



## Audit and Standards Committee Report

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**Report of:** Tony Kirkham  
Director of Finance and Commercial Services,  
Local Authority Section 151 Officer

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**Date:** 22 June 2023

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**Subject:** 2022/23 Unaudited Statement of Accounts

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**Author of Report:** Jane Wilby

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**Summary:** The purpose of this report is to provide Members of the Audit and Standards Committee with a summary of the 2022/23 Unaudited Statement of Accounts and explain the core statements and a number of the key notes to the accounts.

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**Recommendations:** The Audit and Standards Committee is asked to note the core statements and the key notes to the Unaudited Statement of Accounts for 2022/23.

The Audit and Standards Committee is asked to note the potential delay to the external audit of the 2022/23 Statement of Accounts.

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**Background Papers:** None

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

|                                                                                 |
|---------------------------------------------------------------------------------|
| <b>Financial Implications</b>                                                   |
| NO                                                                              |
| <b>Legal Implications</b>                                                       |
| NO                                                                              |
| <b>Equality of Opportunity Implications</b>                                     |
| NO                                                                              |
| <b>Tackling Health Inequalities Implications</b>                                |
| NO                                                                              |
| <b>Human Rights Implications</b>                                                |
| NO                                                                              |
| <b>Environmental and Sustainability implications</b>                            |
| NO                                                                              |
| <b>Economic Impact</b>                                                          |
| NO                                                                              |
| <b>Community Safety Implications</b>                                            |
| NO                                                                              |
| <b>Human Resources Implications</b>                                             |
| NO                                                                              |
| <b>Property Implications</b>                                                    |
| NO                                                                              |
| <b>Area(s) Affected</b>                                                         |
| None                                                                            |
| <b>Relevant Scrutiny Committee if decision called in</b>                        |
| Not applicable                                                                  |
| <b>Is the item a matter which is reserved for approval by the City Council?</b> |
| NO                                                                              |
| <b>Press Release</b>                                                            |
| NO                                                                              |

# REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE – 22 JUNE 2023

## STATEMENT OF ACCOUNTS 2022/23

### Purpose of the Report

1. The purpose of this report is to provide Members of the Audit and Standards Committee with a summary of the 2022/23 Statement of Accounts and explain the core statements and a number of the key notes to the accounts. A full set of the unaudited accounts is now available on the Council's website via the following link: [Statement of Accounts 2022/23](#). A full set of the final audited accounts will be presented to the Audit and Standards Committee once Ernst & Young finalise their audit.
2. This report also outlines the approval process for the Statement of Accounts and the Audit and Standards Committee's role in this process.

### Introduction

3. The Statement of Accounts has been prepared in accordance with the IFRS (International Financial Reporting Standards) based 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 2015 sets out the procedures for certification, approval and publication of the Statement of Accounts. However, due to issues within the external audit market the Accounts and Audit (Amendment) Regulations 2022 have extended the statutory deadline for local authorities to approve and publish their Audited accounts for the 2022/23 to 2027/28 financial years.
5. The Accounts and Audit (Amendment) Regulations 2022 have therefore implemented new deadlines, for the Audited accounts only, by amending the Accounts and Audit Regulations 2015. The revised deadlines applicable to local authorities are as follows:
  - 31 May 2023 – Unaudited accounts to be certified by the Director of Finance and Commercial Services.
  - From June 2023 – The Statement of Accounts is subject to audit by the Authority's auditors, Ernst & Young, and their findings will be reported to

the Audit and Standards Committee. During this time there is a period where the public can inspect the accounts and related documents (Thursday 1<sup>st</sup> June 2023 to Wednesday 12<sup>th</sup> July 2023).

- No later than 30 September 2023 – Accounts to be re-certified by the Director of Finance and Commercial Services.
  - No later than 30 September 2023 – Audit and Standards Committee considers and approves the Statement of Accounts. Following approval, the Chair of the Audit and Standards Committee signs and dates the Statement of Accounts.
  - No later than 30 September 2023 – Publish, on the Council’s website, the audited Statement of Accounts together with any certificate, opinion or report issued by the auditor.
6. It is worth noting that the timings of the process above can be affected if members of the public object to the accounts, and, if by 30 September 2023, the auditors have not determined whether these objections could have a material impact on the Council’s accounts. In addition, Ernst & Young have raised with officers that the start of their audit will be delayed and don’t expect to start the external audit process until January 2024, so the Council will not achieve its 30 September 2023 statutory deadline. Officers are looking at the impact this will have on the preparation and production of the 2023/24 Statement of Accounts and the change of external auditors for the new financial year.

## **Local Authority Accounting**

7. 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 and the recognition of costs for the purposes of budgeting and calculating the Council Tax. These differences mainly relate to the way the Council is required to account (or budget) for capital and pension costs.
8. Local authorities account for the revenue impact of capital in line with IFRS on the face of the Comprehensive Income and Expenditure Statement (CIES). This means including figures relating to movements in the value/cost of assets, including depreciation, revaluation, disposal and impairment. These entries are reversed out and replaced with an allowance for the consumption of capital (Minimum Revenue Provision). These “adjustments between accounting basis and funding basis under regulation” are shown in Note 8 to the unaudited accounts.

