

Breckland Council

Draft Statement of Accounts 2022-23



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If you would like the Statements of Accounts in large print, Braille, alternative format or in a different language, please call us on 01362 656870.

Our District

Breckland District spans over 500 square miles of beautiful countryside and forest in the heart of Norfolk. With a range of thriving rural village communities and the five bustling market towns of Attleborough, Dereham, Swaffham, Thetford and Watton.

The area's rural nature is characterised by its 112 parishes, numerous villages and low crime rate which make Breckland one of the most attractive and safe places to live in the UK. The Council is committed to reducing its impact on the environment by minimising its carbon footprint.

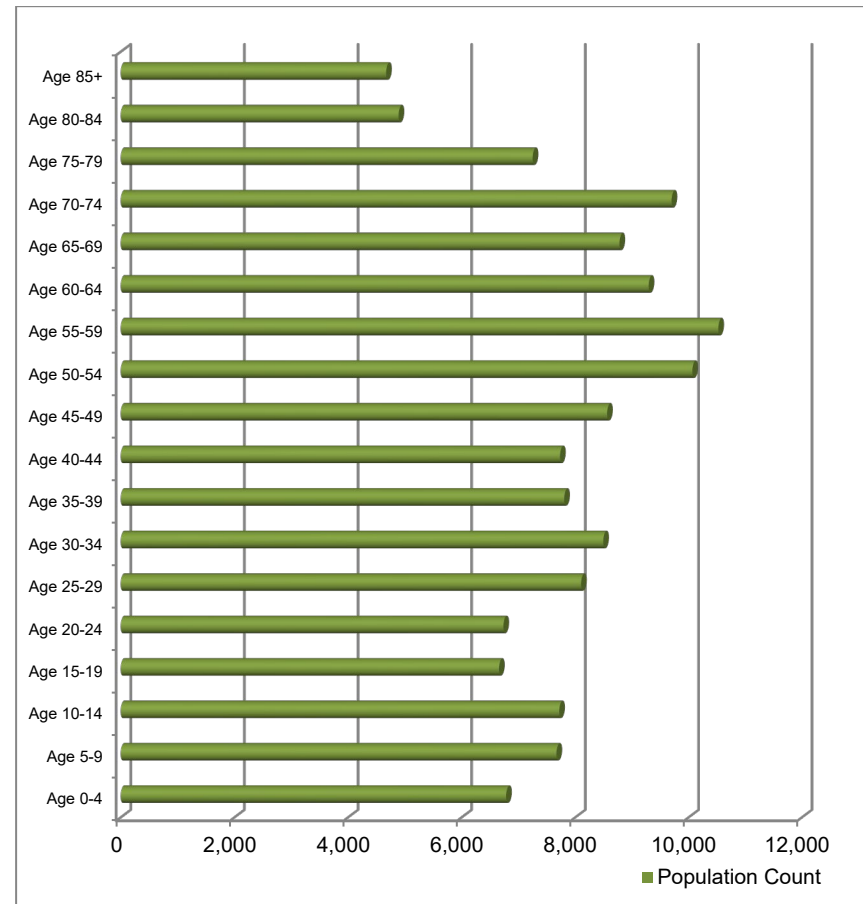
Breckland's population is set to grow from the current 141,255 residents to 164,250 by 2043. Half of the current residents live in one of the five market towns with the remainder living in rural village homes. This means that the district has a low population density.

Agriculture, advanced engineering and manufacturing, logistics and forestry are the dominant business sectors with professional, scientific and technical and food processing not far behind. Breckland's local economy continues to grow bringing new employment to the area.

Thetford and Attleborough are key areas for future housing and business growth which is expected to deliver economic benefits for the whole district.

Breckland's resident population is 50% female and 50% male. The predominant age bands in Breckland are 'Age 50 to 54' and 'Age 55 to 59' which represent 7.1% and 7.4% each of the total district population.

Breckland Age Structure (Source: Norfolk Insight 2021)



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Our Commercial Property Assets have a total value of £47,219k (including finance leases) and generated £2,678k surplus in 2022-23.

We emptied 3,336,528 bins in 2022-23, recycled 12,348 tons of waste and composted 7,852 tonnes of garden waste.

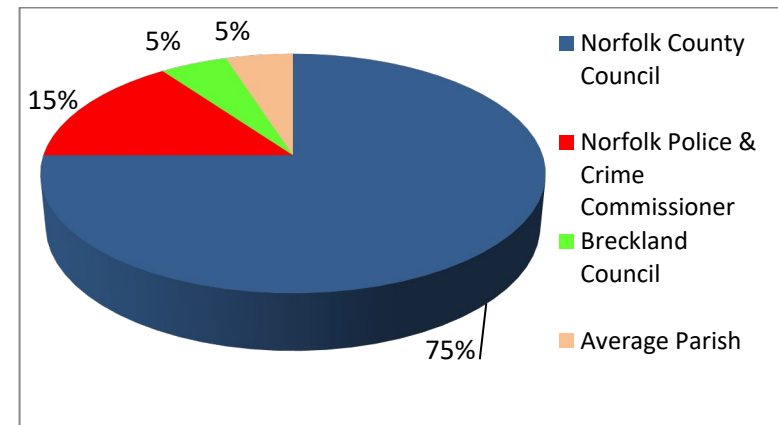
In partnership with Norfolk Community Foundation, we have allocated £150k of grants to projects in the district.

We paid out £21,743k in Housing Benefits during 2022-23

We paid out over £8 million in £150 Energy Rebates to over 53,000 households.

We collected £32,531k of Business Rates in 2022-23, from 4,696 businesses and achieved a collection rate in year of 97.4% (compared to the national average of 95.5%). We retain £5,211k (16%) to help fund services.

We collected £92,103k of Council Tax in 2022-23, from 61,406 homes and achieved a collection rate in year of 97.5% (compared to the national average 95.8%). We retain £4,887k (5%) to help fund services. The share of council tax is shown in the graph.



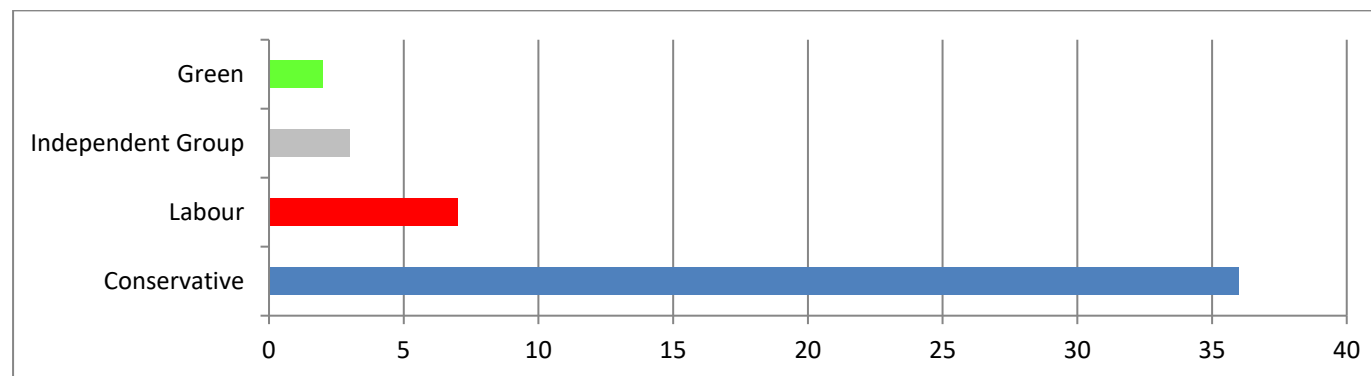
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Breckland Council

The Council alongside its partner organisations and external contractors deliver a wide range of services to our residents, businesses and visitors. These are detailed in the table below categorised by the Council's Directorates:

Health & Housing	Arts, Community Development, Community Safety, Community Transport, Dog Warden Service, Emergency Planning, Food Safety, Health & Safety, Gypsies & Travellers, Housing Enforcement, Housing Grants & Loans, Hostels, Homelessness & Advice, Licensing, Pollution Control, Public Health, Voluntary Sector
Economy & Growth	Building Control, Development Control, Development Partnerships, Economic Development, Enabling, Forward Planning, Historic Buildings, Land Charges, Planning Enforcement, Regeneration, Strategic Housing, Street Naming, Trees & Countryside
Finance	Corporate Management, Procurement, Internal Audit, External Audit, Council Tax, Housing Benefits, NNDR, Fraud, ARP Enforcement
People & Governance	Corporate Improvement & Performance, Committee Services, Customer Contact, Elections, Human Resources, Marketing & Communications, Pensions
Contracts & Operations	Grass Cutting, PFI & Leisure, Parks Woods & Open Spaces, Street Cleansing, Waste Collection
Property & Infrastructure	Commercial Property, Digital, ICT, Land Management, Property Management

Breckland Council is a district composed of 112 parishes; most parishes have their own town or parish council, or parish meeting. The Council is composed of 49 Councillors who are elected every four years to represent the peoples of Breckland. As at 31 March 2023, the Council was controlled by the Conservative Group and the Leader of the Council was Sam Chapman-Allen. As at 31 March 2023 the political make-up of the Council was:



All councillors meet together as the Council, here councillors decide the Council's overall policies and set the budget and council tax each year. The Council hold to account the Executive and Committees. The Cabinet is made up of the Leader, Deputy Leader and Portfolio Holders. Each Portfolio Holder has specific responsibilities over an area of the Council's activities. The Council held elections in May 2023 which changed the political make up shown above.

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Council Priorities, Corporate Plan and Performance

Our strategic vision is *'Breckland: a place where people and business can thrive'*. The Council has a corporate plan covering 2021 – 2025 and each year an annual delivery plan is drawn up to cover the actions for the next year. The business plan shows what the Council will do to meet the needs and aspirations of residents. The plan sets out the Council's priorities which are:

- Inspiring Communities
- Breckland 2035
- Thriving Places
- Working Smarter

The priorities define the medium term goals of the Council and as such remain relatively constant from year to year, but the actions associated with them are set annually for each financial year. The Corporate Plan is aligned to the Medium Term Financial Plan and these are available on the Council's website.

Our Corporate Plan runs for 4 years; currently we are in the 2021-2025 plan. Delivery of the plan is monitored through a performance framework and annually the delivery of the plan is refreshed to ensure it is relevant to the current political and economic climate. Each Council service area has a number of team projects which deliver the corporate plan and these are monitored against the delivery plan to ensure the corporate plan is on track. Internally there is a performance board which holds to account all performance indicators, team projects and audit recommendations to ensure delivery of the corporate plan and performance framework. Quarterly performance is reported to our member scrutiny panel and subsequently to Cabinet as part of the constitutional governance.

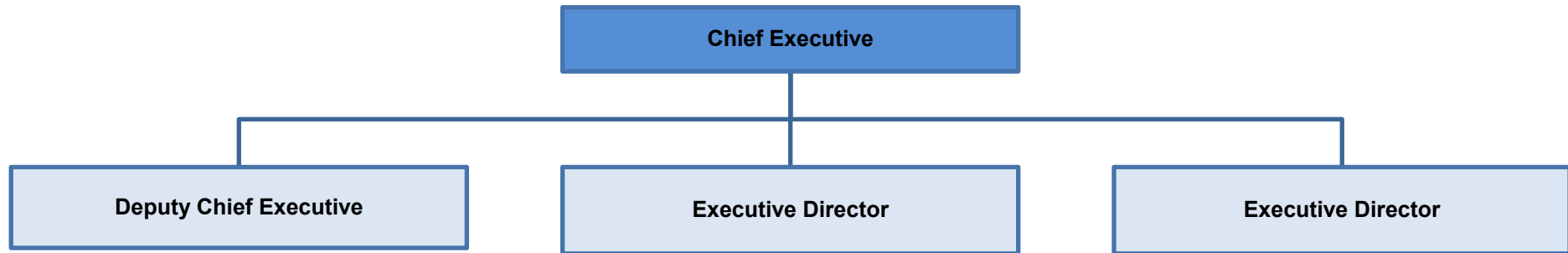
Annual Governance Statement

The annual governance statement (AGS) provides a review of the effectiveness of the Council's governance framework, internal control and risk management arrangements. This is published separately to this Statement of Accounts.

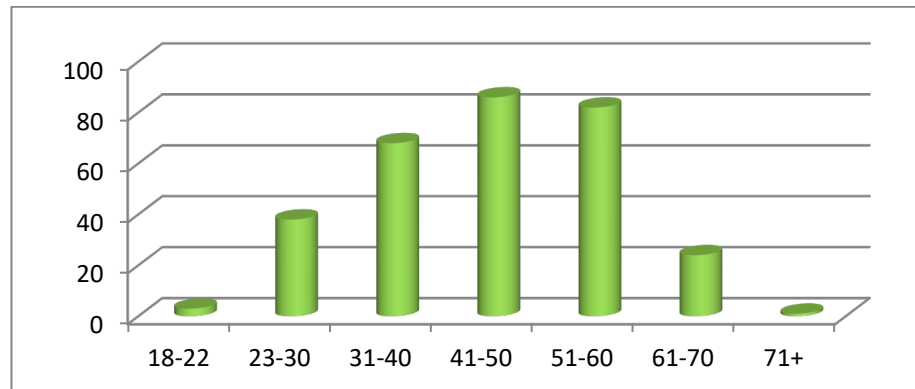
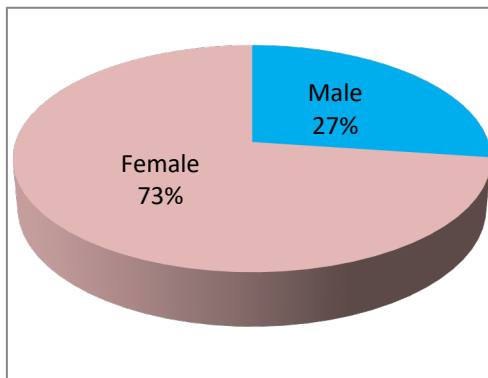
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Our People

The Council is headed by a Corporate Management Team (CMT). The Corporate Management Team consists of a Chief Executive, a Deputy Chief Executive and two Executive Directors, supported by six Assistant Directors.



The Council employs 302 staff as at 31 March 2023. This includes 229 full time staff and 73 part time staff. Included in this number are 1 apprentice and 2 trainees. Details of the makeup and age range of the Council's staff are shown in the graphs below.



The Council is one of five partners in the Anglia Revenues Partnership (ARP) which provides Council Tax, Business Rates, Housing Benefits, Fraud and Enforcement services to all partners. Staff are employed by any of the five partners and all costs are recharged between partners based on caseload shares. The total budget for the partnership in 2022-23 is £9,908k of which the majority is staff costs. Overall there are 284 staff employed by the Anglia Revenues Partnership.

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The Council strives for excellence in order to deliver services that local communities can be proud of. So to make this happen, we need talented and ambitious people who inspire, empower and deliver change all around them. The Council has embraced the Government's agenda to modernise local government and our approach has been to lead change rather than follow it. We believe that best value can only be achieved by developing staff to their full potential and to do this, we provide them with the relevant knowledge, equipment and authority to carry out their duties and we are recognised by Investors in People.

The Council prides itself in the delivery of high-quality training and development, it offers creative and unique training solutions through one-to-one coaching as well as a variety of tailor made courses to suit both individual and Council needs. During the course of an employee's employment, there may be opportunities to undertake professional and/or academic qualifications where this benefits the individual and the Council.

