFP.

Inflation Pressures

UK interest rates from the Bank Rate to gilt yields have been volatile throughout 2022/23 and are set in the context of significant inflationary pressures, the easing of Covid restrictions, the Russian invasion of Ukraine, and varying Government policies. The potential pressures of this volatility on the Council's finances are being incorporated into the Council's financial planning. Inflationary cost impacts across all services, including partner organisations, will continue to be monitored throughout the coming years.

UK Shared Prosperity Fund

The Council has been allocated an award of £2,412,072 from the UK Shared Prosperity Fund (UKSPF)[2] as part of the Levelling Up agenda in its support for places across the UK to deliver enhanced outcomes. The allocation of funding to the Council is based on the three investment priorities of UKSPF: Communities & Place, Supporting Local Business and People & Skills. The funding is to be used by 31 March 2025.

Efficiency & Rationalisation Programme

With the continuing underlying principles of protecting frontline service delivery and moving towards being self-financing (i.e. not as reliant on direct government funding), the development of a new Efficiency and Rationalisation Strategy commenced in conjunction with stakeholders in the Autumn of 2022. The £550,000 programme has been included in the 2023/24 MTFP approved in February 2023 profiled across 2023/24 £0, 2024/25 £150,000, 2025/26 £200,000, and 2026/27 £200,000. The Council carries the longstanding earmarked reserve of £200,000 established to support with costs of delivering the programme and any reprofiling requirements.

Going Concern

The Statement of Accounts 2022/23 has been prepared on a 'going concern' basis. This means the Council considers that it has sufficient financial resources to be able to continue in operation for the foreseeable future. The Council has a firmly embedded Financial Planning process, which includes a rolling four-year MTFP. This includes the Chief Finance Officer's statement regarding the adequacy of reserves and balances.

All known events that could impinge on the Council's ability to continue as a going concern are mitigated systematically. For example, budget deficits are primarily addressed through a well-developed approach towards the achievement of efficiency savings, which has a proven track record of success. There is an established quarterly reporting process to the Executive to monitor in year financial performance.

In terms of the Council's cash and liquidity position, the average maturity of investments during the year was relatively short to allow for any uncertainties over cashflow as well as being able to take advantage through a 'ladder approach' to investments where interest rates on investment opportunities are increasing at a significant pace. The Treasury function is scrutinised by the Audit & Regulatory Committee.

[2] https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-allocations

2022/23 Financial Performance

Revenue Spending

Revenue spending represents the net cost of consuming supplies and providing services delivered by the Council in its day-to-day business during the year. The financial planning process for 2022/23 was driven by the need to provide effective services while satisfying the on-going economic pressure to become ever more efficient in our use of resources, delivering high levels of value for money for our residents and businesses.

Planned Spend

The 2022/23 net general fund budget was set at £11,856,960 with £460,650 to be funded from reserves.

Actual Spend

The Council's actual performance against budget resulted in a £1,489,260 operating surplus in 2022/23, generated as set out in the table below.

	Budget £	Actual £	Variance £
Activities	11,856,960	10,634,786	(1,222,174)
Funding - External	(11,396,310)	(11,703,006)	(306,696)
- Reserves	(460,650)	(421,040)	39,610
Operating (Surplus) in Year	**0**	**(1,489,260)**	**(1,489,260)**
Adding back the actual net use of reserves in Year			421,040
Gives the increase in reserves generated in 2022/23			(1,068,220)

Funding levels achieved were £306,696 above expectations. This was primarily due to an increase of funding received through Business Rates Retention, made up of a smaller levy payable to the Business Rates Pool, a surplus levy distribution from central government, and additional s31 grants to compensate the Council for the cost of additional business rates reliefs awarded.

Actual spend on activities during 2022/23 was £1,222,174 less than anticipated. Significant contributions coming from an upturn in the income streams generated by the Waste Collection services and additional Government Grants received together with general underspends on services against the budget.

The actual use of reserves was £39,610 less than budgeted. The surplus for the year was £1,489,260, less the in year use of reserve of £421,040 resulting actual net increase of the Council's reserves, £1,068,220. As illustrated below this reduced the value of the Council's usable reserves.

Both the capital and earmarked reserves have been built up over time to provide funding for future projects and specific activities in line with the Council's medium term aims and objectives. A review of the Council's overall reserves identified that it was appropriate to increase earmarked reserves in a number of areas to support future activities. This included £0.46 million set aside for Capital schemes, £0.308million to top up the IT Strategy reserve and £0.3million to top up the future leisure provision.

The General Revenue Reserve is primarily held as a contingency to provide the Council with operational funds and as a safeguard against financial risk. Current risk-based assessments set the Council's need for a revenue contingency at £1.54million although the current economic climate and volatile financial environment means that this is very much considered to be a minimum and greater headroom than has been typical will be required to mitigate against the impact of future financial shocks. At the end of 2022/23 the reserve stood at £2.003million, which is only £463,000 above the minimum contingency level.

The current Medium Term Financial Plan does not expect to significantly erode general contingency reserves, with a modest decrease of £66,560 predicted over the next four years.

How the money was spent

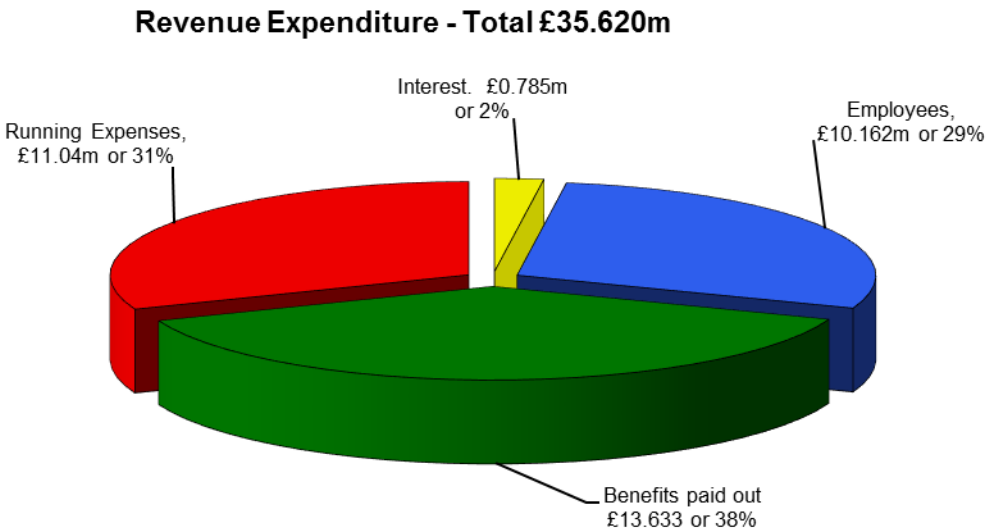
The Comprehensive Income & Expenditure Statement (CIES) (page 27) summarises the resources that have been generated and consumed in providing services and managing the Council this year. It shows that actual Net Expenditure for the year across the service areas around which the Council organises and budgets.

One of these service areas is concerned solely with the administration of the Borough's Social Housing function. This service is accounted for differently from other General Fund (GF) Council functions as its activities must be reported in the Statements of Accounts as a separate Housing Revenue Account (HRA). The CIES includes nominal charges made for the use of capital assets and future pension liability. Their inclusion is a requirement to allow comparison between councils as to the true cost of providing services. Statutory provisions however require that such charges are excluded from the Council Tax and housing rentals levied.

The Expenditure and Funding Analysis (EFA) (page 31) reconciles the service outturn reported in the CIES with the spend on activities as measured against the 2022/23 budget for GF activities and the corresponding £1.304million net expenditure generated by the HRA. The table below summarises that reconciliation and by adding in external sources of funding and the use of reserves reveals the actual gross expenditure and income behind the £1.489million surplus generated by GF activities in the year. It also maps adjustments that are necessary to derive the gross expenditure on HRA activities. This includes recognition of a £0.656million contribution by the HRA to the GF for its payment of historic pension costs as well as the net impact of financing, with £1.727million paid in interest for the year. There is also an adjustment of £3,685million for those elements of the nominal accounting entries, in relation to Capital that must be treated as actual costs under the rules governing the HRA.

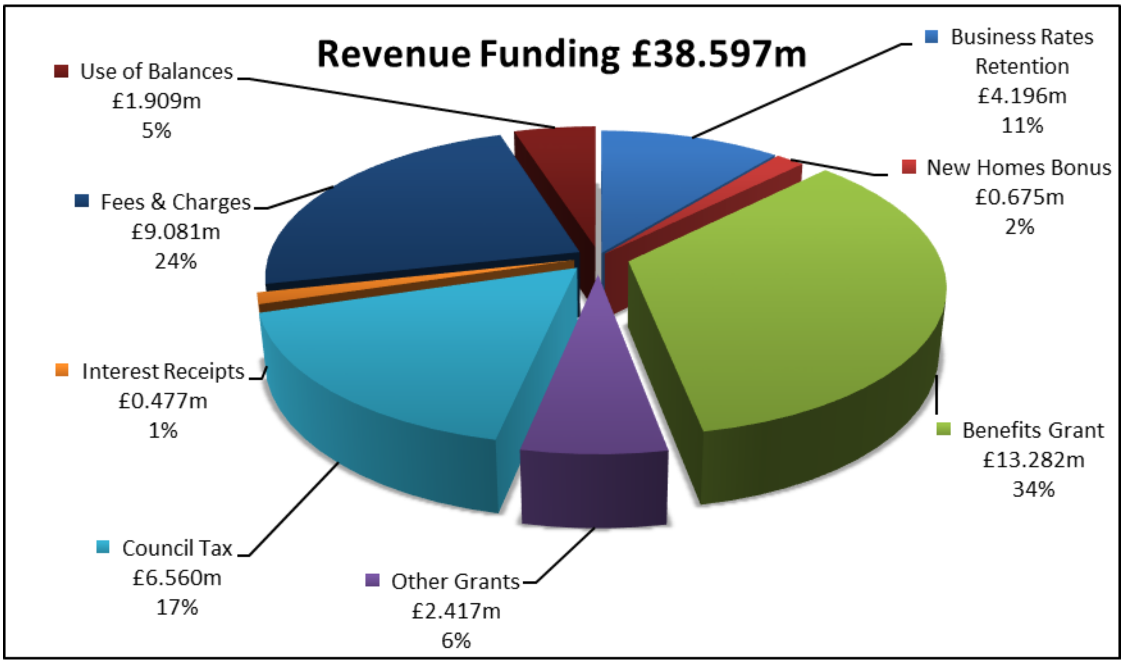
	Gross Expenditure		Gross Income		Net Expenditure	
	GF	HRA	GF	HRA	GF	HRA
	£'000	£'000	£'000	£'000	£'000	£'000
CIES	40,718	10,569	(27,612)	(15,485)	**13,106**	**(4,916)**
Nominal Adjustments	(3,787)	152	1,971	0	**(1,816)**	**152**
EFA	**36,931**	**10,721**	**(25,641)**	**(15,485)**	**11,290**	**(4,764)**
GF Funding :						
External			(11,702)		**(11,702)**	
Reserves			(421)		**(421)**	
HRA Adjustments :						
Interest payable/received		1,727				**1,727**
Pension contribution	(656)	656			**(656)**	**656**
Nominal reversal		3,685				**3,685**
	36,275	**16,789**	**(37,764)**	**(15,485)**	**(1,489)**	**1,304**

The four main categories of this spend are employee costs, running expenses, interest paid on borrowing and Housing Benefit payments made to residents. Running expenses include maintenance of buildings, vehicle costs and supplies and services. The chart below illustrates the proportion in which expenditure was incurred on these categories of expenditure. The largest element at £13.633 million is the payment of Housing Benefits on behalf of Central Government.



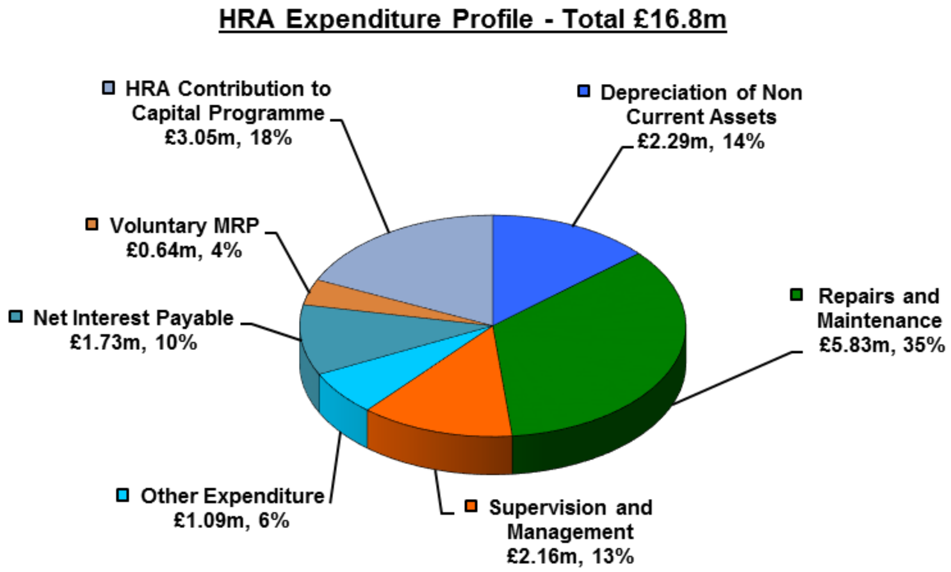
How it was paid for

The largest element was £13.282million Housing Benefits grant from Central Government, the chart below illustrates the continuing shift in Local Government finance to generate income locally and become self-financing. Of the remaining £25.315million in funding (excluding the Benefit grant) 80%- £20.314million – is from the locally generated income streams of Council Tax, Business Rates, interest and fees and charges, while 8% - £1.909million was met out of Reserves. The remaining £3.092million was grants received from Government.

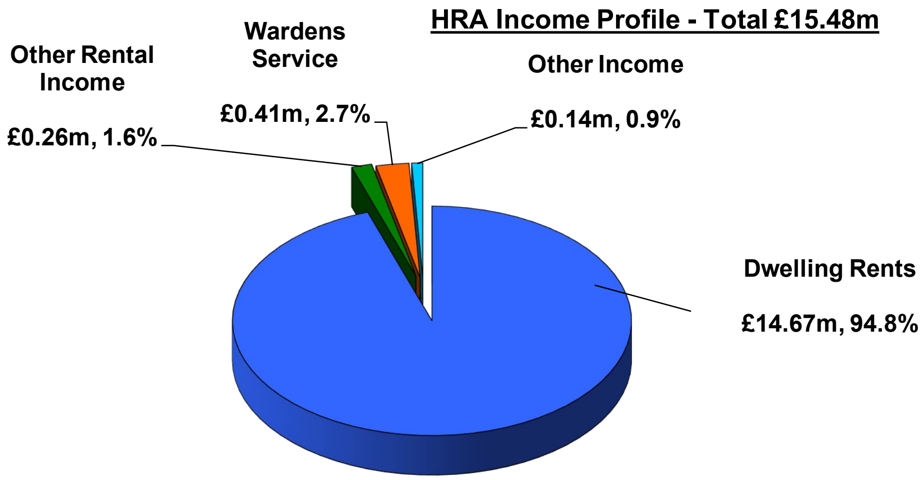


Housing Revenue Account

The Housing Revenue Account (HRA) is a separate account, required by law, which bears the cost of managing, maintaining and improving council houses. Gross revenue expenditure for the year was £16.8million and is analysed below:



Gross revenue income for the year was £15.484million and is analysed below:



After adjusting for notional charges such as those required by capital and pension accounting standards, the overall outturn on the Housing Revenue Account shows a operating deficit in year of £1,302,630. This is £752,340 less than the expected deficit of £2,054,970 that was budgeted for 2022/23. The major elements that made up the improved position were:

Positive Changes:

- Reduced cost relating to supervision and corporate management - £548,000
- Lower than expected contribution to HRA capital programme - £1,654,000

Negative Changes:

- Increased costs relating to repairs and maintenance - £1,166,000

- Increased costs in other expenditure - £284,000

The deficit generated in year has been subtracted from the HRA working balance. General HRA reserves therefore decreased from £16.358million to £15.054million in 2022/23. This value of reserves is considered appropriate to reflect the level of risk within the activities charged to the Housing Revenue Account.

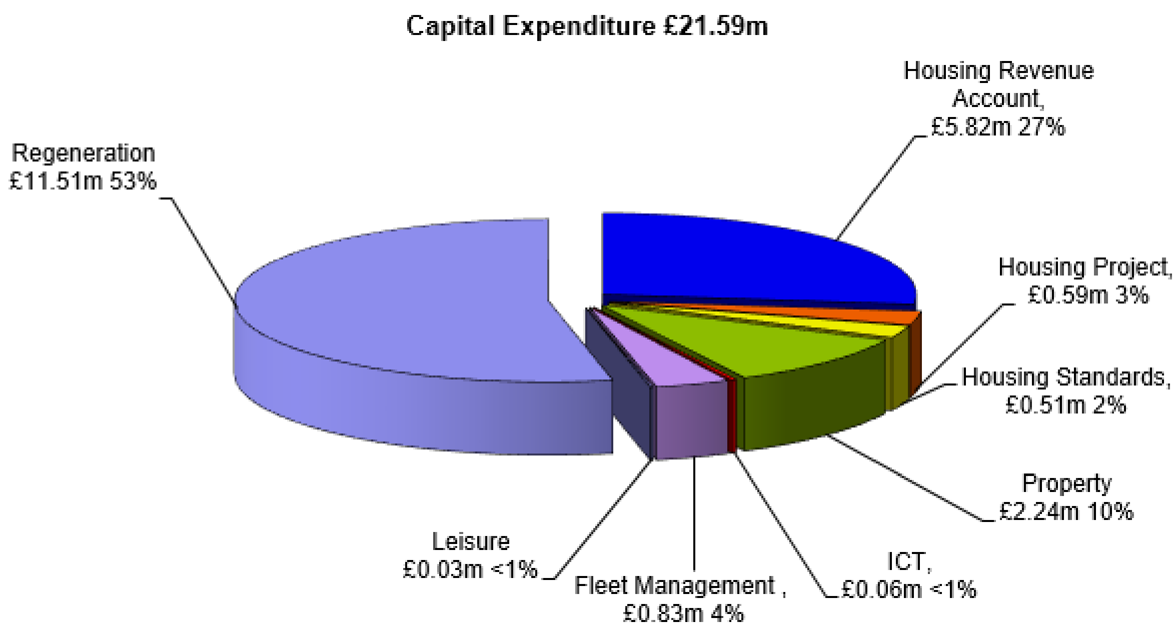
During the year thirty four council dwellings were sold, under the Right-to-Buy scheme, generating £2.018million in capital receipts.

Capital Spending

Capital spending either maintains or creates new assets that will contribute to the Council's aims and objectives over more than one year. The Council therefore plans and budgets for capital expenditure by means of a rolling programme. This programme, last updated in February 2023, covered 2022-23 to 2025-26 and contained capital commitments of £68.8 million (including £28.8million for the Housing Revenue Account).

How the money was spent

The actual spending in 2022/23 was £21.59million. The major areas of capital expenditure and significant individual projects included.

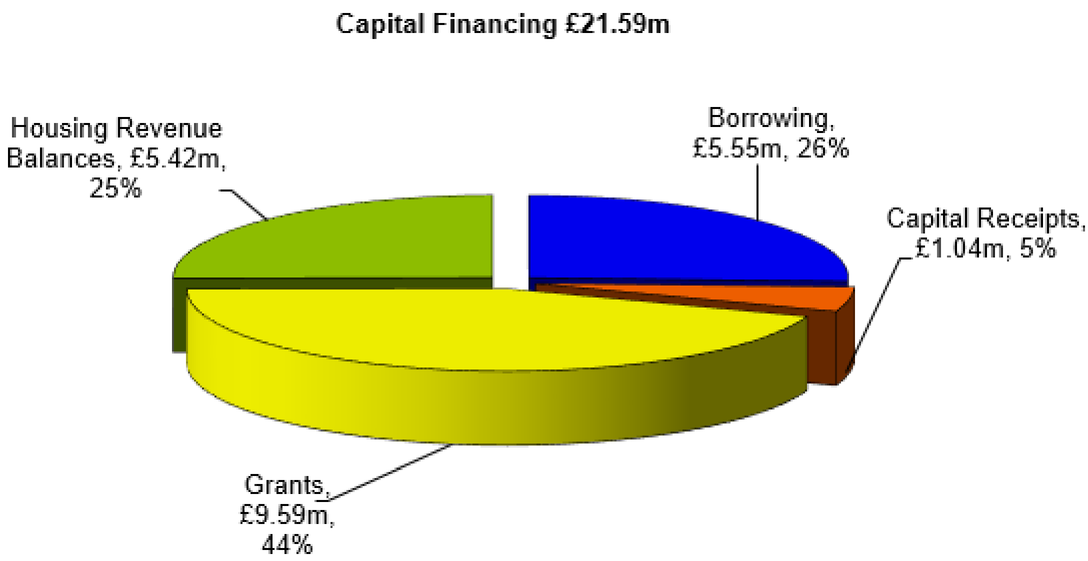


- Housing Revenue Account – general refurbishment of the Council's housing stock including kitchens and bathrooms, heating, roofing and disabled adaptations (£4.72 million). Vehicle Replacements (£0.69 million) & repurchase of former housing stock £0.4million)

- Regeneration of Buxton Town Centre (£8.46million) and Fairfield Roundabout projects (£3million).
- Housing Standards – disabled facilities and other property grants (£0.51million)
- Property - works on a number of public buildings in accordance with the Council's asset management plan, including Glossop Town Hall (£1.1million)

How it was paid for

There are a number of sources by which the Council can fund capital expenditure. The funding of the 2022/23 programme is illustrated below:



- Grants and Contributions – such as Government grants supporting housing, and Lottery Funding supporting heritage schemes
- Reserves – funds built up over time by the Borough and earmarked for capital purposes.
- Borrowing – borrowing for capital purposes externally (e.g. from Public Works Loan Board or the market) or using internal resources
- Capital Receipts – cash resources from the sale of capital assets.
- Housing Revenue – use of funds and balances generated within the Housing Revenue Account

The Balance Sheet Perspective

At the end of 2022/23 the Council's net worth, as reported on the Balance Sheet, stood at a net asset value of £219.846million. When compared to an opening value of £171.526million at the beginning of the year. This represents an increase in net worth of £48.320million.

