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Democratic Services
Sheffield Town Hall, Pinstone Street, Sheffield, S1 2HH



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3.7.2013

Dear Member,

AUDIT COMMITTEE - TUESDAY 9 JULY 2013

I attach the following report of the Executive Director, Resources which will be considered by the Audit Committee at its meeting to be held on Tuesday 9 July 2013:

8. **Summary of the Statement of Accounts (Pages 95 - 120)**

Yours faithfully

Dave Ross
Democratic Services

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REPORT TO AUDIT COMMITTEE

DATE

9 July 2013

REPORT OF

Executive Director, Resources

ITEM

SUBJECT

Statement of Accounts for 2012/13

SUMMARY

The report is to provide Members of the Audit Committee with a summary of the 2012/13 Statement of Accounts and explain the core statements and a number of the key notes to the accounts. The final audited accounts will be presented to the Audit Committee on 25 September 2013.

The report also outlines the approval process for the statement of accounts and the Audit Committee's role in this process.

RECOMMENDATIONS

The Audit Committee is asked to note the core statements and the key notes to the Statement of Accounts for 2012/13.

**FINANCIAL IMPLICATIONS
CLEARED BY**

No

BACKGROUND PAPERS

CONTACT POINT FOR ACCESS

Allan Rainford

TEL NO.

273 5108

AREA(S) AFFECTED

**CATEGORY OF
REPORT**

Open

Statutory and Council Policy Checklist

Financial implications
YES /NO Cleared by: Allan Rainford
Legal implications
YES /NO Cleared by:
Equality of Opportunity implications
YES /NO Cleared by:
Tackling Health Inequalities implications
YES /NO
Human rights implications
YES /NO
Environmental and Sustainability implications
YES /NO
Economic impact
YES /NO
Community safety implications
YES /NO
Human resources implications
YES /NO
Property implications
YES /NO
Area(s) affected
Corporate
Relevant Scrutiny Board if decision called in
N/A
Is the item a matter which is reserved for approval by the City Council? YES /NO
Press release
YES /NO

AUDIT COMMITTEE – 9 JULY 2013
SHEFFIELD CITY COUNCIL
STATEMENT OF ACCOUNTS 2012/13

Purpose of the Report

1. The purpose of this report is to provide Members of the Audit Committee with a summary of the 2012/13 Statement of Accounts and explain the core statements and a number of the key notes to the accounts. A full set of the draft accounts is now available on the Council's website. A full set of the final audited accounts will be presented to the Audit Committee on 25 September 2013.
2. This report also outlines the approval process for the statement of accounts and the Audit Committee's role in this process.

Introduction

3. The Statement of Accounts has been prepared in accordance with the IFRS-based (International Financial Reporting Standards) Code of Practice on Local Authority Accounting in the United Kingdom and the statutory Accounts and Audit Regulations. This ensures that local authorities produce their Accounts in a standard way, which facilitates comparisons.
4. The Accounts and Audit Regulations 2011 sets out the procedures for certification, approval and publication of the Statement of Accounts. The approval process is as follows:
 - 30 June 2013 – Unaudited accounts to be certified by the Executive Director of Resources.
 - July to September 2013 – The statement of accounts are subject to audit by the Authority's auditors, KPMG, and their findings will be reported to the Audit Committee in September. During this time there is a period where the public can inspect the accounts and related documents (17 July – 13 August 2013).
 - No later than 30 September 2013 – Accounts to be re-certified by the Executive Director of Resources.
 - No later than 30 September 2013 – Audit Committee considers and approves the statement of accounts. Following approval, the Chair of the Audit

Committee signs and dates the Statement of Accounts.

- No later than 30 September 2013 – Publish, on the Council’s website, the statement of accounts together with any certificate, opinion or report issued by the auditor.

Statement of Accounts

Peculiarities of Local Authority Accounting

5. The presentation of local authority accounts differs greatly to that of the private sector. Many of these differences occur due to legislative requirements for Local Government Accounts.
6. There are significant differences in the way the Council accounts for Capital and Pension Contributions:

Capital

7. Local authorities account for capital in line with IFRS on the face of the Comprehensive Income and Expenditure Statement (CIES). However, the impact of any charges are ‘reversed’ out so that they do not affect the calculation of the Council Tax Requirement. These “adjustments between accounting basis and funding basis under regulation” are shown in Note 8 to the draft accounts, and includes items such as depreciation, revaluation, impairment and loss on disposal of fixed assets.