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Financial Performance

The Management Accounts below show the Council's actual financial performance for the year, compared to the budget and full details were reported to Cabinet on 30 May 2023 <https://democracy.breckland.gov.uk/ieListDocuments.aspx?CId=116&Mid=4853&Ver=4>. Further information can be found in the Expenditure and Funding Analysis.

	2022-23 Budget £'000	2022-23 Actual £'000	2022-23 Variance £'000	2021-22 Actual £'000
Expenditure on Services				
Health & Housing	2,835	3,363	528	2,625
Economy & Growth	1,329	1,600	271	2,506
Finance	3,234	1,910	(1,324)	2,113
People & Governance	3,271	3,484	213	3,590
Contracts & Operations	4,303	4,429	126	3,948
Property & Infrastructure	(579)	(538)	41	(10)
Housing Benefits	159	1,033	874	987
One off in year efficiencies	-	(295)	(295)	-
Cost Of Services	14,552	14,986	434	15,759
Contributions to/from reserves	(1,572)	(1,892)	(320)	(6,442)
Total Cost of Services	12,980	13,094	114	9,317
Funding & Appropriations				
Appropriations	1,441	4,326	2,885	7,229
Government Grants	(6,734)	(7,126)	(392)	(8,465)
Council Tax	(4,778)	(4,887)	(109)	(4,542)
Retained NNDR	(2,917)	(5,211)	(2,294)	(3,511)
Total Funding	(12,988)	(12,898)	90	(9,289)
Efficiencies to be achieved	(69)	-	69	-
Contribution (to)/from General Fund	(77)	196	273	28

The Council set a balanced budget in February 2022, subject to successful delivery of planned efficiencies. The full year out-turn delivered above budget spend of £196k relating to service provision as shown in the table above. This has reduced the General fund balance to £2,664k, which is still considered an adequate balance.

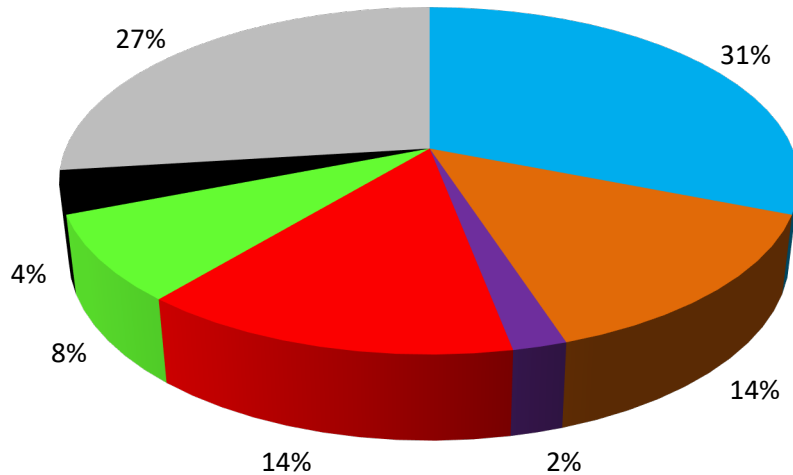
There was a surplus of £2,678k on our Commercial Property Trading Account after adjusting for property revaluations and this was contributed from Commercial Property to the General Fund.

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Revenue expenditure and income and the services provided

The charts below show in broad terms where the money came from, how it was spent and the services provided.

Where the money came from



	£'000	%
Housing Benefit Grant	20,772	31
Government Grants	9,963	14
Interest receipts	1,242	2
Council Tax (incl parish)	9,400	14
NNDR (net of levy & tariff)	5,211	8
Commercial Property	3,110	4
Fees, Charges & Misc	18,186	27
	67,884	100

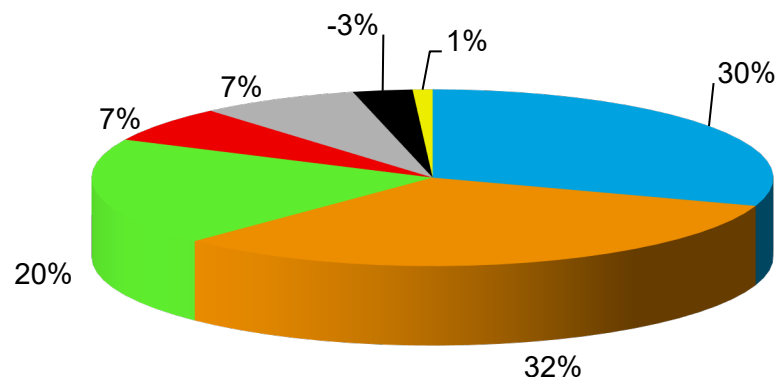
Council Tax is the income received from taxpayers through the Council Tax levied by the Council for Breckland and the parishes. The NNDR income is Breckland's share of the retained business rates income less the levy and tariffs paid.

Another source of income was interest earned on the Council's cash deposits. This interest is used to support the revenue budgets.

Fees, charges and miscellaneous includes all our other income streams, such as planning and building control fees (£1,522k), garden waste collections (£1,218k), recycling (£1,420k), income from partners for shared services (£1,302k), other grants & contributions (£3,778k), etc.

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How the money was spent



	£'000	%
Housing Benefits	21,743	32
Running Expenses	23,211	34
Employees	14,273	21
Precepts and Levies	4,593	7
Capital Financing	5,385	8
Cont'n to Reserves	(2,049)	(3)
Other	728	1
	67,884	100

Housing benefits only includes costs relating to the actual benefits provided, it does not include any staffing or other related costs. These benefits are funded from Government grants as can be seen from the *“where the money came from”* graph.

Running expenses includes costs relating to:

- Premises – such as rents, rates, electricity, water and similar
- Transport – such as cars, fares and similar
- Supplies and services – such as equipment, telephones, hired services and similar
- Contract payments for services provided by external contractors (i.e. waste collection, leisure, etc)

Employees expenditure includes costs relating to:

- Staffing – such as salaries, pensions, additional staff, professional subscriptions and similar costs.

Capital financing includes costs relating to:

- Capital expenditure – such as depreciation and de-valuations of assets and similar costs.

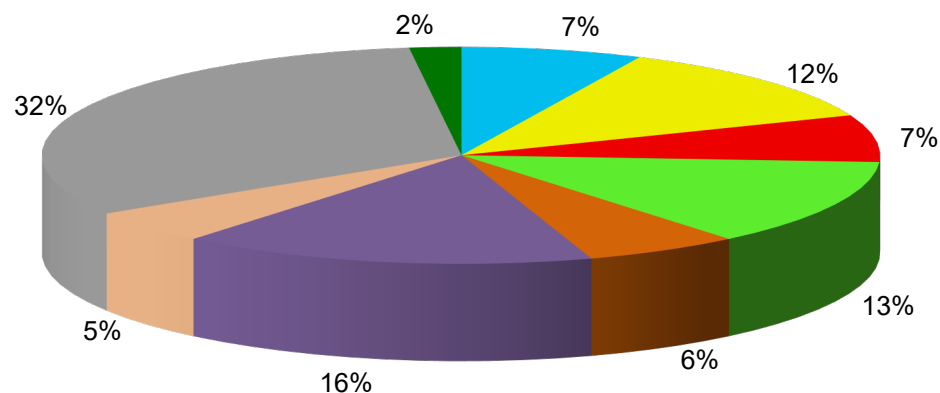
Transparency

The Government’s transparency agenda encourages local authorities to make public data openly available. Details of transparency items such as the Council’s spend on items over £500, contracts and pay and benefits for senior officers can be found on our website:

<http://www.breckland.gov.uk/article/4246/Transparency>

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And the services it provides



	£'000	%
Precepts & Levies	4,593	7
Health & Housing	8,341	12
Economy & Growth	4,787	7
Finance	8,774	13
People & Governance	3,997	6
Contracts & Operations	10,755	16
Property & Infrastructure	3,656	5
Housing Benefits	21,743	32
Other	1,238	2
	67,884	100

The table below shows the types of services which are included within each service area shown in the graph above:

Health & Housing	Arts, Community Development, Community Safety, Community Transport, Dog Warden Service, Emergency Planning, Food Safety, Health & Safety, Gypsies & Travellers, Housing Enforcement, Housing Grants & Loans, Hostels, Homelessness & Advice, Licensing, Pollution Control, Public Health, Voluntary Sector
Economy & Growth	Building Control, Development Control, Development Partnerships, Economic Development, Enabling, Forward Planning, Historic Buildings, Land Charges, Planning Enforcement, Regeneration, Strategic Housing, Street Naming, Trees & Countryside
Finance	Corporate Management, Procurement, Internal Audit, External Audit, Council Tax, Housing Benefits, NNDR, Fraud, ARP Enforcement
People & Governance	Corporate Improvement & Performance, Committee Services, Customer Contact, Elections, Human Resources, Marketing & Communications, Pensions
Contracts & Operations	Grass Cutting, PFI & Leisure, Parks Woods & Open Spaces, Street Cleansing, Waste Collection
Property & Infrastructure	Commercial Property, Digital, ICT, Land Management, Property Management

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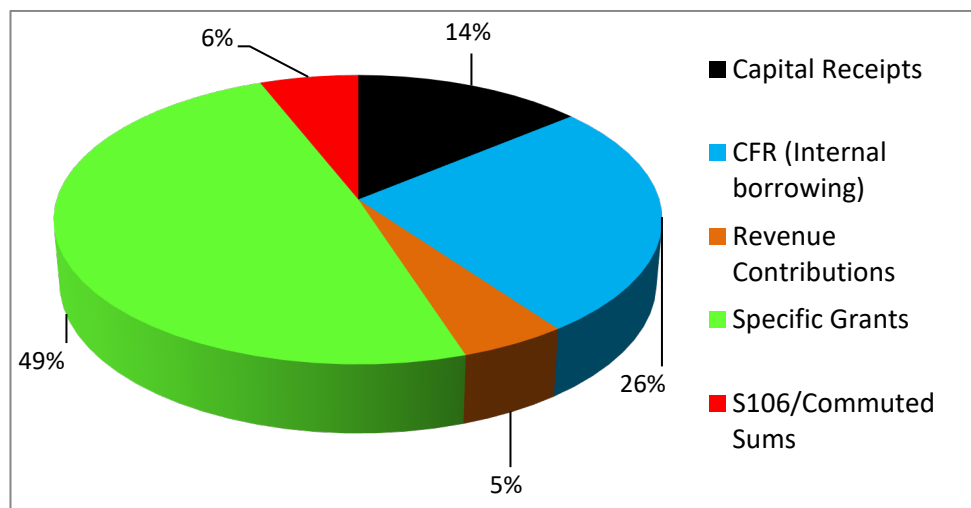
Capital financial performance

The capital out-turn was reported to Cabinet on 30 May 2023 <https://democracy.breckland.gov.uk/ieListDocuments.aspx?CId=116&MId=4853&Ver=4> and details the Council's £11,617k capital programme for 2022-23 of which £7,151k was spent, £102k was under spent and £4,364k budget moved into future years for spend on projects in progress or where the start date has moved into next year.

	2022-23 Budget £'000	Re-profile to 2022- 23 £'000	2022-23 Out- turn £'000	2022-23 Variance £'000
Economy & Growth	2,365	(234)	2,131	-
Property & Infrastructure	4,287	(1,658)	2,530	(99)
Contracts & Operations	637	(258)	379	-
Health & Housing	2,328	(688)	1,637	(3)
People & Governance	200	(200)	-	-
Capital Loans	1,800	(1,326)	474	-
Total Capital Programme	11,617	(4,364)	7,151	(102)

During the year the Council spent £1,822k external funding on the Snetterton Power Upgrade project and invested £1,437k in properties to provide additional temporary accommodation. There were no major non-current asset disposals during the year.

This capital expenditure was funded from the following areas:



An analysis of non-current assets and funding of the capital expenditure is shown in notes 8, 9 and 25. Currently Breckland does not borrow externally to finance its capital programme, as it has sufficient cash balances to borrow internally, however borrowing will be undertaken in future if the business case for a project supports it. Available capital for future projects is limited unless it is relevant to use revenue funding, additional capital receipts are generated or the business case supports borrowing.

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Collection Fund financial performance

The balance on the council tax Collection Fund at 31 March 2023 showed a £1,754k surplus. This will be shared between Norfolk County Council, Norfolk Police and Crime Commissioner and Breckland Council in proportion with each authority's relative precept. This surplus has resulted mainly from higher property numbers compared to budget.

The balance on the NNDR Collection Fund at 31 March 2023 showed a £2,164k surplus. This will be shared between Central Government, Breckland Council and Norfolk County Council in proportion with each party's relative proportionate share. This surplus has resulted from a reduction in the provision for appeals now that the 2017 appeals list has been closed.

These balances were estimated and taken into account when setting the Council Tax for 2023-24 and changes since that time will be reflected in setting the Council Tax in 2024-25.

Reserves and Balances

Reserves and balances increased by £38,411k during the year. Major increases and (decreases) in reserves balances included:

	£'000
○ Pensions reserve	36,518
○ Collection Fund Adjustment Account	2,789
○ Other un-usable reserves	1,323
○ Usable reserves	(2,219)

The value shown for the pensions reserve is a decrease in the deficit. Further information on reserves can be found within the notes section (6, 17 & 18).

Pension Fund

The accounts and notes with relation to the pension fund have been prepared in accordance with International Accounting Standard (IAS) 19. There are key differences between this accounting valuation and the formal funding valuation (which is carried out every 3 years). The purpose of the funding valuation every 3 years is to assess the ongoing financial position of the fund and to determine the cash contribution rates at which the Council should contribute in the future, which has a real cash impact to the Council. The aim of the funding valuation is to ensure that the existing assets alongside future expected investment returns and contributions will be sufficient to meet future benefit payments from the fund.

The accounting valuation position has no cash impact to the Council. Under the accounting standards the purpose is to facilitate consistent comparison of pension positions between employers. The accounting calculations are carried out using a prescribed method and a number of the assumptions are also largely prescribed.

The Pension Fund liability shown in the Balance Sheet as at 31 March 2023 stands at £10,668k compared with £47,186k the previous year. This represents the liability to the Norfolk Pension Fund. This amount is matched by a pension reserve also shown in the Balance Sheet and therefore has no impact on the Council's overall financial position as at 31 March 2023.

The IAS 19 Balance Sheet position for the Council has improved considerably in 2022-23 and the IAS 19 pension deficit is smaller in monetary terms at 31 March 2023. Investment returns were lower than expected compared to last year's accounting assumptions which has led to a negative return on assets. However, liabilities have reduced markedly as a result of a change in actuarial assumptions, in particular a significant rise in the rate used to discount scheme liabilities compared to last year's assumption. This liability also includes the estimated impact of the Guaranteed Minimum Pension (GMP) indexation and

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the recent McCloud legal ruling. The actuary uses a set of demographic assumptions that are consistent with those used for the Norfolk Pension Fund. These are highlighted in note 7.

Following the results of the triennial review in 2022, the Council's budget includes both a pension contribution percentage and also a lump sum payment each year which is forecast to bring the pension scheme into a funded position over a 20-year term.

Cash Flows

The table below shows the level of investments held by the Council which are used to fund day to day cash flow requirements, achieve a return on investments to help support the low levels of council tax, support the reserves expenditure and to fund capital expenditure. The table also shows the level of the PFI liability.