	31 March 2022 £000	31 March 2023 £000
Long Term Assets(including Pension Asset)	253,590	274,394
Net Current Assets (debtors, inventories, cash less creditors, other liabilities)	(13,059)	(5,691)
Cash and Investments	31,138	17,120
Borrowing	(63,381)	(62,080)
Pensions Liability	(35,543)	(1,372)
Other Long Term Liabilities and Provisions	(1,219)	(2,525)
Net Assets	**171,526**	**219,846**
Represented by: Usable Reserves	33,906	35,124
: Unusable Reserves	137,620	184,722

How can the Council have experienced such an increase in value when its revenue activities in the year resulted in a £1.068million increase in reserves? Well the primary reason is the change in the valuation of the Council's long term pension liability. The £34.171million decrease in pension liability is considered below.

Pension Liability – under financial accounting regulations the Council's Balance Sheet must show the cumulative net value of its pension scheme if all the assets and liabilities became realisable or payable on the 31st March. While in reality pension schemes continue over generations this snapshot measurement draws attention to any underlying long-term strengths or weaknesses. The measurements applied to the Council's scheme at the end of 2022/23 decreased the liability reported on the Balance Sheet by £34.171million to a liability of £1.372million. The pension valuation is performed on behalf of the Council by suitably qualified professionals guided by statute and best practice. In arriving at their valuation they will apply certain assumptions around returns on investments and projected future pension liabilities. Their 2022/23 valuation recorded both improved returns from investments, which strengthened the scheme's assets, and an increase in the net discount rate which reduced its liability. Significant fluctuations in these annual valuations are not uncommon and are therefore not seen as a true reflection of the Council's short to medium term liability.

The value of the pension as reported on the Balance Sheet is a significant liability for the Council. However, because this liability only falls due over the long term, measures have been put in place that ensure the Council's continuing financial viability. At a national level Government has altered future scheme benefits and entitlements while locally both

Council and employee contributions have increased. In addition, the Council makes annual lump sum contributions into the fund to further reduce the deficit.

The Council's Corporate Plan

Following the local elections in May 2019, the Council developed a new Corporate Plan for 2019-2023, which supports the Vision of 'Working together to protect and invest in the High Peak with the Council on your side'. A new Corporate Plan is in development following the local elections in May 2023. The vision of the current plan is articulated by four aims that are in turn supported by several objectives, which provide the framework for the delivery of individual service plans. These are summarised below:

Aim 1: Supporting our communities to create a healthier, safer, cleaner High Peak

- Effective relationship with strategic partners
- Fit for purpose housing stock that meets the needs of tenants and residents
- Practical support of community safety arrangements
- Provision of high quality leisure facilities
- Work with our partners and the community to address health inequality, food and fuel poverty, mental health and loneliness
- Effective provision of high quality public amenities, clean streets and environmental health

Aim 2: A responsive, smart, financially resilient and forward

- Ensure our future financial resilience can be financially sustainable whilst offering value for money
- Ensure our services are readily available to all our residents in the appropriate channels and provided "right first time"
- Invest in our staff to ensure we have the internal expertise to deliver our plans by supporting our high performing and well-motivated workforce
- More effective use of council assets to benefit our communities
- Effective procurement with a focus on local businesses
- Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment

Aim 3: Protect and create jobs by supporting economic growth, development and regeneration

- Encouraging business start-ups and enterprises

- Work to create flourishing town centres and thriving high streets that support the local economy
- Promote tourism to maximise local benefit
- High quality development and building control with an “open for business” approach
- Car parking arrangements that meet the needs of residents, businesses and visitors
- Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges
- Supporting the development of innovative green jobs and business across the High Peak

Aim 4: Protect and improve the environment including responding to the climate emergency

- Effective recycling and waste management
- Effective provision of quality parks and open spaces
- Meeting the challenge of climate change and working with residents and business across the High Peak to implement the climate change action plan

Our Performance Framework, which measures our success in delivering the Corporate Plan, also reflects the three pillars of value for money: economy, efficiency and effectiveness and is fully aligned to the Council’s corporate objectives. The Council publishes an Annual Report, which takes stock of the progress made in delivery of the Corporate Plan objectives and uses comparative performance and cost measures to help shape the Council’s refreshed objectives.

Following the completion of an organisation-wide service transformation process in 2016/17, the Council developed, in partnership with its workforce, a new set of core values called ‘CHOICE’. These values are reinforced through the Council’s approach to appraisal and employee development called PEP – Plan, Enable, Perform.

C ustomer focused

H onest and open communicators

O ne team

I nnovative

C an-do culture

E very penny counts

Risk Management

The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay, or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis. In addition to the identification of risks, managers also quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's Risk Registers. These have three aspects – strategic, operational and project risks. The Council's Strategic, Operational and Project Risk Registers are reviewed on a quarterly basis and reported to the Corporate Risk Management Group and the Audit and Regulatory Committee on an exception basis.

Our Performance in 2022/23

The Council used a range of financial and other indicators to measure performance in 2022/23. At the end of March, 53% of the Council's performance targets for the year had been met, a decrease compared to 68% last year. In terms of year on year trends, 60% of measures recorded the same or improved results compared to 2021/22.

The Council also exceeded its targets in a number of areas including; new benefit claims and change of circumstances processing, external funding awarded to support the physical activity and sports strategy, Carelink emergency call response rate, collection rates for business rates, rent and sundry debt , invoices paid within terms, repairs completed within timescales , sickness absence , use of contracts register.

The service areas which fell short of target include the use of temporary accommodation, settled accommodation outcomes, planning processing times for minor and other applications, planning agent satisfaction , re-let times and rent loss due to vacant stock, FOI response times, council tax collection rates, procurement activity on forward plan, missed bins and recycling rates, high risk and routine premises inspected. Targets have returned to pre-covid levels which has impacted some service areas, the challenges within the housing market nationally have also affected the results in that service area.

For those measures that fell below the target set for the year we have developed actions for improvement, where feasible, as part of our performance reporting to senior managers and members. As well as comparing performance over time and against target, we also compare our performance with other councils nationally through local benchmarking clubs and data platforms such as CFO Insights, Place Analytics and LG Inform.

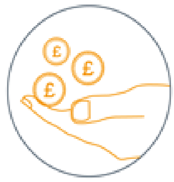
Delivering against our Corporate Aims

The Council's Corporate Plan has four key aims, and below we have highlighted some of our achievements last year in relation to each of them.

Supporting our communities to create a healthier, safer, cleaner High Peak - This aim covers our objectives around housing, leisure, public amenities, community safety and the effectiveness of our strategic partnerships. Last year we:

- ✓ Secured £3,079,469 of external funding to support the physical activity and sports strategy

- ✓ Developed the Move More Strategy involving a host of external partners and stakeholders
- ✓ Developed the Derbyshire wide Homeless Strategy
- ✓ Assisted 450 households with £108,769 of funding from the Household Support Fund
- ✓ Responded to 97.2% of emergency Carelink calls within 45 minutes
- ✓ Completed all levels of repairs within target , first time fix and appointments made and kept all within target times
- ✓ Achieved 100% gas compliance in council homes for the 8th year in a row
- ✓ Installed 111 kitchens, 74 bathrooms and 84 wet rooms in social housing stock
- ✓ Completed the roundabout at Fairfield Common which will provide access to new housing sites

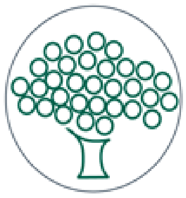


A responsive, smart, financially resilient and forward thinking council – This aim covers our objectives around value for money, customer access, use of technology and assets, local procurement and a high performing and motivated workforce. Last year we:

- ✓ Developed an Access to Services Strategy and action plan to ensure services are accessible to all
- ✓ 53,576 customer portal accounts in use
- ✓ Implemented a new procurement strategy with a focus on spending money locally
- ✓ Awarded 26% contracts over £5,000 to local suppliers who submitted an expression of interest
- ✓ Developed the new Organisational Development Strategy to ensure effective workforce development and use of apprenticeships.
- ✓ Invested over £30,809 in employee training
- ✓ Employed four apprentices (Alliance): two transferred to Alliance Norse, two are still completing their course (level 2 and level 7)
- ✓ Introduced the new pay grade structure in January 2023
- ✓ Launched the new wellbeing hub and trained ten mental health first aiders
- ✓ Prepared the launch of the new Digital Strategy in conjunction with SOCITM
- ✓ Made 65,000 mandatory payments of £150 on behalf of the Government to help households with rising energy bills (Alliance)

Protect and create jobs by supporting economic growth, development and regeneration – This aim covers our objectives around tourism, flourishing town centres, car parking, encouraging new business, and promoting an open for business approach in our development and building control functions. Last year we:

- ✓ Purchased the Buxton Springs shopping centre to kick start the redevelopment of the town centre, a key milestone in the Future High Streets project
- ✓ Confirmed £292,727 of UK Shared Prosperity Funding for 2022/23 alongside indicative settlements up to March 2025 which would bring the total to £2,437,071
- ✓ Launched the first phase of applications for grants and funding opportunities made available via the above fund. The three investment priorities are: communities and place; supporting local business; people and skills.
- ✓ Achieved a town centre average vacancy rate of 7.8%, the national average is 11.8%.
- ✓ Completed the six-year £3.5million restoration of the buildings at Buxton's Pavilion Gardens
- ✓ Determined 100% of 'major' planning applications in time
- ✓ Resolved 85% planning enforcement cases within 13 weeks
- ✓ New user-friendly and energy-efficient pay and display machines to be installed at 18 car parks during 2023.



Protect and improve the environment including responding to the climate emergency – This aim covers our objectives around waste and recycling, quality parks and open spaces, and climate change. Last year we:

- ✓ Maintained our 'green flag' status for Whaley Bridge Memorial Park
- ✓ Held a climate change event for groups and individuals to share information, ideas and tips on saving energy and retro fitting homes, recycling and reducing waste, local repair cafes and active travel to help reduce emissions
- ✓ Collaborated with Derbyshire Wildlife Trust to develop a community-based action plan 'Wilder High Peak'.
- ✓ Completed the installation of new play equipment at Jodrell Road and Simmondley play areas.
- ✓ Reviewed the Environmental Enforcement Policy and delivered enforcement patrols and educational activity to tackle environmental crime such as dog fouling, littering and fly-tipping
- ✓ Achieved low residual waste tonnages

- ✓ Used only 655 reams of paper across the Alliance

Key Strategic Partnerships

Strategic Alliance

In 2008 High Peak Borough Council entered into a "Strategic Alliance" (the Alliance) with our neighbours, Staffordshire Moorlands District Council. The primary aim of the Alliance is, through joint working, to drive through service improvements, whilst reducing costs in order to increase value-for-money and minimise future Council Tax increases. The arrangement, which features a fully integrated Joint Senior Management Team and widespread joint service delivery, crosses both county and regional boundaries. The Alliance sits at the heart of the Council's Efficiency and Rationalisation Strategy.

Alliance Environmental Services Limited (AES) Joint Venture

From 2017, the Council established a joint venture partnership with Alliance partner Staffordshire Moorlands District Council and Ansa (a subsidiary of Cheshire East Council) to deliver waste collection, street cleansing, grounds maintenance and fleet management services. The collaborative arrangement has been assessed to be a joint operation and therefore is consolidated into the single entity financial statements of both Councils. This is described in note 2e 'Interests in companies & other entities and joint arrangements'.

Alliance Norse Limited Facilities Management Services Joint Venture

The Council established a joint venture partnership in 2022 with Alliance partner Staffordshire Moorlands District Council and Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) to deliver facilities management, property services, housing repairs and other maintenance services. From 1st April 2024 the Council's Disabled Facilities Grant Programme will also be delivered through Alliance Norse Ltd with partner N-Able. The collaborative arrangement has been assessed to be a joint operation with and is therefore consolidated into the single entity financial statements of both Councils respectively. This is described in note 2e 'Interests in companies & other entities and joint arrangements'.

Explanation of the Financial Statements

The Statement of Accounts for the year ended 31st March 2023 has been prepared in accordance with the Accounts and Audit Regulations 2015. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority

Accounting in the United Kingdom 2022/23, which in turn is underpinned by the International Financial Reporting Standards.

The Council's core financial statements, beginning at page 26, are listed below along with a brief explanation of their purpose:

Movement in Reserves (MIRS) - this statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus/(Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income & Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund for Council Tax setting purposes. The Net Increase/(Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to/from earmarked reserves undertaken by the Council.

Comprehensive Income & Expenditure Statement (CIES) – this statement is fundamental to the understanding of the Council's activities; in that it reports the net cost for the year of all the functions for which the Council is responsible and demonstrates how that cost has been financed from general government grants and income from local taxpayers.

Balance Sheet - this explains the Council's financial position at the year-end. It provides details of the Council's balances and reserves and its long-term indebtedness. It also shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Council.

Cash Flow Statement - this illustrates the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

The Council is also required to produce two supplementary statements:

Housing Revenue Account (HRA) - this account reflects the statutory requirement for the Authority to maintain a separate revenue account for Council housing provision. It includes the receipt of income and the payment of expenditure associated with that service to determine a surplus or deficit for the year.

Collection Fund - this reflects the statutory requirement for the Council to maintain a separate account providing details of receipts of Council Tax and Business Rates and the associated payments to precepting authorities.

The 2022/23 Statement of Accounts shows that our finances remain sound. Revenue and Capital spending are controlled by affordable budgets while assets and reserves exist to support services and the achievement of key priorities.

Martin Owen, MBA FCCA CMgr FCMI

Executive Director & Chief Finance Officer

Date: 17th April 2024

Certificate of Approval by Audit & Regulatory Committee

I confirm that these accounts were approved by the meeting of the Audit and Regulatory Committee held on February 7th 2024

Councillor Ollie Cross

Chair of the Audit & Regulatory Committee

High Peak Borough Council

Date :17th April 2024

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 ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Executive Director & Chief Finance Officer (CFO);
- To manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- To approve the Statement of Accounts.

The Executive Director's Responsibilities

The Executive Director (CFO) is responsible for the preparation of the Council's financial statements. These, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice'), are required to present the true and fair financial position of the Council at the accounting date and its income and expenditure for the year (ended 31st March 2023).

In preparing this Statement of Accounts, the Executive Director (CFO) has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and decisions that were reasonable and prudent
- Complied with the Code of Practice.

The Executive Director (CFO) has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Executive Director (CFO)

I certify that this Statement of Accounts gives a ‘true and fair’ view of the financial position of the Council at 31st March 2023 and its income and expenditure for the year.

Martin Owen, MBA FCCA CMgr FCMI

Executive Director & Chief Finance Officer

High Peak Borough Council

Date :17th April 2024

Statement of Accounting Policy

The purpose of this section is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

1. Accounting Policies

The Accounting Policies set out from page 93 have been applied in producing the statements. They are based on best practice and legislative requirements, including CIPFA’s Code of Practice on Local Authority Accounting in the United Kingdom for 2022/23 (the Code).

2. Accounting Standards Issued, Not Adopted

A number of new or amended standards have been issued that are not yet included in the Code. The Authority is obliged to consider what, if any, the impact would have been on these Statements had they been applied in 2022/23.

Leases (IFRS 16): introduces a single lessee accounting model:

The implementation of IFRS 16 has been deferred by CIPFA until the 2024/25 Code so it does not impact these Statements. It is included here in anticipation of its implementation and in recognition of the potential material impact it may have and the work that will be necessary to satisfy its requirements. The Council has already commenced with identifying the relevant assets and liabilities of all leases with a term of more than 12 months including right-of-use assets. Subsequent recognition in the Statements will also require valuation of both the asset and the Council’s obligation to make lease payments. At this stage of the process it is not possible to give a reasonable estimate of the financial impact adopting the standard will have.

There are a small number of new or amended Standards, none of which are expected to impact this Council:

- IAS8 (Definition of Accounting Estimates) - will be amended to define accounting estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'.
- IAS1 and IRFS Practice Statement 2 (Disclosure of Accounting Policies) – will be amended to give more guidance on the disclosure of accounting policies in financial statements.
- IAS12 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction) – this would have limited applicability as the Council does not have group accounts.
- IFRS 3 (Updating a Reference to the Conceptual Framework) – this would have limited applicability as the Council does not have group accounts.

[IAS = International Accounting Standards : IFRS = International Financial Reporting Standard]

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in part 1 of this section, the Council has had regard to the materiality of the transactions being reported. It has also had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Statement of Accounts are:

- The collaboration companies Alliance Environmental Services Ltd (between High Peak Borough Council, Staffordshire Moorlands District Council, and Ansa Environmental Services Ltd) and Alliance Norse Ltd. (between High Peak Borough Council, Staffordshire Moorlands District Council, and Norse Commercial Services Ltd) have been determined to be Joint Operations and are therefore consolidated in to High Peak Borough Council's and Staffordshire Moorlands District Council's single entity financial statements, i.e. there is no requirement for separate group accounts. The relationship, details of this assessment and financial performance and results of the companies are included in note 2e 'Interests in companies & other entities and joint arrangements'.

4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council’s Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions liabilities – uncertainties: Estimation of the net liability to pay pensions depends on several 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. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. (Note 4f highlights key assumptions). A 1% change in the assessed carrying value of the Council’s pension asset equates to £137,200 (total £1,372,000).

Pension funds exist to provide retirement benefits into the future and their valuation reflects both these commitments and the predicted income streams from contributions and investments over the long term. This extended timeframe means that while valuations may reflect immediate economic conditions their impact will tend to smooth out over time.

Asset valuations – uncertainties: The valuations of property, plant and equipment reported in the Balance Sheet and the related depreciation charges made to the CIES are based on an estimation of their value and asset life. A firm of qualified valuers is engaged by the Council to carry out, for the major assets, a programme of physical valuations to ensure that their carrying values are subject to professional and independent assessment. A 1% change in the assessed carrying value of the assets equates to £2,412,130 (total £274,213,000).

Financial Statements

The core single entity financial statements applicable to all local authorities comprise:

- Movement in Reserves Statement
- Comprehensive Income & Expenditure Statement
- Balance Sheet
- Cash Flow Statement

The core financial statements are followed by supporting notes and the supplementary statements relating to:

- Housing Revenue Account
- Collection Fund

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The net increase/ decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Notes	General Fund			Housing Revenue Account	Capital		Total Usable Reserves	Unusable Reserves	Total Council Reserves
		General	Earmarked Reserves	Total		Receipts Reserve	Grants Unapplied			
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021 carried forward		(4,082)	(7,765)	**(11,847)**	**(17,902)**	**(5,343)**	**(1,130)**	**(36,222)**	**(109,349)**	**(145,571)**
(Surplus) or deficit on the provision of Services		506	0	**506**	**(118)**	0	0	**388**	**0**	**388**
Other Comprehensive Income and Expenditure		0	0	**0**	**0**	0	0	**0**	**(26,343)**	**(26,343)**
Total Comprehensive Income and Expenditure		506	0	**506**	**(118)**	0	0	**388**	**(26,343)**	**(25,955)**
Adjustment between accounting basis & funding basis under regulations	5	2,151	57	**2,208**	**1,475**	(1,517)	(238)	**1,928**	**(1,928)**	**0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves		**2,657**	**57**	**2,714**	**1,357**	**(1,517)**	**(238)**	**2,316**	**(28,271)**	**(25,955)**
Transfers to/(from) Earmarked Reserves	12	(151)	151	**0**	**0**	0	0	**0**	**0**	**0**
(Increase)/Decrease in 2021/22		2,506	208	**2,714**	**1,357**	**(1,517)**	**(238)**	**2,316**	**(28,271)**	**(25,955)**
Balance at 31 March 2022 carried forward		(1,576)	(7,557)	**(9,133)**	**(16,545)**	**(6,860)**	**(1,368)**	**(33,906)**	**(137,620)**	**(171,526)**
(Surplus) or deficit on the provision of Services		(231)	0	**(231)**	**1,298**	0	0	**1,067**	**0**	**1,067**
Other Comprehensive Income and Expenditure		0	0	**0**	**0**	0	0	**0**	**(49,387)**	**(49,387)**
Total Comprehensive Income and Expenditure		(231)	0	**(231)**	**1,298**	**0**	**0**	**1,067**	**(49,387)**	**(48,320)**
Adjustment between accounting basis & funding basis under regulations	5	(985)	0	**(985)**	**(16)**	**(1,072)**	**(212)**	**(2,285)**	**2,285**	**0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves		**(1,216)**	**0**	**(1,216)**	**1,282**	**(1,072)**	**(212)**	**(1,218)**	**(47,102)**	**(48,320)**
Transfers to/ (from) Earmarked Reserves	12	(369)	369	**0**	**0**	0	0	**0**	**0**	**0**
(Increase)/Decrease in 2022/23		(1,585)	369	**(1,216)**	**1,282**	**(1,072)**	**(212)**	**(1,218)**	**(47,102)**	**(48,320)**
Balance at 31 March 2023 carried forward		(3,161)	(7,188)	**(10,349)**	**(15,263)**	**(7,932)**	**(1,580)**	**(35,124)**	**(184,722)**	**(219,846)**

Comprehensive Income & Expenditure Statement

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

2021/22 Gross Expenditure £000	2021/22 Gross Income £000	2021/22 Net Expenditure £000		Notes	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000
489	(2)	487	Alliance Leadership Team		408	(1)	407
106	0	106	Audit		99	0	99
930	(266)	664	ICT		990	(268)	722
66	(2)	64	Human Resources		50	(1)	49
314	(50)	264	Member Services		320	(50)	270
2,859	(1,466)	1,393	Property Services		4,465	(1,456)	3,009
14,792	(14,621)	171	Benefits		13,818	(13,527)	291
639	(329)	310	Revenues		680	(516)	164
934	(302)	632	Planning Applications		1,077	(472)	605
93	(31)	62	Building Control		50	1	51
695	(30)	665	Customer Services		710	(33)	677
362	(39)	323	Legal Services		399	(34)	365
52	(4)	48	Electoral Services		52	(19)	33
29	(315)	(286)	Licensing and Land Charges		24	(322)	(298)
986	(588)	398	Regeneration		995	(651)	344
464	(10)	454	Communities and Cultural		359	(41)	318
2,071	(1,690)	381	Housing Strategy		5,557	(4,598)	959
306	0	306	Transformation		338	0	338
124	(37)	87	Community Safety and Enforcement		162	(39)	123
476	(88)	388	Finance and Performance		306	96	402
2,694	(2,111)	583	Corporate Finance*		810	(1,419)	(609)
4,434	(2,067)	2,367	Waste Collection		5,087	(2,141)	2,946
1,063	(418)	645	Street Scene		823	(237)	586
631	(42)	589	Leisure Services		262	(65)	197
1,831	(1,055)	776	Horticulture		1,657	(1,114)	543
1,013	(890)	123	Environmental Health		1,221	(706)	515
8,330	(15,250)	(6,920)	Local Authority Housing (Housing Revenue Account)		10,568	(15,484)	(4,916)
46,783	**(41,703)**	**5,080**	**Cost of Services**		**51,287**	**(43,097)**	**8,190**
8,803	(2,494)	6,309	Other Operating Expenditure	3a	9,522	(2,153)	7,369
3,569	152	3,721	Financing and Investment Income and Expenditure	3b	4,364	(552)	3,812
0	(14,722)	(14,722)	Taxation and Non-Specific Grant Income and Expenditure	3c	0	(18,304)	(18,304)
		388	**(Surplus)or Deficit on Provision of Services**				**1,067**
		(12,999)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	13a			(14,210)
		(13,344)	Remeasurement of the net defined pension benefit liability	4			(35,177)
		(26,343)	**Other Comprehensive Income and Expenditure**				**(49,387)**
		(25,955)	**Total Comprehensive Income and Expenditure**				**(48,320)**

* includes transactions relating to Discretionary Covid 19 and Energy support grants: expenditure £148,862 (£1,966,349 in 2021/22), income £0 (£709,187 in 2021/22).