9. In terms of pension costs, 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 them, not when they are actually paid out. This includes showing movements in the value of pension scheme assets and liabilities.
10. 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 CI&ES 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 the entries are reversed out and replaced by the cash contributions to the Pension Scheme, in an adjustment between accounting basis and funding basis under regulation.
11. The report on the Council's Revenue Outturn position at the end of the 2022/23 financial year was taken to the Finance Committee on 13<sup>th</sup> June 2023. It was reported that there was an overall deficit on the General Fund of £5m, after carry forward requests.
12. In contrast to this deficit, the CIES reports a surplus of £1,226m. The inclusion of items relating to capital and pensions is the major reason for this difference. The table below shows the reconciliation from the outturn position to the eventual CI&ES surplus:

|                                                                                      | <b>£000</b>        |
|--------------------------------------------------------------------------------------|--------------------|
| <b>Deficit on General Fund Revenue Account (per outturn report)</b>                  | <b>5,015</b>       |
| Net contribution from revenue reserves                                               | 21,720             |
| Deficit on Schools' Accounts                                                         | 12,114             |
| <b>Total Contribution from Reserves</b>                                              | <b>38,849</b>      |
| Removal of debt charges                                                              | (49,574)           |
| Removal of pension contributions                                                     | (53,062)           |
| <i>Items that do not affect Council Tax:</i>                                         |                    |
| Inclusion of accounting charges for depreciation, impairment, holiday pay, PFI, etc. | (1,162,242)        |
| <b>(Surplus) on Income &amp; Expenditure Statement</b>                               | <b>(1,226,029)</b> |

13. The Statement of Accounts comprise several key statements:

- Comprehensive Income and Expenditure Statement – **Appendix 1**
- Movement in Reserves Statement – **Appendix 2**
- Balance Sheet – **Appendix 3**
- Cash Flow Statement – **Appendix 4**
- Expenditure and Funding Analysis Statement – **Appendix 5**
- Key Notes to the Core Financial Statements – **Appendix 6**
- Housing Revenue Account Income and Expenditure Account – **Appendix 7**
- Collection Fund – **Appendix 8**

Comprehensive Income and Expenditure Statement – **Appendix 1**

14. 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). Councils raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement – **Appendix 2**

15. 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.
16. 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. 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.
17. The "Net (increase) / decrease before transfers to earmarked reserves" line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

### Balance Sheet – Appendix 3

18. 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.
19. 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 cannot be used to provide services. This category 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

20. 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.
21. 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.

### Expenditure and Funding Analysis Statement – Appendix 5

22. The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council’s portfolios / services.
23. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

## Key Notes to the Accounts – **Appendix 6**

24. 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.
25. Attached at Appendix 6 are some of the key notes to the accounts, including the note on Officers' Remuneration (note 43). Full details are required for senior employees, who form part of the Strategic Leadership Team, 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.
26. The Council's outturn position for 2022/23 reported a net deficit of £5m overall for the general fund revenue account. The Statement of Accounts is in line with the outturn report but sets out the more detailed financial position for the Council in a format required by legislation. As well as the Expenditure and Funding Analysis Statement referred to earlier, the following note also shows the reconciliation between the outturn position and the Statement of Accounts CIES:
  - *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.

## Housing Revenue Account (HRA) – **Appendix 7**

27. The HRA Income and Expenditure Statement is ring fenced from the rest of the General Fund and 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.
28. Authorities charge rents to cover expenditure in accordance with regulations, which may be different from the accounting cost.

## Collection Fund – **Appendix 8**

29. 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 Central Government of council tax and business rates.



## Key Issues for 2022/23

### *Net worth*

30. The Council's net worth, as shown on the Balance Sheet (**Appendix 3**), has increased by the surplus from the CIES of £1,226m (or 81%) in 2022/23; the major factors being:
- a net increase in the Council's fixed assets (£262.3m);
  - a decrease in the Council's long-term debtors (£6m);
  - a net decrease in the Council's investments (£27m);
  - a decrease in the Council's short-term debtors (£38.7m), and
  - an increase in the Council's other current assets (£27.3m), offset by;
  - a change from a pension liability to a pension asset (£956.4m decrease) due to the triennial review by the actuary;
  - a decrease in the Council's long-term PFI liability (£18.6m), and
  - a decrease in the Council's other liabilities (£33.1m).

### *Usable Reserves*

31. As shown in the Movement in Reserves Statement (**Appendix 2**), during the year, total usable reserves decreased by £14.5m. The key reasons for the movement in this category of reserves are as follows:
- Earmarked General Fund Reserves decreased by £21.7m during the year, predominantly the result of the Collection Fund reserve, due to a reduction in the retail relief funding from Government. HRA reserves increased by £1m.
  - Reserves used to fund capital expenditure on assets increased by £3.9m.
  - The Council's usable reserves also includes £15.1m of Unallocated Reserves or General Fund Balances, which increased by £2.2m in 2022/23.

## Financial Implications

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

## Equal Opportunities Implications

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

## **Property Implications**

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

## **Recommendations**

35. The Audit and Standards Committee is asked to note the core statements and the key notes to the Statement of Accounts for 2022/23.
36. The Audit and Standards Committee is asked to note the potential delay to the external audit of the 2022/23 Statement of Accounts.