Pensions

8. Local authorities are required to comply with an International Accounting Standard called IAS 19 (*Employee Benefits*), which means accounting for pension liabilities when local authorities are committed to giving them, not when they are actually paid out.
9. The Council complies with IAS 19 and recognises the Council’s share of the net liability of the South Yorkshire Pension Scheme in the balance sheet. Within the CIES the ‘Cost of Service’ figures have been adjusted so they represent the true costs of pensions earned. As stated above, IAS 19 does not have any effect on the calculation of the Council Tax Requirement as they are again reversed out in an adjustment between accounting basis and funding basis under regulation.
10. The report on the Outturn position at the end of the 2012/13 financial year was considered by Cabinet on 19 June 2013. This reported that there was

an overall underspend of approximately £0.5m before movement on reserves. In contrast to this, the CIES reports a 'Deficit' of £498.1m.

	£'000
Surplus on General Fund Revenue Account	(459)
Net contributions to revenue reserves	(3,101)
Surplus on Housing Revenue Account	(8,119)
Deficit on Schools Accounts	5,806
Total Surplus	(5,873)
Removal of debt charges	(29,348)
Removal of pension contributions	(41,500)
Items that do not affect Council Tax:	
Inclusion of accounting charges for depreciation, impairment, holiday pay, PFI, etc.	388,904
Deficit on Revaluation of Non-Current Assets	44,426
Actuarial Losses on Pension Assets	141,449
Other Losses	27
Deficit on Income & Expenditure Statement	498,085

11. The statement of accounts comprise several key statements:

- Movement in Reserves Statement – Appendix 1
- Comprehensive Income and Expenditure Statement – Appendix 2
- Balance Sheet – Appendix 3
- Cash Flow Statement – Appendix 4
- Key Notes to the Core Financial Statements – Appendix 5

- Housing Revenue Account Income and Expenditure Account – Appendix 6
- Collection Fund – Appendix 7

Movement in Reserves – Appendix 1

12. 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 unusable reserves.
13. The Surplus or (Deficit) on the provision of services line shows the true economic cost of providing the authority's services, more details of which are shown in the CIES.
14. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes, therefore an adjustment is made to the movement in reserves statement for adjustments between accounting basis and funding basis under regulation.
15. The "Net (increase) / decrease before transfers to earmarked reserves" line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Comprehensive Income and Expenditure Statement – Appendix 2

16. 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 (Council Tax).
17. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost.
18. The presentation of the cost of services is presented using the CIPFA Service Reporting Code of Practice (SeRCOP) classification, a statutory requirement. This is so comparisons between different local authorities can be made.

Consolidated Balance Sheet – Appendix 3

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

authority (assets less liabilities) are matched by the reserves held by the authority.

20. Reserves are reported in two categories:

- Usable reserves - those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.
- Unusable reserves - those that the authority is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

Cash Flow Statement – Appendix 4

21. The Cash Flow statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents.

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

Key Notes to the Accounts – Appendix 5

23. The notes to the accounts contain information in addition to that presented in the main statements. They provide narrative descriptions, disaggregation of items presented in the statements and further information about items in the statements.

24. Attached at Appendix 5 are the key notes to the accounts:

- Officers remuneration (Note 33) - Full details are required for senior employees whose salary is above £50,000 per annum, and an additional summary disclosure is required of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances etc.) is above £50,000.

25. The Council's outturn position for 2012/13 was reported to Cabinet on 19th June. This reported a net under spend of £0.5m overall for the general fund revenue account. The Statement of Accounts are in line with the outturn

report but set out the more detailed financial position for the Council in a format required by legislation. The following two notes show the reconciliation between the outturn position and the statement of accounts:

- *Adjustments between accounting basis and funding basis under regulations* (Note 8) – this note details how the CIES has been adjusted in accordance with accounting practice, and the resources that are specified by statutory provision as being available.
- *Amounts reported for resource allocation decisions* (Note 29) – this note reconciles the income and expenditure shown in the CIES to the budget outturn report produced by the Council. The note is in three parts:
 - Part 1 shows the income and expenditure for the Portfolios as reported in the outturn - £459k general fund underspend, £8.1m HRA underspend, totalling £8.6m underspend.
 - Parts 2 and 3 reconcile the £8.6m outturn to the two key subtotals in the CIES, by detailing the adjustments made to arrive at the £531.2m subtotal Cost of Services and subtotal for the Deficit on Provision of Services £312.2m.
 - There are final adjustments, detailed in separate notes, for gains and losses on revaluation of assets and pensions to arrive at the final total of £498.1m deficit on the CIES.