	2022-23 £'000	2021-22 £'000	Change £'000
Short Term Investments	19,520	33,015	(13,495)
Cash & Cash Equivalents	6,308	8,860	(2,552)
PFI Liability	(7,227)	(7,511)	284
Total	18,601	34,364	15,763

Capital spend will reduce the cash held, however the Council does not currently have a need to borrow externally over the short term, as it can borrow internally from its cash balances. The Council's overall Capital Financing Requirement (CFR) which details the Council's underlying need to borrow can be found at note 25.

Whilst the investment balances are showing lower levels than 12 months ago, this is not a comparable position to last year. At the end of March 2022, we were holding in reserves one-off Government grants of around £9m in total relating to the Council Tax rebate scheme and NNDR Covid Additional Relief Fund (CARF), which were paid out during 2022-23. Alongside this, £3m was owed to preceptors relating to NNDR and Council Tax (Norfolk County Council, Norfolk Police & Crime Commissioner and Central Government). Use of internal cash balances to fund the capital programme further reduced the investments held at the end of March 2023.

Future years' capital budgets include the remaining budget of £1,326k to provide construction loans to Breckland Homes Colkirk.

There were no significant provisions, contingencies or write offs during the year, full details on provisions and contingencies can be found at note 15.

Note 31 provides information of the impact on these accounts where there are exceptional or unusual items.

Achievements and Targets

A summary of some project and delivery highlights for the year can be found in our latest residents magazine <https://www.breckland.gov.uk/Transforming-Breckland>

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Current Economic Climate, Outlook and Risk

Local authorities across the UK are seeing significantly high demand for services. The economic shocks as a result of the war in Ukraine, post Covid recovery and labour shortages resulted in high inflationary rises to costs and contracts and utilities costs as well as leading to higher demand for our services, particularly in housing and revenues and benefits teams.

The continuing un-certainty in Central Government funding continues to add pressures to the Council's budgets. The timing of future changes relating to the retained Business Rates and the Fair Funding review alongside the levelling up agenda is still unknown. This continues to add significant uncertainty for our budget setting in the medium term as funding levels past 2024-25 are still not known.

Measures taken in previous years to reduce revenue costs meant that the Council started 2022-23 with a balanced budget with no impact on front line services, subject to successful delivery of the planned savings, despite the reduced level of Government grant. Delivery against the planned efficiencies was strong during the year with 86% delivered in year and the remainder re-set in the new 2023-24 budgets. The budget includes funding set aside to enable delivery of projects which generate future returns and also includes a *Growth and Investment Fund*, which will support the medium term financial plan by generating investment returns and promoting economic and housing growth in the region. The medium term plan also removes reliance on Government RSG and on New Homes Bonus to nil in future years.

Due to in year cost pressures (such as in temporary accommodation demands) Breckland made one off in year savings in order to re-direct funding to the areas where it was most needed in order to support our residents and businesses, this enabled us to reduce our over spend for the year so it could be accommodated within our General Fund balances.

The Council remains in a strong financial position over the medium term, with robust plans for savings, capital spend and delivery of services as well as investment in our communities. We also face uncertainty from future changes resulting from the Environment Bill, PFI scheme benchmarking and recovery of Housing Benefits as more customers transition to Universal Credit. This strong financial position means the Council is well placed to deal with any changes in funding levels resulting from the Fair Funding review and Business Rates Retention or future unknowns with a measured and planned approach. Our Medium Term Financial Plan (MTFP) provides information on the Councils budget, transformation programme and reserves and can be found on our website at <https://www.breckland.gov.uk/article/3461/Strategies-Plans-and-Policies->

The current level of reserves held by the Council is considered adequate to withstand current pressures and to invest in transformation projects, but it would not be financially sustainable to rely on these reserves to continue to fund the reduction in Central Government funding.

Note 31 to these accounts provides information of the impact on these accounts where there are exceptional or unusual items.

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Risk

The table below provides details of the current highest scoring strategic risks facing the Council along with an assessment of the likelihood and mitigations.

Risk	Description	Likelihood	Mitigation
Waste consultation	If the government is to pursue certain options within its current waste consultation, then the council's current service delivery of waste services will be required to change at a cost to the organisation as well as its waste partners within the district	5/5 = Almost Certain	Continuing work with partners to calculate the potential impacts and outcomes. Lobbying government and responding to consultations regarding the financial impact of the proposal and the need for financial compensation through new burdens funding for the sector.
Nutrient Neutrality	If the Council is unable to process planning applications due to the introduction of nutrient neutrality, then there will be an impact on housing and planning delivery within the district.	5/5 = Almost Certain	District and political working groups, use of Government grants for consultancy and working with partners to establish ways forward.
Rising temporary accommodation usage	If the cost of temporary accommodation continues to stay the same or rises further, then there will be financial and welfare impacts on Council staff and service users	5/5 = Almost Certain	Purchase of additional properties to use in place of nightly paid accommodation, working with partners to provide rented homes and mapping of processes to streamline customer experience.
Emerging Government Policy	If the council does not monitor emerging government policy, then it may not fully understand the implications of certain policies on organisational service delivery models and budget position.	4/5 = Likely	Senior management ensures an awareness around government policy changes.
Increased demand for housing services	If the council is unable to deal with increased demand levels for housing, then there will be an impact on the Council's ability to house residents and on also staff wellbeing	4/5 = Likely	Rough sleeps accommodation bids and build, regular multi-agency early intervention meetings, employment of social prescribers to support issues that affect housing.
General Data Protection Regulations (GDPR)	If the council does not ensure that data identified in the General Data Protection Regulations is held in an appropriate and secure manner, then it would be in breach of the act and would be liable for action from the Information Commissioners Office (ICO).	3/5 = Possible	Regular meetings of the statutory information group monitor the situation and identify areas of remediation, which continue to be addressed. GDPR education and training continues to be rolled out
Medium-term financial plan not delivered	If the Council's medium-term financial plan and efficiency plan is not delivered, then it may not be able to produce a balanced budget	3/5 = Possible	Regular monitoring and reporting which allows early indication of cost pressures and time to re-allocate finite resources. Reliance on certain funding (such as New Homes Bonus) removed from the budgets. Continued lobbying and keeping aware of government policy.

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Risk	Description	Likelihood	Mitigation
Sustainability strategy	If the council does not meet the targets set out in its sustainability strategy, then it will not be able to achieve its target of net-zero by 2035	3/5 = Possible	Established programme of work in place to support delivery of the strategy. Dedicated climate officer resource in place. Links to other key strategies.
Critical breach of ICT security	If the council does not ensure that its ICT security and associated plans and policies are up to date and robust then it places itself at increased risk of breaches including but not limited to ransomware and data exfiltration (which are becoming more common, with the public sector as with all other government systems and private companies).	3/5 = Possible	<p>Through a suite of protection measures such as web filtering and antivirus software, there is a good level of protection from viruses. Disaster recovery is also well maintained.</p> <p>Centrally managed antivirus software with daily updates to protect against virus and malware together with proactive reporting. On access scanning of all files processed giving real-time protection. Daily full scans of all files held at rest on drives.</p> <p>Advisory updates from Government Cyber Security forum giving detailed information on any risks seen across the Government estate (central and local). Corporate firewall provides additional protection on all traffic entering or leaving Breckland Council network giving different AV engine scanning. External scanning of all emails entering the council network which uses 4 different AV engines to provide additional granular AV scanning.</p> <p>Digital off site backups we still utilise tapes which are taken off site and stored. These tapes are rotated on a weekly and monthly basis so there is a history of backups that can be used in the event of data recovery being required if the digital copies are corrupt.</p>

The Council's Risk Management Framework can be found on the website. The Corporate Improvement and Performance Team regularly reviews updates on strategic and operational risks and takes any remedial actions as necessary (for example, escalation to the Corporate Management Team or Governance & Audit Committee), during 2022-23. Quarterly updates on the strategic risk register is provided to both the Corporate Management Team and the Governance & Audit Committee. The Governance & Audit Committee is responsible for monitoring the arrangements in place for identification, monitoring and management of strategic risk. The Council is always looking for new opportunities, such as sharing services with other Councils, service improvements and cost reductions through digital, etc. All opportunities will be examined on their own merits and business cases completed if the opportunity proves worthy.

NARRATIVE REPORT

The Statement of Accounts

The Council's accounts for 2022-23 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The purpose of the Statements of Accounts is to give interested parties clear information about the Council's finances.

This year there have been no major accounting changes to the statement of accounts.

The accounts consist of the following statements: -

THE EXPENDITURE AND FUNDING ANALYSIS – the objective of this analysis is to demonstrate to council tax payers how the funding available to the council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by councils in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown both in the Expenditure and Funding Analysis and the Movement in Reserves Statement.

THE MOVEMENT IN RESERVES STATEMENT - this statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. This statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

THE BALANCE SHEET - which shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves (i.e. those that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use). The second category of reserves are unusable reserves which are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses, where amounts would only become available if the assets are sold; and reserves which hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

THE CASH FLOW STATEMENT – which shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

NARRATIVE REPORT

THE COLLECTION FUND - this account reflects the statutory requirement contained in Section 89 of the Local Government Finance Act 1988 (amended by Local Government Finance Act 1992 and the Local Government Finance Act 2012) for billing authorities to establish and maintain a separate fund for the collection and distribution of amounts due in relation to Council Tax and National Non-Domestic Rates.

Breckland collects council tax on behalf of Norfolk County Council, Norfolk Police and Crime Commissioner and towns and parishes, and redistributes the precepts to these authorities. The balance on the council tax element of the Collection Fund is shared proportionately between Norfolk County Council, Norfolk Police and Crime Commissioner and Breckland Council.

Breckland collects National Non-Domestic Rates on behalf of Central Government and Norfolk County Council and re-distributes the precepts to these authorities. The balance on the National Non-Domestic Rates element of the Collection Fund is shared proportionately between Central Government, Breckland Council and Norfolk County Council.

THE GROUP ACCOUNTS – show the accounts for the Council including its share of interest in subsidiaries, associates and joint ventures.

THE ANNUAL GOVERNANCE STATEMENT – sets out the Council’s approach to corporate governance and how it manages its governance arrangements in accordance with the Code of Governance.

The accounts are supported by the notes to the financial statements. These notes include a summary of significant accounting policies, further detail relating to items in the main financial statements, assumptions made about the future and major estimations made.

This narrative report provides a brief explanation of the Council’s overall financial position and some key messages and aims to assist the readers in the interpretation of the accounting statements.

The Code of Practice on Local Authority Accounting sets out a requirement to prepare group accounts where the authority has interests in subsidiaries, associates and/or joint ventures, subject to the consideration of materiality, in addition to their single entity financial statements. The Council has an interest in Breckland Bridge Ltd and this is consolidated into the Group Accounts as a Joint Venture and more information can be found in the Group Accounts and related party transactions notes.

Note 31 to these accounts provides information where there are exceptional or unusual items within this statement in 2022-23.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENTS OF ACCOUNTS

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council in 2022-23 that officer was the Assistant Director Finance.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statements of Accounts.

The Assistant Director Finance's Responsibilities

The Assistant Director Finance is responsible for the preparation of the Council's Statements of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing these Statements of Accounts, the Assistant Director Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code

The Assistant Director Finance has also:

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

The Assistant Director Finance should sign and date the Statements of Accounts, stating that they provide a true and fair view of the financial position of the Council at the reporting date and of its income and expenditure for the year ended 31 March 2023. This certification can be found at page 24 and page 86.

The Chairman's declaration confirming that the Statement of Accounts have been approved by the Governance and Audit Committee can be found at page 92.

EXPENDITURE AND FUNDING ANALYSIS

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund 2022-23 £'000	Adjustments Between Funding & Accounting Basis 2022-23 £'000	Net Expenditure in the CIES 2022-23 £'000	Net Expenditure Chargeable to the General Fund 2021-22 Restated £'000	Adjustments Between Funding & Accounting Basis 2021-22 Restated £'000	Net Expenditure in the CIES 2021-22 Restated £'000	Note
Cost of Services							
Health & Housing	3,362	419	3,781	2,625	211	2,836	
Economy & Growth	1,564	118	1,682	2,506	64	2,570	
Finance	1,541	627	2,168	2,030	(49)	1,981	
People & Governance	3,484	56	3,540	3,590	77	3,667	
Contracts & Operations	4,503	1,393	5,896	4,588	995	5,583	
Property & Infrastructure	(539)	3,251	2,712	(10)	3,773	3,763	
Housing Benefit	1,033	(62)	971	987	(19)	968	
Net Cost of Services	14,948	5,802	20,750	16,316	5,052	21,368	
Other Income & Expenditure	(12,899)	(6,530)	(19,429)	(9,289)	(9,979)	(19,268)	
(Surplus)/Deficit on Provision of Services	2,049	(728)	1,321	7,027	(4,927)	2,100	2,3,4

Opening General Fund & Earmarked Reserves Balance @ 31.03.22	21,056
Adjust for Surplus/Deficit on Provision of Services	(2,049)
Closing General Fund & Earmarked Reserves Balance @ 31.03.23	19,007

The Expenditure and Funding Analysis is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Financial Performance Report at Cabinet to the Comprehensive Income and Expenditure Statement (CIES). Figures for 2021-22 have been restated to reflect the Council reporting according to Assistant Director responsibilities in 2022-23, to allow like-for-like comparison.