Balance Sheet

The Balance Sheet provides an overall summary of the financial position of the Council as at 31st March 2023. It shows the Council's balances and reserves and its long-term indebtedness, and the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

31 March 2022 £000		Notes	31 March 2023 £000
252,273	Property, Plant & Equipment	6a	273,068
514	Heritage Assets		514
406	Investment Properties	6b	406
221	Intangible Assets		225
178	Long Term Debtors		186
253,592	**TOTAL LONG TERM ASSETS**		**274,399**
2,210	Assets Held for Sale	6c	0
18,376	Short Term Investments	14a	5,026
77	Inventories		79
5,340	Short Term Debtors	8	7,461
12,762	Cash and Cash Equivalents	7	12,101
38,765	**TOTAL CURRENT ASSETS**		**24,667**
(125)	Cash and Cash Equivalents	7	(12)
(249)	Short Term Borrowings	14a	(3,250)
(19,848)	Short Term Creditors	9	(12,049)
(716)	Provisions	10	(1,182)
(20,938)	**TOTAL CURRENT LIABILITIES**		**(16,493)**
(63,131)	Long Term Borrowing	14a	(58,830)
(35,543)	Pensions Liability	4c	(1,372)
0	Other Long Term Liabilities	14a	(258)
(1,219)	Grants Receipts in Advance - Capital	11	(2,267)
(99,893)	**TOTAL LONG TERM LIABILITIES**		**(62,727)**
171,526	**TOTAL NET ASSETS**		**219,846**
33,906	Usable Reserves	12	35,124
137,620	Unusable Reserves	13	184,722
171,526	**TOTAL RESERVES**		**219,846**

The audited accounts were authorised for issue on 17th April 2024

Cash Flow Statement

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2020/21 £000		Notes	2021/22 £000
(388)	Net Surplus/(Deficit) on the Provision of Services		(1,067)
12,332	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements		8,467
(4,827)	Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		6,198
7,117	**Net Cash Flows from Operating Activities**	17a	**13,598**
(9,842)	Investing Activities	17c	(10,391)
1,387	Financing Activities	17d	(3,755)
(1,338)	**Net Increase / (Decrease) in Cash and Cash Equivalents**		**(548)**
13,975	Cash and Cash Equivalents at the Beginning of the Reporting Period		12,637
12,637	**Cash and Cash Equivalents at the End of the Reporting Period**		**12,089**

Notes to the Financial Statements

The notes to the core financial statements are shown below. Some are dictated by statute while others are included to add clarity.

1. Amounts Reported for Resource Allocation Decisions

Decisions about resource allocation are taken by the Council's Executive on financial reports prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement); and
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in year.

The following tables analyse and show the relationship between the statutory statements and the financial information reported to and used by the decision makers.

1a. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to Council Tax and rent payers payers how the funding available to the Council (i.e. government grants, rents, Council Tax and Business Rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22				2022/23		
Net Expenditure to GF Balance	Adjustments Funding & Accounting	Net Expenditure in the CIES		Net Expenditure to GF Balance	Adjustments Funding & Accounting	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
440	47	487	Alliance Leadership Team	367	40	407
93	13	106	Audit	92	7	99
578	86	664	ICT	633	89	722
64	0	64	Human Resources	49	0	49
223	41	264	Member Services	233	37	270
453	940	1,393	Property Services	1,168	1,841	3,009
171	0	171	Benefits	291	0	291
218	92	310	Revenues	73	91	164
443	189	632	Planning Applications	461	144	605
62	0	62	Building Control	54	(3)	51
443	222	665	Customer Services	497	180	677
225	98	323	Legal Services	280	85	365
42	6	48	Electoral Services	34	(1)	33
(286)	0	(286)	Licensing and Land Charges	(298)	0	(298)
291	107	398	Regeneration	312	32	344
415	39	454	Communities and Cultural	271	47	318
(84)	465	381	Housing Strategy	141	818	959
203	103	306	Transformation	256	82	338
87	0	87	Community Safety and Enforcement	117	6	123
331	57	388	Finance and Performance	408	(6)	402
4,216	(3,633)	583	Corporate Finance	2,242	(2,851)	(609)
1,677	690	2,367	Waste Collection	2,045	901	2,946
462	183	645	Street Scene	479	107	586
589	0	589	Leisure Services	197	0	197
385	391	776	Horticulture	373	170	543
307	(184)	123	Environmental Health	516	(1)	515
(5,785)	(1,135)	(6,920)	Local Authority Housing (Housing Revenue Account)	(4,765)	(151)	(4,916)
6,263	**(1,183)**	**5,080**	**Cost of Services**	**6,526**	**1,664**	**8,190**
(2,192)	(2,500)	(4,692)	Other Income and Expenditure	(6,460)	(663)	(7,123)
4,071	**(3,683)**	**388**	**(Surplus) or Deficit on Provision of Services**	**66**	**1,001**	**1,067**
	General Fund	HRA			General Fund	HRA
(29,749)	**(11,847)**	**(17,902)**	**Opening General Fund and HRA Balance**	**(25,678)**	**(9,133)**	**(16,545)**
4,071	2,714	1,357	Less (Surplus) or Deficit in Year	66	(1,216)	1,282
(25,678)	**(9,133)**	**(16,545)**	**Closing General Fund and HRA Balance**	**(25,612)**	**(10,349)**	**(15,263)**

1b. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and the HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

2021/22 Adjustments for Capital Purposes £000	2021/22 Net Change of the Pension Adjustment £000	2021/22 Other Differences £000	2021/22 Total Adjustments £000		2022/23 Adjustments for Capital Purposes £000	2022/23 Net Change of the Pension Adjustment £000	2022/23 Other Differences £000	2022/23 Total Adjustments £000
0	47	0	47	Alliance Management	0	40	0	40
0	13	0	13	Audit	0	7	0	7
86	0	0	86	ICT	89	0	0	89
0	0	0	0	Human Resources	0	0	0	0
3	38	0	41	Member Services	1	36	0	37
815	126	(1)	940	Property Services	1,788	60	(7)	1,841
0	0	0	0	Benefits	0	0	0	0
0	92	0	92	Revenues	0	91	0	91
0	187	2	189	Planning Applications	0	144	0	144
0	0	0	0	Building Control	0	0	(3)	(3)
0	222	0	222	Customer Services	0	191	(11)	180
0	103	(5)	98	Legal Services	0	83	2	85
0	0	6	6	Electoral Services	0	0	(1)	(1)
0	0	0	0	Licensing and Land Charges	0	0	0	0
21	92	(6)	107	Regeneration	0	57	(25)	32
0	42	(3)	39	Communities and Cultural	0	48	(1)	47
116	381	(32)	465	Housing Strategy	473	350	(5)	818
0	103	0	103	Transformation	0	82	0	82
0	0	0	0	Community Safety and Enforcement	6	0	0	6
0	57	0	57	Finance and Performance	0	0	(6)	(6)
(839)	(1,925)	(869)	(3,633)	Corporate Finance	(692)	(1,874)	(285)	(2,851)
408	283	(1)	690	Waste Collection	349	549	3	901
63	120	0	183	Street Scene	107	0	0	107
0	0	0	0	Leisure Services	0	0	0	0
174	217	0	391	Horticulture	170	0	0	170
(289)	100	5	(184)	Environmental Health	(90)	93	(4)	(1)
(1,488)	387	(34)	(1,135)	Local Authority Housing (Housing Revenue Account)	(199)	90	(42)	(151)
(930)	**685**	**(938)**	**(1,183)**	**Cost of Services**	**2,002**	**47**	**(385)**	**1,664**
(781)	951	(2,670)	(2,500)	Other Income and Expenditure from the Expenditure and Funding Analysis	(3,180)	960	1,557	(663)
(1,711)	**1,636**	**(3,608)**	**(3,683)**	**Difference between General Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statement**	**(1,178)**	**1,007**	**1,172**	**1,001**

Adjustments for Capital Purposes: Adjustments to General Fund Balances to meet the requirement of generally accepted accounting practices.

Within Cost of Services:

- adds in depreciation and impairment on Assets used by the service.
- adjusts for any revaluation gains and losses on those Assets.

Within Other Income and Expenditure:

- Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

- 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.
- 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.
- Credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments: Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

Within Cost of Services

- 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.

Within Other Income and Expenditure

- Records the net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement.

Adjustments for Other Differences: including **o**ther differences between amounts debited/credited to the Comprehensive Income, and Expenditure Statement and amounts payable/receivable to be recognised under statute.

Within Cost of Services

- Statutory adjustment for a financial instrument relating to a decision to issue a soft loan (below market rates)
- Accounting for the employee accumulated absence liability.

Within Other Income and Expenditure

- Adjustments to the General Fund for the timing differences for premiums and discounts.
- The difference between what is chargeable under statutory regulations for Council Tax and Business Rates 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.

1c. Expenditure and Income Analysed by Nature

This represents a subjective analysis of the Surplus/Deficit on the Provision of Services as reported in the Comprehensive Income and Expenditure Statement.

	2021/22 £000	2022/23 £000
Employee expenses	14,956	15,011
Other service expenses	30,556	29,185
Depreciation, amortisation and impairment	2,442	8,054
Interest Payments	2,618	3,404
Precepts & Levies	687	754
Payments to Housing Capital Receipts Pool	390	0
Derecognition and Disposal Value of Fixed Assets	7,726	8,768
Total Expenditure	**59,375**	**65,176**
Fees, charges & other service income	(23,473)	(23,891)
Income from Council Tax	(6,977)	(7,207)
Income from Business Rates	(4,902)	(4,019)
Interest and Investment Income	(70)	(552)
Government grants and contributions	(19,275)	(16,391)
Capital Grants and Contributions	(1,796)	(9,896)
Capital Receipts	(2,494)	(2,153)
Total Income	**(58,987)**	**(64,109)**
(Surplus) or Deficit on the Provision of Services	**388**	**1,067**

1d. Segmental Analysis

This Table shows a further breakdown by service of Fees, Charges and Other Income reported at 1c.

2021/22 £000	Fees, Charges and Other Income	2022/23 £000
(2)	Alliance Management	(1)
(266)	ICT	(268)
0	Human Resources	(1)
(50)	Member Services	(50)
(1,466)	Property Services	(1,456)
103	Benefits	103
(185)	Revenues	(190)
(302)	Planning Applications	(442)
(31)	Building Control	1
(30)	Customer Services	(33)
(12)	Legal Services	(14)
(2)	Electoral Services	(2)
(311)	Licensing and Land Charges	(290)
(32)	Regeneration	(287)
0	Communities and Cultural	(15)
(852)	Housing Strategy	(892)
(8)	Community Safety and Enforcement	(8)
(88)	Finance and Procurement	96
(1,047)	Corporate Finance	(1,089)
(2,067)	Waste	(2,142)
(418)	Street Scene	(237)
0	Leisure Services	(21)
(1,055)	Horticulture	(1,098)
(102)	Environmental Health	(88)
(15,250)	Local Authority Housing (Housing Revenue Account)	(15,467)
(23,473)	**Total Income Analysed on a Segmental Basis**	**(23,891)**

2. Net Cost of Services

The following notes consider transactions included in the Cost of Services in the Comprehensive Income & Expenditure Statement in more detail.

2a. Members' Allowances

The Council paid the following amounts to members of the Council during the year.

	2021/22 £	2022/23 £
Allowances	184,208	181,306
Expenses	606	599
Total	**184,814**	**181,905**

2b. Officers' Remuneration

Remuneration paid to the Council's senior employees: under the management arrangements for the Alliance, costs and responsibilities for senior posts are shared between High Peak Borough Council and Staffordshire Moorlands District based on the proportion of time allocated to the two Authorities, including Housing Revenue Account responsibilities at High Peak. In line with the regulations, the remuneration of senior officers is included in the disclosure within the Statement of Accounts of the Authority by whom they are employed and paid.

Senior Officers with salary between £50,000 and £150,000 during 2022/23:

2022/23	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Proportion of Total charged to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director	109,815	963	110,778	14,715	125,493	56,472	69,021
Organisational Development & Transformation Manager	66,345	963	67,308	8,890	76,198	30,479	45,719
Legal & Electoral Services Manager	54,536	963	55,499	7,308	62,807	25,123	37,684
Asset Manager	49,207	963	50,170	6,594	56,764	18,732	38,032
Regeneration Manager	23,144	963	24,107	3,035	27,142	13,571	13,571
Head of Regeneration	11,058	161	11,219	1,482	12,701	6,350	6,351
Operational Manager - Planning & Building Control	66,345	963	67,308	8,890	76,198	38,099	38,099
Operational Manager - Housing & Benefits	66,345	963	67,308	8,890	76,198	15,240	60,958
Operational Manager - Customer Services	66,345	963	67,308	8,890	76,198	34,289	41,909
	513,140	**7,865**	**521,005**	**68,694**	**589,699**	**238,355**	**351,344**

Head of Assets left in January 2023 this post was covered by agency in the interim to the value of £12,717

Regeneration Manager left in August 2022 this post was covered by agency in the interim to the value of £48,638

Replacement Head of Regeneration started in February 2023

As can be seen from the table above, there is a recharge to Staffordshire Moorlands District Council of £238,355 for the posts paid by High Peak Borough Council. However, as the Joint Chief Executive and a number of Directors and Senior Officers are employed and paid by Staffordshire Moorlands District Council, there is a recharge back to High Peak Borough Council of £569,840 as detailed in the following table.

2022/23	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Senior Officer with Salary over £150,000							
Chief Executive Officer	169,753	15,005	184,758	28,179	212,937	125,120	87,817
Senior Officers with Salary over £50,000 to £150,000							
Executive Director & Chief Financial Officer	107,565	899	108,464	17,856	126,320	75,792	50,528
Executive Director & Monitoring Officer	135,907	3,629	139,536	22,560	162,096	97,258	64,838
Audit Services Manager	66,345	6,647	72,992	11,013	84,005	50,403	33,602
Head of Finance	63,781	963	64,744	10,588	75,332	37,666	37,666
Operations Manager Environmental Services (Regulatory)	66,345	5,241	71,586	11,046	82,632	41,316	41,316
Operations Manager Contract Management	37,576	544	38,120	6,217	44,337	24,385	19,952
Head of Revenues & Benefits	63,781	963	64,744	10,588	75,332	41,432	33,900
Head of Communities & Climate Change	60,963	4,551	65,514	10,120	75,634	37,817	37,817
Head of Democratic Services	60,903	6,290	67,193	10,110	77,303	38,651	38,652
	832,919	**44,732**	**877,651**	**138,277**	**1,015,928**	**569,840**	**446,088**

Executive Director & Chief Financial Officer was in post in April 2022 - this post was covered by agency in the interim at a cost of £8,510 to HPBC.

2021/22 Comparatives

Senior Officers with salary between £50,000 and £150,000 during 2021/22:

2021/22	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Proportion of Total charged to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director	107,890	963	108,853	14,457	123,310	55,490	67,820
Organisational Development & Transformation Manager	64,420	963	65,383	8,632	74,015	29,606	44,409
Legal & Electoral Services Manager	64,420	963	65,383	8,632	74,015	29,606	44,409
Asset Manager	59,292	963	60,255	7,945	68,200	22,506	45,694
Regeneration Manager	61,856	963	62,819	8,287	71,106	35,553	35,553
Operational Manager - Planning & Building Control	64,420	963	65,383	8,632	74,015	37,008	37,007
Operational Manager - Housing & Benefits	64,420	963	65,383	8,632	74,015	14,803	59,212
Operational Manager - Customer Services	64,420	963	65,383	8,632	74,015	33,307	40,708
	551,138	**7,704**	**558,842**	**73,849**	**632,691**	**257,879**	**374,812**

Acting Executive Director & Chief Financial Officer left 4.7.21 this post was covered by agency in the interim to the value of £71,869

Democratic & Community Services Manager left 31.08.21

Head of Communities & Climate Control and Head of Democratic Services were in post on 1.07.21

Recharge from Staffordshire Moorlands D.C:

2021/22	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Senior Officer with Salary over £150,000							
Chief Executive Officer	164,430	21,584	186,014	27,295	213,309	125,829	87,480
Senior Officers with Salary over £50,000 to £150,000							
Acting Executive Director & Chief Financial Officer	29,797	251	30,048	4,403	34,451	20,670	13,781
Executive Director & Monitoring Officer	133,982	4,425	138,407	22,229	160,636	96,381	64,255
Audit Services Manager	64,420	6,455	70,875	10,694	81,569	48,941	32,628
Democratic & Community Services Manager	152,048	401	152,449	4,269	156,718	78,359	78,359
Head of Finance	58,610	963	59,573	9,729	69,302	34,651	34,651
Operations Manager Environmental Services (Regulatory)	64,424	5,241	69,665	11,145	80,810	40,405	40,405
Operations Manager Contract Management	64,420	963	65,383	10,694	76,077	41,842	34,235
Head of Revenues & Benefits	58,705	963	59,668	9,745	69,413	38,177	31,236
Head of Communities & Climate Change	52,838	4,556	57,394	8,771	66,165	33,082	33,083
Head of Democratic Services	50,768	6,300	57,068	8,427	65,495	32,747	32,748
	894,442	**52,102**	**946,544**	**127,401**	**1,073,945**	**591,084**	**482,861**

Termination benefits paid to the Council's non senior employees:

There were no termination benefits paid for departures in 2022/23. There was one senior departure recharged from Staffordshire Moorlands DC in 2021/22, this is shown in the table above.

No shared employees left High Peak Borough Council in 2022/23; consequently, no recharge of cost has been made to Staffordshire Moorlands District Council.

Similarly, no recharge has been made by Staffordshire Moorlands District Council for shared employees as no such departures have taken place in 2022/23. High Peak Borough Council remains liable for £126,546 in future pension fund costs associated with previous departures.

2c. 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 has effective control over general operations of the Council. It provides the statutory framework, provides funding, and prescribes the terms of many transactions with other parties (such as housing benefit).

Local Authorities such as Derbyshire County Council, Derbyshire Fire Authority, the Office of the Police & Crime Commissioner - Derbyshire, and local Town and Parish Councils issue precepts on the Council which are shown in the Collection Fund. The County administers the Council's pension fund. There are other transactions with these authorities involving service provision and funding.

Members have direct control over the Council's financial and operating policies. The Council also nominates Members to sit on outside bodies. Several Council Members are also Members of Derbyshire County Council, local parish councils, or various local voluntary organisations, which the Council supports financially. Four charitable organisations, where Members have declared an interest, received Council funding that could be considered a material proportion of their total turnover.

Charity	Funding £000
Glossop Furniture Project	7
Derbyshire Wildlife Trust	37
New Mills & District Volunteer Centre	5
Glossop & District Volunteer Bureau	101

Council members make disclosures of relevant interests to the Council's Monitoring Officer, and have to make declarations on individual committee decisions. The Register of Member Interests is open to public inspection, subject to prior notice, at The Glossop One Stop Shop at the Municipal Buildings, Glossop.

Officers have scope, in some circumstances, to influence Council policy. The Chief Executive Officer maintains a record of officer interests, which together with the Council's standards and procedures, acts as a guard against undue influence.

Related Party Transactions

Material transactions with Central and other Local Government organisations are separately reported throughout the Statements, including the analyses of precepts, grants, and pension contributions. There are no material transactions or evidence suggesting undue influence in relation to Members or Officers.