Housing Revenue Account (HRA) – Appendix 6

26. The HRA Income and Expenditure Statement shows the economic cost in year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants.
27. Authorities charge rents to cover expenditure in accordance with regulations, which may be different from the accounting cost.

Collection Fund – Appendix 7

28. The Collection Fund is a 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 Business Rates.

Issues for 2012/13*Reduction in Council's net worth*

29. As reported in the Foreword to the Statement of Accounts, the Council's net worth has reduced by £498m (or 43%) since 2011/12, the main factors being:

- the increase in the Council's pensions liability (£139m), and;
- net loss on disposal of fixed assets (£286m), the majority of which relates to the conversion of 18 schools to academies during 2012/13 which means that those schools are no longer shown on the Council's balance sheet.

Prior Period Adjustment

30. The following adjustment has been made to the prior year accounts:

Reclassification of Reserves

A number of balances which were included within the General Fund Balance have been reclassified as Earmarked General Fund Reserves. This includes the Major Sporting Facilities reserve, the Private Finance Initiative reserve, the Invest to Save reserve and an element of the general balance allocated for specific purposes.

This adjustment was required to bring the figures shown within the Statement of Accounts in line with the Council's Budget Report and monitoring, where these reserves have always been classed as Earmarked reserves.

The 1 April 2011 and 31 March 2012 Balance Sheets and 2011/12 comparative figures have thus been restated in the 2012/13 Statement of Accounts.

Usable Reserves

31. Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and notes 8 and 9. The balance on usable reserves as at 31 March 2013 was £168.6m, which includes the General Fund Balance (£11.2m), Earmarked General Fund Reserves (£68.5m), Housing Revenue Account Balance (£22.5m), Capital Receipts Reserve (£30.2m), Major Repairs Reserve (£9.4m) and Capital Grants Unapplied (£26.7m).
32. The table below provides a breakdown of the earmarked reserves balance:

31 March		31 March
2012		2013
£000		£000
(25,154)	Schools Reserves	(16,435)
(859)	Revenue Grants and Contributions	(529)
	Other Earmarked Revenue Reserves:	
28,186	- Invest to Save	25,162
(949)	- Local Authority Business Growth Initiative (LABGI)	0
(2,202)	- Local Growth Fund (LGF)	(1,697)
(35,569)	- Major Sporting Facilities	(41,027)
(8,289)	- PFI Future Expenditure	(5,311)
(3,630)	- Service Area Reserves	(6,626)
(26,374)	- Other	(22,056)
(74,840)	Total	(68,519)

Financial Implications

33. There are no direct financial implications arising from the recommendations in this report.

Equal Opportunities Implications

34. There are no specific equal opportunities implications arising from the recommendations in this report.

Property Implications

35. There are no property implications arising from the recommendations in this report.

Recommendations

36. The Audit Committee is asked to note the core statements and the key notes to the Statement of Accounts for 2012/13.

APPENDIX 1 – MOVEMENT IN RESERVES

2012/2013										
	General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	
Note	24	24	24	24	24	24		25		
Balance at 31 March 2012	(10,350)	(74,840)	(14,409)	(31,382)	(10,106)	(25,821)	(166,908)	(992,525)	(1,159,433)	
Movement in reserves during 2012/13:										
(Surplus) / deficit on provision of services	327,201	0	(15,017)	0	0	0	312,184	0	312,184	
Other Comprehensive (Income) and Expenditure	0	13	0	9	0	0	22	185,879	185,901	
Total Comprehensive (Income) and Expenditure	327,201	13	(15,017)	9	0	0	312,206	185,879	498,085	
Adjustments between accounting basis and funding basis under regulations	(323,852)	0	6,898	(2)	727	2,357	(313,872)	313,872	0	
Net (increase) / decrease before transfers to earmarked reserves	3,349	13	(8,119)	7	727	2,357	(1,666)	499,751	498,085	
Transfers (to) / from earmarked reserves	(4,182)	6,308	0	1,150	0	(3,276)	0	0	0	
(Increase) / decrease in year	(833)	6,321	(8,119)	1,157	727	(919)	(1,666)	499,751	498,085	
Balance at 31 March 2013	(11,183)	(68,519)	(22,528)	(30,225)	(9,379)	(26,740)	(168,574)	(492,774)	(661,348)	