Note 31 provides information of the impact on these accounts where there are exceptional or unusual items.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Comprehensive Income and Expenditure Statement

	Gross Expenditure 2022-23	Gross Income 2022-23	Net Expenditure 2022-23	Gross Expenditure 2021-22 Restated £'000	Gross Income 2021-22 Restated £'000	Net Expenditure 2021-22 Restated £'000	Note EFA
Expenditure on Services							
Health & Housing	8,341	(4,560)	3,781	6,776	(3,940)	2,836	
Economy & Growth	4,787	(3,105)	1,682	7,482	(4,912)	2,570	
Finance	8,774	(6,606)	2,168	8,916	(6,935)	1,981	
People & Governance	3,997	(457)	3,540	3,970	(302)	3,668	
Contracts & Operations	10,755	(4,859)	5,896	10,031	(4,448)	5,583	
Property & Infrastructure	3,656	(944)	2,712	4,599	(836)	3,763	
Housing Benefit	21,743	(20,772)	971	22,547	(21,580)	967	
Cost of Services	62,053	(41,303)	20,750	64,321	(42,953)	21,368	
Other operating expenditure							
Parish Council Precepts and Drainage Board Levies	4,593	-	4,593	4,396	-	4,396	
(Gain)/Loss on disposal of non-current assets	-	(359)	(359)	-	(314)	(314)	
Financing and investment income and expenditure							
Interest receivable & payable & similar income & expenditure	541	(1,242)	(701)	547	(696)	(149)	
Re-measurement of the net defined benefit liability/asset	3,798	(2,495)	1,303	2,904	(1,688)	1,216	
(Surplus)/Deficit on trading undertakings	156	(3,110)	(2,954)	(1,530)	(2,963)	(4,493)	
Other	559	-	559	913	-	913	
Taxation and non-specific grant income and expenditure							
Council Tax income (including collection fund)	-	(9,400)	(9,400)	-	(8,861)	(8,861)	
NDR income & expenditure (including collection fund)	10,311	(15,523)	(5,212)	11,089	(14,601)	(3,512)	
Revenue Support Grant	-	(681)	(681)	-	(660)	(660)	
Covid-19 Government grants	-	-	-	-	(731)	(731)	
Other non-ring-fenced Government grants	-	(6,445)	(6,445)	-	(7,073)	(7,073)	
Donated Assets	-	(132)	(132)	-	-	-	
(Surplus)/Deficit on Provision of Services	82,011	(80,690)	1,321	82,640	(80,540)	2,100	
(Surplus)/Deficit on revaluation of PPE assets			(678)			(2,828)	
Actuarial (gains)/losses on pension assets/liabilities			(39,054)			(15,712)	7
Other Comprehensive (Income) and Expenditure			(39,732)			(18,540)	
Total Comprehensive (Income) and Expenditure			(38,411)			(16,440)	

MOVEMENT IN RESERVES STATEMENT

Movement in Reserves Statement

	General Fund Balance £'000	Ear- marked GF Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Un- applied £'000	Total Usable Reserves £'000	Un-usable Reserves £'000	Total Reserves £'000	Notes
Balance as at 1 April 2021	2,849	25,234	-	1,516	29,599	8,310	37,909	
<u>Movement in Reserves during 2021-22</u>								
Total Comprehensive Income & Expenditure	(2,100)	-	-	-	(2,100)	18,052	15,952	
Adjustments from income & expenditure charged under the accounting basis to funding basis	(4,927)	-	-	76	(4,851)	5,339	488	
Transfers to/from Earmarked Reserves	6,999	(6,999)	-	-	-	-	-	
Increase/(decrease) for year	(28)	(6,999)	-	76	(6,951)	23,391	16,440	
Balance as at 31 March 2022	2,821	18,235	-	1,592	22,648	31,701	54,349	
Balance as at 1 April 2022	2,821	18,235	-	1,592	22,648	31,701	54,349	
<u>Movement in Reserves during 2022-23</u>								
Total Comprehensive Income & Expenditure	(1,321)	-	-	-	(1,321)	39,732	38,411	
Adjustments from income & expenditure charged under the accounting basis to funding basis	(728)	-	-	(170)	(898)	898	-	5
Transfers to/from Earmarked Reserves	1,892	(1,892)	-	-	-	-	-	6
Increase/(decrease) for year	(157)	(1,892)	-	(170)	(2,219)	40,630	38,411	
Balance as at 31 March 2023	2,664	16,343	-	1,422	20,429	72,331	92,760	

Note 31 provides information of the impact on these accounts where there are exceptional or unusual items, particularly in respect of Earmarked General Fund Reserves which are holding balances relating to future cost pressures and are not an available resource.

BALANCE SHEET

Balance Sheet

	31 March 2023		31 March 2022		Notes
	£'000	£'000	£'000	£'000	
Non Current Assets					
Property Plant and Equipment	44,539		42,898		8
Heritage Assets	323		337		-
Investment Property	34,639		34,099		9
Intangible Assets	71		51		-
Total Non Current Assets		79,572		77,385	
Long term debtors		12,250		12,411	10
Total long-term assets		91,822		89,796	
Current Assets					
Short-term investments	19,520		33,015		11
Short-term debtors	10,409		7,922		12
Cash and cash equivalents	6,308		8,860		13
Assets Held for Sale	18		18		-
Total Current Assets		36,255		49,815	
Total Assets					
Current Liabilities					
Short-term creditors	(15,043)		(27,172)		14
Provisions	(1,109)		(2,272)		15
Total Current Liabilities		(16,152)		(29,444)	
Total Assets less Current Liabilities		111,925		110,167	
Long Term Liabilities					
PFI Lease Liability > 1 year	(6,928)		(7,227)		24
Pensions Liability	(10,668)		(47,186)		7
Capital grants receipts in advance	(1,569)		(1,405)		16
Total Long-term Liabilities		(19,165)		(55,818)	
Net Assets		92,760		54,349	
Financed By:-					
Usable reserves		(20,429)		(22,648)	17
Un-usable reserves		(72,331)		(31,701)	18
Total Net Worth		(92,760)		(54,349)	

BALANCE SHEET

I certify that the statements of accounts on pages 20 to 79 present a true and fair view of the financial position of Breckland Council as at 31 March 2023 and its income and expenditure for the year then ended.

Assistant Director Finance:

A Chubbock

Date: 31 May 2023

CASH FLOW STATEMENT

Cash Flow Statement

	2022-23		2021-22	
	£'000	£'000	£'000	£'000
Net (surplus) or deficit on the provision of services	1,321		2,100	
Adjust net surplus or deficit on the provision of services for non-cash movements				
Depreciation and amortisation	(1,734)		(1,794)	
Impairments and valuations	(98)		(799)	
(Increase)/Decrease in creditors	12,775		(3,076)	
Increase/(Decrease) in debtors (including interest debtors)	2,868		(2,336)	
Pension liability	(2,536)		(2,890)	
Carrying amount of non-current assets sold	(392)		(870)	
Other	1,775		2,480	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities				
Capital grants credited to the surplus/deficit on the provision of service	3,796		2,993	
Proceeds from the sale of non-current assets	678		1,316	
Net Cash Flows from Operating Activities		18,453		(2,876)
Investing Activities				
Purchase of PPE, Investment property and intangible assets		3,178		3,678
Net Purchases/(Proceeds) of short and long term investments		(13,560)		13,000
Proceeds from the sale of PPE, Investment property and intangible assets		(575)		(1,184)
Other receipts and payments for investing activities		(2,543)		(4,505)
Financing Activities				
Cash payments for the reduction of liabilities relating to PFI contracts		284		269
Other receipts/payments for financing activities		(2,685)		(8,653)
Net (Increase)/Decrease in Cash and Cash Equivalents		2,552		(271)
Cash and cash equivalents at the beginning of the reporting period		8,860		8,589
Cash and cash equivalents at the end of the reporting period		6,308		8,860

The 'Purchase of short and long term investments line' has been consolidated with the 'Proceeds from short and long term investments line' to show the net movement on short and long term investments for both years.

The cash flows from operating activities includes interest received of £1,241k in 2022-23 (£686k in 2021-22) and interest paid of £541k in 2022-23 (£547k in 2021-22).

Note 1 – Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2022-23 financial year and its position at the year end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2022-23, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

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

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

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are instant access and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Charges to Revenue for Non-Current Assets

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

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

NOTES TO THE CORE FINANCIAL STATEMENTS

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. The Council has an underlying borrowing requirement, but has not yet needed to borrow externally. There is an amount implicit in the PFI repayment relating to Minimum Revenue Provision (MRP). Depreciation, revaluation, impairment losses and amortisation are therefore replaced by an adjusting transaction between the Capital Adjustment Account and the Movement in Reserves Statement which reverses out the amount charged so that there is no impact on the level of council tax.

Collection Fund

This account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution of council tax and non-domestic rates (NNDR) to major preceptors, local authorities and the Government.

An allowance for the impairment of debt is calculated for the Collection Fund using the following bases:

- Council Tax – An un-collectable percentage is applied to the debt outstanding for each year based on the age of that debt.
- NNDR – An un-collectable percentage is applied to the debt outstanding based on the age of that debt.

An allowance for impairment from NNDR appeals from the 2010 valuation list is calculated by taking the outstanding appeals at the Valuation Office (VO), categorising these by the rating list descriptions and applying an estimate to the likely success of each outstanding appeal using historical statistics of appeals settled in each category. For NNDR appeals lodged relating to the 2017 valuation list the same process is used as under the 2010 list. Furthermore, a review on high-risk properties such as high rateable value, large infrastructure, change to charities, etc is undertaken and an estimate made for appeals on these properties if required.

The council tax and NNDR income included in the Comprehensive Income & Expenditure Statement is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NNDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income & Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the year end balances in respect of council tax and NNDR relating to arrears, impairment allowance for doubtful debts, overpayments and prepayments and appeals.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits, such as salaries and paid annual leave for current employees, are those due to be settled wholly within 12 months of the year-end. They are recognised as an expense for services in the year in which employees render services to the Council and charged on an accrual basis to the relevant service line of the comprehensive Income and Expenditure Statement.

Termination Benefits

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

NOTES TO THE CORE FINANCIAL STATEMENTS

Post-Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme (LGPS), administered by Norfolk County Council, which provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council. It is accounted for as a defined benefits scheme:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of the Norfolk County Council pension fund attributable to the Council are included in the Balance Sheet at their bid value.
- The change in the net pensions liability is analysed into the following components:
 - Service cost comprising:
 - Current Service Cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past Service Cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.
 - Net Interest on the net defined liability, i.e. Net interest expense for the Council – the change during the period in the net defined liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
 - Re-measurements comprising:
 - Return on Plan Assets – excluding amounts included in net interest on the net defined liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Contributions paid to the Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense

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

NOTES TO THE CORE FINANCIAL STATEMENTS

Events after the Balance Sheet Date

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

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

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

Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

When measuring fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy as follows:

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

Financial Instruments

Financial Liabilities

The policy for any financial liabilities the Council holds which are classed as leases or PFI are detailed within the policy for that classification.

Financial Assets

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

- Amortised cost

NOTES TO THE CORE FINANCIAL STATEMENTS

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost. Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and subsequently measured at their amortised cost. Annual credits for interest receivable are made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, based on the carrying amount of the investment/asset multiplied by the effective rate of interest for the instrument.

Government Grants and Contributions

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

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

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

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

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

Certain grants are general grants allocated by Central Government directly to local authorities as revenue funding, these are non-ringfenced and are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement. Details of these grants can be found in note 16 *Grant Income*.

Interest in Companies and Other Entities

The Anglia Revenues Partnership Joint Committee - This involves a group of authorities coming together to fulfil a joint purpose, but it does not constitute a legal entity in its own right. It is accounted for in the respective authorities Statements of Accounts as a shared service. This requires the authority's share of partnership transactions (expenditure and income and balances if applicable) to be included within the relevant lines within the authority's accounts.

Breckland Bridge Ltd – This is the Local Asset Backed Vehicle (LABV) company set up between the Council and The Land Group Ltd. The company has been set up to accelerate long term regeneration and economic growth through projects in the Council area with a view to securing the economic, social, and

NOTES TO THE CORE FINANCIAL STATEMENTS

environmental well-being of the Council area whilst generating a financial return. This company is classified as a Joint Venture in the Councils accounts and group accounts are prepared on this basis. Please refer to the group accounts section of this document.

The Related Party Transactions note give details on these entities.

Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Valuations are in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards. Gains and losses on revaluation and on disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Rentals received in relation to investment properties are credited to the 'Surplus/Deficit on trading undertakings not included in Cost of Services' line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any disposal proceeds greater than £10,000) the Capital Receipts Reserve.

Where part of an investment property is replaced (i.e. subsequent capital expenditure), the carrying amounts of the parts replaced are de-recognised (where material) and the cost of replacement is recognised in the carrying value of the property.

Leases

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

Authority as Lessor

Operating Leases – Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the relevant line in the Comprehensive Income and Expenditure Statement (i.e. Surplus/Deficit on trading undertakings). Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period).

Finance leases – Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the

NOTES TO THE CORE FINANCIAL STATEMENTS

carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset in the Balance Sheet. Expected residual values of finance leases are reviewed every 5 years.

Lease rentals receivable are apportioned between:

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

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

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

Overheads and Support Services

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

Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the non-current assets needed to provide the service passes to the PFI contractor. Breckland entered into a 33.5 year PFI contract for the provision of leisure management and facilities in December 2005. Changes to the 2009 Statement of Recommended Practice resulted in the council re-examining its accounting treatment in the context of the International Financial Reporting Standards, and in particular under the interpretations from the International Financial Reporting Interpretations Committee and determining that the arrangement should be accounted for as a service concession arrangement within the scope of IFRIC 12.

The annual unitary payment is split between lease payments, service & revenue expenditure and asset lifecycle costs. The allocation of this unitary payment is estimated based on the terms of the payment mechanism in the PFI contract. Therefore, the annual unitary charge for each facility is allocated 50% to the lease payment and the remaining 50% to cover service & revenue costs and asset lifecycle costs. The amounts are allocated between the two sites based on information in the operators' model giving a split of 55% Thetford and 45% Dereham. A mark up of 2% has been applied in order to estimate the fair value of the real maintenance and lifecycle services. This mark-up has been calculated as the difference between the total real costs (as per the operator model) and 50% of the unitary charge (in real terms).

Property used under the PFI contract is recognised as an asset on the Balance Sheet, with a related liability also recognised. The fair value of the PFI assets at completion of construction was determined in reference to the construction costs disclosed in the operators' financial model. The existing buildings at the Thetford site have been included at their net book value at the relevant date. Where the property is enhanced by the PFI operator, the fair value of the

NOTES TO THE CORE FINANCIAL STATEMENTS

enhancement is recognised in the Balance Sheet of the Council. A day 1 revaluation gain has been recorded in relation to the District Valuer (DV) valuation carried out at 1 April 2007. Assets have been split between the Thetford and Dereham sites with the split of construction costs between the two centres being based on the assumption applied for unitary payments (55% Thetford and 45% Dereham). The assets are depreciated on a straight-line basis over the useful life of the asset as estimated by the valuer.

Capital lifecycle costs are treated as a prepayment amount (allocated on a straight-line basis over the contract term). When the capital improvement works are undertaken by the contractor (based on their financial model) the relevant amount of the capital expenditure will then be reclassified from prepayments to non-current assets. Assets are re-valued every 3 years as part of the Council's rolling programme of valuations and the non-current asset values are updated as necessary (in line with the Property, Plant and Equipment Policy).

Property, Plant and Equipment (PPE)

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment (PPE) is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

A de-minimis level of £20,000 has been adopted for the inclusion of non-current assets in all categories with the exception of vehicles and equipment which have a de-minimis level of £10,000 and grant funding received which has no de-minimis.

Measurement

Assets are initially measured at cost, comprising; the purchase price, any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and (if applicable) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

- Council Offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Infrastructure, community assets and assets under construction – depreciated historical cost
- Surplus Assets – fair value, estimated at highest and best use from a market participant's perspective
- All Other Assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. In practice assets are valued within a five-year rolling programme but due to the grouping of classes of assets they are usually valued every three years. Valuations are in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards.

NOTES TO THE CORE FINANCIAL STATEMENTS

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a valuation loss previously charged to a service.

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

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

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

Impairment

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

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

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

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

Depreciation

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

Depreciation is calculated on the following bases:

- Buildings – straight line allocation over the useful life of the property as estimated by the valuer (ranges from 6 to 99 years)
- Car Parks – straight line allocation over the useful life of the property as estimated by the valuer (ranges from 5 to 27 years)
- Infrastructure – straight line allocation over the useful life of the property as estimated by the valuer (ranges from 10 to 25 years)
- Vehicles, plant, furniture and equipment – straight line method using internally assessed useful economic lives (ranges from 3 to 10 years)

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

NOTES TO THE CORE FINANCIAL STATEMENTS

Componentisation

Where an item of PPE asset has major components, whose cost is significant in relation to the total cost of the asset and whose useful life differs, the components are depreciated separately, unless the componentisation makes no material difference to the overall depreciation charge. The following de-minimis levels have been set for componentisation of an asset (as the values are not considered significant in relation to componentisation):

- Assets with a total cost of £100,000 or less will not be subject to componentisation
- Any components with a cost of 10% or less of the total cost of the asset will not be componentised separately

Componentisation is considered for new valuations, enhancement expenditure and acquisition expenditure carried out on or after 1 April 2010. Where a component is replaced or restored (i.e. enhancement expenditure) the carrying amount of the old component shall be de-recognised before reflecting the enhancement.