Subsidiary, associated companies or joint ventures

The Strategic Alliance with Staffordshire Moorlands District Council involves development of joint working at all levels, including shared resources and staff. The two Authorities, however, retain their political and financial independence and accountability. The Strategic Alliance has joined with Ansa (a wholly owned subsidiary of Cheshire East Council) to create a joint operation called Alliance Environmental Services Limited (AES) to deliver waste, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands areas. The Strategic Alliance has also joined with Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) to deliver facilities management, property services, housing repairs, and other maintenance services). Section 2e gives further detail about the Strategic Alliance, AES, and Alliance Norse.

2d. Audit Costs

The costs set out below have been incurred in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors, Grant Thornton.

	2021/22 £000	2022/23 £000
Fees payable to the appointed auditors for external audit services carried out for the year	63	72
Fees payable for external audit services carried out in relation to previous years	0	3
Fees payable to the external auditor for the certification of grants claims and returns for the year	16	24
Fees payable in respect of other services provided by the external auditors during the year	10	38
Total	**89**	**137**

2e. Interests in companies & other entities and joint arrangements

The Council actively pursues working in partnership with other organisations where this can improve efficiency and effectiveness in achieving key priorities. Some of the more significant joint arrangements are detailed below:

Staffordshire Moorlands District Council - Strategic Alliance

On 11th June 2008, the strategic Alliance between High Peak Borough Council and Staffordshire Moorlands District Council was formally sealed at a signing ceremony in the presence of both Council leaders. The aim of the Alliance is not only to produce savings through joint procurement and working, but to draw on the expertise of both Authorities to improve service provision.

Any costs and savings, incurred and accruing in an accounting period, are accounted for by the relevant Council. The Alliance-related expenditure of High Peak Borough Council amounted to in £3.209 million 2022/23 (£3.047million in 2021/22). The corresponding income received from Staffordshire Moorlands District Council was £3.021 million in 2021/22 (£2.896million in 2021/22)

	Paid by HPBC to SMDC £000	Paid by SMDC to HPBC £000
Contribution to Employee Costs	2,075	2,344
Contribution to Other Costs	1,134	677
Total	**3,209**	**3,021**

Alliance Environmental Services Ltd (Registered company number 10760856)

Alliance Environmental Services Ltd (AES) is a company created to deliver waste, fleet, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council, and Ansa, which is a wholly owned subsidiary of Cheshire East Council.

The company was incorporated under the Companies Act 2006 on 9 May 2017 as a private company limited by shares. It has issued ordinary shares of £1.00 each in the volume of 150 to Ansa, 25 to High Peak Borough Council , and 25 to Staffordshire Moorlands District Council. The registered office of the company is c/o Ansa Environmental Services Ltd, Environmental Hub C/o Ansa Environmental Services Limited, Cledford Lane, Middlewich, Cheshire, England, CW10 0JR.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out the terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement.

The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a Joint Operation. A joint operation does not require separate group accounts, instead a proportion of the company's Balance Sheet and the outturn on service expenditure and income, in line with the percentage provision of services to each Council, are consolidated line by line into the Council's own Comprehensive Income and Expenditure Statement, Cash Flow Statement and Balance Sheet. This consolidation has the effect of analysing the elements of the management fee paid to AES for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is held on the company's balance sheet in reserves. During the year, AES has provided services in proportion of 52% to High Peak Borough Council and 48% to Staffordshire Moorlands District Council. These proportions are shown in the tables below and are consolidated into the respective Councils' financial statements.

31 March 2022 based on current yr share of operations £000	Council share of AES Balance Sheet	31 March 2023 based on current yr share of operations £000
1,418	Current Assets	1,099
1,418	**TOTAL ASSETS**	**1,099**
(1,179)	Current Liabilities	(810)
0	Long Term Liabilities	(20)
(1,179)	**TOTAL LIABILITIES**	**(830)**
239	**TOTAL NET ASSETS**	**269**
	Capital and Reserves	
239	Retained Earnings	269
239	**TOTAL RESERVES**	**269**

2021/22	Council share of AES Income and Expenditure Statement	2022/23
£000		£000
(5,836)	Turnover	(6,581)
4,512	Cost of Sales	5,430
(1,324)	**Gross Profit**	**(1,151)**
1,272	Administrative Expenses	1,123
(52)	**Profit from Operating Activities**	**(28)**
1	Finance Costs	(9)
10	Corporation Tax Expense	7
(41)	**(Profit)/Loss for Year**	**(30)**

(both tables have been updated to reflect the AES 2021/22 audited accounts)

This share of the company's profit is included in the Net Expenditure position in the Council's Comprehensive Income & Expenditure statement (CIES) for General Fund Waste Collection, Street Scene, and Horticulture Services, and in the HRA along with the total management fee paid to the company less the efficiency rebate:

AES net management fee included in CIES	2022/23		
	General Fund	HRA	Total
	£000	£000	£000
Management fee and charges	4,467	228	4,695
Less efficiency rebate	(24)	(1)	(25)
Net management fee	**4,443**	**227**	**4,670**
Less Joint Operation profit allocation	(29)	(1)	(30)
Total	**4,414**	**226**	**4,640**

Alliance Norse Ltd - (Registered company number 13861679)

Alliance Norse Limited is a company created to deliver facilities management, property services and other maintenance services in the High Peak and Staffordshire Moorlands. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council, and Norse Commercial Services Limited, a trading arm of the Norse Group which is wholly owned by Norfolk Country Council.

The company was incorporated under the Company Act 2006 on 20 January 2022 as a private company limited by shares. It has issued ordinary shares of £0.25 each in the volume of 30 to Norse Commercial Services Ltd, 5 to High Peak Borough Council, and 5 to Staffordshire Moorlands District Council. The registered office of the company is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. Phase 1 of the project to deliver corporate cleaning and caretaking services went live on 1 April 2022 and phase 2, for the delivery of the remainder of the services, on 4 July 2022.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement.

The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a Joint Operation. A joint operation does not require separate group accounts, instead the Council's share of the company's Balance Sheet and the outturn on service expenditure and income are consolidated line by line into the Council's own Comprehensive Income and Expenditure Statement, Cash Flow Statement and Balance Sheet. This consolidation has the effect of analysing the elements of the total fee paid to Alliance Norse Ltd for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is held on the company's balance sheet in reserves. During the year Alliance Norse Limited has provided services in proportion of 89% to High Peak Borough Council (24% to the General Fund activities, and 65% to the Housing Revenue Account (HRA) activities), and 11% to Staffordshire Moorlands District Council. These proportions are shown in the tables below and are consolidated into the respective Councils' financial statements.

31 March 2022 based on current yr share of operations			Council share of Alliance Norse Ltd Balance Sheet	31 March 2023 based on current yr share of operations		
General Fund	HRA	Total		General Fund	HRA	Total
£000	£000	£000		£000	£000	£000
0	0	0	Non- Current Assets	70	193	263
0	0	0	Current Assets	376	827	1,203
0	**0**	0	**TOTAL ASSETS**	**446**	**1,020**	**1,466**
0	0	0	Current Liabilities	(314)	(872)	(1,186)
0	0	0	Long Term Liabilities	(63)	(176)	(239)
0	**0**	0	**TOTAL LIABILITIES**	**(377)**	**(1,048)**	**(1,425)**
0	**0**	0	**TOTAL NET ASSETS**	**69**	**(28)**	**41**
0	0	0	Share Capital	0	0	0
0	0	0	Retained Earnings	69	(28)	41
0	**0**	0	**TOTAL RESERVES**	**69**	**(28)**	**41**

2021/22			Council share of Alliance Norse Ltd Income and Expenditure Statement	2022/23		
General Fund	HRA	Total		General Fund	HRA	Total
£000	£000	£000		£000	£000	£000
0	0	0	Turnover	(1,605)	(6,839)	(8,444)
0	0	0	Cost of Sales	1,636	5,947	7,583
0	**0**	**0**	**Gross Profit**	**31**	**(892)**	**(861)**
0	0	0	Overheads	(115)	925	810
0	**0**	**0**	**(Profit)/ Loss from Operating Activities**	**(84)**	**33**	**(51)**
10	10	20	Corporation Tax Expense	15	(5)	10
10	**10**	**20**	**(Profit)/Loss for Year**	**(69)**	**28**	**(41)**

This share of the company's profit is included in the Net Expenditure position in the Council's Comprehensive Income & Expenditure statement (CIES) for Property Services in the General Fund, and in the HRA along with the total management fee paid to the company and the contract discount:

Alliance Norse Ltd net management fee included in CIES	2022/23		
	General Fund	HRA	Total
	£000	£000	£000
Management fee	1,323	3,278	4,601
Less contract discount	(58)	16	(42)
Net management fee	**1,265**	**3,294**	**4,559**
Less Joint Operation profit allocation	(69)	28	(41)
Total	**1,196**	**3,322**	**4,518**

Capital additions through the Company of £189,240 General Fund, and £3,438,660 HRA are included in Note 6.

3. Corporate Income and Expenditure

The following notes consider transactions included in the Comprehensive Income & Expenditure Statement in more detail:

3a. Other Operating Expenditure

2021/22 £'000		2022/23 £'000
687	Parish Council Precepts	754
390	Payments to the Government Housing Capital Receipts Pool	0
(2,494)	Capital Receipts	(2,109)
5,970	Derecognition of Fixed Assets	6,958
1,756	Disposal Value of Fixed Assets	1,766
6,309	**Total**	**7,369**

3b. Financing and Investment Income and Expenditure

2021/22 £'000		2022/23 £'000
2,618	Interest payable and similar charges	3,404
951	Pensions interest cost and expected return on pensions assets	960
(70)	Interest receivable and similar income	(552)
222	(Gain)/Loss in the fair value of Investment properties	0
3,721	**Total**	**3,812**

3c. Taxation and Non-Specific Grant Income & Expenditure

2021/22 £'000		2022/23 £'000
(6,977)	Council Tax income	(7,207)
(1,645)	Business Rates Retention	(1,046)
(4,304)	Non ringfenced Government Grants	(3,921)
(1,796)	Capital Grants and Contributions	(6,130)
(14,722)	**Total**	**(18,304)**

3d. Grant Income

	2021/22 £000	2022/23 £000
Non Ringfenced Government Grants		
Business Rates Grants	(3,257)	(2,974)
Central Government Support Grants	(1,048)	(947)
Total	**(4,305)**	**(3,921)**
Capital Grants and Contributions		
Capital Grants	(1,796)	(6,130)
Total	**(1,796)**	**(6,130)**
Capital Grants applied to CIES		
Disabled Facilities Grant	(555)	(555)
Capital Grants	(411)	(3,209)
Total	**(966)**	**(3,764)**
Credited to Services		
Housing Benefit Subsidy	(14,576)	(13,484)
New Burdens and Capacity Funding	(430)	(581)
Other Grants	(772)	(1,264)
Central Government Support Grants	(1,484)	(97)
	(17,262)	**(15,426)**
Total	**(18,228)**	**(19,190)**

3e. Grant Income: Authority as an Agent

During 2022/23 the Council continued to administer grants on behalf of Central Government to facilitate support to local businesses and residents. The eligibility criteria hand grant award amounts for some of these schemes were prescribed by Central Government, therefore, under accounting practice, the Council has acted as an Agent in delivering these grant schemes, rather than a Principal where the Council has a degree of control or discretion in grant awards. Where the Council acted as an Agent in delivering grants, the balance of any funding received to deliver these grants is included in the Balance Sheet as a Creditor where there are future grants to be awarded or surplus funding to be returned to Central Government upon closure of the grant scheme. These grants are summarised below:

Grants - Authority as Agent	1st April 2022 Debtor/ (Creditors) Balance brought forward £'000	2022/23 Grant Awards/ (Repayments) £'000	2022/23 Funding Movement (Receipts)/ Repayments £'000	31st March 2023 Debtor/ (Creditors) Balance Carried Forward £'000
Small Business Grants Fund (SBGF) and Retail, Hospitality and Leisure Grant Fund (RHLGF)	(86)	(65)	0	(151)
Local Restrictions Support Grant (LRSG) Closed (inc Sector	(13)	0	0	(13)
Christmas Support Payment (CSP) Wet Led	(1)	0	0	(1)
Closed Business Lockdown Payment (CBLP)	(4)	0	0	(4)
Restart Grant	215	0	(243)	(28)
Omicron Hospitality & Leisure Grant	(609)	0	609	0
Covid 19 Isolation Scheme	(44)	1	0	(43)
Energy Support Grant	(5,199)	5,157	(353)	(395)
	(5,741)	**5,093**	**13**	**(635)**

4. Retirement Benefits

The following notes consider the impact of accounting for retirement benefits on the Council's Statement of Accounts in more detail.

4a. Participation in Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlements. Employees of High Peak Borough Council are admitted to the Derbyshire County Council Pension Fund, which is administered by Derbyshire County Council under the Regulations governing the Local Government Pension Scheme (LGPS). Decisions relating to the administration of the Fund are delegated to the Pensions Committee, a body made up of elected members. Further information can be found via the Pension Fund's website (www.derbyshirepensionfund.org.uk).

The LGPS is a funded as well as a Defined Benefit Scheme. This means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The employer contribution rates are set by Hymans Robertson LLP, the Pension Fund's professionally qualified and independent actuary, and are based on triennial valuations of the Fund. The Fund underwent a valuation as at 31st March 2022 which set the required employer contribution rates for the three years commencing 1st April 2023. As the Fund is effectively underwritten by the employers, any deterioration in performance can have serious long term financial consequences for the Council. Steps have been taken nationally to mitigate this risk to the local taxpayer, by reforming the LGPS and introducing a greater element of future cost sharing between the scheme employers and the scheme beneficiaries. A legal challenge to these reforms is on-going (see section 4g below).

4b. Transactions Relating to Retirement Benefits

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

Local Government Pension Scheme	**£000 2021/22**	**£000 2022/23**
Cost of Services:		
Current service cost	(3,605)	(2,882)
Net Interest		
Interest cost on defined benefit obligation	(3,014)	(4,051)
Interest income on plan assets	2,063	3,091
Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	**(4,556)**	**(3,842)**
Remeasurements of the net defined benefit comprising:		
Changes in demographic assumptions	942	(1,056)
Changes in financial assumptions	8,080	(48,972)
Other experience	(1,398)	8,469
Return on assets excluding amounts included in net interest	5,723	6,382
Total post employment benefit charged to the Comprehensive Income & Expenditure Statement	**8,791**	**(39,019)**
Movement in Reserve 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	(4,556)	(3,842)
Actual amount charged against the General Fund Balance for pensions in the year:		
• employers contributions payable to scheme	**2,917**	**2,836**

The Comprehensive Income & Expenditure Statement shows the net position of the defined pension benefit liability as being (£35,177,000). This figure takes into account the actual payments made to the Fund during the year. This differs from the Pension disclosures in note 4, which include the estimated employer pension contributions used by the Actuary in preparing the IAS19 report. The table below reconciles this difference and provides further detail:

Difference on remeasurement of net defined benefit liability compared with CIES	**2022/23 £000**	**£000**
CIES Remeasurement of net defined benefit liability		(35,177)
Pensions - Total post employment benefit charged to services (above)	(3,842)	
Pensions - Total post employment benefit charged to CIES (above)	39,019	
		35,177
Difference on CIES compared with Note 5		**0**
Employer Contributions to Fund:		
Actuarial estimate for IAS19 purposes	2,836	
Actual contributions accounted for in 2021/22	2,835	
Difference on Estimation		**1**

4c. Assets and Liabilities in Relation to Retirement Benefits

The pension liability reported on the Balance Sheet shows the Council's projected liability on its share of the Derbyshire Pension Fund. This represents the underlying commitment to pay retirement benefits in the long run. It is a net figure comprising the following overall assets and liabilities for the Council's share of the Scheme.

Year Ended	**31-Mar-22 £'000**	**31-Mar-23 £'000**
Estimated Liabilities in the Scheme	(150,473)	(112,278)
Estimated Assets in the Scheme	114,930	110,906
Net Asset / (Liability) arising from Defined Benefit Obligation	**(35,543)**	**(1,372)**

The £34.171million decrease in the net liability between years reflects changes in financial assumptions, which reduced its liability. The impacts of the McCloud judgement and GMP equalisations (explained and referred to in 4g below) are also reflected in the valuation. The relative movement in individual asset and liability valuations are set out in the following two tables.

Reconciliation of Liabilities (Obligations):

Year Ended	31-Mar-22 £'000	31-Mar-23 £'000
Opening Defined Benefit Obligation	**150,759**	**150,473**
Current service cost	3,605	2,882
Interest cost on defined benefit obligation	3,014	4,051
Plan participants' contributions	450	414
Changes in demograpic assumptions	(942)	(1,056)
Changes in financial assumptions	(8,080)	(48,972)
Other experience	5,623	8,469
Unfunded benefits paid	(91)	(90)
Benefits paid	(3,865)	(3,893)
Closing Balance at 31 March	**150,473**	**112,278**

Reconciliation of Fair Value of Employer Assets:

Year Ended	31-Mar-22 £'000	31-Mar-23 £'000
Opening Fair Value of Scheme Assets	**103,508**	**114,930**
Interest on plan assets	2,063	3,091
Plan participants' contributions	450	414
Contributions by the employer	2,826	2,746
Contributions in respect of unfunded benefits	91	90
Return on assets (excl amounts included in net interest)	5,723	(6,382)
Unfunded benefits paid	(91)	(90)
Benefits paid	(3,865)	(3,893)
Other Experiences	4,225	0
Closing balance at 31 March	**114,930**	**110,906**

The profile of the scheme's liabilities is summarised in the table below:

Profile of Liabilities	Liability split 31.3.2023
Active members	26.76%
Deferred members	23.49%
Pensioner members	49.75%
Total	**100.00%**

4d. Scheme History

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Present Value of Liabilities:					
Estimated Liabilities in the Scheme	(141,161)	(119,427)	(150,759)	(150,473)	(112,278)
Estimated Assets in the Scheme	90,187	86,018	103,508	114,930	110,906
Surplus / (Deficit)	**(50,974)**	**(33,409)**	**(47,251)**	**(35,543)**	**(1,372)**

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £1.372million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, which now stands, after accounting for these pension costs, at an overall balance of £219.746million. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit in the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. In the year ending 31 March 2023 contributions of £2,766,000 are expected to be made into the Fund.

4e. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependant on assumptions about salary levels, mortality rates, etc. The scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Their estimates for the County Council Fund are based on the latest full valuation of the scheme as at 31st March 2019.

The principal assumptions used by the Actuary have been:

Financial:

Financial Assumptions as at	31st March 2022 (% per annum)	31st March 2023 (% per annum)
Salary Increase Rate	4.20%	4.00%
Pension Increase Rate	3.20%	3.00%
Discount Rate	2.70%	4.75%

Mortality:

	31st March 2022		31st March 2023	
Longevity beyond age 65	Males	Females	Males	Females
Current Pensioners	21.3 Years	24.3 Years	21.0 Years	23.8 Years
Future Pensioners	22.2 Years	25.8 Years	21.8 Years	25.5 Years

Commutation*:* An allowance is included for 60% (60% in 2022/23) of future retirements to elect to take additional tax free cash up to HMRC limits and 60% of the maximum tax-free cash for post-April 2008 service.

Asset Category: The Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

Asset category	31st March 2022 Fund Value £'000	31st March 2022 Asset Distribution %	31st March 2023 Fund Value £'000	31st March 2023 Asset Distribution %
Equity Securities				
Consumer	455	1	348	0
Manufacturing	293	0	139	0
Energy & Utilities	145	0	102	0
Financial Instruments	219	0	139	0
Health & Care	301	0	193	0
Information Technology	412	0	230	0
Other	4,023	4	3,247	3
Debt Securities				
Corporate Bonds (investment grade)*	14,958	14	14,213	13
UK Government	9,645	8	8,968	8
Other	2,040	2	1,845	2
Private Equity				
All	5,517	5	5,393	5
Real Estate				
UK Property*	9,059	8	8,753	8
Investment Funds and Unit Trusts				
Equities	53,229	46	52,134	47
Infrastructure	9,470	8	11,941	11
Cash and Cash Equivalents				
All	5,164	4	3,261	3
Total	**114,930**	**100**	**110,906**	**100**

* denotes asset prices not quoted in an active market

4f. Sensitivity to Changes in Actuarial Assumptions

The assumptions made by the Actuary are subject to change between valuation dates as a result of variations in such factors as longevity, investment return, and inflation. The table below illustrates the sensitivity to such changes and the consequent impact on the employer liability:

Sensitivity Analysis -change in assumptions at 31/3/2023	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2.00%	1,764
1 year increase in member life expectancy	4.00%	4,420
0.1% increase in the Salary Increase Rate	0.00%	195
0.1% Increase in the Pension Increase Rate	2.00%	1,594

4g. Impact of the McCloud Judgment

The McCloud Judgement relates to a legal challenge by members of the New Judicial Pension Scheme against the age-based transitional provisions put into place when new pension arrangements were introduced in 2015. The members argued that these transitional provisions were directly discriminatory on grounds of age and indirectly discriminatory on grounds of sex and race, based on the correlation between these two factors reflected in the judicial membership. The impacts of McCloud have been included in the figures disclosed in this note.

Guaranteed Minimum Pension (GMP) was accrued by members of the LGPS between 6 April 1978 and 5 April 1997. The introduction of the new Single State Pension in April 2016 brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits. The responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes with the effect of increasing costs for LGPS employers. The Actuary made allowance for this in the pension costs included in 2019/20 statements. No change has been made to this position for 2022/23 and these costs remain in the Pension figures.