## APPENDIX 1 – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2021/22                       |                      |                         | 2022/23 |                           |                      |                         |
|-------------------------------|----------------------|-------------------------|---------|---------------------------|----------------------|-------------------------|
| Gross Expenditure<br>£000     | Gross Income<br>£000 | Net Expenditure<br>£000 | Notes   | Gross Expenditure<br>£000 | Gross Income<br>£000 | Net Expenditure<br>£000 |
| <b>Continuing Operations:</b> |                      |                         |         |                           |                      |                         |
| 633,487                       | (323,799)            | 309,688                 |         | 654,617                   | (339,950)            | 314,667                 |
| 178,482                       | (172,410)            | 6,072                   |         | 190,973                   | (178,859)            | 12,114                  |
| 59,832                        | (35,102)             | 24,730                  |         | 58,829                    | (24,126)             | 34,703                  |
| 237,006                       | (72,720)             | 164,286                 |         | 232,658                   | (63,205)             | 169,453                 |
| 6,926                         | (2,700)              | 4,226                   |         | 8,571                     | (2,976)              | 5,595                   |
| 177,235                       | (164,228)            | 13,007                  |         | 171,752                   | (161,694)            | 10,058                  |
| 1,257                         | (3,023)              | (1,766)                 |         | 8,064                     | (7,802)              | 262                     |
| <b>1,294,225</b>              | <b>(773,982)</b>     | <b>520,243</b>          |         | <b>1,325,464</b>          | <b>(778,612)</b>     | <b>546,852</b>          |
| 212,640                       | (154,054)            | 58,586                  |         | 230,256                   | (162,050)            | 68,206                  |
| <b>1,506,865</b>              | <b>(928,036)</b>     | <b>578,829</b>          |         | <b>1,555,720</b>          | <b>(940,662)</b>     | <b>615,058</b>          |
|                               |                      |                         |         |                           |                      |                         |
|                               |                      | 151,938                 |         |                           |                      | 231                     |
|                               |                      | 89,397                  | 9       |                           |                      | 84,353                  |
|                               |                      | (577,597)               | 10      |                           |                      | (609,500)               |
|                               |                      | <b>242,567</b>          | 11      |                           |                      | <b>90,142</b>           |
|                               |                      | (163,560)               |         |                           |                      | (283,909)               |
|                               |                      | (282,679)               |         |                           |                      | (1,032,262)             |
|                               |                      | 148                     |         |                           |                      | 0                       |
|                               |                      | <b>(446,091)</b>        |         |                           |                      | <b>(1,316,171)</b>      |
|                               |                      | <b>(203,524)</b>        |         |                           |                      | <b>(1,226,029)</b>      |

## APPENDIX 2 – MOVEMENT IN RESERVES STATEMENT

| 2022/23                                                                  |      | General Fund Balance £'000 | Earmarked General Fund Reserves £'000 | Housing Revenue Account Balance £'000 | Earmarked Housing Revenue Account Reserve £'000 | HRA Major Repairs Reserve £'000 | Capital Receipts Reserve £'000 | Capital Grants Unapplied £'000 | Total Usable Reserves £'000 | Unusable Reserves £'000 | Total Council Reserves £'000 |
|--------------------------------------------------------------------------|------|----------------------------|---------------------------------------|---------------------------------------|-------------------------------------------------|---------------------------------|--------------------------------|--------------------------------|-----------------------------|-------------------------|------------------------------|
|                                                                          | Note | 34                         | 34                                    | 34                                    | 34                                              | 34                              | 34                             | 34                             | 34                          | 35                      |                              |
| Balance at 31 March 2022                                                 |      | (12,851)                   | (352,350)                             | (8,023)                               | (1,953)                                         | (98,141)                        | (78,652)                       | (37,385)                       | (589,355)                   | (915,302)               | (1,504,657)                  |
| <b>Movement in reserves during 2022/23:</b>                              |      |                            |                                       |                                       |                                                 |                                 |                                |                                |                             |                         |                              |
| Total Comprehensive (Income) and Expenditure                             |      | 14,340                     | 0                                     | 75,802                                | 0                                               | 0                               | 0                              | 0                              | 90,142                      | (1,316,171)             | (1,226,029)                  |
| Adjustments between accounting basis and funding basis under regulations | 8    | 8,692                      | 0                                     | (86,206)                              | 0                                               | 22,665                          | (16,132)                       | (1,121)                        | (72,102)                    | 72,102                  | 0                            |
| Net (increase) / decrease before transfers to reserves                   |      | 23,032                     | 0                                     | (10,404)                              | 0                                               | 22,665                          | (16,132)                       | (1,121)                        | 18,040                      | (1,244,069)             | (1,226,029)                  |
| Transfers (to) / from reserves                                           | 33   | (25,232)                   | 21,720                                | 9,766                                 | (411)                                           | (9,353)                         | 0                              | 0                              | (3,510)                     | 3,510                   | 0                            |
| (Increase) / decrease in year                                            |      | (2,200)                    | 21,720                                | (638)                                 | (411)                                           | 13,312                          | (16,132)                       | (1,121)                        | 14,530                      | (1,240,559)             | (1,226,029)                  |
| Balance at 31 March 2023                                                 |      | (15,051)                   | (330,630)                             | (8,661)                               | (2,364)                                         | (84,829)                        | (94,784)                       | (38,506)                       | (574,825)                   | (2,155,861)             | (2,730,686)                  |