APPENDIX 2 – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2011/12			2012/13			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Notes	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Continuing Operations:						
698,470	(484,263)	214,207	Children's and Education Services	600,118	(434,642)	165,476
199,703	(61,928)	137,775	Adult Social Care	207,444	(67,956)	139,488
83,224	(10,959)	72,265	Highways and Transport Services	100,450	(10,871)	89,579
60,585	(7,199)	53,386	Cultural and Related Services	62,412	(4,896)	57,516
40,085	(10,609)	29,476	Environment and Regulatory Services	43,381	(10,657)	32,724
41,545	(5,286)	36,259	Planning Services	30,021	(7,070)	22,951
157,081	(163,426)	(6,345)	Local Authority Housing (HRA)	110,214	(145,250)	(35,036)
219,595	(192,142)	27,453	Other Housing Services	213,371	(194,843)	18,528
92,079	(62,839)	29,240	Central Services	90,092	(63,366)	26,726
18,312	(5,835)	12,477	Corporate and Democratic Core	18,050	(5,023)	13,027
1,734	(5)	1,729	Non-Distributed Costs (NDC)	234	(2)	232
1,612,413	(1,004,491)	607,922	Cost of Services	1,475,787	(944,576)	531,211
		34,050	Other Operating Expenditure	10		288,669
			Financing and Investment Income and Expenditure:			
		71,731	- HRA Self Financing Transaction	11 / 7		0
		107,550	- Other	11		65,775
			Taxation and Non-Specific Grant Income:			
		(590,084)	- HRA Self Financing Transaction	12 / 7		0
		(656,697)	- Other	12		(573,471)
		(425,528)	(Surplus) / Deficit on Provision of Services			312,184
		84,414	(Surplus) / deficit on revaluation of non-current assets			44,427
		1,308	Impairment losses on non-current assets charged to Revaluation Reserve			0
		94,918	Actuarial (gains) / losses on pension assets / liabilities			141,449
		67	Other (gains) / losses			25
		180,707	Other Comprehensive (Income) and Expenditure			185,901
		(244,821)	Total Comprehensive (Income) and Expenditure			498,085

APPENDIX 3 – BALANCE SHEET

As at 1 April 2011 £000	As at 31 March 2012 £000		Notes	As at 31 March 2013 £000
2,841,011	2,665,845	Property, Plant and Equipment	13	2,360,846
63,182	63,350	Heritage Assets	14	63,757
3,136	3,136	Investment Properties		2,210
15	0	Long term Investments		0
11,010	13,506	Long term Debtors	17	14,345
2,918,354	2,745,837	Long Term Assets		2,441,158
10,000	0	Short Term Investments	15	0
1,148	946	Inventories		57
136,267	113,647	Short Term Debtors	18	117,011
6,921	36,245	Cash and Cash Equivalents	15 / 19	108,336
5,442	11,556	Assets Held for Sale	20	3,834
159,778	162,394	Current Assets		229,238
(89,006)	(65,648)	Short Term Borrowing	15	(62,925)
(139,260)	(108,091)	Short Term Creditors	21	(85,502)
(16,970)	(43,763)	Short Term Provisions	22	(48,842)
(5,567)	(4,990)	PFI / PPP Finance Lease Liability	15 / 41	(6,930)
0	(43,316)	Capital Grants Receipts in Advance	37	(19,347)
(250,803)	(265,808)	Current Liabilities		(223,546)
(988,364)	(539,889)	Long Term Borrowing	15	(651,000)
(21,548)	(15,387)	Long Term Provisions	22	(14,518)
(226,811)	(221,814)	PFI / PPP Finance Lease Liability	15 / 41	(283,874)
(563,313)	(658,926)	Net Pension Liability	44	(797,832)
(31,092)	(27,716)	Other Long Term Liabilities	23	(23,912)
(81,589)	(19,258)	Capital Grants Receipts in Advance	37	(14,366)
(1,912,717)	(1,482,990)	Long Term Liabilities		(1,785,502)
914,612	1,159,433	Net Assets		661,348
(165,470)	(166,908)	Usable Reserves	24	(168,574)
(749,142)	(992,525)	Unusable Reserves	25	(492,774)
(914,612)	(1,159,433)	Total Reserves		(661,348)