The Council recognises the following levels of components:

- Substructure
- Superstructure
- Internal services
- External works

Componentisation is not applicable to land as land is non-depreciable and is considered to have an infinite life.

Disposals and Non-Current Assets Held for Sale

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

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

When an asset is disposed of or de-commissioned, the carrying amount of the asset in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any receipts from the disposal are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposal in excess of £10,000 are categorised as capital receipts, receipts below this amount are classed as revenue income. The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

NOTES TO THE CORE FINANCIAL STATEMENTS

Depreciation, impairment losses and revaluations are not permitted to have an impact on the General Fund Balance, they are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Provisions and Contingent Assets/Liabilities

Provisions are made where an event has taken place that gives the Council an obligation that will probably require settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation, but where the timing of the transfer is uncertain.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate at the Balance Sheet date of the likely settlement. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a settlement is required (or a lower settlement than estimated is made) the provision is reversed and credited back to the relevant service.

In the event that a possible liability (or asset) arises which may require settlement by a transfer of economic benefits, but the timing and amount of the transfer is uncertain and the obligation will only be confirmed by occurrence or otherwise of a future event, then this will not be recognised in the Balance Sheet, but will be shown in a note to the accounts as a contingent asset or liability.

Reserves

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

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

Revenue Expenditure Funded from Capital under Statute

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

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 2 – Note to the Expenditure and Funding Analysis

	Adjust- ments for Capital Purposes 2022-23 £'000	Net change for the Pensions Adjust- ment 2022-23 £'000	Other Differen- ces 2022-23 £'000	Total Adjust- ments 2022-23 £'000	Adjust- ments for Capital Purposes 2021-22 Restated £'000	Net change for the Pensions Adjust- ment 2021-22 Restated £'000	Other Differen- ces 2021-22 Restated £'000	Total Adjust- ments 2021-22 Restated £'000
Health & Housing	65	354	-	419	(216)	431	(4)	211
Economy & Growth	63	65	(10)	118	(1)	67	(2)	64
Finance	49	454	124	627	125	651	(825)	(49)
People & Governance	-	62	(6)	56	-	69	8	77
Contracts & Operations	1,217	179	(3)	1,393	718	277	-	995
Property & Infrastructure	193	119	2,939	3,251	(891)	179	4,485	3,773
Housing Benefit	-	-	(62)	(62)	-	-	(19)	(19)
Net Cost of Services	1,587	1,233	2,982	5,802	(265)	1,674	3,643	5,052
Other Income & Expenditure from the Funding Analysis	(1,452)	1,303	(6,381)	(6,530)	(2,778)	1,216	(8,417)	(9,979)
Difference Between General Fund Surplus/Deficit and Comprehensive Income & Expenditure Statement Surplus/Deficit	135	2,536	(3,399)	(728)	(3,043)	2,890	(4,774)	(4,927)

Figures for 2021-22 have been restated to reflect the Council reporting according to Assistant Director responsibilities in 2022-23, to allow like-for-like comparison.

Adjustments for Capital Purposes – this column adds in depreciation, impairment, capital grants, and revaluation gains/losses in the service lines, and for; Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets; Financing & Investment Income & Expenditure – the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices; and Taxation & Non Specific Grant Income and Expenditure – capital grants are adjusted for income chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation & Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments – this column is the net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs. For Financing & Investment Income & Expenditure the net interest on the defined benefit liability is charged to the CIES.

NOTES TO THE CORE FINANCIAL STATEMENTS

Other Differences – Other statutory adjustments between amounts debited/credited to the CIES & amounts payable/receivable to be recognised under statute. For taxation & non-specific grant income and expenditure the other differences column represents the difference between what is chargeable under statutory regulations for council tax & NDR that was projected to be received at the start of the year & the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be reflected in future collection fund surpluses/deficits. Other non-statutory adjustments for amounts debited or credited to service segments which must be adjusted against the 'Other income and expenditure from the EFA' line to comply with presentational requirements in the CIES. For Other Operating Expenditure the other differences column recognises adjustments, levies & internal recharges. For Financing & Investment Income & Expenditure the other differences column recognises adjustments for interest payable/receivable, bad debt impairment allowances & internal recharges relating to Commercial Property Trading Account. For Taxation & Non-Specific Grant Income & Expenditure the other differences column recognises adjustments to service segments e.g. for un-ringfenced government grants.

Note 3 – Segmental Income

Income from services, received on a segmental basis is analysed below:

	2022-23 £'000	2021-22 £'000
Revenues from external customers	(14,671)	(14,465)
Other income	(45,794)	(43,930)
Total Income Analysed on a Segmental Basis	(60,465)	(58,395)

Note 4 – Expenditure & Income Analysed by Nature

	2022-23 £'000	2021-22 £'000
Employee Benefit Expenses	12,970	13,029
Other Service Expenses	23,211	25,948
Housing Benefit	21,743	22,547
Depreciation, Amortisation & Impairment	5,385	2,727
Precepts & Levies	4,593	4,396
Pensions Interest Cost	3,798	2,904
Non-Domestic Rates (Tariff, levy)	10,311	11,089
Total Expenditure on Provision of Services	82,011	82,640
Fees, Charges & Other Service Income	(21,296)	(19,670)
Housing Benefit	(20,772)	(21,580)
Interest & Investment Income	(1,242)	(696)
Pensions Return on Assets	(2,495)	(1,688)
Income from Council Tax & Non-Domestic Rates	(24,922)	(23,462)
Government Grants & Contributions	(9,963)	(13,444)
Total Income from Provision of Services	(80,690)	(80,540)
(Surplus)/Deficit on Provision of Services	1,321	2,100

Note 5 – Movement in Reserves Statement - Adjustments between Accounting Basis & Funding Basis under Regulations

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

General Fund Balance – This is the statutory fund into which all the receipts and liabilities of the Council are required to be paid or met, except to the extent that statutory rules may provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact the General Fund balance, which is not necessarily in accordance with proper accounting practice.

Capital Receipts Reserve – This reserve holds the proceeds from the disposal of assets, which are restricted by statute from being used other than to fund new capital expenditure. All capital receipts were used to fund capital expenditure incurred during the year, therefore the balance on this reserve is nil.

Capital Grants Un-applied – This reserve holds grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies which have yet to be applied to meet expenditure.

NOTES TO THE CORE FINANCIAL STATEMENTS

	General Fund & Earmarked Reserves Balance	Capital Receipts Reserve	Capital Grants Unapplied	General Fund & Earmarked Reserves Balance	Capital Receipts Reserve	Capital Grants Unapplied
	£'000	2022-23 £'000	£'000	£'000	2021-22 £'000	£'000
Adjustments to Revenue Resources						
<i>Amounts by which income and expenditure included in the Comprehensive Income & Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements</i>						
Pensions costs (transferred to/from the pensions reserve)	2,536	-	-	2,890	-	-
Council Tax and NNDR (transfers to/from the Collection fund Acc.)	(2,788)	-	-	(4,766)	-	-
Holiday Pay (transferred to/from the Accumulated Absences Acc.)	(36)	-	-	(8)	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital revaluation (gains)/losses on PPE & movements in the value of Investment Properties	(383)	-	-	(1,491)	-	-
Revenue expenditure funded from capital under statute	4,033	-	-	2,424	-	-
Depreciation & Amortisation	1,734	-	-	1,795	-	-
Capital grants & contributions	(4,098)	-	-	(2,917)	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,621)	-	-	(1,490)	-	-
Total Adjustments to Revenue Resources	(623)	-	-	(3,563)	-	-
Adjustments between Capital and Revenue Resources						
Capital expenditure financed from revenue balances	(346)	-	-	(1,175)	-	-
Total Adjustments between Capital and Revenue Resources	(346)	-	-	(1,175)	-	-
Adjustments to Capital Resources						
Use of capital receipts reserve to finance capital expenditure	-	-	-	-	-	-
Allocation of capital grants to finance capital expenditure	170	-	(170)	(76)	-	76
Cash payments/receipts in relation to deferred capital receipts	71	-	-	(113)	-	-
Total Adjustments to Capital Resources	241	-	(170)	(189)	-	76
Total Adjustments	(728)	-	(170)	(4,927)	-	76

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 6 – Movement in Reserves Statement – Transfers (to)/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and amounts posted back from earmarked reserves to meet General Fund expenditure. Note 17 provides details on the movements in the capital receipts reserve and capital grants un-applied.

	01.04.2021 £'000	Receipts 2021-22 £'000	Payments 2021-22 £'000	Transfers 2021-22 £'000	31.03.2022 £'000	Receipts 2022-23 £'000	Payments 2022-23 £'000	Transfers 2022-23 £'000	31.03.2023 £'000
General Fund	(2,849)	-	28	-	(2,821)	-	157	-	(2,664)
<i>Earmarked Reserves:</i>									
Recreation	-	-	-	-	-	(60)	-	(43)	(103)
Capital Replacement	(558)	(315)	162	(40)	(751)	(234)	141	-	(844)
Insurance	(38)	(28)	1	-	(65)	(5)	-	-	(70)
Match Funding	(285)	-	94	-	(191)	-	149	-	(42)
Organisational Developments	(2,019)	(572)	848	-	(1,743)	(296)	670	(389)	(1,758)
Waste and Recycling	(100)	(49)	50	-	(99)	(75)	-	-	(174)
Revenue Grants Rec'd in Advance	(4,370)	(2,679)	4,058	-	(2,991)	(1,787)	1,508	577	(2,693)
John Room House Major Repairs	(24)	(16)	-	40	-	-	-	-	-
Council Tax & Business Rates	(8,883)	(2,723)	6,762	-	(4,844)	(631)	2,076	(31)	(3,430)
Communities	(394)	-	-	-	(394)	-	4	-	(390)
Growth & Investment Reserve	(5,203)	-	1,845	-	(3,358)	-	392	-	(2,966)
Inclusive Growth	(3,360)	(1,568)	1,129	-	(3,799)	(1,398)	1,438	(114)	(3,873)
Total Earmarked Reserves	(25,234)	(7,950)	14,949	-	(18,235)	(4,486)	6,378	-	(16,343)

Recreation – This reserve represents funds set aside for projects in respect of leisure and open spaces.

Capital Replacement – This reserve represents the balance from tenants for major repairs such as roof & asphalt along with funds put aside for capital works to the Council's fixed assets.

Insurance – To cover for items not specifically insured and to cover higher excesses for low area claims. Reserve levels maintained to reflect claims history.

Match Funding – Established to provide funds for projects brought to the Council with requests for match funding.

NOTES TO THE CORE FINANCIAL STATEMENTS

Organisational Developments – This reserve is used to fund the progression of one-off projects within the services or invest to save items.

Waste and Recycling – This reserve was set up to smooth the effects of changes in current contract prices for the waste and recycling function.

Revenue Grants Received in advance – This reserve was set up to earmark grants where conditions have been satisfied, but the grant will not be spent until a later financial year.

John Room House Hostel Major Repairs Reserve – This reserve was set up to smooth the effect of cyclical major repairs carried out at the Hostel. These funds were transferred into the Capital Replacement Reserve in 2021-22 and remain earmarked there.

Council Tax & Business Rates Reserve – This reserve was set up to manage the timings of cost pressures and un-foreseen reductions in NDR income resulting from the Government changes from localisation of Council Tax support and the retention of Business Rates.

Communities Reserve – This reserve was set up to fund community-based projects (see Inclusive Growth reserve below).

Growth and Investment Reserve – This reserve holds funds earmarked for investment in assets which generate an ongoing revenue return or investment in projects which deliver economic or housing growth in the area.

Inclusive Growth Reserve – This reserve was set up to fund inclusive growth projects and balances relating to inclusive growth projects have been transferred from the communities reserve.

Note 31 provides information of the impact on these accounts where there are exceptional or unusual items

Note 7 – Pensions

As part of the terms and conditions of employment of its staff, Breckland offers retirement benefits through the Norfolk Pension Fund. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose them at the time that the employees earn their future entitlement. The Council participates in the Norfolk Pension Fund, administered by Norfolk County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. This note includes the estimated financial effects of the McCloud Ruling and the Guaranteed Minimum Pension (GMP).

Transactions Relating to Post-employment Benefits

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

NOTES TO THE CORE FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement	2022-23	2021-22
	£'000	£'000
<i>Cost of services</i>		
Service cost comprising:		
Current service cost	4,401	4,703
Past service costs	88	18
<i>Financing and Investment Income and Expenditure</i>		
Net interest expense	1,303	1,216
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	5,792	5,937
<i>Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the net defined liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	3,093	(5,795)
Actuarial (gains) and losses arising on changes in demographic assumptions	(868)	(574)
Actuarial (gains) and losses arising on changes in financial assumptions	(49,551)	(9,658)
Other (gains) and losses	8,272	315
Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	(39,054)	(15,712)
<i>Movement in Reserves Statement</i>		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(2,536)	(2,890)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
Employers' contributions payable to scheme	3,256	3,047

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2022-23	2021-22
	£'000	£'000
Present value of the defined benefit obligation	(101,994)	(139,046)
Fair value of plan assets	91,326	91,860
Net liability arising from defined benefit obligation	(10,668)	(47,186)

NOTES TO THE CORE FINANCIAL STATEMENTS

Reconciliation of the Movements in the Fair Value of the Scheme Assets

	2022-23	2021-22
	£'000	£'000
Opening fair value of scheme assets	91,860	84,577
Interest income	2,495	1,688
<i>Remeasurement gain/(loss)</i>		
The return on plan assets (excluding amount included in the net interest expense)	(3,093)	5,795
Contributions from employer	3,256	3,047
Contributions from employees into the scheme	626	599
Benefits paid	(3,818)	(3,846)
Closing fair value of scheme assets	91,326	91,860

Reconciliation of Present Value of the Scheme Liabilities

	2022-23	2021-22
	£'000	£'000
1 st April	(139,046)	(144,585)
Current service cost	(4,401)	(4,703)
Interest cost	(3,798)	(2,904)
Contributions from scheme participants	(626)	(599)
<i>Remeasurement gain/(loss)</i>		
Actuarial gains/(losses) arising from changes in demographic assumptions	868	574
Actuarial gains/(losses) arising from changes in financial assumptions	49,551	9,658
Other gains/(losses)	(8,272)	(315)
Past service cost	(88)	(18)
Benefits paid	3,818	3,846
31st March	(101,994)	(139,046)

NOTES TO THE CORE FINANCIAL STATEMENTS

Local Government Pension Scheme Assets Comprised:	2022-23				2021-22			
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets %	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets %
Cash and cash equivalents	1,525	-	1,525	2	1,301	-	1,301	1
<i>Equity securities:</i>								
Consumer	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Energy and utilities	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Health and care	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Sub total Equity Securities	-	-	-	-	-	-	-	-
<i>Debt Securities:</i>								
UK Government	785	-	785	1	927	-	927	1
Sub total Debt Securities	785	-	785	1	927	-	927	1
<i>Real Estate:</i>								
UK Property	-	7,903	7,903	9	-	8,390	8,390	10
Overseas Property	-	1,357	1,357	1	-	1,293	1,293	1
Sub total Real Estate	-	9,260	9,260	10	-	9,683	9,683	11
<i>Private Equity:</i>								
All Private Equity	-	8,726	8,726	10	-	7,412	7,412	8
<i>Other investment funds and unit trusts:</i>								
Equities	43,432	-	43,432	48	38,643	-	38,643	42
Bonds	17,616	-	17,616	19	26,535	-	26,535	29
Infrastructure	-	10,259	10,259	11	-	7,339	7,339	8
Sub total investment funds & unit trusts	61,048	10,259	71,307	78	65,178	7,339	72,517	79
<i>Derivatives:</i>								
All Derivatives (Foreign Exchange)	(277)	-	(277)	(1)	20	-	20	-
Total Assets	63,081	28,245	91,326	100	67,426	24,434	91,860	100

NOTES TO THE CORE FINANCIAL STATEMENTS

Basis for estimating assets and liabilities

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

<i>The principal assumptions used by the actuary have been:</i>	2022-23	2021-22
Mortality assumptions:		
Longevity at 65 for current pensioners - men	21.9 years	21.7 years
Longevity at 65 for current pensioners - women	24.6 years	24.1 years
Longevity at 65 for future pensioners - men	23.2 years	22.9 years
Longevity at 65 for future pensioners - women	26.1 years	26.0 years
Retail Price Inflation (RPI)	3.20%	3.55%
Rate of increase in salaries	3.65%	3.90%
Rate of increase in pensions	2.95%	3.20%
Rate for discounting scheme liabilities	4.75%	2.70%

Sensitivity Analysis

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

Impact on the Defined Benefit Obligation in the Scheme	Approximate % increase to employer liability	Approximate monetary amount
	%	£'000
0.1% decrease in Real Discount Rate	2	1,678
1 year increase in member life expectancy	4	4,080
0.1% increase in the Salary Increase Rate	0	150
0.1% increase in the Pension Increase Rate	2	1,553

Impact on the Council's Cash Flows. The contributions paid by the employer are set by the fund Actuary at each triennial valuation (the most recent being 31 March 2022). The next triennial valuation is due to be completed on 31 March 2025. The Council anticipates paying £3,135k expected contributions to the scheme in 2023-24. The weighted average duration of the defined benefit obligation for scheme members is 17.0 years for 2022-23 (16.3 years in 2021-22).