5. Adjustments Between Accounting Basis & 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 arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2022/23	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repair Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation - GF	(2,570)	0	0	0	0	2,570
Charges for depreciation - HRA	0	(2,289)	0	0	0	2,289
Impairment / Revaluation losses charged to CIES	(95)	(760)	0	0	0	855
Impairment Written Back - Revaluation Gain	215	958	0	0	0	(1,173)
Movements in the fair value of Investment Properties	0	0	0	0	0	0
Amortisation of intangible assets	(39)	0	0	0	0	39
Capital Grants and contributions applied to capital	9,582	98	0	0	0	(9,680)
Revenue expenditure funded from capital under statute	(4,168)	0	0	0	0	4,168
Amounts of non-current assets written off on disposal or sale	0	(1,766)	0	0	0	1,766
Derecognition of non-current assets written off on disposal or sale	(2,685)	(4,272)	0	0	0	6,957
Transfer to MRR	0	2,289	0	(2,289)	0	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	0	2,268	0	(2,268)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	692	0	0	0	0	(692)
Voluntary provision for the financing of capital investment	0	635	0	0	0	(635)
Employers Contribution to pension schemes	2,925	(90)	0	0	0	(2,835)
Adjustments primarily involving the Capital Grants unapplied Account						
Applications of grants to capital financing from the Capital Grant Unapplied Account	215	0	0	0	(215)	0
Capital Expenditure from the unapplied capital grants account	0	0	0	0	3	(3)
Use of Earmarked Capital Reserve to fund capital expenditure	0	3,050	0	0	0	(3,050)
Adjustments primarily involving the Capital Receipts Reserve						
Transfers of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	0	2,153	(2,153)	0	0	0
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	1,037	0	0	(1,037)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current assets disposals	0	(44)	44	0	0	0
Contribution from the Capital Receipts Reserve to finance payments to the Government capital receipts pool	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash.	0	0	0	0	0	0
Adjustments primarily involving the Financial Instruments Adjustment						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(830)	13	0	0	0	817
Adjustments primarily involving the Pension Reserve						
Reversal of items relating to retirement benefits debited or credited to the CIES	(3,842)	0	0	0	0	3,842
Adjustments primarily involving the Collection Fund						
Amount by which council tax income credited to the CIES is different from council tax and business rates income calculated for the year in accordance with statutory requirements	(432)	0	0	0		432
Adjustments primarily involving the Accumulated Absence Account						
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	47	30	0	0	0	(77)
Total Adjustments	**(985)**	**5**	**(1,072)**	**(21)**	**(212)**	**2,285**

2021/22 Comparative Figures	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repair Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation - GF	(2,526)	0	0	0	0	2,526
Charges for depreciation - HRA	0	(2,182)	0	0	0	2,182
Impairment / Revaluation losses charged to CIES	0	(789)	0	0	0	789
Impairment Written Back - Revaluation Gain	1,068	2,277	0	0	0	(3,345)
Movements in the fair value of Investment Properties	(222)	0	0	0	0	222
Amortisation of intangible assets	(38)	0	0	0	0	38
Capital Grants and contributions applied to capital	2,473	0	0	0	0	(2,473)
Revenue expenditure funded from capital under statute	(866)	0	0	0	0	866
Amounts of non-current assets written off on disposal or sale	(21)	(1,697)	0	0	0	1,718
Derecognition of non-current assets written off on disposal or sale	(1,015)	(4,955)	0	0	0	5,970
Transfer to MRR	0	2,182	0	(2,182)	0	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	0	2,099	0	(2,099)
Insertion of items not debited or credited to the Comprehensive Income and						
Statutory provision for the financing of capital investment	836	0	0	0	0	(836)
Voluntary provision for the financing of capital investment	0	1,000	0	0	0	(1,000)
Capital Grants and contributions unapplied credited to the CIES	0	0	0	0	0	0
Employers Contribution to pension schemes	3,307	(387)	0	0	0	(2,920)
Adjustments primarily involving the Capital Grants unapplied Account						
Applications of grants to capital financing from the Capital Grant Unapplied Account	289	0	0	0	(289)	0
Capital Expenditure from the unapplied capital grants account	0	0	0	0	51	(51)
Use of Earmarked Capital Reserve to fund capital expenditure	57	3,856	0	0	0	(3,913)
Adjustments primarily involving the Capital Receipts Reserve						
Transfers of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	235	2,260	(2,495)	0	0	0
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	549	0	0	(549)
current assets disposals	0	(39)	39	0	0	0
Contribution from the Capital Receipts Reserve to finance payments to the Government capital receipts pool	(390)	0	390	0	0	0
Adjustments primarily involving the Financial Instruments Adjustment						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	58	0	0	0	0	(58)
Adjustments primarily involving the Pension Reserve						
Reversal of items relating to retirement benefits debited or credited to the CIES	(4,556)	0	0	0	0	4,556
Adjustments primarily involving the Collection Fund						
Amount by which council tax income credited to the CIES is different from council tax and business rates income calculated for the year in accordance with statutory requirements	3,485	0	0	0		(3,485)
Adjustments primarily involving the Accumulated Absence Account						
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	34	32	0	0	0	(66)
Total Adjustments	**2,208**	**1,558**	**(1,517)**	**(83)**	**(238)**	**(1,928)**

6. Capital

6a. Property, Plant & Equipment

The table below analyses capital expenditure, disposals, revaluations, and depreciation charged on the non-current assets of the Council.

Movements in 2022/23	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation								
At April 2022	**186,543**	**46,837**	**8,214**	**1,052**	**2,681**	**6,989**	**4,547**	**256,863**
Additions	4,969	9,126	1,538	0	623	0	1,118	**17,374**
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	6,833	4,130	0	0	0	1,608	0	**12,571**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,949)	(207)	0	0	0	180	0	**(1,976)**
Derecognition - Disposals*	(1,787)	0	(464)	0	0	0	0	**(2,251)**
Derecognition - Other	(4,115)	(2,936)	(381)	0	0	0	0	**(7,432)**
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	2,210	0	**2,210**
Other movements in Cost or Valuation	0	475	0	0	0	0	(213)	**262**
At 31 March 2023	**190,494**	**57,425**	**8,907**	**1,052**	**3,304**	**10,987**	**5,452**	**277,621**
Accumulated Depreciation & Impairment								
At April 2022	**0**	**(332)**	**(4,258)**	**0**	**0**	**0**	**0**	**(4,590)**
Depreciation Charge	(2,187)	(1,875)	(797)	0	0	0	0	**(4,859)**
Depreciation written out to the Revaluation Reserve	0	1,639	0	0	0	0	0	**1,639**
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,166	131	0	0	0	0	0	**2,297**
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0		0	0	**0**
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	**0**
Derecognition - Disposals	21	0	464	0	0	0	0	**485**
Derecognition - Other	0	94	381	0	0	0	0	**475**
Other movements in Depreciation & Impairment	0	0	0	0	0	0	0	**0**
At 31 March 2023	**0**	**(343)**	**(4,210)**	**0**	**0**	**0**	**0**	**(4,553)**
Net Book Value								
at 31st March 2023	**190,494**	**57,082**	**4,697**	**1,052**	**3,304**	**10,987**	**5,452**	**273,068**
at 31st March 2022	**186,543**	**46,505**	**3,956**	**1,052**	**2,681**	**6,989**	**4,547**	**252,273**

The Property, Plant & Equipment 2021/22 comparative figures are illustrated below:

Movements in 2021/22	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000
Cost or Valuation								
At April 2021	**178,485**	**45,756**	**7,668**	**930**	**2,369**	**8,213**	**1,932**	**245,353**
Additions	5,949	964	876	111	319	0	1,588	9,807
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	9,296	1,487	0	0	0	658	0	11,441
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(583)	428	0	0	0	350	0	195
Derecognition - Disposals	(1,636)	(64)	(135)	0	0	(80)	0	(1,915)
Derecognition - Other	(4,910)	(1,058)	(176)	0	0	0	0	(6,144)
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	(2,210)	0	(2,210)
Other movements in Cost or Valuation	(58)	(676)	(19)	11	(7)	58	1,027	336
At 31 March 2022	**186,543**	**46,837**	**8,214**	**1,052**	**2,681**	**6,989**	**4,547**	**256,863**
Accumulated Depreciation & Impairment								
At April 2021	**0**	**(418)**	**(3,793)**	**0**	**(7)**	**0**	**0**	**(4,218)**
Depreciation Charge	(2,093)	(1,842)	(773)	0	0	0	0	**(4,708)**
Depreciation written out to the Revaluation Reserve	0	1,558	0	0	0	0	0	**1,558**
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,073	289	0	0	0	0	0	**2,362**
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0	**0**
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	**0**
Derecognition - Disposals	20	43	135	0	7	1	0	**206**
Derecognition - Other	0	0	173	0	0	0	0	**173**
Other movements in Depreciation & Impairment	0	38	0	0	0	(1)	0	**37**
At 31 March 2022	**0**	**(332)**	**(4,258)**	**0**	**0**	**0**	**0**	**(4,590)**
Net Book Value								
at 31st March 2022	**186,543**	**46,505**	**3,956**	**1,052**	**2,681**	**6,989**	**4,547**	**252,273**
at 31st March 2021	**178,485**	**45,338**	**3,875**	**930**	**2,362**	**8,213**	**1,932**	**241,135**

Depreciation

The following useful lives have been used in the calculation of depreciation:

- Council Dwellings – 50 to 70 years
- Buildings - Up to 95 years
- Vehicles, Plant, Furniture & Equipment - 3 to 25 years

6b. Investment Properties

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

	2021/22 £000	2022/23 £000
Balance at start of the year	1,028	406
Disposals	(400)	0
Net gain /(loss) from fair value adjustments	(222)	0
Balance at end of year	**406**	**406**

Fair Value Hierarchy: All the Council's investment property portfolio has been assessed as Level 3 (unobservable inputs) for valuation purposes (see accounting policy 23) for an explanation of fair value levels). There were no transfers between levels 1, 2 and 3 during the year. In 2022/23 the valuer carried out a desk top review of all investment properties.

Valuation Techniques used to determine level 3 Fair Values for Investment Properties: The fair value of investment property has been measured using the Investment Method of Valuation. The valuers have used a desktop valuation relying on data sourced from the Council's property records. Valuations have taken account of the following factors: existing lease terms and rentals taken from the tenancy schedule, independent research into market evidence including market rentals and yields, and then adjusted to reflect the nature of each business tenancy or void and the covenant strength for existing tenants. There has been no change in the valuation techniques used during the year for investment properties. The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Investment Properties	As at March 2023	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
	£'000s				
Land	238	Market & Income Approach	Adjusted market evidence of rental lettings and sales of similar properties and investment yields	Rental rate c.£1.50 - £7.25 per sqft and Yields of 9%-11%	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value.
Building	168				

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

6c. Assets Held for Sale

No assets within this category. The sale of land sites in Buxton, Granby Road & Market Street, have been delayed due to ongoing issues surrounding Government requirements under Nutrient Neutrality. The sales are not expected to be completed within the next 12 months; under accounting regulations they have been transferred from this category back into surplus.

2021/22 £000		2022/23 £000
0	**Balance at 1 April**	**2,210**
0	Additions	0
2,210	Transfer in/(Out)	(2,210)
2,210	**Balance at 31 March**	**0**

6d. Valuation Information

Under statute the Council carries out a rolling programme that ensures that all Property measured at current value or fair value as appropriate is revalued at least every five years. In addition to this requirement, the council now revalue all its high value assets annually; the total value of these assets in 2023 was £48.7 million. The Council's de minimis policy excludes the requirement to formally revalue assets with a current carry value of below £10,000; however, these assets are still subject to an internal desk top valuation. In addition the valuers also undertook an exercise as part of their revaluation work to verify the gross internal areas of Glossop Municipal Offices and Buxton Town Hall. This provided the necessary assurances that the areas used in the revaluation process are substantially correct.

All external valuations were carried out by Capita PLC, the Council's valuing agents. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The effective date of each revaluation was 31st March 2023.

The significant assumptions applied in estimating the valuations are:

- that good title can be shown, and all valid planning permissions and statutory approvals are in place;
- that the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted;
- that an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- that the testing of electrical or other services would not reveal defects that would cause the valuation to alter; and
- that there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

The valuation report, individual valuations and annual assessment for "indications" of impairment have been undertaken by Chris Wilkinson MRICS, Senior Property Surveyor & RICS Registered Valuer, Jill Angus MRICS, Senior Property Surveyor & RICS Registered Valuer and David Gray MRICS, Senior Valuation Surveyor & RICS Registered Valuer. There was no evidence of individual assets that had been impaired due to fire or other event, consequently, there was no requirement for an impairment review.

Following the adoption of IFRS 13, surplus assets assessment is now made at fair value, highest and best use at level 3 (under fair value hierarchy- see accounting policy 23 for fair value explanations). There were no transfers between levels 1, 2 and 3 during the year. In addition to the formal 5 year valuation these assets are reviewed by the valuer each year individually.

The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Surplus Assets	As at March 2023	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
Land Building	10,977 10	Market & Income Approach	Adjusted market evidence of rental lettings and sale of similar properties and investment yields	Rental rate c.£5,500 - £1.48million per hectare	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value.

Vehicles, plant, furniture, and equipment are carried at depreciated historic cost as a proxy for current value.

The Table below shows the profile of valuations supporting the Gross Book Value reported as at 31st March 2023.

	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant, Equipment £'000	Infrastructure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Carried at Historic cost			8,907	1,052	3,304		5,452	**18,715**
Valued at Current Value as at:								
31st March 2023	190,494	51,762				10,987		**253,243**
31st March 2022		1,785						**1,785**
31st March 2021		1,236						**1,236**
31st March 2020		2,071						**2,071**
31st March 2019		571						**571**
Total Net Book Value	**190,494**	**57,425**	**8,907**	**1,052**	**3,304**	**10,987**	**5,452**	**277,621**

The value of the Council's dwelling stock above is net of the nationally set vacant possession discount factor of 42% – see note 4 of the HRA supplementary statement.

6e. Capital Expenditure and Financing

The amount of capital expenditure incurred in the year was £21.5million. Details are shown in the table below, 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) – this is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2021/22 £000	2022/23 £000
Opening Capital Financing Requirement	**80,540**	**80,296**
Capital Investment		
Property, Plant and Equipment	9,807	17,374
Intangible Assets	4	43
Revenue Expenditure Funded from Capital under Statute	866	4,168
	10,677	**21,585**
Sources of Finance		
Capital Receipts	(549)	(1,037)
Government grant and other contributions	(2,524)	(9,585)
Sums set aside from revenue:		
Capital General Fund Reserves	(57)	0
Housing Revenue Balances	(5,955)	(5,415)
Minimum Revenue Provision	(1,836)	(1,327)
	(10,921)	**(17,364)**
Closing Capital Financing Requirement	**80,296**	**84,517**
Explanation of movements in year		
Increase in underlying need to borrow (supported by government financial assistance)	1,592	5,548
Finance Leases Repaid	0	0
Minimum Revenue Provision	(1,836)	(1,327)
Increase/ (Decrease) in Capital Financing Requirement	**(244)**	**4,221**
Net capital investment in year excluding finance leases added to Balance Sheet	*10,677*	*21,585*

Minimum Revenue Provision (MRP)

The Council is obliged to make an annual charge to revenue for unfinanced capital expenditure. The charge is known as Minimum Revenue Provision (MRP). The requirement is based on a simple duty for an Authority to make an amount of MRP, which it considers to be ‘prudent’. In 2022/23, the Council made MRP of £1,327,000.

6f. Information on Assets Held

The main assets held by the Council are:

Non Current Asset	31-Mar 2022 (Number)	31-Mar 2023 (Number)
Council Dwellings	3,862	3,831
HRA Garages	581	581
The Springs Shopping Centre	0	1
Sports Centres and Pools	4	4
Offices and Admin Buildings	3	3
Depots	4	4
Car Parks	24	24
Public Conveniences	21	20
Principal Parks	7	7
Recreation / Play Areas	29	29
Cemeteries	4	4
Industrial / Commercial Sites	7	7
Markets	5	5
Historic Buildings	3	3
	4,554	4,523

6g. Construction Contracts and Capital Commitments

At 31 March 2023, the Council has entered into contracts for the construction or enhancement of property, plant and equipment in 2023/24 and future years budgeted to cost £5.097million. Similar commitments at 31st March 2022 were £5.8 million The major commitments are:

Scheme	Estimated Values £000	Period Investment will Take Place
Asset Management	4,486	2023/24
Fleet Management	344	2023/24
Regeneration	267	2023/24

6h. Assets Held under Leases - Authority as the Lessor:

The Council holds land and property under operating leases; the rental paid against these leases amounted in 2022/23 to £0.059million (£0.060million in 2021/22). The minimum lease payments under operating leases in future years are:

	31 March 2022 £000	31 March 2023 £000
Not later than one year	57	52
Later than one year and not later than five	158	122
Later than five years	887	871
	1,102	**1,045**

6i. Assets Held under Leases - Authority as the Lessor:

The Council leases out assets under operating leases, acting as a lessor of commercial property, shops and market stalls. Income from these sources in 2022/23 totalled £291,000 (£89,000 in 2021/22). The future minimum lease payments receivable at current levels under operating leases in future years are:

	31 March 2022 £000	31 March 2023 £000
Not later than one year	67	743
Later than one year and not later than five years	265	2,108
Later than five years	3,064	4,414
	3,396	**7,265**

7. Cash and Cash Equivalents

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

	31 March 2022 £000	31 March 2023 £000
Cash held by the Council	2	0
Bank Current Accounts	5,756	4,590
Money Market Funds	4,800	5,311
Short-term deposits	2,204	2,200
Cash and Cash Equivalents Current Assets	**12,762**	**12,101**
Bank Overdraft	(125)	(12)
Cash and Cash Equivalents Current Liabilities	**(125)**	**(12)**
Total Cash and Cash Equivalents	**12,637**	**12,089**

8. Debtors

An analysis of the bodies and individuals owing money to the Council is as below:

	31 March 2022 £000	31 March 2023 £000
Central Government bodies	996	(380)
Other Local Authorities	1,645	2,353
Other entities and individuals	4,029	7,155
LESS Bad Debt Provisions	(1,330)	(1,667)
Total Short Term Debtors	**5,340**	**7,461**

An analysis of the impairment allowances by class of debtor being:

	31 March 2022 £000	31 March 2023 £000
Non Domestic Rates Payers	(207)	(261)
Council Tax Payers	(214)	(288)
HRA	(249)	(196)
Housing Benefits	(618)	(882)
General Fund & HRA Services	(42)	(40)
Total Short Term Debtors	**(1,330)**	**(1,667)**

9. Creditors

An analysis of the bodies and individuals to whom the Council owes money is as below:

	31 March 2022 £000	31 March 2023 £000
Central Government bodies	(11,210)	(5,780)
Other local authorities	(3,962)	(3,454)
Other entities and individuals	(4,676)	(2,815)
Total Short Term Creditors	**(19,848)**	**(12,049)**

10. Provisions

A Provision is made based on the best estimate of the potential liability arising from future backdated changes to the NNDR rating list, including appeals against rateable values lodged with the Valuation Office Agency. The liability is shared with all Preceptors in the same proportions as retained Business Rates (50% central government, 40% billing authority (the Council), 9% Derbyshire County Council, 1% Derbyshire Fire Authority).

NNDR Appeals Provision (Billing Authority Share)	31-Mar-22 £'000	31-Mar-23 £'000
Provision Brought Forward	(1,601)	(716)
Refunds charged to provision during the year	1,032	7
(Increase)/ decrease in provision	(147)	(473)
NNDR Appeals Provision Carried Forward	**(716)**	**(1,182)**

11. Capital Grants Received in Advance

An analysis of the Capital Grants Received in advance.

2021/22 £000	Receipts in Advance	2022/23 £000
650	**Balance at 1 April**	**1,219**
	Grants Received in Year	
487	S106 Planning Obligations	836
197	Other	415
(115)	Transfers Out	(203)
1,219	**Balance at 31 March**	**2,267**

12. Usable Reserves

This note sets out the amounts included in Usable Reserves.