## APPENDIX 3 – BALANCE SHEET

| As at 31 March 2022 |                                    | As at 31 March 2023 |                    |
|---------------------|------------------------------------|---------------------|--------------------|
| £000                |                                    | Notes               | £000               |
| 692                 | Intangible Assets                  | 27                  | 0                  |
| 3,183,512           | Property, Plant and Equipment      | 23/23A              | 3,446,405          |
| 54,884              | Heritage Assets                    | 25                  | 54,883             |
| 18,780              | Investment Properties              | 26                  | 18,630             |
| 0                   | Long Term Investments              | 14                  | 5,000              |
| 125,507             | Long term Debtors                  | 16                  | 119,522            |
| <b>3,383,375</b>    | <b>Long Term Assets</b>            |                     | <b>3,644,440</b>   |
| 182,000             | Short Term Investments             | 14                  | 150,000            |
| 1,624               | Inventories                        |                     | 2,261              |
| 207,179             | Short Term Debtors                 | 17                  | 168,451            |
| 212,536             | Cash and Cash Equivalents          | 14 / 18             | 239,213            |
| 7,684               | Assets Held for Sale               | 28                  | 7,922              |
| <b>611,023</b>      | <b>Current Assets</b>              |                     | <b>567,847</b>     |
| (15,665)            | Short Term Borrowing               | 14                  | (27,795)           |
| (305,143)           | Short Term Creditors               | 19                  | (289,586)          |
| (12,107)            | Short Term Provisions              | 20                  | (10,898)           |
| (20,657)            | PFI / PPP Finance Lease Liability  | 14 / 24             | (18,614)           |
| (45,086)            | Capital Grants Receipts in Advance | 12                  | (58,504)           |
| <b>(398,658)</b>    | <b>Current Liabilities</b>         |                     | <b>(405,397)</b>   |
| (897,489)           | Long Term Borrowing                | 14                  | (887,407)          |
| (16,237)            | Long Term Provisions               | 20                  | (10,893)           |
| (320,120)           | PFI / PPP Finance Lease Liability  | 14 / 24             | (301,506)          |
| (791,019)           | Pension Liability                  | 45                  | 165,375            |
| (33,206)            | Other Long Term Liabilities        | 21                  | (14,629)           |
| (7,131)             | Revenue Grants Receipts in Advance | 12                  | (6,685)            |
| (25,881)            | Capital Grants Receipts in Advance | 12                  | (20,459)           |
| <b>(2,091,083)</b>  | <b>Long Term Liabilities</b>       |                     | <b>(1,076,204)</b> |
| <b>1,504,657</b>    | <b>Net Assets</b>                  |                     | <b>2,730,686</b>   |
| (589,355)           | Usable Reserves                    | 34                  | (574,825)          |
| (915,302)           | Unusable Reserves                  | 35                  | (2,155,861)        |
| <b>(1,504,657)</b>  | <b>Total Reserves</b>              |                     | <b>(2,730,686)</b> |

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| 2021/22        |                                                                                                                                          | Notes | 2022/23        |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------|
| £000           |                                                                                                                                          |       | £000           |
| (242,567)      | Net surplus or (deficit) on the provision of services                                                                                    |       | (90,142)       |
| 403,685        | - Adjustment to surplus or (deficit) on the provision of services for non-cash movements                                                 | 36    | 248,482        |
| (72,246)       | - Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities | 36    | (101,447)      |
| <b>88,872</b>  | <b>Net cash flow from operating activities</b>                                                                                           |       | <b>56,893</b>  |
| (79,917)       | Investing activities                                                                                                                     | 37    | (30,290)       |
| 42,784         | Financing activities                                                                                                                     | 38    | 74             |
| <b>51,739</b>  | <b>Net increase / (decrease) in cash and cash equivalents</b>                                                                            |       | <b>26,677</b>  |
| 160,797        | Cash and cash equivalents at 1 April                                                                                                     | 18    | 212,536        |
| <b>212,536</b> | <b>Cash and cash equivalents at 31 March</b>                                                                                             | 18    | <b>239,213</b> |

## APPENDIX 5 – EXPENDITURE AND FUNDING ANALYSIS STATEMENT

| 2022/23                                                         | Notes        | Outturn Position Reported to Internal Management | Adjustments for Items Not Reported to Internal Management | Net Expenditure Chargeable to the General Fund and HRA Balances Under Statutory Funding Provisions | Adjustments between the Funding and Accounting Basis | Other Adjustments | Net Expenditure in the CI&ES |
|-----------------------------------------------------------------|--------------|--------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------|------------------------------|
|                                                                 |              | £000                                             | £000                                                      | £000                                                                                               | £000                                                 | £000              | £000                         |
|                                                                 | <b>Notes</b> |                                                  |                                                           |                                                                                                    | <b>5</b>                                             |                   |                              |
| People                                                          |              | 304,378                                          | (602)                                                     | <b>303,776</b>                                                                                     | 10,891                                               | 0                 | <b>314,667</b>               |
| Schools                                                         |              | 0                                                | 4,591                                                     | <b>4,591</b>                                                                                       | 7,523                                                | 0                 | <b>12,114</b>                |
| City Futures                                                    |              | 34,052                                           | 409                                                       | <b>34,461</b>                                                                                      | 242                                                  | 0                 | <b>34,703</b>                |
| Operational Services (excluding HRA)                            |              | 111,449                                          | 0                                                         | <b>111,449</b>                                                                                     | 58,908                                               | (904)             | <b>169,453</b>               |
| Policy, Performance & Communications                            |              | 3,627                                            | 0                                                         | <b>3,627</b>                                                                                       | 1,968                                                | 0                 | <b>5,595</b>                 |
| Resources                                                       |              | 8,074                                            | 68                                                        | <b>8,142</b>                                                                                       | 1,916                                                | 0                 | <b>10,058</b>                |
| Corporate                                                       |              | (456,567)                                        | 13,550                                                    | <b>(443,017)</b>                                                                                   | (90,140)                                             | 533,419           | <b>262</b>                   |
| Total General Fund (GF)                                         |              | 5,013                                            | 18,016                                                    | <b>23,029</b>                                                                                      | (8,692)                                              | 532,515           | <b>546,852</b>               |
| Housing Revenue Account (HRA)                                   |              | 2                                                | (10,401)                                                  | <b>(10,399)</b>                                                                                    | 86,204                                               | (7,599)           | <b>68,206</b>                |
| <b>Net Cost of Services</b>                                     | <b>5</b>     | <b>5,015</b>                                     | <b>7,615</b>                                              | <b>12,630</b>                                                                                      | <b>77,512</b>                                        | <b>524,916</b>    | <b>615,058</b>               |
| Other Income & Expenditure GF                                   |              | 0                                                | 0                                                         | 0                                                                                                  | 0                                                    | (532,515)         | <b>(532,515)</b>             |
| Other Income & Expenditure HRA                                  |              | 0                                                | 0                                                         | 0                                                                                                  | 0                                                    | 7,599             | <b>7,599</b>                 |
| <b>Other Income &amp; Expenditure</b>                           |              | <b>0</b>                                         | <b>0</b>                                                  | <b>0</b>                                                                                           | <b>0</b>                                             | <b>(524,916)</b>  | <b>(524,916)</b>             |
| <b>(Surplus) / Deficit</b>                                      | <b>5</b>     | <b>5,015</b>                                     | <b>7,615</b>                                              | <b>12,630</b>                                                                                      | <b>77,512</b>                                        | <b>0</b>          | <b>90,142</b>                |
| Opening General Fund and HRA Balance at 1 April                 |              | (375,177)                                        |                                                           |                                                                                                    |                                                      |                   |                              |
| (Surplus) / Deficit on General Fund and HRA Balance at 31 March |              | 12,630                                           |                                                           |                                                                                                    |                                                      |                   |                              |
| Other Movements                                                 |              | 5,843                                            |                                                           |                                                                                                    |                                                      |                   |                              |
| <b>Closing General Fund and HRA Balance at 31 March*</b>        |              | <b>(356,704)</b>                                 |                                                           |                                                                                                    |                                                      |                   |                              |