Further information can be found in Norfolk Pension Fund's Annual Report, which is available on request from: **Department of Finance & Information, Norfolk County Council, County Hall, Martineau Lane, Norwich NR1 2DW.**

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 8 – Property, Plant and Equipment (PPE)

Cost or Valuation	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Infra- structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Constr- uction/ WIP £'000	Total PPE £'000	PFI Assets Included in PPE £'000
At 1 April 2022	28,374	7,479	2,284	243	8,343	0	46,723	15,160
Additions	1,189	507	74	-	1,229	4	3,003	475
Donations	-	132	-	-	-	-	132	-
Revaluation increases/(decreases) recognised in Revaluation Reserve	(91)	-	-	-	160	-	69	(319)
Revaluation increases/(decreases) recognised in Surplus/Deficit on the Provision of Services	(232)	-	-	-	4	-	(228)	(156)
Derecognition – Disposals	-	(261)	-	-	(377)	-	(638)	-
Reclassifications	2,234	-	-	-	(2,234)	-	-	-
Additions – Transferred from WIP	-	-	-	-	-	-	-	-
At 31 March 2023	31,474	7,857	2,358	243	7,125	4	49,061	15,160
Accumulated Depreciation								
At 1 April 2022	-	(3,363)	(463)	-	1	-	(3,825)	-
Depreciation charge 2022-23	(883)	(653)	(163)	-	(41)	-	(1,695)	(502)
Depreciation Written out to Revaluation Reserve	609	-	-	-	-	-	609	439
Depreciation Written out to the Surplus/Deficit on Provision of Services	127	-	-	-	1	-	128	63
Derecognition – Disposals	-	261	-	-	-	-	261	-
At 31 March 2023	(102)	(3,755)	(626)	-	(39)	-	(4,522)	-
Net Book Value at 31 March 2022	28,374	4,116	1,821	243	8,344	-	42,898	15,160
Net Book Value at 31 March 2023	31,372	4,102	1,732	243	7,086	4	44,539	15,160

NOTES TO THE CORE FINANCIAL STATEMENTS

Cost or Valuation	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Infra- structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Constr- uction/ WIP £'000	Total PPE £'000	PFI Assets Included in PPE £'000
At 1 April 2021	26,918	6,768	1,377	232	6,253	232	41,780	14,738
Additions	948	1,699	5	-	1,284	-	3,936	152
Revaluation increases/(decreases) recognised in Revaluation Reserve	1,484	-	(16)	10	705	-	2,183	531
Revaluation increases/(decreases) recognised in Surplus/Deficit on the Provision of Services	(976)	-	-	1	(83)	-	(1,058)	(261)
Derecognition – Disposals	-	(81)	-	-	(100)	-	(181)	-
Assets reclassified (to)/from Investment Assets	-	-	-	-	65	-	65	-
Reclassifications	-	(907)	907	-	-	-	-	-
Additions – Transferred from WIP	-	-	11	-	219	(232)	(2)	-
At 31 March 2022	28,374	7,479	2,284	243	8,343	0	46,723	15,160
Accumulated Depreciation								
At 1 April 2021	-	(2,969)	(19)	-	(25)	-	(3,013)	-
Depreciation charge 2021-22	(771)	(636)	(314)	-	(36)	-	(1,757)	(474)
Depreciation Written out to Revaluation Reserve	516	-	31	-	58	-	605	281
Depreciation Written out to the Surplus/Deficit on Provision of Services	255	-	-	-	4	-	259	193
Other movements	-	161	(161)	-	-	-	-	-
Derecognition – Disposals	-	81	-	-	-	-	81	-
At 31 March 2022	-	(3,363)	(463)	-	1	-	(3,825)	-
Net Book Value at 31 March 2021	26,918	3,799	1,358	232	6,228	232	38,767	14,738
Net Book Value at 31 March 2022	28,374	4,116	1,821	243	8,344	-	42,898	15,160

Depreciation

The useful lives and depreciation rates used in the calculation of depreciation are detailed in the accounting policies at note 1.

NOTES TO THE CORE FINANCIAL STATEMENTS

Revaluations

The asset values shown for 2022-23 are as of 31 March 2023 to reflect material changes during the year within the asset. Asset values in previous years are shown as of 1st April for that year. The Council has introduced a rolling programme of revaluations and assets are subject to a five-year review as a minimum. The valuations were undertaken in accordance with the Statements of Asset Valuation Practice and Guidance Notes ('The Red Book') prepared by the Assets Valuation Standards Committee of the Royal Institution of Chartered Surveyors and in accordance with the recommendations made by the Chartered Institute of Public Finance and Accountancy. The bases for the valuation for each category of non-current assets are set out in the Statement of Accounting Policies at note 1.

The valuations were prepared by the District Valuer [ARICS], Valuation Office, Rosebery Court, Central Avenue, St Andrew's Business Park, Norwich NR7 0HS.

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Works in Progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historical Cost	-	7,857	2,358	-	-	4	10,219
Valued at fair value in:							
2022-23	8,847	-	-	-	1,546	-	10,393
2021-22	22,627	-	-	243	5,579	-	28,449
Total	31,474	7,857	2,358	243	7,125	4	49,061

Capital Commitments

At 31 March 2023, the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2022-23 and future years. The major commitments are:

	Expenditure Approved & Contracted	Expenditure Approved but not Contracted
	£'000	£'000
At 31 March 2023	440	4,049
At 31 March 2022	532	5,561

There have been no major changes in estimates during 2022-23.

NOTES TO THE CORE FINANCIAL STATEMENTS

Fair Value Hierarchy

Details of the Council's surplus assets and information about the fair value hierarchy are as follows:

2022-23	Quoted Prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant un- observable inputs (level 3) £'000	Fair Value as at 31.03.2023 £'000
<i>Recurring Fair Value Measurements</i>				
Land	-	3,473	-	3,473
Property	-	3,164	-	3,164
Shared Equity Housing	-	449	-	449
Total	-	7,086	-	7,086

There were no transfers between levels 1 and 2 during 2022-23.

2021-22	Quoted Prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant un- observable inputs (level 3) £'000	Fair Value as at 31.03.2022 £'000
<i>Recurring Fair Value Measurements</i>				
Land	-	3,684	-	3,684
Property	-	4,211	-	4,211
Shared Equity Housing	-	449	-	449
Total	-	8,344	-	8,344

There were no transfers between levels 1 and 2 during 2021-22.

Valuation Techniques Used to Determine Fair Values for Surplus Assets

Significant Observable Inputs – level 2

The valuation technique applied was the *market approach*. This uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. The inputs to this technique are inputs that are observable for the asset either directly or indirectly. The inputs took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

There has been no change in the valuation techniques used during the year for surplus assets.

NOTES TO THE CORE FINANCIAL STATEMENTS

Highest and Best Use of Surplus Assets

In estimating the fair value of the Council's surplus assets, the highest and best use of the assets is their current use.

Valuation Process for surplus Assets

The fair value of the Council's surplus assets is measured on a cyclical basis (at least once every five years). All valuations are carried out by the District Valuer (DV) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Finance officers work closely with the DV regarding all valuation matters.

Note 9 – Investment Property

The following items of income and expense have been accounted for in the Surplus/Deficit on trading undertakings not included in Cost of Services line in the Comprehensive Income and Expenditure Statement:

	2022-23 £'000	2021-22 £'000
Rental income from investment property	(3,110)	(2,963)
Operating expenses from investment property	156	(1,530)
Adjustment for spend funded from reserves	(20)	(54)
Adjustment for finance lease income	(270)	(270)
Adjustment for service charges to reserve	85	62
Net gains/losses from Fair Value adjustments	481	2,290
Total	(2,678)	(2,465)

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

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

	2022-23 £'000	2021-22 £'000
Balance at 1 April	34,099	31,701
Additions:- Purchases	-	-
Subsequent Expenditure	59	172
Disposals	-	-
Net gains/(losses) from fair value adjustments	481	2,290
Transfers (to)/from Property, Plant and Equipment	-	(65)
Transfers (to)/from Assets under Construction	-	1
Balance at 31 March	34,639	34,099

NOTES TO THE CORE FINANCIAL STATEMENTS

Fair Value Hierarchy

Details of the Council's investment property and information about the fair value hierarchy are as follows:

2022-23	Quoted Prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant un- observable inputs (level 3) £'000	Fair Value as at 31.03.2023 £'000
<i>Recurring Fair Value Measurements</i>				
Industrial Property	-	27,660	-	27,660
Land lease	-	2,110	-	2,110
Retail Units	-	4,496	-	4,496
Other	-	373	-	373
Total	-	34,639	-	34,639

There were no transfers between levels 1 and 2 during 2022-23.

2021-22	Quoted Prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant un- observable inputs (level 3) £'000	Fair Value as at 31.03.2022 £'000
<i>Recurring Fair Value Measurements</i>				
Industrial Property	-	27,677	-	27,677
Land lease	-	1,668	-	1,668
Retail Units	-	4,374	-	4,374
Other	-	380	-	380
Total	-	34,099	-	34,099

There were no transfers between levels 1 and 2 during 2021-22.

Valuation Techniques Used to Determine Fair Values for Investment Property

Significant Observable Inputs – level 2

The valuation technique applied was the *market approach*. This uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. The inputs to this technique are inputs that are observable for the asset either directly or indirectly. The inputs took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

Highest and Best Use of Investment Property

In estimating the fair value of the Council's investment property, the highest and best use of the assets is their current use.

NOTES TO THE CORE FINANCIAL STATEMENTS

Valuation Process for Investment Property

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out by the District Valuer (DV) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Finance officers work closely with the DV regarding all valuation matters.

Note 10 – Long Term Debtors

Amounts falling due in more than one year

	31.03.2023	31.03.2022
	£'000	£'000
Housing Benefits Overpayments	687	824
Loans to other organisations	464	467
Long term sundry debtors	44	46
PFI Capital Lifecycle Prepayment	954	1,026
Finance leases	10,051	10,027
Officers assisted car purchase	50	21
Total	12,250	12,411

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 11 – Short Term Investments

These are surplus funds invested in approved investment instruments that mature within the coming twelve months. The figures below include accrued interest.

Investment Institution	31.03.2023 Amount Invested £'000	31.03.2022 Amount Invested £'000
Banks/Building Societies	15,509	31,015
Other Local Authorities	4,011	-
Debt Management Office (UK Government)	-	2,000
Total	19,520	33,015

Note 12 – Short Term Debtors

Amounts falling due in one year

	31.03.2023 £'000	31.03.2022 £'000
Council Tax & NNDR (incl. preceptors)	2,223	2,660
DWP Subsidy	173	116
Trade Debtors	2,281	1,140
Enforcement	1,128	857
Loans to other companies	917	145
Other	3,687	3,004
Total	10,409	7,922

Elements of the 'other' figure of £3,687k are included within the Financial Instruments note (excluding prepayments and finance leases).

Note 13 – Cash and Cash Equivalents

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

	31.03.2023 £'000	31.03.2022 £'000
Bank current accounts	186	1,313
Short term deposits (24hrs notice)	1,082	7,547
Money Market Funds	5,040	-
Total Cash and Cash Equivalents	6,308	8,860

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 14 – Short Term Creditors

Amounts falling due in one year

	31.03.2023	31.03.2022
	£'000	£'000
Rent deposits	(978)	(927)
Council Tax & NNDR (incl. preceptors)	(4,787)	(3,051)
Sundry Creditors (incl. purchase orders)	(2,597)	(1,989)
Gov't Covid-19 Business Grant Funding	-	(4,288)
£150 Council Tax Rebate Grant	-	(8,088)
Capital accruals	(550)	(1,739)
NNDR S31 grant owed to Government	(1,557)	(4,091)
Other Government grants	(1,266)	-
Other	(3,308)	(2,999)
Total	(15,043)	(27,172)

Elements of the 'other' figure of £3,308k are included within the Financial Instruments note within trade creditors (excluding prepayments and accumulated absences) and the PFI note within the PFI liability. Note 31 provides information of the impact on these accounts where there are exceptional or unusual items.

Note 15 – Provisions

	Outstanding Legal Cases £'000	Other £'000	NNDR £'000	Total £'000
Balance at 31 March 2022	(52)	(48)	(2,172)	(2,272)
Additional provisions made in 2022-23	(22)	(17)	(169)	(208)
Amounts used in 2022-23	6	20	1,341	1,367
Unused amounts reversed in 2022-23	4	-	-	4
Balance at 31 March 2023	(64)	(45)	(1,000)	(1,109)

Outstanding legal cases – In 2022-23 costs for planning cases have totalled £6k. New provisions have been made for £22k and unused provisions totalling £4k have been reversed. The balance of £64k will be used on expected planning court cases in 2023-24.

Other – In 2022-23 spend was incurred against the provision made for an ongoing insurance claim against the council totalling £20k, and an additional provision of £10k was made for this claim. A claim against the council for works completed regarding a disabled facility grant totals £28k is expected to be settled in 2023/24. A further insurance claim has been made against the council and a provision of £7k has been made for this.