	Balance at 1 April 2021 £'000	Transfers out 2021/22 £'000	Transfers In 2021/22 £'000	Balance at 31 March 2022 £'000	Transfers out 2022/23 £'000	Transfers in 2022/23 £'000	Balance at 31 March 2023 £'000
General Fund Contingency Reserve	**4,082**	**(4,609)**	**2,103**	**1,576**	**(1,160)**	**1,587**	**2,003**
Business Rates Reserve	3,361	(2,806)	0	**555**	**(555)**	**298**	**298**
Covid -19 Business Grant Reserve	1,259	(1,107)	0	**152**	**(149)**	**0**	**3**
General Fund Earmarked Reserve:							
Capital Investment Reserve	0	0	0	**0**	0	460	460
Levelling Up Reserve	0	0	3,000	**3,000**	0	0	3,000
Covid-19 Recovery	300	(50)	0	250	0	0	250
Business Grant Incentive - Crescent Contingency	200	0	0	200	(200)	0	0
Election Reserve	133	0	3	136	(3)	0	133
Inflation Reserve	0	0	250	250	0	0	250
Insurance Reserve	409	0	0	409	0	0	409
Community Reserve	0	0	20	20	0	0	20
Efficiency and Rationalisation Reserve	200	0	0	200	0	0	200
Localising Council Tax Support	85	0	0	85	0	0	85
IT Strategy & Infrastructure	225	0	225	450	(8)	308	750
Local Plan Reserve	100	(19)	44	125	(22)	0	103
Voluntary Sector Emergency Reserve	75	0	0	75	0	25	100
Future High Street Funding	25	0	0	25	0	0	25
Future Leisure Provision	100	0	0	100	0	300	400
Climate Change	125	(17)	142	250	0	110	360
Parks Strategy Reserve	50	0	0	50	0	0	50
Organisational Development Reserve	50	0	0	50	(49)	50	51
AES Vehicle Maintenance	48	0	0	48	0	0	48
Property Condition Surveys	40	0	0	40	0	0	40
The Springs	0	0	0	0	0	93	93
Tree Saftey	0	0	0	0	0	60	60
Corporate Plan Support	0	0	0	0	0	14	14
Community Match Funding	0	0	0	0	0	33	33
Glossop Halls	0	0	0	0	0	100	100
Other Earmarked Reserves	980	(56)	163	1,087	(379)	304	1,012
Total	**3,145**	**(142)**	**3,847**	**6,850**	**(661)**	**1,857**	**8,046**
HRA Reserves							
Housing Revenue Account	17,799	(1,440)	0	16,359	(1,304)	0	15,055
Major Repairs Reserve	103	(2,099)	2,182	186	(2,268)	2,289	207
Total HRA	**17,902**	**(3,539)**	**2,182**	**16,545**	**(3,572)**	**2,289**	**15,262**
Capital Reserves							
Capital Receipts Reserve	5,343	(549)	2,066	6,860	(1,081)	2,153	7,932
Capital Grants Unapplied	1,130	(51)	289	1,368	(3)	215	1,580
Total Capital Reserves	**6,473**	**(600)**	**2,355**	**8,228**	**(1,084)**	**2,368**	**9,512**
Total Usable Reserves	**36,222**	**(12,803)**	**10,487**	**33,906**	**(7,181)**	**8,399**	**35,124**

The Council's Revenue Reserves are held as a contingency; are earmarked for specific purposes; or are as a result of 'ring fencing'. A brief description of the reserves is given below:

Reserve	Nature of Reserve
General Fund Contingency	Both as a contingency and to hold temporary balances to be fed back into the short term budgetary process.
Covid -19 Business Grants	Balance of unused Discretionary Grant funding
Business Rates Reserve	Where Central Government compensates Local Authorities for the cost of business rates reliefs, including those to the retail, hospitality and leisure industry, the grant to local authorities is recorded in year in the general fund, whereas the relief awarded impacts on the collection fund deficit to be distributed in future year where reliefs were not anticipating at the point of budget setting. In this situation grant funds are put aside from the general fund at the end of the year to be drawn down in future years to offset the impact of the collection fund deficit distribution
Housing Revenue Account	Resources available to meet future running costs for Council houses.
Earmarked Reserves – Other	These are revenue reserves established on a short term basis for Council and Third Party funds to support future initiatives.
Capital Investment Fund	Earmarked to provide funding for the Council's Capital Strategy
Levelling Up Reserve	To support the Councils bids for Central Government Levelling up Bids
Covid-19 Recovery	To support the financial impact of the recovery programme in regard to the Coronavirus pandemic
Business Grant Incentive -Crescent Indemnity Fund	To ensure that the Council has adequate funds to support business development and meet any potential liability
Elections Reserve	To spread the costs of election over a full term
Inflation Reserve	To help meet inflationary pressures
Insurance Fund	To cover the cost of uninsured losses, to reduce risks, and to smooth out fluctuations in premium costs.
Community Reserve	To support community funding
Efficiency and Rationalisation	To support the on-going Efficiency Programme.
Localising Council Tax Benefits	To support the potential costs of localising Council Tax Benefit.
IT Strategy and Infrastructure	To support the implementation of the Authority's IT Strategy
Local Plan Reserve	To fund costs associated with the review of the Local Plan
Voluntary Sector Emergency Reserve	To support partner organisations in financial difficulty
Future High Street Funding	To support with the review of options as part of the Future High Street Funding bid to regenerate town centres
Future Leisure Provision	To fund future leisure provision options
Climate Change	To support with the delivery of climate change related projects
Parks Strategy Reserve	To support development costs in connection with the Parks Strategy
Organisational Development Reserve	To support with costs associated with Organisational Development and the HR process
AES Vehicle Machine Maintenance	To support future new vehicles as the fleet ages.
Property Condition Surveys	To fund a review of the condition of the Council's buildings to inform capital expenditure requirements
The Springs	Earmarked for the Springs
Tree Safety	To support with costs associated with tree safety
Corporate Plan Support	To support with costs associated with the Corporate Plan
Glossop Halls	To support with the opening of the Glossop Halls

13. Unusable Reserves

The total unusable reserves included on the balance sheet are shown in the table below:

2021/22 £000		Note	2022/23 £000
64,444	Revaluation Reserve	12a	76,394
111,031	Capital Adjustment Account	12b	113,185
(2,044)	Financial Instruments Adjustment Account	12c	(2,861)
0	Deferred Capital Receipts Reserve		0
(35,543)	Pensions Reserve	12d	(1,372)
(81)	Collection Fund Adjustment Account	12e	(514)
(187)	Accumulated Absences Account		(110)
137,620	**Total Unusable Reserves**		**184,722**

13a. Revaluation Reserve

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

- revalued 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 1 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	Revaluation Reserve	2022/23 GF £000	HRA £000	Total £000
53,323	**Balance at 1 April**			**64,444**
14,427	Upward revaluations of assets	7,201	7,156	**14,357**
(1,428)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(66)	(81)	**(147)**
12,999	Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services			**14,210**
	Increase(decrease) in asset values			
(1,598)	Difference between fair value depreciation and historical cost depreciation	(1,272)	(551)	**(1,823)**
(280)	Accumulated gains on assets sold/scrapped/Other Movements	(85)	(352)	**(437)**
(1,878)	Amount written off to the Capital Adjustment Account			**(2,260)**
64,444	**Balance at 31 March**			**76,394**

13b. 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 current value figures to an historic 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 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.

2021/22		2022/23		
£000	Capital Adjustment Account	GF £000	HRA £000	Total £000
109,198	**Balance at 1 April**			**111,031**
	Reversal of items relating to capital expenditure debited or credited to the CIES			
(4,708)	• Charges for depreciation of non-current assets	(2,570)	(2,289)	**(4,859)**
(340)	• Impairment	0	(453)	**(453)**
(450)	• Revaluation losses on Property, Plant and Equipment	(95)	(307)	**(402)**
3,345	• Impairment Reversal - Revaluation Gain	215	958	**1,173**
(38)	• Amortisation of intangible assets	(39)	0	**(39)**
(866)	• Revenue expenditure funded from capital under statute	(4,168)	0	**(4,168)**
(1,717)	• Amounts of non-current assets written off on disposal or sale	0	(1,766)	**(1,766)**
(5,970)	• Derecognition of non current assets	(2,685)	(4,272)	**(6,957)**
(10,744)				**(17,471)**
1,878	Adjusting amounts written out of the Revaluation Reserve	1,357	903	**2,260**
(8,866)	Net written out amount of the cost of non-current assets consumed in the year			**(15,211)**
	Capital financing applied in the year:			
549	• Use of capital Receipts Reserve to finance new capital expenditur	636	401	**1,037**
2,099	• Use of Major Repairs Reserve to finance new capital expenditure	0	2,268	**2,268**
2,473	• Capital grants and contributions credited to the CIES that have been applied to capital financing	9,582	98	**9,680**
51	• Applications of grants to capital financing from the Capital Grant Unapplied Account	3	0	**3**
57	• Use of Earmarked Capital Reserve to finance new capital expenditure	0	0	**0**
836	• Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	692	0	**692**
1,000	• Voluntary provision for the financing of capital investment charged against the General Fund and HRA balances	0	635	**635**
3,856	• Use of HRA Balances to finance new capital	0	3,050	**3,050**
10,921				**17,365**
(222)	Movements in the market value of Investment Properties debited or credited to the CIES			**0**
111,031	**Balance at 31 March**			**113,185**

13c. 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 outstanding on the new loan.

2021/22 £000	Financial Instrument Adjustment Account	2022/23 £000
(2,102)	**Balance at 1 April**	**(2,044)**
0	Premiums incurred in the year and charged to the CIES	(897)
58	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	79
0	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	1
(2,044)	**Balance at 31 March**	**(2,861)**

13d. Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require any benefits earned to be financed as the employer makes contributions to the pension fund (or eventually pays any pensions for which it is directly responsible). The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £000	Pension Reserve	2022/23 £000
(47,251)	**Balance at 1 April**	**(35,543)**
13,344	Remeasurement of the net defined benefit liability	35,177
(4,556)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(3,842)
2,920	Employer's pension contributions and direct payments to pensioners payable in the year	2,836
(35,543)	**Balance at 31 March**	**(1,372)**

13e. 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 Business Rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2021/22 £000	Collection Fund Adjustment Account	2022/23 £000
(3,566)	**Balance at 1 April**	**(81)**
3,485	Amount by which council tax and business rates income credited to the CIES is different from council tax and business rate income calculated for the year in accordance with statutory requirements	(433)
(81)	**Balance at 31 March**	**(514)**

14. Financial Instruments

14a. Categories of Financial Instruments

Under accounting requirements, the carrying value of the financial instruments value is shown in the balance sheet which includes the principal amounts borrowed or lent, accrued interest and further adjustments for stepped interest loans; this is measured by an effective interest rate calculation, being accrued interest receivable under the instrument adjusted for the amortisation of any premiums or discounts reflected in the purchase price. The Council’s assets and liabilities are classified under fair value through profit and loss and amortised cost and are separated between current and non-current assets and liabilities where the payments or receipts are due within or beyond one year.

	Non- Current		Current		Total	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Financial Assets carried at Fair Value through Profit and Loss						
Money Market Funds	0	0	4,800	5,311	4,800	5,311
Financial Assets carried at Amortised Cost						
Cash Deposits	0	0	2,206	2,200	2,206	2,200
Bank Current Accounts	0	0	5,756	4,583	5,756	4,583
Fixed term deposits	0	0	18,376	5,026	18,376	5,026
Debtors						
Long Term & Trade* Debtors	178	186	3,706	7,760	3,884	7,946
Total Financial Assets	**178**	**186**	**34,844**	**24,880**	**35,022**	**25,066**

	Non- Current		Current		Total	
	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000
Borrowings						
Fixed Term Borrowing	(63,131)	(58,830)	(249)	(3,250)	(63,380)	(62,080)
Bank Overdraft	0	0	(125)	(98)	(125)	(98)
Creditors						
Trade Creditors*	0	0	(4,867)	(2,316)	(4,867)	(2,316)
Sub Total	**(63,131)**	**(58,830)**	**(5,241)**	**(5,664)**	**(68,372)**	**(64,494)**
Other Liabilities	0	(258)	0	(29)	0	(287)
Total Financial Liabilities	**(63,131)**	**(59,088)**	**(5,241)**	**(5,693)**	**(68,372)**	**(64,781)**

* Trade Debtors / Creditors vary from the Balance Sheet values as the following are excluded: statutory debtors of £1.368m (£2.963m 21/22), the bad debt provision of £1.667m (£1.330m 21/22); and statutory creditors of £9.611m (£14.981m 21/22).

Reclassification: There has been no reclassification of financial assets or liabilities during the year.

Fair Value: Basis for recurring fair value measurements:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority 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 or liability.

Fair Value of Financial Assets: Some of the Council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them:

Financial Assets carried at Fair Value through Profit and Loss	Fair Value Hierarchy	31 March 2022 Carrying Amount £000	31 March 2022 Fair Value £000	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000
Money Market Funds	Level 2	4,800	4,800	5,311	5,311

There were no transfers between input levels 1 and 2 during the year and there has been no change in the valuation technique used during the year. Because of the instant access and low volatility net asset value nature of the money market funds, fair value equals carrying value.

Fair Value of Assets and Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required): Except for the financial assets carried at fair value (described in the table above), all other financial assets and liabilities represented by amortised cost and long-term debtors and creditors are carried in the balance sheet at amortised cost. Their fair values can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- Where an instrument has a maturity of less than 12 months or is a trade or other debtor or creditor the fair value is taken to be the carrying amount or the billed amount.
- For loans from the Public Works Loan Board (PWLB), new borrowing rates from the PWLB have been applied to provide the fair value under PWLB redemption procedures.
- For other market debt and investments, prevailing market rates have been used to provide the fair value, i.e. the rate available for an instrument with the same terms from a comparable lender.
- No early repayment or impairment is recognised.
- For the valuation and disclosure of fair values of financial assets and liabilities the rates quoted were obtained from Link Asset Services (the Council's Advisors) using Level 2 Valuations.
- There has been no change in the valuation technique used during the year for financial instruments.
- There were no transfers between input levels 1 and 2 during the year.

Financial Assets carried at Amortised Cost	Fair Value Hierarchy	31 March 2022 Carrying Amount £000	31 March 2022 Fair Value £000	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000
Cash Deposits		2,206	2,206	2,200	2,200
Bank Current Accounts		5,756	5,756	4,583	4,583
Fixed term Investments	Level 2	17,376	17,376	5,026	5,026
Fixed term Certificates of Deposits (CDs)	Level 2	1,000	1,000	0	0
Trade Debtors		3,706	3,706	7,760	7,760
Long-Term Debtors		178	178	186	186
Total Assets		**30,222**	**30,222**	**19,755**	**19,755**

Financial Liabilities held at Amortised Cost	Fair Value Hierarchy	31 March 2022 Carrying Amount £000	31 March 2022 Fair Value £000	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000
Fixed Term Borrowing PWLB Maturity	Level 2	(50,384)	(63,125)	(50,384)	(45,778)
Fixed Term Borrowing Market Loans	Level 2	(12,996)	(19,085)	(9,690)	(9,149)
Fixed Term Local Authority Loans	Level 2	0	0	(2,006)	(2,006)
Bank Overdraft		(125)	(125)	(98)	(98)
Trade Creditors		(4,867)	(4,867)	(2,316)	(2,316)
Other Liabilities		0	0	(287)	(287)
Total Liabilities		**(68,372)**	**(87,202)**	**(64,781)**	**(59,634)**

The fair value of the financial liabilities is £5.147million less than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is less than the rates available for similar loans at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders below current market rates.

The Council has a continuing ability to borrow at concessionary rates from the Public Works Loan Board (PWLB) rather than from markets. The fair value of the PWLB loans in comparison to the carrying value on the balance sheet measures the estimated economic effect of the terms that would be offered for market transactions undertaken at the balance sheet date compared with the existing terms agreed with the PWLB. The difference between the fair value and the carrying amount represents the notional additional interest that the Council will pay over the remaining terms of the loans against what would be paid if the loans were at prevailing rates. The fair value is measured using the new borrowing rates available from the PWLB. On this basis, the fair value of the PWLB loans with a carrying amount of £50.4million would be £45.8million. However, if the Council were to seek to realise the notional projected gain by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that would not be paid. The exit price for the PWLB loans including the penalty charge would be £52.4million.

The Market loans carrying value on the balance sheet includes an adjustment of £53,000. This is in relation to two of the market loans (LOBOs) both included an initial lower interest rate payable for the first two years of the loan period. The adjustment equalises the interest payable over the entire loan period.

14b. Income, Expense, Gains and Losses

The total gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are illustrated below. The figures include the interest receivable and payable on investments and borrowings. Because of the instant access and low volatility net asset value nature of the money market funds measured at fair value through profit and loss, there is zero gain or loss to be recognised in the comprehensive income and expenditure statement aside from the interest receivable.

	2021/22		2022/23	
	Surplus /Deficit on the Provision of Services £000	Other Comprehensive Income & Expenditure £000	Surplus /Deficit on the Provision of Services £000	Other Comprehensive Income & Expenditure £000
Financial assets measured at fair value through profit and loss				
Interest receivable and similar income	3	0	169	0
Financial assets measured at amortised cost:				
Interest receivable and similar income	67	0	383	0
Financial liabilities measured at amortised cost:				
Interest payable and similar charges	(2,620)	0	(3,404)	0
Total net gain/(losses)	**(2,550)**	**0**	**(2,852)**	**0**

14c. Risk Analysis and Expected Credit Loss

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management within the Council is overseen by the Audit & Regulatory Committee in accordance with the Risk Management Strategy approved by the Executive. The Council's treasury team implements the approved Treasury Management Strategy and maintains written Treasury Management Practices (TMP's) covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash. The Council also has a Treasury Management Policy in place, which defines the policies and objectives of its treasury activities. The policy statement refers to the identification, monitoring and control of risk as the prime criteria by which the effectiveness of the Council's treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council. Exposure to financial risks is discussed in more detail below:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Council.
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments.
- **Refinancing risk** – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- **Market risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates.

Credit Risk: Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the Annual Investment Strategy.

Credit Risk Management Practices: The Council's credit risk management practices are set out throughout the Treasury Management Strategy Statement (TMSS) including the Annual Investment Strategy. With particular regard to determining whether the credit risk of the financial instruments has increased significantly since recognition. The TMSS 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 TMSS also considers maximum amounts and time limits with a financial institution located in each category.

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 solely rely on the current credit ratings of counterparties but also uses the following as overlays: credit watches and outlooks from credit rating agencies, CDS spreads to give early warning of likely changes in credit ratings, and sovereign ratings to select counterparties from countries with appropriate creditworthiness. The full TMSS was approved by Full Council in February 2022. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to investments in financial institutions of £16.5million cannot be assessed generally, as the risk of any institution failing to make repayments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all the Council's deposits, but there was no evidence at 31st March 2023 that this was likely to crystallise.

Amounts Arising from Expected Credit Losses (ECL)

Investments at Amortised Cost	ECL Test	ECL Category	ECL Value at 31 Mar 2022 £000	ECL Value at 31 Mar 2023 £000	Increase/ (Decrease) in ECL
Investments at Fair Value through profit and loss					
Money Market Funds	Historic Risk of Default	12 month expected credit losses	0	0	0
Trade receivables/contract assets no financing					
Trade Debtors: non statutory Bad Debt provision	Simplified Model	Lifetime Expected Credit Losses - simplified approach	909	1118	209
Deposit with banks/financial institutions					
Cash/Bank Fixed Deposit Notice Accounts	Historic Risk of Default	12mth Expected Credit Losses	0.003347	0.000695	-0.002652
Loans					
Service Loans to 3rd parties (BCHT)	Assessment of credit risk	12m Expected Credit losses	100	100	0
Car Loans	Collective Assessment	n/a	0	0	0
Total			**1009**	**1218**	**209**

Liquidity Risk

Investments: The Council manages its liquidity position through the risk management procedures including the setting and approval of prudential indicators and the approval of the TMSS 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 Public Works Loans Board (PWLB) and money markets for 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.

Refinancing & Maturity Risk: The Council maintains a 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 of replacing financial instruments as they mature. The risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The maturity structure of fixed term financial assets at the start date and at the balance sheet date of these instruments is shown in the table below:

31st March 2022 Carrying Amount £000	Average Interest Rate	Type	31st March 2023 Carrying Amount £000	Average Interest Rate
20,500	0.71%	Fixed term investments & Notice Accounts	7,200	4.22%
		Original maturity profile		
20,500	0.71%	Less than 365 Days	7,200	4.22%
		Remaining maturity profile		
20,500	0.71%	Less than 365 Days	7,200	4.22%

The Council has limits in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The maturity structure of financial liabilities at the start date and at the balance sheet date of these instruments is shown in the table below.

31st March 2022 Carrying Amount £000	Average Interest Rate	Type	31st March 2023 Carrying Amount £000	Average Interest Rate
50,277	3.87%	PWLB Fixed Term Borrowing	50,277	3.87%
8,500	4.25%	Market Loans - fixed term borrowing	8,500	4.25%
3,300	4.99%	Market Loans - LOBO, daily Lender Option with 1 month notice	0	0.00%
1,000	5.94%	Market Loan - LOBO, semi annual Lender Option with 3 days notice	1,000	4.99%
		Local Authority Fixed term Borrowing	2,000	4.50%
63,077	**4.01%**	**Total Borrowing**	**61,777**	**3.97%**
		PWLB Original Maturity profile		
7,496	3.16%	Between 11 and 20 years	7,496	3.16%
7,496	3.47%	Between 21 and 30 years	7,496	3.47%
7,496	3.52%	Between 31 and 40 years	7,496	3.52%
27,789	4.26%	Between 41 and 50 years	27,789	4.26%
		PWLB Remaining Maturity profile		
3,748	3.01%	Between 1 and 5 years	3,748	3.01%
3,748	3.30%	Between 6 and 10 years	3,748	3.30%
7,496	3.47%	Between 11 and 20 years	7,496	3.47%
16,986	4.13%	Between 21 and 30 years	22,169	4.19%
18,299	4.08%	Between 31 and 40 years	13,116	3.94%
		Market Loans Original Maturity Profile		
3,000	3.99%	Between 41 and 50 years	3,000	3.99%
5,500	4.39%	Greater than 50 years	5,500	4.39%
		Market Loans Remaining Maturity Profile		
3,000	3.99%	Between 31 and 40 years	3,000	3.99%
5,500	4.39%	Between 41 and 50 years	5,500	4.39%
		Market Loan LOBOs Original Maturity profile		
		LOBO - semi annual Lender Option with 3 days notice		
1,000	5.94%	Between 21 and 30 years	1,000	5.94%
		LOBO - daily Lender Option with 1 month Notice notice		
3,300	4.99%	Greater than 50 years	0	0.00%
		Market Loan LOBOs Remaining Maturity profile		
		LOBO - semi annual Lender Option with 3 days notice		
0	0.00%	Less than 1 year	1,000	5.94%
1,000	5.94%	Between 1 and 5 years	0	0.00%
		LOBO - daily Lender Option with 1 month Notice notice		
3,300	4.99%	Between 41 and 50 years	0	0.00%
		Local Authority Loans Original Maturity profile		
0	0.00%	Less than 1 year	2,000	4.50%
		Local Authority Loans Remaining Maturity profile		
0	0.00%	Less than 1 year	2,000	4.50%

Market Risk: The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates can have a complex impact on the Council. For example, a rise in interest rates would have the following effect:

- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement would increase.
- Investment at fixed rates – the fair value of the assets will fall (no impact on revenue balances or the balance sheet as all investments carried at carrying value).

- Borrowing at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances or the balance sheet as held at amortised cost).

The Council carries out its borrowing and investment function within the parameters set in its Treasury Management Strategy, which establishes interest rate exposure. The Council uses the services of a Treasury Advisor, who issue regular interest rate forecasts to aid decision making when placing investments and setting the annual investment income budget for the following year. Forecasts are updated and reported to the Audit & Regulatory Committee, which allows any significant changes in interest rates to be reflected in current budget projections. At 31 March 2023, if 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	(207)
Impact on Other Comprehensive Income & Expenditure	**(207)**
Decrease in Fair Value of Fixed Rate borrowings	*9,095*

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 invest in equity shares and is therefore not exposed to losses arising from movements in the prices of shares.