APPENDIX 4 – CASH FLOW STATEMENT

2011/12		Notes	2012/13
£000			£000
425,528	Net surplus / (deficit) on the provision of services		(312,184)
	Adjust net surplus / (deficit) on the provision of services for:		
253,215	- Non-cash movements	26	413,427
(168,001)	- Items that are investing or financing activities	26	(71,487)
510,742	Net cash flow from operating activities		29,756
(17,712)	Investing activities	27	(58,514)
(463,706)	Financing activities	28	100,849
29,324	Net increase / (decrease) in cash and cash equivalents		72,091
6,921	Cash and cash equivalents at 1 April	19	36,245
36,245	Cash and cash equivalents at 31 March	19	108,336

APPENDIX 5 – KEY NOTES TO THE CORE FINANCIAL STATEMENTS

Note 33 - Officers' Remuneration

Under the Accounts and Audit Regulations 2011, Local Authorities are required to disclose information on their employees' remuneration in two sections. Full details are required for those employees defined in the Regulations as senior employees whose salary is above £50,000 per annum, and an additional summary disclosure is required of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances etc.) is above £50,000. In addition, those senior officers whose salary is above £150,000 are required to be named.

The remuneration paid to the Council's senior employees is as follows:

2012/13							
Post Holder Information	Note	Salary - including Fees and Allowances	Expenses Allowances	Compensation for Loss of Office	Total Remuneration excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£	£	£	£	£	£
Chief Executive John Mothersole	1	175,359	0	0	175,359	35,072	210,431
Executive Director of Resources		129,217	0	0	129,217	24,551	153,768
Executive Director - Place		123,066	123	0	123,189	23,383	146,572
Executive Director - Communities		129,217	0	0	129,217	24,551	153,768
Executive Director - Children Young People and Families	2	52,498	192	0	52,690	12,174	64,864
Executive Director - Children Young People and Families (Interim)	2	110,986	18	0	111,004	21,087	132,091
Total		720,343	333	0	720,676	140,818	861,494

Notes:

1 The Chief Executive has reduced pay during the period by £9,229 via the salary sacrifice scheme, which is included in the salary figure above. His full time equivalent salary is £184,588 per year.

2 The Executive Director - Children Young People and Families (CYPF) is currently on an unpaid career break, having been paid £52,690 up until her departure on 15 August 2012. Her full time equivalent salary was £141,516 in 2012/13. An interim replacement from the CYPF Leadership Team is in post with full time equivalent salary of £116,902.

2011/12 – Comparative Information							
Post Holder Information	Note	Salary - including Fees and Allowances	Expenses Allowances	Compensation for Loss of Office	Total Remuneration excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£	£	£	£	£	£
Chief Executive John Mothersole	1	175,359	0	0	175,359	34,149	209,508
Deputy Chief Executive	2	98,576	0	57,785	156,361	19,200	175,561
Executive Director of Resources	3	127,847	0	0	127,847	23,652	151,499
Executive Director - Place		123,066	77	0	123,143	22,767	145,910
Executive Director - Communities		129,217	0	0	129,217	23,905	153,122
Executive Director - Children Young People and Families		141,516	198	0	141,714	26,181	167,895
Total		795,581	275	57,785	853,641	149,854	1,003,495

Notes:

1 The Chief Executive has reduced pay during the period by £9,229 via the salary sacrifice scheme, which is included in the salary figure above. Their full time equivalent salary is £184,588 per year.

2 The Deputy Chief Executive took Flexible Retirement during 2011/12, which incurred Pension Costs of £57,785. Their full time equivalent salary is £135,368 per year. The Deputy Chief Executive also purchased additional annual leave via the additional annual leave salary sacrifice scheme at a cost of £5,206, which is included in the salary figure above.