NNDR – The Council's share of provisions relating to NNDR appeals against the Rateable Value set by the Valuation Office totals £1,000k for claims outstanding and expected as of 31 March 2023.

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 16 – Grant Income

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

	2022-23 £'000	2021-22 £'000
Credited to Taxation and Non Specific Grant Income		
New Homes Bonus	(1,391)	(1,587)
NNDR Section 31 Grants	(4,071)	(4,612)
Covid-19 General Government grant	-	(731)
Rural Services Delivery Grant	(496)	(496)
Other	(487)	(378)
Total	(6,445)	(7,804)
	2022-23 £'000	2021-22 £'000
Credited to Services:		
Department for Business Energy & Industrial Strategy (BEIS)	(37)	(1,281)
Department of Health & Social Care	-	(189)
Department for Levelling Up, Housing & Communities (DLUHC)	(3,918)	(4,062)
Department for Environment, Food and Rural Affairs (DEFRA)	(43)	-
Homes England	-	(372)
Cabinet Office	-	(40)
Department for Works & Pensions (DWP)	(20,697)	(21,540)
Norfolk County Council	(1,852)	(1,403)
Suffolk County Council	-	(56)
Other Local Authorities	(33)	(15)
S106 Agreements and Developer Contributions	(413)	(708)
Local Enterprise Partnership	(1,174)	(641)
Norfolk Business Rates Pool	(648)	(69)
NHS	(45)	-
Apprentice Levy	(28)	(16)
Elections Claims Unit	-	(127)
Historic England	(40)	(144)
UK Health & Security	(146)	-
Housing Infrastructure Fund	-	(83)
Other Grants	(109)	(22)
Total	(29,117)	(30,768)

NOTES TO THE CORE FINANCIAL STATEMENTS

Capital Grants Receipts in Advance	2022-23	2021-22
	£'000	£'000
S106 Agreements	(545)	(156)
Total	(545)	(156)

Note 31 provides information of the impact on these accounts where there are exceptional or unusual items.

The following table details the movements in the Capital Grants Receipts in Advance held on the Balance Sheet. These are grants and contributions that have yet to be recognised as income as they have conditions attached to them.

	2022-23	2021-22
	£'000	£'000
Balance at 1 April	(1,405)	(1,448)
Receipts	(545)	(156)
Payments	329	433
Transfers to revenue	52	9
Transfers	-	(243)
Balance at 31 March	(1,569)	(1,405)

The table below details the grants and contributions that make up the balance as at 31 March.

	2022-23	2021-22
	£'000	£'000
Open Spaces	(520)	(626)
Commuted Sums	(204)	(183)
Land Release grant	(132)	(243)
Affordable Housing	(277)	(164)
Healthcare	(207)	(35)
Waste	(28)	(13)
Village Hall	(96)	(96)
S106 Monitoring Fees	-	(37)
GIRAM (Green Infrastructure) Strategy	(48)	(8)
GIRAM Monitoring Fees	(7)	-
Leisure Centre grant	(50)	-
Balance at 31 March	(1,569)	(1,405)

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 17 – Usable Reserves

Movements in the Council’s usable reserves are detailed in the Movement in Reserves Statement. Movements in the General Fund and the Earmarked Reserves are shown at note 6.

Capital Receipts Reserve

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historic capital expenditure. The balance on this reserve was nil at the end of the year.

Capital Grants Un-applied

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

Capital Grants Un-applied	2022-23	2021-22
	£'000	£'000
Balance at 1 April	(1,592)	(1,516)
Receipts	(12)	(311)
Financing of capital programme	182	235
Balance at 31 March	(1,422)	(1,592)

Note 18 – Unusable Reserves

	31.03.2023	31.03.2022
	£'000	£'000
Revaluation Reserve	(14,462)	(14,299)
Capital Adjustment Account	(57,570)	(56,550)
Deferred Capital Receipts Reserve	(10,249)	(10,146)
Pensions Reserve	10,668	47,186
Collection Fund Adjustment Account	(1,050)	1,739
Accumulated Absences Account	332	369
Total Unusable Reserves	(72,331)	(31,701)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are either revalued downwards or impaired and the gains are lost, or used in the provision of services and the gains are consumed through depreciation, or disposed of and the gains are realised. The reserve contains only revaluation gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

NOTES TO THE CORE FINANCIAL STATEMENTS

	2022-23 £'000	2021-22 £'000
Balance at 1 April	(14,299)	(12,674)
Upward revaluation of assets	(1,234)	(3,182)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services	556	354
Surplus/Deficit on revaluation of non-current assets not posted to the Surplus/Deficit on Provision of Services	(678)	(2,828)
Difference between fair value depreciation and historical cost depreciation	381	334
Accumulated gains on assets sold or scrapped	134	869
Amount written off to the Capital Adjustment Account	(163)	(1,625)
Balance at 31 March	(14,462)	(14,299)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historic cost basis). The account is credited with the amounts set aside by the council as finance for capital costs. The account contains the accumulated gains/losses on Investment Properties that have yet to be consumed by the Council. The account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, when the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all transactions posted to the account, except those involving the Revaluation Reserve.

	2022-23 £'000	2021-22 £'000
Balance at 1 April	(56,550)	(52,511)
Reversal of items relating to capital expenditure debited or credited to the CIES		
Charges for depreciation and amortisation	1,734	1,795
Revaluation (gains)/losses on Property, Plant and Equipment	98	799
Changes in fair value of investment properties	(480)	(2,290)
Revenue expenditure funded from capital under statute	4,033	2,424
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	257	-
Adjusting amounts written out of the Revaluation Reserve	(380)	(334)
Net written out amount of the cost of non-current assets consumed in the year	5,262	2,394
Capital financing applied in the year:		
Use of the capital receipts reserve to finance new capital expenditure	(575)	(1,165)
Capital grants & contributions credited to the CIES that have been applied to capital financing	(4,098)	(2,993)
Application of grants to capital financing from the Capital Grants Unapplied Account	-	76
Minimum Revenue Provision charge	(1,263)	(1,176)
Capital expenditure charged against the General Fund	(346)	(1,175)
Balance at 31 March	(57,570)	(56,550)

NOTES TO THE CORE FINANCIAL STATEMENTS

Deferred Capital Receipts Reserve

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

	2022-23 £'000	2021-22 £'000
Balance at 1 April	(10,146)	(10,013)
Transfer of deferred sale proceeds upon receipt of cash	162	(133)
Transfer of deferred sale proceeds credited from CIES on disposal	(265)	-
Balance at 31 March	(10,249)	(10,146)

Pensions Reserve

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

	2022-23 £'000	2021-22 £'000
Balance at 1 April	47,186	60,008
Actuarial (gains) or losses on pension assets and liabilities	(39,054)	(15,712)
Reversal of items relating to retirement benefits debited or credited to the Surplus/Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement	5,792	5,937
Employer's pension contributions and direct payments to pensioners payable in the year	(3,256)	(3,047)
Balance at 31 March	10,668	47,186

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, i.e. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the Account.

NOTES TO THE CORE FINANCIAL STATEMENTS

Collection Fund Adjustment Account

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

	2022-23 £'000	2021-22 £'000
Balance at 1 April	1,739	6,504
Amount by which council tax credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(107)	(114)
Amount by which NNDR credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(2,682)	(4,651)
Balance at 31 March	(1,050)	1,739

Note 19 - Members' Allowances

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

	2022-23 £'000	2021-22 £'000
Basic and special responsibility allowances	460	449
Expenses	28	25
Total	488	474

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 20 – Officers’ Remuneration

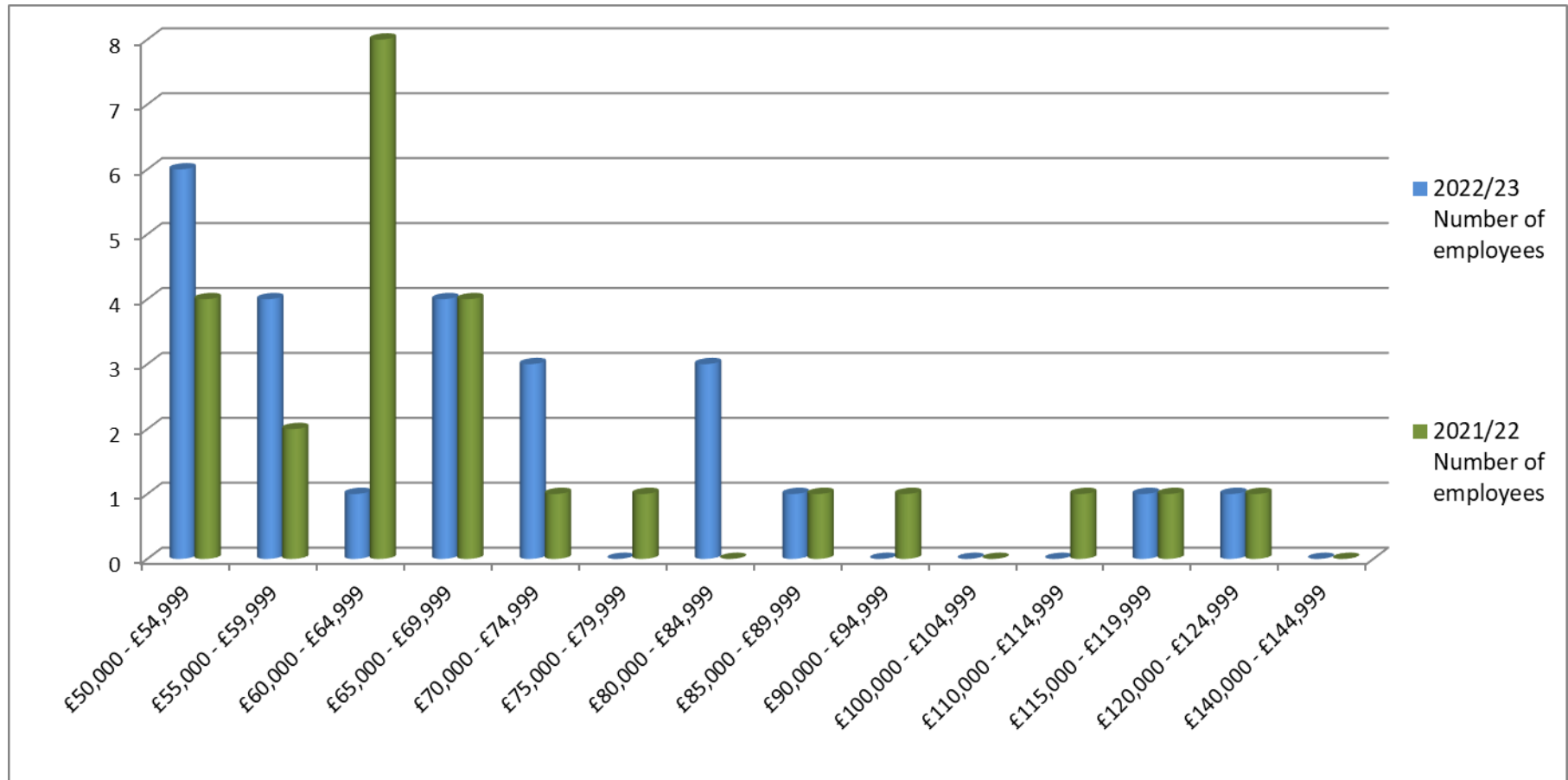
The remuneration paid to the Council’s senior employees is as follows:

Title	2022-23				2021-22			
	Salary (incl fees & allowances) £	Expenses Allowances £	Pension Contribution £	Total £	Salary (incl fees & allowances) £	Expenses Allowances £	Pension Contribution £	Total £
New Structure:								
Chief Executive (Head of Paid Service)	124,215	1,583	17,332	143,130	122,270	3,300	16,306	141,876
Deputy Chief Executive and Monitoring Officer	118,229	1,583	16,494	136,306	110,238	3,300	15,392	128,930
Executive Director	84,677	1,583	11,803	98,063	77,270	3,300	10,784	91,354
Executive Director	84,505	1,239	11,789	97,533	66,835	1,239	9,323	77,397
Assistant Director - People & Governance	74,376	1,583	10,361	86,320	69,142	3,300	9,638	82,080
Assistant Director - Contracts and Operations	74,272	1,202	10,361	85,835	69,060	963	9,638	79,661
Head of Strategic Policy	82,021	1,429	8,448	91,898	61,979	3,000	8,642	73,622
Assistant Director – Health & Housing	65,572	1,533	9,118	76,223	61,459	3,000	8,569	73,028
Assistant Director - Economy & Growth	66,067	1,239	9,216	76,522	61,622	1,239	8,600	71,462
Assistant Director - Finance (Section 151 Officer)	66,254	1,239	9,216	76,709	61,572	1,239	8,580	71,392
Assistant Director - Property & Projects	66,224	1,239	9,216	76,679	61,220	1,239	8,534	70,993
Previous Structure:								
<i>Executive Director Commercialisation (S151 Officer)</i>	-	-	-	-	9,584	275	1,338	11,197
<i>Executive Manager Property & Development</i>	-	-	-	-	7,472	275	1,042	8,789
<i>Executive Manager Governance</i>	-	-	-	-	6,030	275	840	7,145

The senior employees shown in the above table that are denoted by italics were shared and provided services for both the Council and South Holland District Council up until 30th April 2021. These employees were formally employed by Breckland Council and South Holland Council was recharged 40% of their salary and other remuneration expenses. The table above shows the full 100% costs of each senior employee for the periods employed in 2021-22 and 2022-23. The table does not show employees that were shared but employed by South Holland District Council, but details of these employees can be found in the South Holland District Council Statement of Accounts. From 1st May 2021 sharing of all senior employees ceased and a new management structure was put in place, as shown in the above table.

The Council’s total employees receiving more than £50,000 remuneration for the year (excluding employer’s pension contributions) were paid as in the graph below (this includes the senior employees in the new structure in the table above):

NOTES TO THE CORE FINANCIAL STATEMENTS



NOTES TO THE CORE FINANCIAL STATEMENTS

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

2022-23				
Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band	Total cost of Exit Packages in Each Band £
£0 - £20,000	1	3	4	17,426
£20,001 - £40,000	1	-	1	25,839
£60,001 - £80,000	1	-	1	70,679
Total	3	3	6	113,944

2021-22				
Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band	Total cost of Exit Packages in Each Band £
£0 - £20,000	4	-	4	33,835
£40,001 - £60,000	1	-	1	48,026
Total	5	-	5	81,861

Note 21 – External Audit Costs

The Council has incurred the following costs for services provided by the Council's external auditors (Ernst & Young).

	2022-23	2021-22
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	76	57
Fees payable for the certification of grant claims and returns for the year	13	12
Total	89	69

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 22 – Related Party Transactions

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

Central Government

Central Government has significant influence over the general operations of the Council, it is responsible for providing the statutory framework within which the Council operates, provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (i.e. Council tax bills, housing benefits, etc). Grants received from Government departments are set out in note 16. Grant receipts outstanding at the end of the year are included in note 12.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members Allowances is shown in note 19. One Member is a director of Breckland Bridge Ltd. Information relating to Breckland Bridge is shown in the Group Accounts section of these accounts. There are a number of Members who represent Breckland Council on outside bodies.

Officers

One officer is the Company Secretary and another senior officer is a Director of ARP Trading Ltd. Further details on ARP Trading are given below. One senior officer is a Director of Breckland Bridge Ltd. Further information on Breckland Bridge is given below.