Foreign Exchange Risk: The Council has no financial assets or liabilities denominated in foreign currencies and thus no exposure to loss arising from movements in exchange rates.

15. Contingent Liabilities and Assets

The disclosures made here are based on the IAS37 definitions of contingent assets and liabilities quoted in the Code:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or
- a present obligation that arises from past events but is not recognised because:
    - it is not probable that a transfer of economic benefits will be required to settle the obligation, or
    - the amount of the obligation cannot be measured with sufficient reliability.

Contingent Liabilities

Municipal Mutual Insurance – Scheme of Arrangement

Prior to 1992 the Council was insured by Municipal Mutual Insurance (MMI). When MMI ceased accepting new business in 1992/93 the Council was entered into a Scheme of Arrangement (SOA) under Section 425 of the Companies Act 1985. The SOA was triggered on 13 November 2012 following the conclusion of long running legal proceedings. From that date Ernst & Young LLP became responsible for the management of the company's business, affairs and assets. An initial levy of 15% (£70,539) was paid in 2013/14. The levy was reviewed in 2015 with the result that a further payment equivalent to 10% (£48,387) was paid in 2016/17. An annual review of the levy rate is required under the terms of the Scheme and this could lead to the rate being further amended in future, either up or down.

Under the terms of the SOA, the Council now must meet 25% of any new insurance settlements, relating to its claims, made by MMI. An earmarked Insurance reserve, with a balance of £408,921, is available to mitigate the financial pressure created by the MMI levy and any other uninsured losses, which might occur in the future.

At 31 March 2023, the Council's amount subject to levy under the SOA stood at £514,116 with a net liability carried forward of £435,587.

Housing Revenue Account – Disrepair Claims

There are around 8 claims outstanding for compensation due to Tenants if they can prove that the Council has been negligent in maintaining their rental property. The liability is to be determined but an estimate, based on all claims being proven, would be a cost to the Council in the region of £80,000.

Contingent Assets

There are no contingent assets.

16. Events after the Balance Sheet Date

The unaudited Statement of Accounts were authorised for issue on 6th November 2023, by Martin Owen, Executive Director (Chief Finance Officer).

Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Events after this date are not reflected in the financial statements or notes.

Inflationary pressures: The impact of the current economic climate of high inflation and volatile and increasing interest rates on the Council's financial situation continues to be assessed and is incorporated into the Medium Term Financial Plan accordingly. The ongoing impact is emerging and cannot be fully quantified at this point. The Council has concluded that this does not require any adjustment of the 2022/23 Statements.

17. Cash Flow Statement

This note provides further analysis of certain figures used in the Cash Flow Statement:

17a. Net cash flows from operating activities

2021/22 £'000		2022/23 £'000
(388)	**Net Surplus or (Deficit) on the Provision of Services**	**(1,067)**
	Adjust net surplus or deficit on the provision of services for non cash movements	
4,708	Depreciation	4,858
3,415	Impairment and downward valuations	6,639
38	Amortisation	39
3,249	Increase/(Decrease) in Creditors	(4,290)
(50)	(Increase)/Decrease in Interest and Dividend Debtors	50
(1,715)	(Increase)/Decrease in Debtors	(2,061)
(3)	(Increase)/Decrease in Inventories	(7)
1,636	Pension Liability	1,007
(885)	Contributions to/(from) Provisions	466
1,717	Carrying amount of non-current assets sold [property plant and equipment, investment property and intangible assets]	1,766
222	Movement on Investment Properties	0
12,332		**8,467**
	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
(2,762)	Capital Grants credited to surplus or deficit on the provision of services	(9,993)
0	Net adjustment from the sale of short and long term investments	18,300
(2,065)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(2,109)
(4,827)		**6,198**
7,117	**Net Cash Flows from Operating Activities**	**13,598**

17b. Operating Activities (relating to Interest)

2021/22 £'000		2022/23 £'000
20	Interest received	50
(2,618)	Interest paid	(2,506)

17c. Investing Activities

2021/22 £'000		2022/23 £'000
(9,138)	Purchase of property, plant and equipment, investment property and intangible assets	(18,547)
(18,300)	Purchase of short-term and long-term investments	(5,000)
(115)	Other payments for investing activities	(99)
2,065	Proceeds from the sale of property, plant and equipment, investment property and intangible asset	2,109
12,200	Proceeds from short-term and long-term investments	0
3,446	Other receipts from investing activities	11,146
(9,842)	**Net cash flows from investing activities**	**(10,391)**

17d. Financing Activities

2021/22 £'000		2022/23 £'000
0	Cash receipts or short and long-term borrowing	3,000
5,135	Billing Authorities - Council Tax and NNDR Adjustments	(2,454)
(3,748)	Repayments of short and long-term borrowing	(4,301)
1,387	**Net cash flows from financing activities**	**(3,755)**

Supplementary Statements

Housing Revenue Account Income and Expenditure Statement

2021/22	HRA Income and Expenditure Statement	2022/23	
£000		£000	£000
	Expenditure		
4,678	Repairs and Maintenance	5,834	
2,537	Supervision and Management	2,218	
147	Rents, Rates, Taxes and Other Charges	142	
694	Depreciation, Impairment and revaluation losses of Non-Current Assets	2,090	
54	Debt Management Costs	54	
22	Movement in the allowance for bad debts	22	
8,132	**Total Expenditure**		**10,360**
	Income		
(14,486)	Dwelling Rents	(14,676)	
(250)	Non Dwelling Rents	(256)	
(384)	Charges for Services and Facilities	(413)	
(142)	Contributions towards expenditure	(139)	
(15,262)	**Total Income**		**(15,484)**
(7,130)	**Net Expenditure or Income of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement**		**(5,124)**
210	HRA Services share of Corporate and Democratic Core		208
636	HRA share of other amounts included in whole authority Net Expenditure of Continuing Operations but not allocated to specific services		656
(6,284)	**Net Income/Expenditure of HRA Services**		**(4,260)**
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
4,432	(Gain) or loss on sale/disposal of HRA non-current assets		3,929
1,750	Interest payable and similar changes		1,801
(17)	HRA Interest and investment income		(74)
0	Capital grants and contributions receivable		(98)
(119)	**(Surplus)/Deficit for the year on HRA services**		**1,298**

Movement on the HRA Statement

2021/22 £000	Movement on the HRA Statement	2022/23 £000	£000
17,799	**Balance on the HRA at the end of the previous reporting period**		16,359
119	Surplus or (Deficit) for the year on the HRA income and Expenditure Statement	(1,298)	
(1,559)	Adjustments between accounting basis and funding basis under the legislative framework	(6)	
(1,440)	Net increase or (Decrease) before transfers to or from reserves	(1,304)	
(1,440)	Increase or (Decrease) in year on the HRA		(1,304)
16,359	**Balance on the HRA at the end of the current year**		15,055

Notes to the Housing Revenue Account

1. Background

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

The ring-fence is controlled by Schedule 4 to the Local Government and Housing Act 1989, which specifies the debits and credits to be made to the HRA and excludes any other postings. The Localism Act in 2011 introduced a new Self Financing regime for the Housing Revenue Account along with a suite of self financing determinations issued in February 2012 by the Department of Communities and Local Government. This suite of self-financing determinations includes the Item 8 Determination, which sets out capital accounting and capital finance entries under the 1989 Act.

The transactions relating to the HRA have been separated into the two statements reported above:

- The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.
- Movement on the HRA Statement - the overall objectives are the same as those for the Movement in Reserves Statement. The statement takes the outturn on the HRA Income and Expenditure Account and reconciles it to the surplus or deficit for the

year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2. Reconciling items for the Movement on the HRA Statement

2021/22 £000	Note to Statement of Movement on HRA Balance	2022/23 £000
	Adjustments between accounting basis and funding basis under the legislative framework	
0	Difference between interest payable and similar charges including amortisation of premiums & discounts determined in accordance with the code and those determined in accordance with statute	13
1,522	Difference between any other item of income and expenditure determined in accordance with the Code and those determined in accordance with statutory HRA requirements	229
(4,432)	Gain/(Loss) on Disposal of Assets	(3,929)
(387)	HRA share of contributions to or from Pension Reserve	(90)
3,856	Capital Expenditure funded by HRA	3,050
2,182	Transfer to Major Repairs Reserve	2,289
(1,182)	Transfer to Capital Adjustment Account	(1,556)
1,559	**Net additional amount required by statute**	**6**

3. Housing Stock

Total 2021/22		Pre 1945	1945-1964	1965-1974	After 1974	Total 2022/23
	Traditional					
1,302	Houses and Bungalows	360	761	107	58	**1,286**
	Non Traditional					
1,411	Houses and Bungalows	5	327	935	138	**1,405**
	Flats					
978	Low Rise (1-2 storeys)	46	372	266	285	**969**
171	Medium Rise (3-5 storeys)	14	24	49	84	**171**
3,862	**Total**	**425**	**1,484**	**1,357**	**565**	**3,831**

4. Housing Revenue Account Assets

Movements in 2022/23	Council Dwellings £000	Other Land and Buildings - HRA £000	Vehicle, Plant, Furniture & Equipment £000	Surplus Assets -HRA £000	Assets under Construction £000	Total HRA £000
Cost or Valuation						
At April 2022	**186,543**	**3,215**	**418**	**418**	**30**	**190,624**
Additions	4,969	157	691	0	0	5,817
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	6,833	(24)	0	245	0	7,054
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,949)	(25)	0	(15)	0	(1,989)
Derecognition - Disposals	(1,787)	0	(10)	0	0	(1,797)
Derecognition - Other	(4,115)	(157)	(10)	0	0	(4,282)
Other movements in Cost or Valuation	0	0	0	0	0	0
At 31 March 2023	**190,494**	**3,166**	**1,089**	**648**	**30**	**195,427**
Accumulated Depreciation & Impairment						
At April 2022	**0**	**0**	**(147)**	**0**	**0**	**(147)**
Depreciation Charge	(2,187)	(44)	(58)	0	0	(2,289)
Depreciation written out to the Revaluation Reserve	0	20	0	0	0	20
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,166	24	0	0	0	2,190
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
Impairment reversals recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
Derecognition- Disposals	21	0	10	0	0	31
Derecognition- Other	0	0	10	0	0	10
At 31 March 2023	**0**	**0**	**(185)**	**0**	**0**	**(185)**
Net Book Value						
at 31st March 2023	**190,494**	**3,166**	**904**	**648**	**30**	**195,242**
at 31st March 2022	**186,543**	**3,215**	**271**	**418**	**30**	**190,477**

Comparative Figures for 2021/22	Council Dwellings £000	Other Land and Buildings - HRA £000	Vehicle, Plant, Furniture & Equipment £000	Surplus Assets -HRA £000	Assets under Construction £000	Total HRA £000
Cost or Valuation						
At April 20201	**178,485**	**3,131**	**197**	**354**	**12**	**182,179**
Additions	5,949	46	221	0	18	6,234
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	9,296	86	0	86	0	9,468
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(583)	(2)	0	0	0	(585)
Derecognition - Disposals	(1,636)	0	0	(80)	0	(1,716)
Derecognition - Other	(4,910)	(46)	0	0	0	(4,956)
Other movements in Cost or Valuation	(58)	0	0	58	0	0
At 31 March 2022	**186,543**	**3,215**	**418**	**418**	**30**	**190,624**
Accumulated Depreciation & Impairment						
At April 2021	**0**	**0**	**(98)**	**0**	**0**	**(98)**
Depreciation Charge	(2,093)	(41)	(49)	0	0	(2,183)
Depreciation written out to the Revaluation Reserve	0	41	0	0	0	41
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,073	0	0	0	0	2,073
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
Impairment reversals recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
Derecognition- Disposals	20	0	0	1	0	21
Derecognition- Other	0	0	0	(1)	0	(1)
At 31 March 2022	**0**	**0**	**(147)**	**0**	**0**	**(147)**
Net Book Value						
at 31st March 2022	**186,543**	**3,215**	**271**	**418**	**30**	**190,477**
at 31st March 2021	**178,485**	**3,131**	**99**	**354**	**12**	**182,081**

In the last 12 months house prices have increased within High Peak's housing areas on average between 1.03% in Hope Valley and 10.89% in Chinley. The Vacant Possession Value (Open Market Value) of council dwellings as at 31st March 2023 was £453,563 million. In accordance with government guidance, this value has been reduced to £190.496 million following the application of the prescribed regional adjustment factor of 42% in recognition of their status as social housing. The lower figure shown in the accounts recognises the economic cost to the Government of providing council housing at less than open market rents. The revaluation was in accordance with the Government's resource accounting policy, at Existing Use Value Social Housing.

The balance sheet value also reflects sales of dwellings and depreciation. Council buildings, including council dwellings, are depreciated over the remaining useful life of the buildings.

2021/22 £000		2022/23 £000
2,093	Depreciation on Housing Revenue Account Dwellings	2,187
41	Depreciation on Housing Revenue Account Other Land and Property	29
49	Depreciation on Housing Revenue Account Vehicle, Plant, Furniture & Equipment	73
2,183	**Total**	**2,289**

5. Major Repairs Reserve (MRR)

The Major Repairs Reserve is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings. The reserve is only available for funding major repairs to the housing stock or for repayment of debt. Any sums unspent are carried forward for use in future years.

2021/22 £000		2022/23 £000
103	**Balance as at 1 April**	**186**
2,182	Amount transferred to the Major Repairs Reserve During the year	2,289
(2,099)	Financing in respect of capital expenditure on land, houses and other property within the Authority's HRA	(2,268)
186	**Balance as at 31 March**	**207**

6. HRA Capital Expenditure and Financing

2021/22 £000		2022/23 £000
	Capital Expenditure	
700	Purchase of Dwellings	401
0	Purchase of Vehcles	691
5,535	Council House Repair & Modernisation	4,725
6,235		**5,817**
	HRA Capital Expenditure Financed by :	
0	Grants and Contributions	97
280	Usable Capital Receipts	402
3,856	Revenue Contributions	3,050
2,099	Major Repairs Reserve	2,268
6,235	**Total**	**5,817**

7. Housing Capital Receipts

2021/22 £000		2022/23 £000
2,039	Right to Buy Council Sales	2,108
220	Other Land and Building	45
2,259	**Total Receipts**	**2,153**

The Council previously was required to pay a portion of the receipts from the sale of council houses into a government housing pool on the basis that the original cost of the housing would have been partly paid by government grant. Under those rules, the pooling payment would have been £0.390million in 2022/23, but in March 2023 the government announced that Local authorities would be able to retain all their Right to Buy receipts from sales in 2022/23 and 2023/24, and gave a 5 year timeframe to spend this money.

8. HRA Revenue Funded from Capital Under Statute

Revenue Funded from Capital Under Statute is created when expenditure has been incurred on items that are not capitalised as non-current assets and have been financed from capital resources. Revenue Expenditure Funded from Capital Under Statute is written down to the Housing Revenue Account over an appropriate period, usually in the same year in which the expenditure has been incurred. There was no expenditure of this nature in 2022/23.

9. Housing Revenue Account Subsidy

In April 2012, following Government legislation (Localism Act 2011), a new self-financing regime for the Housing Revenue Account was introduced. As a result the Housing subsidy system was terminated and the Council took on £37.481million in new loans to settle its liability to the Government. No further payments in respect of housing subsidy will therefore be made by the Council. Under the self-financing regime the Council now maintains a rolling thirty year financial plan for its social housing stock to ensure that the stock portfolio remains financially viable.

10. Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. During the year, void properties equated to 1.346% of the gross rent debit. Average rents were £74.07 (exclusive of other charges) per week in 2022/23, an increase of £1.28 or 1.76% over the previous year.

11. Rent Arrears and Provisions for Bad Debts

During the year 2022/23 gross rent arrears as a proportion of gross debit reduced from 1.65% of the amount due to 1.51%. Former and current tenants' arrears of £39,713 were written off during the year. The bad debt provision was increased by £22,013 during the year. Balances at 31st March are:

2021/22 £000		2022/23 £000
259	Rent Arrears	240
169	Provision for Bad Debt- Rents	151

Collection Fund Account

The Collection Fund Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing Authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates (also known as business rates).

2021/22				2022/23		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000	£000	£000		£000	£000	£000
			Income			
	(24,204)		Income due from Business Rates Payers		(25,436)	
	(162)		Transitional Protection Payments for Business Rates		91	
(60,507)			Income due from Council Tax Payers	(63,236)		
(51)			Hardship Fund Grant income paid to Collection Fund	0		
(60,558)	**(24,366)**	**(84,924)**	**Total Income**	**(63,236)**	**(25,345)**	**(88,581)**
			Expenditure			
			Preceptors			
	13,388		Central Government		13,029	
42,742	2,410		Derbyshire County Council	44,649	2,345	
7,466			Derbyshire Police Authority	7,886		
2,450	268		Derbyshire Fire & Rescue Authority	2,534	261	
6,880	10,710		High Peak Borough Council	7,192	10,424	
		86,314				**88,320**
			Distribution of Previous Year Surplus /(Deficit)			
	(4,335)		Central Government		(694)	
(465)	(780)		Derbyshire County Council	758	(125)	
(78)			Derbyshire Police Authority	132		
(27)	(87)		Derbyshire Fire & Rescue Authority	43	(14)	
(74)	(3,468)		High Peak Borough Council	122	(555)	
		(9,314)				**(333)**
			Charges to the Collection Fund			
137	290		Write Offs of uncollectable amounts	189	52	
47	(237)		Increase/(Decrease) in Impairment Allowance	663	136	
	(2,579)		Refunds Charged to Provision for Appeals		(19)	
	367		Increase/(Decrease) in Provision for Appeals		1,182	
	134		Cost of Collection Allowance		136	
		(1,841)				**2,339**
59,078	**16,081**	**75,159**	**Total Expenditure**	**64,168**	**26,158**	**90,326**
(1,480)	**(8,285)**	**(9,765)**	**Movement on Fund Balance in year**	**932**	**813**	**1,745**
643	8,732	9,375	(Surplus)/ Deficit on Fund Brought forward	(837)	447	(390)
(837)	**447**	**(390)**	**(Surplus)/Deficit on Fund Carried Forward**	**95**	**1,260**	**1,355**

Notes to the Collection Fund Account

1. Non-domestic Rates (NDR)

Central Government sets the Non-Domestic Rate Multiplier and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their Rateable Value by that amount, adjusted by any applicable reliefs or exemptions.

2021/22		2022/23
£71,347,952	Total Non- Domestic Rateable Value at Year End	£72,187,801
51.2p	National Non-Domestic Rate Multiplier	51.2p

2. Council Tax Base

Council Tax income derives from charges raised according to the value of residential properties that have been classified into 8 bands, based on valuations as at 1 April 1991. Individual charges are calculated by estimating the amount of income required from the Collection Fund by County Council, Police Authority, Fire Authority and this Council, and dividing this total figure by the Council Tax base. The Council Tax base for the year was calculated as follows:

Valuation Band	Proportion of Band D Charge (ninths)	Number of Dwellings in Valuation List		Number of Band D Equivalent Dwellings	
		2021/22	2022/23	2021/22	2022/23
Band A	6	8,607	8,611	3,330	3,387
Band B	7	13,086	13,172	7,899	7,954
Band C	8	9,046	9,176	6,963	7,080
Band D	9	4,912	4,992	4,437	4,510
Band E	11	3,856	3,925	4,376	4,473
Band F	13	2,140	2,154	2,884	2,912
Band G	15	835	840	1,295	1,312
Band H	18	46	46	64	63
Total		**42,528**	**42,916**	**31,248**	**31,691**
Deduction for non-collection				(344)	(349)
Additional properties and adjustments during the year				0	0
Council Tax Base (Band D equivalent)				**30,904**	**31,342**

3. The Fund Balance

Prior to the end of each year, the year-end surplus or deficit on the Collection Fund for both Council Tax and Business Rates is estimated in order that it can be distributed amongst the billing and precepting authorities along with the precepts for the coming year. The declaration must be made on 15th January each year for Council Tax and 31st January for Business Rates. The estimates declared for the 2021/22 year were a

£1,055,000 surplus for Council Tax and a £1,388,000 deficit for Business Rates, both of which have been distributed in 2022/23.

For Council Tax, the estimated surplus was apportioned amongst the preceptors in proportion to the value of their respective demands and precepts made on the Collection Fund for 2021/22. The estimate Business Rates deficit was apportioned using the prescribed proportions 50% (Central Government), 40% (Billing Authority), 9% (County Council), and 1% (Fire Authority).