## APPENDIX 6 – KEY NOTES TO THE CORE FINANCIAL STATEMENTS

### Note 43 – Officers’ Remuneration

Under the Accounts and Audit Regulations 2015, Local Authorities are required to disclose information on their employees’ remuneration in two sections.

The first section must contain the details of those officers defined in the Regulations as senior employees whose salary is above £50,000 per annum. Senior employees are typically categorised as statutory chief officers or non-statutory chief officers. The latter category typically includes those officers who report directly to the Chief Executive (excluding those whose duties are solely secretarial). In addition, those senior officers whose salary is above £150,000 are required to be named in this section.

The second section must include a disclosure of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances, etc.) is above £50,000.

The remuneration paid to the Council’s senior employees is shown in the table below:

|         |  |
|---------|--|
| 2022/23 |  |
|---------|--|

| Post Holder Information                               | Note     | Salary – including Fees and Allowances<br>£ | Expenses Allowances<br>£ | Total Remuneration exc Pension Contributions<br>£ | Pension Contributions<br>£ | Total Remuneration inc Pension Contributions<br>£ |
|-------------------------------------------------------|----------|---------------------------------------------|--------------------------|---------------------------------------------------|----------------------------|---------------------------------------------------|
| Chief Executive - Kate Josephs                        |          | 202,391                                     | 0                        | <b>202,391</b>                                    | 38,454                     | <b>240,845</b>                                    |
| Executive Director - People                           | <b>1</b> | 65,215                                      | 0                        | <b>65,215</b>                                     | 12,391                     | <b>77,606</b>                                     |
| Strategic Director - Adults' Care and Wellbeing       | <b>2</b> | 111,139                                     | 0                        | <b>111,139</b>                                    | 21,116                     | <b>132,255</b>                                    |
| Interim Strategic Director - Children's Services      | <b>3</b> | 112,692                                     | 0                        | <b>112,692</b>                                    | 21,408                     | <b>134,100</b>                                    |
| Executive Director - Operational Services - Ajman Ali |          | 154,158                                     | 0                        | <b>154,158</b>                                    | 29,290                     | <b>183,448</b>                                    |
| Executive Director - City Futures - Kate Martin       |          | 153,279                                     | 0                        | <b>153,279</b>                                    | 29,123                     | <b>182,402</b>                                    |
| Director of Public Health                             |          | 130,461                                     | 34                       | <b>130,495</b>                                    | 18,599                     | <b>149,094</b>                                    |
| Executive Director - Resources - Eugene Walker        | <b>4</b> | 211,367                                     | 0                        | <b>211,367</b>                                    | 16,845                     | <b>228,212</b>                                    |
| Director of Legal and Governance                      | <b>5</b> | 50,606                                      | 0                        | <b>50,606</b>                                     | 9,640                      | <b>60,246</b>                                     |
| Interim Director of Legal and Governance              | <b>6</b> | 87,245                                      | 0                        | <b>87,245</b>                                     | 15,674                     | <b>102,919</b>                                    |
| Interim Director of Finance and Commercial Services   | <b>7</b> | 85,090                                      | 0                        | <b>85,090</b>                                     | 0                          | <b>85,090</b>                                     |
| Director of Policy and Performance                    | <b>8</b> | 99,850                                      | 0                        | <b>99,850</b>                                     | 18,972                     | <b>118,822</b>                                    |
| <b>Total</b>                                          |          | <b>1,463,493</b>                            | <b>34</b>                | <b>1,463,527</b>                                  | <b>231,512</b>             | <b>1,695,039</b>                                  |