3 The Executive Director of Resources, in 2011/12, has been assimilated to a permanent spinal column point. Their full time equivalent salary is now £129,217 per year.

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

2011/12			Remuneration Band	2012/13		
Teachers	Other	Total		Teachers	Other	Total
74	44	118	£50,000 - 54,999	69	39	108
76	43	119	£55,000 - 59,999	51	33	84
43	18	61	£60,000 - 64,999	25	9	34
26	12	38	£65,000 - 69,999	21	11	32
12	19	31	£70,000 - 74,999	16	11	27
2	15	17	£75,000 - 79,999	5	14	19
5	11	16	£80,000 - 84,999	4	11	15
3	3	6	£85,000 - 89,999	4	4	8
3	2	5	£90,000 - 94,999	3	1	4
6	3	9	£95,000 - 99,999	3	3	6
3	0	3	£100,000 - 104,999	1	0	1
2	1	3	£105,000 - 109,999	1	0	1
0	1	1	£120,000 - 124,999	0	1	1
1	0	1	£125,000 - 129,999	0	0	0
1	0	1	£140,000 - 144,999	0	0	0
257	172	429	Total	203	137	340
248	143	391	Total Excluding redundancies	202	124	326

Note 8 - Adjustments between accounting basis and funding basis under regulations

2012/13									
		General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
	Note							25	
Reversal of items debited or credited to the CI&ES:									
Depreciation of Non-current assets		(61,333)	0	0	(15,838)	0	(77,171)	77,171	0
The excess of depreciation charged to HRA services over the Major Repairs Allowance		0	0	0	0	0	0	0	0
Impairment losses charged to the CI&ES		87	35,532	0	0	0	35,619	(35,619)	0
Revaluation losses charged to the CI&ES		(57,647)	(44,503)	0	0	0	(102,150)	102,150	0
Movements in fair value of Investment Properties		(926)	0	0	0	0	(926)	926	0
Capital grants and contributions credited to the CI&ES		52,131	849	0	0	(5,775)	47,205	(47,205)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve		0	0	0	0	8,132	8,132	(8,132)	0
Revenue expenditure funded from capital under statute		(9,175)	0	0	0	0	(9,175)	9,175	0
Costs of disposal funded from capital receipts		(106)	0	106	0	0	0	0	0
Net gain / (loss) on sale of non-current assets		(279,029)	(6,824)	(18,755)	0	0	(304,608)	304,608	0
Amount by which finance costs calculated in accordance with the code are different from the amount of finance costs calculated in accordance statutory requirements		(153)	1,110	0	0	0	957	(957)	0
Reversal of items relating to retirement benefits debited or credited to the CI&ES		(49,670)	0	0	0	0	(49,670)	49,670	0

2012/13 (Continued)									
		General Fund Balance £000	Housing Revenue Account Balance £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
	Note							25	
Amount by which council tax income and residual community charge adjustment included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation		992	0	0	0	0	992	(992)	0
Amount by which officer remunerations costs calculated in accordance with the code are different from the amount of costs calculated in accordance with statutory requirements		3,219	0	0	0	0	3,219	(3,219)	0
Insertion of items not debited or credited to the CI&ES:									
Statutory provision for repayment of debt		28,471	0	800	0	0	29,271	(29,271)	0
Capital expenditure charged to the General Fund Balance		(154)	20,734	154	(20,734)	0	0	0	0
Transfer from Capital Receipts Reserve equal to the amount payable into the Housing Capital Receipts Pool		(2,347)	0	2,347	0	0	0	0	0
Employer's contribution to pension scheme		52,213	0	0	0	0	52,213	(52,213)	0
Other:									
Use of Capital Receipts Reserve to finance new capital expenditure		0	0	14,921	0	0	14,921	(14,921)	0
Use of Major Repairs Reserve to finance new capital expenditure		0	0	0	37,299	0	37,299	(37,299)	0
Other		(425)	0	425	0	0	0	0	0
Total		(323,852)	6,898	(2)	727	2,357	(313,872)	313,872	0

Note 29 - Amounts Reported for Resource Allocation Decisions

The income and expenditure of the Council's principal portfolios recorded in the budget reports for the year ended 31 March 2013 is as follows:

2012/13 Portfolio Income and Expenditure									
	Children, Young People and Families £000	Place £000	Communities £000	Deputy Chief Executive £000	Resources £000	Corporate £000	Total General Fund £000	Housing Revenue Account £000	Total £000
Grants	(74,730)	(3,155)	(16,874)	(73)	(240,602)	0	(335,434)	(184)	(335,618)
Other reimbursements and contributions	(3,479)	(1,573)	(10,287)	(884)	(1,368)	0	(17,591)	(521)	(18,112)
Sales	(2,927)	(1,432)	(288)	(4)	(37)	0	(4,688)	0	(4,688)
Fees and charges	(23,009)	(22,603)	(28,258)	(822)	(28,030)	(128)	(102,850)	(3,569)	(106,419)
Income from Council Tax	0	0	0	0	0	(8,289)	(8,289)	0	(8,289)
Other Income	(1,489)	(3,342)	(16,745)	(1,415)	(7,510)	0	(30,501)	(146,088)	(176,589)
Corporate Revenue Income	0	0	0	0	0	(215)	(215)	(53)	(268)
Recharges	(23,636)	(37,021)	(6,743)	(2,658)	(71,274)	0	(141,332)	(70)	(141,402)
Total Income	(129,270)	(69,126)	(79,195)	(5,856)	(348,821)	(8,632)	(640,900)	(150,485)	(791,385)
Employees	73,395	39,843	67,482	5,676	44,157	0	230,553	0	230,553
Premises	3,220	41,372	4,075	77	54,115	2	102,861	47,290	150,151
Transport	6,506	2,257	2,853	113	3,399	0	15,128	512	15,640
Supplies and services	45,647	41,048	7,417	8,174	14,528	42,903	159,717	55,895	215,612
Third party payments	42,999	98,395	154,768	1,011	227	59	297,459	113	297,572
Transfer payments	789	0	5,419	0	232,861	0	239,069	0	239,069
Central and departmental support	37,475	9,525	10,732	2,431	59,982	0	120,145	7,490	127,635
Other	256	2,614	0	0	9	(527,370)	(524,491)	31,066	(493,425)
Total Expenditure	210,287	235,054	252,746	17,482	409,278	(484,406)	640,441	142,366	782,807
Net Expenditure	81,017	165,928	173,551	11,626	60,457	(493,038)	(459)	(8,119)	(8,578)

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

This reconciliation shows how the figures in the analysis of portfolio income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

2011/12		2012/13
£000		£000
(12,870)	Net Expenditure in the Portfolio Analysis	(8,578)
(686)	Additional segments not included in the analysis	5,806
109,813	Amounts not included in the analysis but included in the CI&ES	79,294
511,665	Amounts included in the analysis but not included in the CI&ES	454,689
607,922	Cost of Services in the CI&ES	531,211

Reconciliation to Subjective Analysis:

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

2012/13								
	Net Expenditure in the Portfolio Analysis	Additional segments not included in the analysis	Amounts not included in the analysis but included in the CI&ES	Amounts included in the analysis but not included in the CI&ES	Allocation of Recharges	Cost of Services in the CI&ES	Amounts reported below the net expenditure of Continuing Operation in the CI&ES	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(447,424)	(305,372)	5,617	(2,381)	153,912	(595,648)	0	(595,648)
Interest and investment income	(53)	0	0	53	0	0	(2,225)	(2,225)
Income from Council Tax	(8,289)	0	0	8,289	0	0	(199,248)	(199,248)
Non Domestic Rates Distribution	0	0	0	0	0	0	(255,875)	(255,875)
Government grants and contributions	(335,619)	(4,598)	(8,711)	0	0	(348,928)	(118,348)	(467,276)
Total Income	(791,385)	(309,970)	(3,094)	5,961	153,912	(944,576)	(575,696)	(1,520,272)
Employee expenses	230,553	238,194	(27,430)	0	0	441,317	0	441,317
Other service expenses	522,089	77,582	(42,080)	486,163	0	1,043,754	0	1,043,754
Support service recharge	0	0	0	0	(153,912)	(153,912)	0	(153,912)
Depreciation, amortisation, and impairment	15,838	0	128,790	0	0	144,628	0	144,628
Interest payments	14,856	0	(1,381)	(13,475)	0	0	44,229	44,229
Precepts and levies	469	0	0	(469)	0	0	469	469
Payment to housing capital receipt pool	0	0	0	0	0	0	2,347	2,347
Gain or loss on disposal of fixed assets	0	0	0	0	0	0	285,853	285,853
(Surplus) / deficit of trading undertakings or other operations	(998)	0	2,436	(1,438)	0	0	1,438	1,438
Pension interest cost and expected return in pension assets	0	0	22,053	(22,053)	0	0	22,333	22,333
Total Expenditure	782,807	315,776	82,388	448,728	(153,912)	1,475,787	356,669	1,832,456
(Surplus) or deficit on the provision of services	(8,578)	5,806	79,294	454,689	0	531,211	(219,027)	312,184