2021/22 Council Tax	2021/22 Business Rates		2022/23 Precept Council Tax	2022/23 Precept Business Rates	Distribution of Estimated Surplus / (Deficit) Council Tax	Distribution of Estimated Surplus / (Deficit) Business Rates	2022/23 Total Council Tax	2022/23 Total Business Rates
£000	£000	**Precepting Authorities**	£000	£000	£000	£000	£000	£000
	9,053	Central Government		13,029		(694)		**12,335**
42,277	1,630	Derbyshire County Council	44,649	2,345	758	(125)	**45,407**	**2,220**
7,388		Derbyshire Police Authority	7,886		132		**8,018**	
2,423	181	Derbyshire Fire & Rescue Authority	2,534	261	43	(14)	**2,577**	**247**
52,088	**10,864**		**55,069**	**15,635**	**933**	**(833)**	**56,002**	**14,802**
		District & Town/ Parish Councils						
6,119	7,242	High Peak Borough Council	6,438	10,424	122	(555)	**6,560**	**9,869**
213		New Mills Town Council	251				**251**	
187		Chapel-en-le-Frith Parish Council	200				**200**	
288		Parish Councils	303				**303**	
6,807	**7,242**		**7,192**	**10,424**	**122**	**(555)**	**7,314**	**9,869**
58,895	**18,106**		**62,261**	**26,059**	**1,055**	**(1,388)**	**63,316**	**24,671**

On the 2022/23 Collection Fund, the accounts record an in-year deficit of £932,000 for Council Tax and a deficit of £813,000 for Business Rates. The balance at 31st of March 2023 has been disaggregated for the purpose of these Accounts to attribute relevant amounts to the precepting authorities' debtor and creditor accounts and those of the billing council as follows:

2021/22 Council Tax Cummulative Surplus /(Deficit)	2021/22 Business Rate Cummulative Surplus /(Deficit)		2022/23 Council Tax In Year Surplus/ (Deficit)	2022/23 Business Rate In Year Surplus/ (Deficit)	2022/23 Council Tax Cummulative Surplus /(Deficit)	2022/23 Business Rate Cummulative Surplus/ (Deficit)
£000	£000		£000	£000	£000	£000
0	(223)	Central Government		(407)	0	(630)
600	(40)	Derbyshire County Council	(668)	(73)	(68)	(113)
106		Derbyshire Police Authority	(118)		(12)	
33	(5)	Derbyshire Fire & Rescue Authority	(39)	(8)	(6)	(13)
97	(179)	High Peak Borough Council	(107)	(325)	(10)	(504)
836	**(447)**	**Balance at 31 March**	**(932)**	**(813)**	**(96)**	**(1,260)**

The Council Tax cumulative deficit amounts attributable to the County Council, Police Authority and Fire & Rescue Authority above are shown as debtors in the 2022/23 Balance Sheet; and the Business Rates cumulative deficit amounts attributable to Central Government, the County Council and Fire & Rescue Authority above are shown as debtors in the 2022/23 Balance Sheet.

4. Council Tax & Non-Domestic Rates Income reported on the Comprehensive Income & Expenditure Statement

The Comprehensive Income & Expenditure Statement includes income from Council Tax & Non-Domestic Rates in "Taxation and Non-Specific Grant Income & Expenditure"; this is further detailed in Note 3c in the Notes to the Financial Statements. A reconciliation between the income reported in the Collection Fund Statement and Notes and that shown in Note 3c follows:

2021/22 Council Tax	2021/22 Business Rates		2022/23 Council Tax	2022/23 Business Rates
£000s	£000s	**Note 3c Taxation and Non-Specific Grant Income**	£000s	£000s
(6,977)		Council Tax Income	(7,207)	
	(1,646)	Non-Domestic Rates Retention		(1,046)
(6,880)	(10,710)	HPBC Precept	(7,192)	(10,424)
74	3,468	HPBC Share of (Surplus)/ Deficit Distributed in the Year	(122)	555
(171)	(3,314)	HPBC Share of actual (Surplus)/ Defict recorded at 31st March	107	325
	662	Contribution to Derbyshire Business Rates Pool*		250
	8,248	NDR Tariff **		8,248
(6,977)	**(1,646)**	**Total**	**(7,207)**	**(1,046)**
0	**0**	**Variance**	**0**	**0**

* Under the Business Rates Retention system, the NDR levy is a charge on a proportion of growth above the Business Rates Funding Baseline in the year. This is a charge to the General Fund and as such does not feature in the Collection Fund Statement. As a member of a Business Rates Pool the Council does not have to pay this levy to Central Government, but instead pays a contribution to the Derbyshire Business Rates Pool. This figure includes and update to the estimated draft contribution to the pool for the previous year.

** The NDR Tariff is the difference between the NDR Baseline and the Funding Baseline, which are set by Central Government as part of the Budget. It is paid to Central Government during the year out of the General Fund and as such does not feature in the Collection Fund Statement.

5. Community Charge

Outstanding arrears in respect of Community Charge are still being collected and these amounts are credited to the Council's General Fund directly.

Accounting Policies

1. General Principles
The Statement of Accounts summarise the Council's transactions for a financial year and the position at the financial year-end. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. Those Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.
These practices primarily comprise CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom, applicable to the financial year, supported by International Financial Reporting Standards (IFRS).
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.
2. 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.
- The resources available are concentrated on identifying and accruing individual transactions of £10,000 and above.
- An Accumulated Absences creditor balance is maintained to reflect the value of time owed to employees for accrued holidays, TOIL (time off in lieu) and flexitime. This balance is based on an historic value subject to annual review and amendment where there have been significant changes in staff numbers or working patterns.

3. Cash and Cash Equivalents
Cash is represented by cash in hand and deposits with financial instruments repayable without penalty on notice of not more than 24 hours.
Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.
In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.
4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. 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 stated otherwise) 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.
5. Charges to Revenue for Non-Current Assets
Services, support services and trading accounts are charged an accounting estimate of the cost of holding assets during the year. This comprises:
- 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 assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. 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 Authority in accordance with statutory guidance.
Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [Minimum Revenue Provision (MRP)], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. 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 salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. 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 to the accumulated absences account 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 Authority 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 the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for 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 Authority 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 Authority are members of The Local Government Pensions Scheme, administered by Staffordshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Staffordshire Pension Fund is part of the Local Government Pension Scheme, and is accounted for as a defined benefit scheme.

- The liabilities of the Staffordshire Pension Fund attributable to the Authority 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 future earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate determined by the actuary (based on the indicative rate of return on high quality corporate bonds).
- The assets of the Staffordshire Pension Fund attributable to the Authority are included in the Balance Sheet at fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimates
  - unitised securities – current bid price
  - property – market value.

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

- Service cost comprising:
- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
  - Net interest on the net defined benefit liability (asset) – i.e. the net interest expense for the Authority – 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 in 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 the Staffordshire 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 Authority 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 based on cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

7. Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the Balance Sheet date 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 is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

8. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value 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 Authority 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 Authority 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 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. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL)

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 cashflows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

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

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 Authority recognises expected credit losses on all its financial assets held at amortised cost, on either of 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 Authority.

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

Finance Assets Measured at Fair Value through Profit or Loss (FVPL)
Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority 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.

Fair value measurement of financial assets
Fair value of an asset 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 measurements of the Council's 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 Authority 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.

9. 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 Authority when there is reasonable assurance that:

- the Authority 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.

Where the Council is acting as the Agent of a third party, by distributing grants on their behalf, those transactions are not reflected in the Comprehensive Income and Expenditure Statement. Any debtor or creditor balance, in respect of cash received or expenditure incurred, is reported in the Balance Sheet and included in financing activities in the Cash Flow Statement.

10. Intangible Assets
Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority 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 Authority.

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 Authority 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 Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

11. Interests in Companies and Other Entities
The Authority has a material interest in Alliance Environment Services Ltd (AES) with High Peak Borough Council and Ansa; and in Alliance Norse Ltd with High Peak Borough Council and Norse Commercial Services Ltd. These arrangements are assessed as Joint Operations therefore there is no requirement to prepare group accounts. The

Council does not have interest in any other any company or entity that has the nature of a subsidiary, associate or joint venture, so has no requirement to prepare group accounts.

12. 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 Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority 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.

13. Inventories

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.

14. Investment Property

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 in an orderly 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 revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received 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 (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

15. 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 Authority 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 Authority 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 (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority 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 services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority 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 (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the comprehensive income and expenditure statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and 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 for 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 Authority 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 lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

16. Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, 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 Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

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

The Authority 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 Authority). 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 Authority.

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

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

- infrastructure, community assets and assets under construction – depreciated historic cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – the 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 historic cost basis is used as a proxy for current value. Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services 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 of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Impairment

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 the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

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 finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- It is not charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.

Where a Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see Componentisation below).

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

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 recognised only up to the amount of any losses previously 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, amortisation 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 reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. 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 (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

Componentisation

A formal Componentisation policy has been adopted in accordance with the requirements of International Reporting Standards effective from 2010/11. The policy applies to all categories of Property, Plant and Equipment which meet the following criteria:

- individual assets and groups of similar assets, whether held at historic cost or current cost, with a gross carrying value of £800,000 and above will be considered for the purposes of componentisation,
- items below this level will be disregarded as the impact upon the total cost of service is not considered material,
- assets that are above the £800,000 threshold will be 'componentised' where the cost of the component is significant in relation to the overall cost of the asset. A component will be deemed significant where it represents 20% of the total cost of the overall asset at the time of acquisition or construction and where the component element has a significantly different useful life and/or method of depreciation to the main asset.
- where assets comprise two or more components any change in overall valuation will not simply be applied to the overall asset but assigned to its component parts in accordance with any split provided by the valuer.

Derecognition

When a component is replaced or restored the old component should be "derecognised" (written off) to avoid double counting. Under the Code, derecognition is required to ensure the asset carrying values are not materially overstated. To this end the following principles will be applied when calculating derecognition values:

- General Fund Assets
  - the component does not need to have been separately identified under the above policy.
  - all spending on assets valued at over £800,000 will be considered for derecognition.
  - on assets valued at under £800,000, only capital spending greater than £160,000 (20%) will be considered for derecognition.
  - on all assets, capital spending lower than £160,000 will be treated as an enhancement without any derecognition unless it is determined that there would be no material increase in carrying value.
- Determining Derecognition Values
  - derecognition will be based on valuations of the replaced component provided by Property Services; or
  - where no valuations are readily available, replacement cost will be used, adjusted for appropriate levels of depreciation and impairment.

Note: all assets will be considered separately for an Impairment Review in accordance with the Code.

De Minimis

Where the gross value of a Property asset is £10,000 or less it is included on the Balance Sheet at its carrying value without further revaluation, depreciation or impairment. These assets are subjected to an annual internal review. Where this identifies the potential for a significant increase that would take carrying values above £10,000, a formal valuation will be triggered.

Where a Non-Property asset continues to be of economic value to the Authority but has been fully depreciated it will be recorded in the Balance Sheet at a carrying value of £0 irrespective of how many more useful years it is assessed to have.

17. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where 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 of 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 when the Authority has an 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.

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), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

When payments are eventually made, they are charged against the provision carried in the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority 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 Authority. 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 with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority 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 Authority.

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.

18. Reserves

Reserves equate to the residual value of the Council's assets after deducting all its liabilities. They are reported on the Balance Sheet under two categories:

Usable Reserves

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

Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Authority. They are of two kinds:

a) those that hold unrealised gains and losses. Arising from changes in Asset or Liability valuation, where gains/ losses will only be released once the Asset/ Liability is disposed of
b) adjustment accounts that carry a balance reflecting the timing difference between income and expenditure as recognised under accounting standards and that required under statute.

These reserves, explained in the relevant policies and Statement notes, are Revaluation Reserve [(a) capital], Capital Adjustment Account [(b) capital], Pensions Reserve [(b) employees], Accumulated Absences Account (b), Collection Fund Adjustment Account (b).

19. 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 Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

20. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

21. Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities held and maintained for their contribution to knowledge and culture.

The Council holds a range of Heritage Assets:

- Civic Regalia – comprises the various chains of office associated with the ceremonial functions of the Council and the office of Mayor (including deputies and consorts).
- Nicholson Collection – held on trust by the Council this collection is primarily on public display in the Nicholson Museum & Art Gallery within the Nicholson Institute in Leek.
- Civic Memorabilia – items, commemorative in nature, that have been donated to the Council.
- Legal Documents – a number of historical legal documents.
- Monuments, Memorials, Statues and Other Assets – the Council either owns or is custodian for a range of items (e.g. fountains, wells etc.) considered significant to the heritage of the district.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets, as detailed below.

Both the Civic Regalia and Nicholson collections are held on the Balance Sheet at Insurance Value which is based on market value. It is considered that they have an indefinite life and therefore Depreciation is not charged. The Nicholson Collection is specifically maintained and preserved in its original condition.

In addition, both collections are annually reviewed in order to establish if carrying values remain current and if impairment is required.

For security reasons, the Council does not publicly reveal precise details of either its Civic Regalia or the Nicholson Collection.

Information on cost or value is not usually held on the remaining Heritage Assets and the Council considers that the cost of obtaining valuations tends not to be commensurate with the potential benefits to the users of the Statement of Accounts. Therefore these assets are rarely included on the face of the Balance Sheet. However, an annual review of such assets is undertaken to ensure that this assumption remains valid.

22. 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 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 Comprehensive Income and Expenditure Statement (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 included 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, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

23. Fair Value Measurement

The Authority measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Authority 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 Authority 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 and liabilities 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 or liabilities that the Authority can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

24. Presentation of Items in Other Comprehensive Income & Expenditure

The Authority does not have any transactions in Other Comprehensive Income and Expenditure which are reclassified to the Surplus or Deficit on the Provision of Services and has therefore not split Other Comprehensive Income and Expenditure into those items that will, or will not, be reclassified subsequently to the Surplus or Deficit on the Provision of Services when specific conditions are met.

25. Long-term contracts

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

26. 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

Glossary of Financial Terms

Accounting Period
This is the length of time covered by the accounts. It is normally a period of 12 months commencing 1st April. The end of the accounting period is the reporting date.
Accounting Policies
Accounting policies and estimation techniques are the principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements.
Accruals
The accruals basis of accounting requires the non-cash effects of transactions to be reflected in the financial statements for the accounting period in which they were earned or incurred, and not in the period in which any cash is received or paid.
Actuarial Gains and Losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:
Events have not coincided with the actuarial assumptions made for the last valuation; or
The actuarial assumptions have changed.
Amortised Cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.
Asset
An asset is something that the Council owns that has a monetary value. Assets are either 'current' or 'non-current'. A current asset will be used by the end of the next financial year, whereas a non-current asset provides benefits for a period of more than one year.
Balance Sheet
A snapshot of the overall financial position of the Council at the reporting date.
Balances
Reserves held in Council funds at the reporting date.
Capital Adjustment Account
Provides a balancing mechanism between the cost of
non-current assets consumed and the capital financing set aside to pay for them.
Capital Charges
The depreciation charge covering non-current assets used in the provision of services.
Capital Expenditure
Spend on the acquisition of non-current assets or expenditure which adds to and does not merely maintain existing assets.
Capital Receipts
Income received from the sale of capital assets, a specified proportion of which may be used to finance new capital expenditure and the remainder is set aside and may only be used for paying off debt.
Carrying Value
The value at which an asset or liability is held on the Balance Sheet.
Cash Flow Statement
This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.
Chartered Institute of Public Finance and Accountancy (CIPFA)
The professional accountancy body concerned with local authorities and the public sector.
Collection Fund
Fund indicating the level of Council Tax and Non-Domestic Rates received by the Council and the payments which are made from these funds including precepts to central government, other authorities and the Council's own demand.
Community Assets
Assets which the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.
Comprehensive Income and Expenditure Statement (CIES)
Summarises the resources that have been generated and consumed in providing services and managing the Council during the year.
Consistency
Accounting concept applied in the preparation of the accounts, ensuring that the accounting treatment of like items within a period and from one period to the next is the same.
Contingent Assets & Liabilities
Possible asset or obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.
Creditors *(Payables)*
Amounts owed by the Council for goods and services, where payments have not been made at the reporting date.
Current Assets
Items that can be readily converted into cash within a year.

Current Liabilities
Items due immediately or in the short-term.
Debtors (Receivables)
Amounts owed to the Council for goods and services, where the income has not been received at the end of the financial year.
Depreciated Replacement Cost (DRC)
A method of valuation which provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all the relevant forms of obsolescence and optimisation.
Depreciation
Measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use over time or obsolescence through technological or other changes.
Earmarked Reserves
Reserves set aside for a specific purpose, a particular service, or type of expenditure.
Events after the Reporting Period
Events, both favourable and unfavourable, which occur between the reporting date and the date on which the Statement of Accounts is signed by the responsible financial officer.
Extraordinary Items
Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items nor do they include any prior period items merely because they relate to a prior period.
Fair Value
The fair value of an asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Fees and Charges
Income arising from the provision of services.
Finance Lease
A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee from the lessor. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.
Financial Instrument
These are contracts that give rise to a financial asset of one entity and a financial liability of another. Examples include trade payables and receivables, borrowings, investments, loans and bank deposits.
Financial Year
A period of time to which a Statement of Accounts relates. The financial year of the Council runs from 1st April to 31st March.
General Fund (GF)
The main revenue fund of a billing Authority. Day-to-day spending on services is met from the fund.
Going Concern
The accounting concept that assumes the Council will remain in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of operations.
Government Grants
Assistance by government, its agencies and similar bodies in the form of cash or transfer of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the Authority.
Heritage Asset
An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.
Impairment
The writing down in the value of an asset, owing to a change in value or use of resource.
Infrastructure Assets
Inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Examples of such assets are highways and footpaths.
Intangible Assets
Non-financial non-current assets that do not have physical substance but are identifiable and are controlled by the Authority through custom or legal rights. Examples of such assets are software licences.
International Financial Reporting Standards (IFRSs)
A suite of accounting standards used across the world and prepared by the International Accounting Standards Board (IASB). IFRS is the international equivalent of the Financial Reporting Standards (FRSs) formerly used in the UK. IFRSs apply to local Authorities and any departure from these must be disclosed in the published accounts.
Investment Properties
Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of operations.
Joint Operation

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 Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators.

Joint Venture

Arrangement under which two or more parties have contractually agreed to share control, such that decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control, and joint venturers have the rights to the net assets of the arrangement.

Leasing

Method of financing the provision of various capital assets, usually in the form of operating leases which tend not to provide for property in the asset to transfer to the Authority.

Liability

A present obligation of the Authority, settlement of which is expected to require the outflow of resources such as cash or the provision of a service.

Long-Term Debtors

Monies due to the Council which are unlikely to be recovered within a 12-month period, for example loans to third parties.

Long-Term Investments

An investment intended to be held for the medium- or long-term and will not be capable of realisation within a year of the reporting date.

Minimum Revenue Provision (MRP)

Minimum amount which must be charged to an Council's revenue account each year for the repayment of principal and set aside as a provision for credit liabilities.

Net Book Value

Amount at which non-current assets are included in the balance sheet, i.e. their historic cost or current value less the cumulative amounts provided for depreciation.

Net Current Replacement Cost

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

Net Realisable Value

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 lithe asset.

New Homes Bonus

A reward grant paid to Authorities based on the number of new homes built or brought back into occupation. A premium is paid for affordable homes included in these numbers.

Non-Current Assets

Asset that yields benefits to the Authority and the services it provides for a period of more than one year.

Non-Domestic Rates (NDR)

Amounts payable to local Authorities from Non-Domestic Rates properties distributed to Central Government; the County Council; Fire Authority; and the Council.

Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

A lease other than a finance lease.

Operational Assets

Non-current assets held and occupied, used or consumed by the Authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Precept

Demands made upon the collection fund by Central Government and other authorities (Staffordshire County Council, Staffordshire Fire & Rescue Authority, Staffordshire Police and Town & Parish Councils) for the services they provide.

Provisions

Amounts set aside where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential. The best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Prudence

An accounting concept that revenue is not anticipated, but is recognised only when it is realised in the form of cash or other assets; the ultimate cash realisation of which can be assessed with reasonable certainty.

Prudential Framework

The Prudential Framework replaced the credit approval mechanism previously used by central government to control borrowing for capital expenditure. Local authorities are now allowed to determine their own capital programmes according to prudent assessments of affordability. Authorities must set their spending plans in accordance with the CIPFA Prudential Code.

Reserves

Sums set aside to meet future expenditure on specific purposes.

Revaluation Reserve

A capital reserve that records net gains (if any) from revaluations of assets made after 1st April 2007.

Revenue Expenditure

Expenditure on the day-to-day running of the Council, including employee costs, running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure classified as capital for funding purposes which does not result in a non-current asset being carried on the Balance Sheet. This would include capital grants or renovation grants to private persons.

Revenue Support Grant (RSG)

Grant paid to local authorities by Central Government to help finance its general expenditure.

Section 106 (S106)

This section of the Town and Country Planning Act 1990 enables legal agreements between planning authorities and a developer where, on being granted a planning application, the latter may be obliged to provide additional funding for specified services.

Short-Term Investments

An investment that is capable of realisation within a year of the reporting date.

Usable Capital Receipts Reserve

Distinguishes the amounts in the reserve from any capital receipts that have been posted to the Capital Adjustment Account to reduce the Council's underlying requirement to borrow.

Useful Life

Period over which the Authority will derive benefits from the use of a non-current asset

Independent auditor's report to the members of High Peak Borough Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of High Peak Borough Council (the 'Authority') for the year ended 31 March 2023, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure 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 and notes to the financial statements, including a summary of significant accounting policies. 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 Authority as at 31 March 2023 and of its 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Executive Director and Chief Finance Officer'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 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 to cease to continue as a going concern.

In our evaluation of the Executive Director and Chief Finance Officer'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 financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by 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 Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Executive Director and Chief Finance Officer 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 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 Executive Director and Chief Finance Officer 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 Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director and Chief Finance Officer 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.

Responsibilities of the Authority and the Executive Director and Chief Finance Officer

As explained more fully in the Statement of Responsibilities, 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 Executive Director and Chief Finance Officer. The Executive Director and Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director and Chief Finance Officer 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 Executive Director and Chief Finance Officer is responsible for assessing the Authority'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 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 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).

We enquired of management and the Audit and Regulatory Committee, concerning the 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 and Regulatory 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'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, and review of accounting policies. We determined that the principal risks were in relation to non-routine journal entries, and key accounting estimates around the valuation of council dwellings, other land and buildings, surplus assets and the valuation of net pension surplus. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on non-routine transactions within identified risk criteria including, journals posted by senior officers, large year-end and post year-end journals, journals posted by system administrators and journals that move revenue expenditure to capital,
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of respect of valuation of council dwellings, other land and buildings, surplus assets and defined benefit pensions liability and asset valuations; 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.

Our assessment of the appropriateness of the collective competence and capabilities of the 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
- understanding of the legal and regulatory requirements specific to the Authority 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’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's control environment, including the policies and procedures implemented by the Authority 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 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 – Audit certificate

We certify that we have completed the audit of High Peak Borough 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.

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.

Andrew Smith

Andrew Smith, Key Audit Partner

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

Birmingham

18 April 2024