**Notes:**

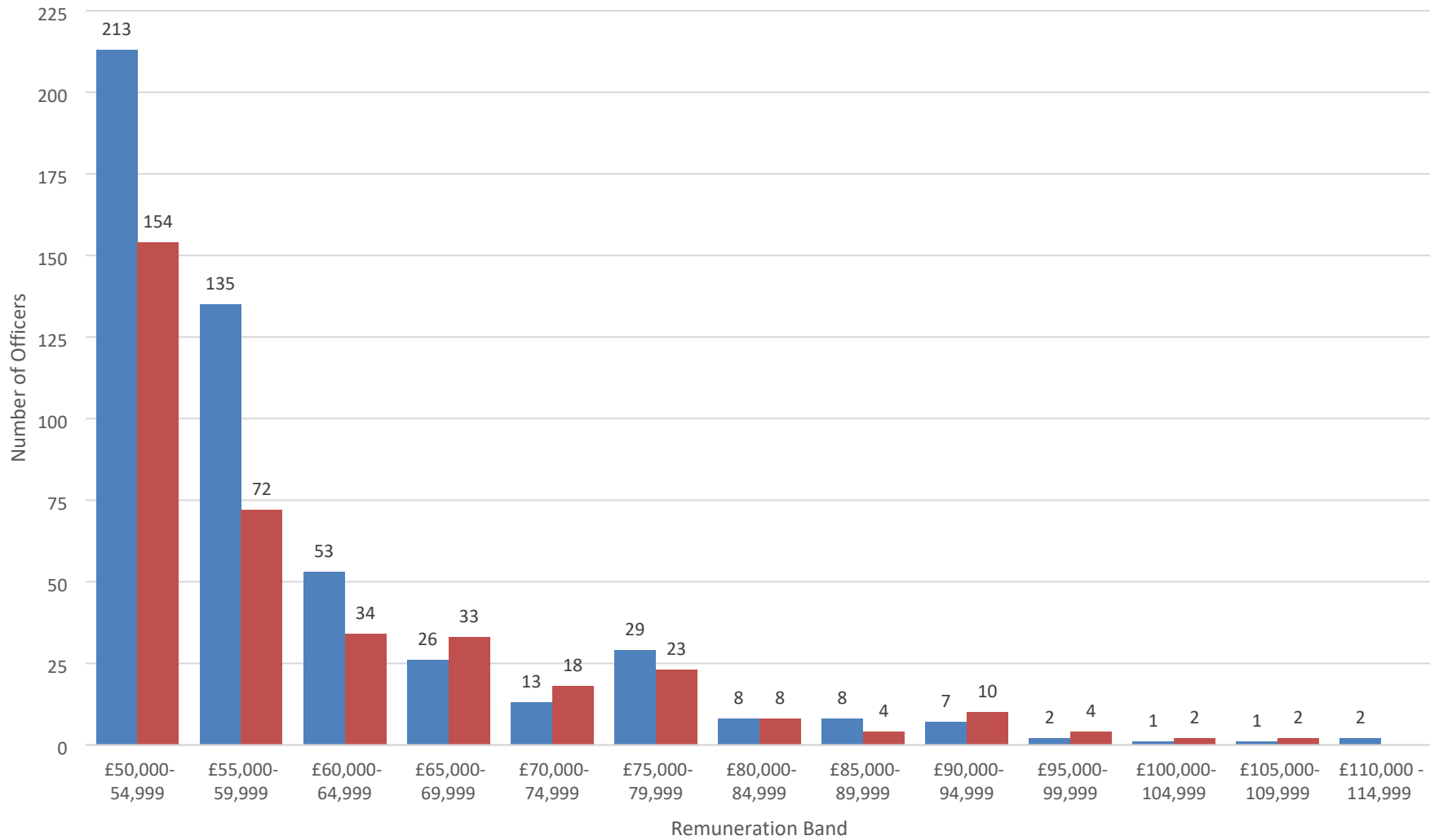
1. The Executive Director of People left their position on 29 August 2022.
2. The Strategic Director of Adults' Care and Wellbeing began reporting directly to the Chief Executive from 30 August 2022.
3. The Interim Strategic Director of Children's Services began reporting directly to the Chief Executive from 30 August 2022. Prior to taking up their current role on 18 August 2022, this individual was the Director of Education and Skills within the People Portfolio and their remuneration in this role is included in the table above.
4. The Executive Director of Resources took up the role of Acting Chief Executive from 16 February 2022. A Temporary Additional Responsibility Allowance (TARA) was paid during 2022/23 and is included in the salary figure above. This individual left their position on 30 November 2022. As a result, the remuneration in the table above also includes a Settlement Agreement payment and Pay in Lieu of Notice.
5. The Director of Legal and Governance in addition took up the role of Acting Executive Director of Resources on a job share basis from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure above. This individual left their position on 25 September 2022.

6. Prior to taking up their current role on 26 September 2022, the Interim Director of Legal and Governance was the Assistant Director of Legal and Governance within the Resources Portfolio and their remuneration in this role is included in the table above. While in that role, this individual took up the role of Acting Director of Legal and Governance from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure.
7. The Interim Director of Finance and Commercial Services joined the Council on 1 December 2022. This individual reports directly to the Chief Executive and assumes some of the responsibilities of the former Executive Director of Resources. This individual is employed via an agency and their employee costs are inclusive of agency fees, however no accommodation, travel or other expenses were paid during 2022/23. The remuneration in the table above does include Employer's National Insurance and the Apprenticeship Levy, but does not include VAT.
8. The Director of Policy and Performance in addition took up the role of Acting Executive Director of Resources on a job share basis from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure.