APPENDIX 6 – HOUSING REVENUE ACCOUNT

Housing Revenue Account Income and Expenditure Statement			
2011/12		Note	2012/13
£000			£000
	Expenditure:		
33,270	Repairs and maintenance		32,898
54,984	Supervision and management		51,079
658	Rents, rates, taxes and other charges		387
66,968	Depreciation and impairment / losses of non-current assets	7 / 8	24,803
421	Debt management costs		270
780	Movement in the allowance for Bad or Doubtful Debts		777
157,081	Total Expenditure		110,214
	Income:		
(126,622)	Dwelling rents	11	(136,399)
(1,477)	Non-dwelling rents - garages, garage sites, shops	11	(1,554)
(6,648)	Charges for services and facilities		(6,131)
(611)	Contributions towards expenditure		(1,073)
(28,068)	HRA subsidy receivable	9	(93)
(163,426)	Total Income		(145,250)
(6,345)	Net Income / Cost of HRA Services as included in the whole Council's Comprehensive Income and Expenditure Statement		(35,036)
478	HRA share of Corporate and Democratic Core		622
(5,867)	Net Income / Cost of HRA Services		(34,414)
	HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Account:		
(1,100)	(Gain) or loss on sale of HRA non-current assets		6,824
46,198	Interest payable and similar charges		13,475
71,731	Interest payable and similar charges – HRA Self Financing Transaction		0
(1,911)	Interest and investment income		(53)
0	Capital grants and contributions receivable		(849)
(590,084)	Capital grants and contributions receivable – HRA Self Financing Transaction		0
(481,033)	(Surplus) / Deficit for the year on HRA services		(15,017)

Movement on the Housing Revenue Account Statement			
2011/12			2012/13
£000		Note	£000
(16,729)	Balance on the Housing Revenue Account as at 1 April		(14,409)
(481,033)	(Surplus) / Deficit on the HRA Income and Expenditure Statement		(15,017)
472,245	Adjustments between accounting basis and funding basis under regulation	1	(13,836)
(8,788)	Net (increase) / decrease before transfers to reserves		(28,853)
11,108	Transfer to reserves	2	20,734
2,320	(Increase) / decrease in year on the HRA		(8,119)
(14,409)	Balance on the Housing Revenue Account as at 31 March		(22,528)

APPENDIX 7 – COLLECTION FUND STATEMENT

Collection Fund Statement				
2011/12				2012/13
£000		Notes	£000	£000
	Income			
(184,787)	Council Tax Receivable	1		(186,634)
	Transfers from General Fund:			
(46,425)	- Council Tax Benefits	1		(46,533)
(231,212)				(233,167)
(197,393)	Income collectable from business ratepayers	2		(200,972)
(428,605)	Total Income			(437,139)
	Expenditure			
	Precepts and Demands:			
197,227	- Sheffield City Council			197,737
	- South Yorkshire Joint Authorities:			
20,298	- SY Police Authority		21,153	
9,230	- SY Fire and Rescue Authority		9,618	30,771
226,755				228,508
	Business Rate:			
194,565	- Payment to National Pool		198,298	
765	- Costs of Collection		774	199,072
422,085				427,580
	Impairment of debts:			
2,674	- Write Offs - Council Tax	1	1,493	
2,063	- Write Offs - NNDR		1,900	
460	- Provision for Non-Payment of Council Tax		1,410	4,803
427,282				432,383
(192)	Contributions towards previous years estimated Surplus / Deficit			597
427,090	Total Expenditure			432,980
(1,515)	(Surplus) / Deficit for the Year			(1,159)
305	Balance Brought Forward			(1,210)
(1,210)	Balance Carried Forward			(2,369)

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