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

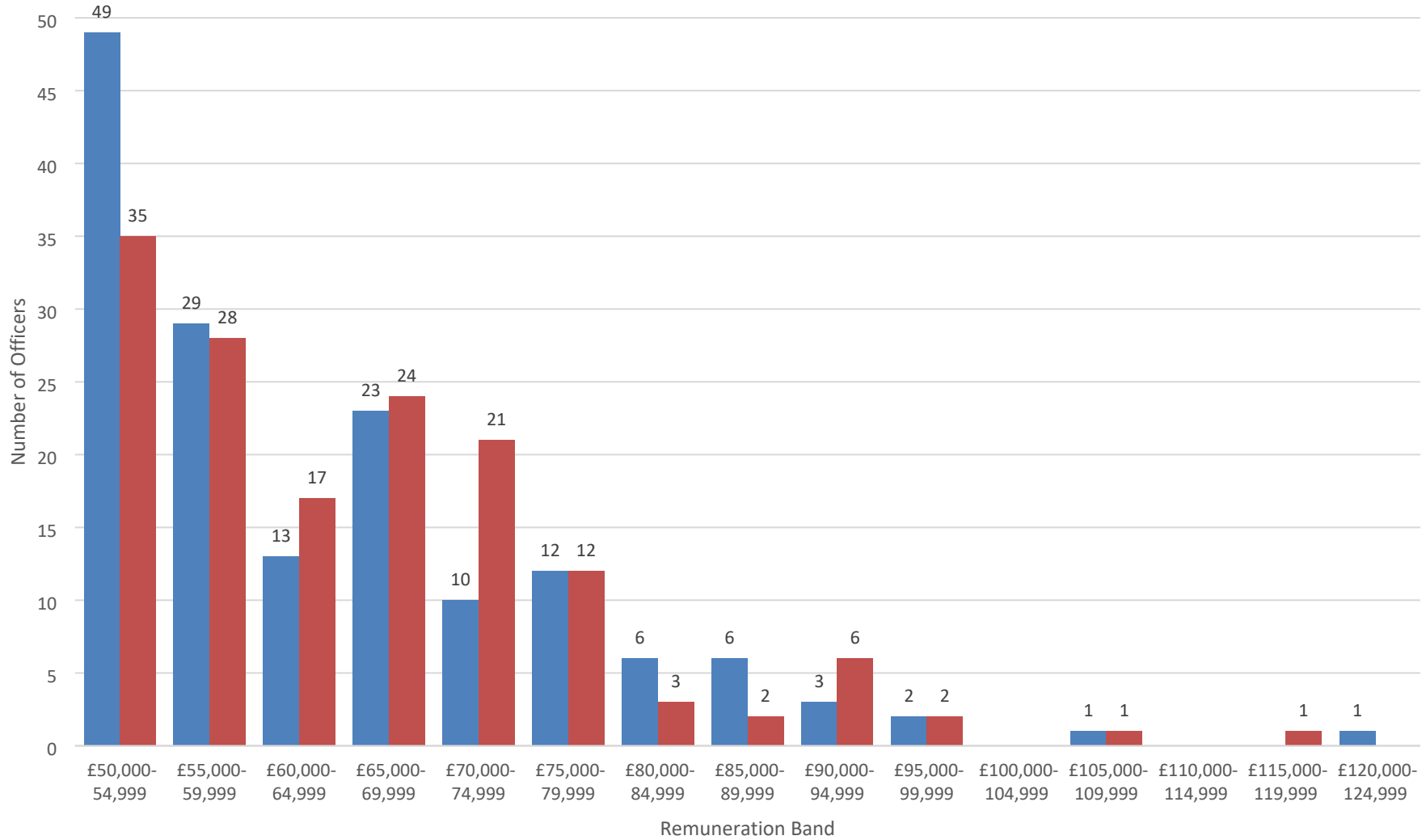
# Officers' Remuneration: Non-Teachers

■ Non-Teachers 22/23 ■ Non-Teachers 21/22



# Officers' Remuneration: Teachers

Teachers 22/23 Teachers 21/22



## Note 8 – Adjustments Between Accounting Basis and Funding Basis Under Regulations

| 2022/23                                                                                                                                                                         | General Fund Balance £000 | Housing Revenue Account £000 | Major Repairs Reserve £000 | Capital Receipts Reserve £000 | Capital Grants Un-applied £000 | Total Usable Reserves £000 | Unusable Reserves £000 | Total Council Reserves £000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|----------------------------|-------------------------------|--------------------------------|----------------------------|------------------------|-----------------------------|
| <b>Notes</b>                                                                                                                                                                    |                           |                              |                            |                               |                                | <b>34</b>                  | <b>35</b>              |                             |
| <b>Reversal of items debited or credited to the CI&amp;ES:</b>                                                                                                                  |                           |                              |                            |                               |                                |                            |                        |                             |
| Depreciation of Non-current assets                                                                                                                                              | (51,507)                  | 0                            | (24,733)                   | 0                             | 0                              | (76,240)                   | 76,240                 | 0                           |
| Impairment losses charged to the CI&ES                                                                                                                                          | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Revaluation losses charged to the CI&ES                                                                                                                                         | 12,427                    | (90,746)                     | 0                          | 0                             | 0                              | (78,319)                   | 78,319                 | 0                           |
| Movements in fair value of Investment Properties                                                                                                                                | (150)                     | 0                            | 0                          | 0                             | 0                              | (150)                      | 150                    | 0                           |
| Capital grants and contributions credited to the CI&ES                                                                                                                          | 68,372                    | 0                            | 0                          | 0                             | (5,629)                        | 62,743                     | (62,743)               | 0                           |
| Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve                                                                          | 0                         | 0                            | 0                          | 0                             | 4,507                          | 4,507                      | (4,507)                | 0                           |
| Revenue expenditure funded from capital under statute                                                                                                                           | (17,075)                  | 0                            | 0                          | 0                             | 0                              | (17,075)                   | 17,075                 | 0                           |
| Costs of disposal funded from capital receipts                                                                                                                                  | (20)                      | 0                            | 0                          | 20                            | 0                              | 0                          | 0                      | 0                           |
| Net gain / (loss) on sale of non-current assets                                                                                                                                 | (2,738)                   | 4,513                        | 0                          | (33,152)                      | 0                              | (31,377)                   | 31,377                 | 0                           |
| Amount by which finance costs calculated in accordance with the code are different from the amount of finance costs calculated in accordance with statutory requirements        | 1,253                     | 0                            | 0                          | 0                             | 0                              | 1,253                      | (1,253)                | 0                           |
| Reversal of items relating to retirement benefits debited or credited to the CI&ES                                                                                              | (128,930)                 | 0                            | 0                          | 0                             | 0                              | (128,930)                  | 128,930                | 0                           |
| Amount by which Council Tax and non-domestic rates income adjustment included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation | 24,500                    | 0                            | 0                          | 0                             | 0                              | 24,500                     | (24,500)               | 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  | 8                         | 0                            | 0                          | 0                             | 0                              | 8                          | (8)                    | 0                           |
| <b>Insertion of items not debited or credited to the CI&amp;ES:</b>                                                                                                             |                           |                              |                            |                               |                                |                            |                        |                             |
| Statutory provision for repayment of debt (MRP)                                                                                                                                 | 49,547                    | 0                            | 0                          | 0                             | 0                              | 49,547                     | (49,547)               | 0                           |
| Voluntary provision for repayment of debt (VMRP)                                                                                                                                | 0                         | 27                           | 0                          | 0                             | 0                              | 27                         | (27)                   | 0                           |
| Revenue Contribution to Major Repairs Reserve                                                                                                                                   | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Transfer of Capital Receipts (<£10k) to the General Fund and HRA                                                                                                                | (57)                      | 0                            | 0                          | 57                            | 0                              | 0                          | 0                      | 0                           |
| Transfer from Capital Receipts Reserve equal to the amount payable into the Housing Capital Receipts Pool                                                                       | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Employer's contribution to pension scheme                                                                                                                                       | 53,062                    | 0                            | 0                          | 0                             | 0                              | 53,062                     | (53,062)               | 0                           |
| <b>Capital Financing:</b>                                                                                                                                                       |                           |                              |                            |                               |                                |                            |                        |                             |
| Use of Capital Receipts Reserve to finance new capital expenditure                                                                                                              | 0                         | 0                            | 0                          | 16,944                        | 0                              | 16,944                     | (16,944)               | 0                           |
| Use of Major Repairs Reserve to finance new capital expenditure                                                                                                                 | 0                         | 0                            | 47,398                     | 0                             | 0                              | 47,398                     | (47,398)               | 0                           |
| <b>Total</b>                                                                                                                                                                    | <b>8,692</b>              | <b>(86,206)</b>              | <b>22,665</b>              | <b>(16,132)</b>               | <b>(1,121)</b>                 | <b>(72,102)</b>            | <b>72,102</b>          | <b>0</b>                    |

## APPENDIX 7 – HOUSING REVENUE ACCOUNT

| 2021/22          |                                                                                                                       | 2022/23          |
|------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|
| £000             |                                                                                                                       | £000             |
|                  | <b>Note</b>                                                                                                           |                  |
|                  | <b>Expenditure:</b>                                                                                                   |                  |
| 44,474           | Repairs and maintenance                                                                                               | 51,739           |
| 54,450           | Supervision and management                                                                                            | 57,885           |
| 2,828            | Rents, rates, taxes and other charges                                                                                 | 3,107            |
| 108,563          | Depreciation, impairment and revaluation losses / (gains) of non-current assets                                       | 115,478          |
| 223              | Debt management costs                                                                                                 | 200              |
| 1,304            | Movement in the allowance for Bad or Doubtful Debts                                                                   | 1,045            |
| <b>211,842</b>   | <b>Total Expenditure</b>                                                                                              | <b>229,453</b>   |
|                  | <b>Income:</b>                                                                                                        |                  |
| (145,871)        | Dwelling rents                                                                                                        | (151,601)        |
| (1,310)          | Non-dwelling rents - garages, garage sites, shops                                                                     | (1,306)          |
| (6,406)          | Charges for services and facilities                                                                                   | (8,540)          |
| (467)            | Contributions towards expenditure                                                                                     | (603)            |
| <b>(154,054)</b> | <b>Total Income</b>                                                                                                   | <b>(162,050)</b> |
| 57,788           | Net (Income) / Cost of HRA Services as included in the whole Council's Comprehensive Income and Expenditure Statement | 67,403           |
| 798              | HRA share of Corporate and Democratic Core                                                                            | 803              |
| <b>58,586</b>    | <b>Net (Income) / Cost of HRA Services</b>                                                                            | <b>68,206</b>    |
|                  | <b>HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Account:</b>    |                  |
| (1,349)          | (Gain) or loss on sale of HRA non-current assets                                                                      | (4,513)          |
| 12,862           | Interest payable and similar charges                                                                                  | 12,751           |
| (108)            | Interest and investment income                                                                                        | (640)            |
| <b>69,991</b>    | <b>(Surplus) / Deficit for the year on HRA services</b>                                                               | <b>75,802</b>    |

## Movement on the Housing Revenue Account Statement

| 2021/22         |                                                                         | 2022/23         |
|-----------------|-------------------------------------------------------------------------|-----------------|
| £000            |                                                                         | £000            |
| (7,782)         | <b>Balance as at 1 April</b>                                            | <b>(8,023)</b>  |
| 0               | Opening balance adjustment                                              | 0               |
| 69,991          | (Surplus) / Deficit on the HRA Income and Expenditure Statement         | 75,802          |
| 0               | Other Comprehensive Income and Expenditure                              | 0               |
| (81,567)        | Adjustments between accounting basis and funding basis under regulation | (86,206)        |
| <b>(11,576)</b> | <b>Net (increase) / decrease before transfers to reserves</b>           | <b>(10,404)</b> |
| 11,335          | Transfer to / from reserves                                             | 9,766           |
| <b>(241)</b>    | <b>(Increase) / decrease in year on the HRA</b>                         | <b>(638)</b>    |
| <b>(8,023)</b>  | <b>Balance as at 31 March</b>                                           | <b>(8,661)</b>  |





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