Other Public Bodies

Transactions with the Norfolk Pension Fund are detailed in the Pensions note 7.

Precepts paid to other authorities from Council Tax collected and other authorities retained share of National Non-Domestic Rates are detailed in the Collection Fund note. The precept value paid to parish and town councils is included in the Breckland Council Tax figure in the collection fund note and was £4,513k in 2022-23 (£4,320k in 2021-22).

Entities Controlled or Significantly Influenced by the Council

Anglia Revenues Partnership (ARP) Trading Limited is a Joint Venture Company set up in 2006 with Forest Heath District Council to trade with authorities in revenues and benefits services. This arrangement is a legal entity which was conducted under joint control with 50:50 voting rights and financial share of 66:34 between Breckland Council and Forest Heath Council respectively. In January 2017 the shareholding of the Company changed and is now structured with an equal shareholding and voting rights between the five ARP Joint Committee partners; Breckland Council, East Cambridgeshire Council, East Suffolk Council, Fenland Council and West Suffolk Council. The company is not currently undertaking any trading activities and was made dormant in 2018-19. Copies of ARP Trading Ltd's accounts may be obtained by contacting them at the Breckland Council address.

The Anglia Revenues Partnership Joint Committee was set up to deliver the Housing Benefit, Council Tax, and Business Rates services for Breckland Council and Forest Heath District Council. East Cambridgeshire District Council joined the partnership on 1 April 2007 and formally joined the Joint Committee in

NOTES TO THE CORE FINANCIAL STATEMENTS

October 2010. St Edmundsbury Council joined the new Joint Committee on 1 April 2011. Waveney District Council, Fenland District Council and Suffolk Coastal joined the partnership on 1 April 2014. Effective from 1 April 2019 Forest Heath and St Edmundsbury joined to form West Suffolk Council and Waveney and Suffolk Coastal joined to form East Suffolk Council. The five authorities hold equal voting rights but shares in costs and surpluses arising from the arrangement are based on an agreed share as part of the Joint Committee agreement. This share is based on a combination of figures; liability orders, NNDR live properties, Housing Benefit claimants and Council Tax caseloads. These levels of workloads are reviewed annually on 1 August each year and updated for the budget set the following year to ensure the costs are based on the levels of workloads each year.

The Council's share of partnership transactions and balances are included within the relevant lines within the accounts.

The Council formed a Local Asset Backed Vehicle (LABV) company, Breckland Bridge, with the Land Group (Breckland) Ltd. Group accounts are prepared for this company and more information can be found in the Group Accounts section of these accounts. The interest rate on the working capital loan to Breckland Bridge of £117k was reduced from 12.5% to 0% with effect from 1 April 2022. The loan would therefore now be classed as a soft loan. The effect of this change has been assessed and the financial impact of the interest rate reduction is deemed to be immaterial, therefore no adjustments have been made to the Council's accounts to reflect this change.

Note 23 – Leases

Authority as Lessor

Operating Leases

The Council has granted a number of leases on commercial properties, land and community centres, which have been accounted for as operating leases. The future minimum lease payments receivable under non-cancellable leases in future years are:

	31.03.2023	31.03.2022
	£'000	£'000
Not later than one year	2,112	1,940
Later than one year and not later than five years	4,348	4,817
Later than five years	6,578	6,500
Total	13,038	13,257

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. The contingent rents are nil for the Council as rent reviews are based on market values, not specified amounts.

Finance Leases

The Council has leased out property on a finance lease as follows:

- Barnham Broom Golf & Country Club to Barnham Broom Golf and Country Club with a remaining term of 34 years
- Riverside Hotel to Travelodge with a remaining term of 18 years
- Riverside Cinema to Light Cinemas with a remaining term of 18 years
- Merle Body Centre to Swaffham and District MHA with a remaining term of 19 years

NOTES TO THE CORE FINANCIAL STATEMENTS

The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debt remains outstanding. The gross investment is made up of the following amounts:

	31.03.2023 £'000	31.03.2022 £'000
Finance lease debtor (net present value of minimum lease payments):		
Current	(67)	118
Non-current	10,051	10,028
Unearned finance income	13,669	14,473
Unguaranteed residual value of property	(1,653)	(1,653)
Gross investment in the lease	22,000	22,966

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

	Gross investment in lease		Minimum Lease Payments	
	31.03.2023 £'000	31.03.2022 £'000	31.03.2023 £'000	31.03.2022 £'000
Not later than one year	545	755	545	755
Later than one year and not later than five years	3,020	3,020	3,020	3,020
Later than five years	18,435	19,191	18,435	19,191
Total	22,000	22,966	22,000	22,966

The Council has not set aside any allowance for uncollectible amounts relating to these leases in 2022-23 (£Nil in 2021-22).

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. The contingent rents are nil for the Council as rent reviews are carried out based on market values, not specified amounts.

Note 24 – Private Finance Initiatives and Similar Contracts

In December 2005, the Council entered into a 33.5-year PFI contract for the provision of leisure management and facilities in Thetford and Dereham. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct the centre at Dereham and to maintain the centres in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the centres. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the Council. The Council only has the right to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the remaining term of the contract.

NOTES TO THE CORE FINANCIAL STATEMENTS

Property Plant and Equipment – The assets used to provide services at the leisure centres are recognised on the Council’s Balance sheet. Movements in their fair value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in note 8.

Payments – The Council makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet performance standards in any year but which is otherwise fixed. The unitary charge payable in 2022-23 totalled £2,492k (£2,351 in 2021-22). This was charged to the Comprehensive Income and Expenditure Statement as £1,265k service and asset maintenance charge (debited to the Place Directorate), £402k capital lifecycle costs (allocated to a prepayment account over the life of the contract to evenly spread the capital spend), £396k finance costs and £145k contingent rental costs (debited to interest payable) and £284k relating to the write down of obligations to the lessor.

The service charge amount in 2022-23 of £1,265k (£1,167k in 2021-22) included a credit of £nil relating to performance deductions within the year (£nil in 2021-22).

There are provisions within this PFI arrangement which may affect the amount, timing and certainty of future cash flows, these are as follows:

- A benchmarking exercise is carried out every 5 years (next due in 2023). There is a risk that an increase/decrease in unitary charge could result from this exercise.
- The contract is subject to an annual inflationary increase and therefore higher than anticipated inflation levels would lead to higher payment levels. If this occurs in the early years of the contract, there is a compounding effect on the later contract years.
- PFI credits are received from the Department for Digital Culture, Media & Sport (DCMS), a failure to provide the DCMS with their required information could result in a loss of these credits to the Council.

Payments remaining to be made under the PFI contract as at 31 March 2023.

These payments are shown as cash-based prices and include an estimate for average inflation over the remaining life of the contract of 1.64% per year.

	Principal repayment £'000	Finance costs £'000	Service charges £'000	Capital prepayment £'000	Total £'000
Amounts payable in 1 year	299	534	1,248	396	2,477
Amounts payable 2 – 5 years	1,365	2,053	5,166	1,646	10,230
Amounts payable 6 – 10 years	2,164	2,315	6,877	2,206	13,562
Amounts payable 11–15 years	2,814	1,915	7,384	2,385	14,498
Amounts payable 16 – 20 years	585	287	1,385	516	2,773
Total	7,227	7,104	22,060	7,149	43,540

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

NOTES TO THE CORE FINANCIAL STATEMENTS

	2022-23 £'000	2021-22 £'000
Balance outstanding at 1 April	7,511	7,780
Interest charge for the year	396	410
Principal repayment during the year	(284)	(269)
Interest repayment during the year	(396)	(410)
Balance outstanding at 31 March	7,227	7,511

Amounts payable within 1 year are £299k and amounts payable after 1 year are £6,928k.

Reconciliation of liabilities arising from financing activities:

	01.04.2021 £'000	Financing cash flows £'000	Other non cash changes £'000	31.03.2022 £'000	Financing cash flows £'000	Other non cash changes £'000	31.03.2023 £'000
On balance sheet PFI liabilities	7,780	(679)	410	7,511	(680)	396	7,227
Total liabilities from financing activities	7,780	(679)	410	7,511	(680)	396	7,227

Note 25 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note. The Council's CFR is positive, which means that there is an underlying requirement to borrow. The Council was able to use its cash balances to fund its capital programme in 2022-23, so did not borrow externally.

NOTES TO THE CORE FINANCIAL STATEMENTS

	2022-23	2021-22
	£'000	£'000
<i>Opening Capital Financing Requirement</i>	7,714	7,557
Capital Investment:		
Non-current assets additions and subsequent expenditure	3,118	4,106
Capital Loans	474	(155)
Revenue expenditure funded from capital under statute	4,033	2,424
Sources of Finance:		
Capital receipts	(575)	(1,165)
Government grants and other contributions	(3,966)	(2,917)
PFI capital prepayment	(475)	(152)
Direct revenue contributions	(346)	(1,175)
Minimum Revenue Provision (MRP)	(861)	(809)
<i>Closing Capital Financing Requirement</i>	9,116	7,714
<i>Explanation of movements in year</i>		
Increase in underlying need to borrow (unsupported by Government financial assistance)	1,402	157
<i>Increase/(decrease) in Capital Financing Requirement</i>	1.402	157

Note 26 – Financial Instruments

Financial Instruments

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

	Non-Current		Current		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets						
Investments held at amortised cost	-	-	25,642	41,491	25,642	41,491
Debtors held at contract amounts	558	534	10,925	3,882	11,483	4,416
Total Financial Assets	558	534	36,567	45,373	37,125	45,907
Financial Liabilities						
Creditors held at contract amounts	-	-	(7,115)	(6,553)	(7,115)	(6,553)
Total Financial Liabilities	-	-	(7,115)	(6,553)	(7,115)	(6,553)

NOTES TO THE CORE FINANCIAL STATEMENTS

Details on the PFI scheme outstanding amounts payable within 1 year and after 1 year are detailed in the PFI Note 24. Details on finance leases are detailed in the leases note 23.

Financial Instruments Income, Expense, Gains and Losses

Interest paid relating to the PFI scheme is charged to the Comprehensive Income and Expenditure Statement, details relating to this scheme and the payments made during the year can be found at Note 24. Interest payable and receivable is detailed in the Comprehensive Income & Expenditure Statement.

Fair Value of Assets and Liabilities

Financial liabilities and financial assets are carried in the Balance sheet at amortised cost. As at 31 March 2023, the fair values of the items in the table above are equal to the carrying amount shown in the table.

Nature and extent of risk arising from Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and complies with the CIPFA Prudential Code and has set Treasury Management indicators and Prudential indicators to control key financial instrument risks.

The Council sets an annual Treasury Management Strategy & Policy and Investment Strategy which was recommended to Full Council for approval by the Governance and Audit Committee on 28 July 2022 (approved by Full Council 1 September 2022) and is available on the Council's website. The Treasury Management Policy includes principles for risk management as well as Treasury Management Practices (TMP's) which cover specific areas including risks.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after these initial criteria are applied. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

NOTES TO THE CORE FINANCIAL STATEMENTS

- The Council applies the creditworthiness service provided by Link Asset Services (our Treasury Management advisors). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies (Fitch, Moody's and Standard & Poors). In keeping with the rating agencies new methodologies, the rating element of the Link credit assessment process now focusses solely on the short and long-term ratings of an institution. The credit ratings of counterparties are supplemented with overlays from credit watches and credit outlooks from credit ratings agencies, CDS spreads and sovereign ratings.
- Typically, the minimum credit ratings criteria the Council uses will be a short term of F1, long term of A-, viability of A- and a support rating of 1.

Customers for goods and services are assessed (where material), taking into account their financial position, past experience and other factors.

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

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Liquidity risk

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

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

Market risk

The Council would be exposed to interest rate movements on any variable rate investments, however currently the Council only has fixed rate cash investments and therefore the market risk is not considered material.

Note 27 – Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statements of Accounts are:

- Assets held for sale – The Code gives strict criteria which have to be met before assets can be classified as 'held for sale'. At 31 March 2023 there is one asset which meets these criteria and are classified as 'Assets held for Sale'; which is one piece of land at Two Mile Bottom.

NOTES TO THE CORE FINANCIAL STATEMENTS

- PFI scheme – Based on the scope of the Code and IFRIC 12, the Council has concluded that the leisure PFI scheme falls under the scope of IFRIC 12 and the PFI scheme and assets are therefore accounted for on an on-balance sheet basis. The Accounting Policy for PFI (note 1) details judgements made in applying capital spend to the assets held on the Balance Sheet.
- Categorisation of assets – The Code gives strict criteria for assets held as Investment Properties. For the Council, those assets which are held for rental by the commercial property department and those assets which are held purely to gain capital appreciation (with a formal plan/policy detailing this) are classified as investment properties. Surplus land held by the Council which may be subject to capital appreciation, but is not part of a formal plan/policy is held as Surplus property plant & equipment. Assets are classified as Heritage Assets if the primary purpose for holding the asset is principally contribution to knowledge/culture rather than a provision of service. If the asset is primarily providing a service, then this will not be classified as a Heritage Asset.
- Provisions – Provisions made for legal cases and compensation claims are prudent estimates made for ‘live’ cases and are expected to be resolved within the next 12 months. Provisions made for NNDR appeals are estimates made for the expected loss in NNDR income as a result of successful appeals based on currently outstanding appeals dated back to 01.04.2010 and outstanding appeals dated back to 01.04.2017.
- Classification of Leases – The Council may make certain judgements when classifying leases as finance or operating. During 2022-23 there were no new lease renewals which were classified as finance leases.

Note 28 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainties that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by the Council to provide expert advice about the assumptions to be applied.	The pensions note (note 7) provides full details of the assumptions made and also a table showing a sensitivity analysis.
Non Current Assets	Estimated values and useful lives of non-current assets (i.e. property and land) are produced by professional external Valuers in accordance with established practices as detailed in the Accounting Policies at note 1.	The values held in the Balance Sheet reflect the estimated values and useful lives provided by the Valuer. The difference in values held in the Balance Sheet if estimates were higher/lower are: 1% change in non-current asset values = £796k 1 year less useful lives on all assets = £203k 1 year more useful lives on all assets = (£145k)

NOTES TO THE CORE FINANCIAL STATEMENTS

NNDR Provisions	<p>Estimates are made within the accounts for the likely reduction in NNDR income receivable by the Council from successful appeals on rateable values by companies. At 31.03.2023 the level of provisions for NNDR appeals is £1,000k (1.28% of the rateable value appealed on the 2010 list and 5.73% per year of the rateable value appealed at 31.03.2023 on the 2017 list). The methodology used to estimate these values are detailed in the Accounting Policies for the Collection Fund in note 1.</p>	<p>At 31 March 2023 there were 2 outstanding appeals against a total appealed rateable value of £424.5k dating back to 01-04-2010. The financial effect on the Council's share of the NNDR provisions if estimates were higher or lower are: 1% higher/lower = £1k</p> <p>At 31 March 2023 there were 146 outstanding appeals against a total appealed rateable value of £17,353k dating back to 01-04-2017. The financial effect on the Council's share of the NNDR provisions if estimates were higher or lower are: 1% higher/lower = £10k</p>
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Note 29 – Events After the Balance Sheet Date

The unaudited financial accounts were authorised for issue by the Assistant Director Finance on 31 May 2023. Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There were no subsequent events that required an adjustment to the financial statements and the notes.

Note 30 – Accounting Standards Issued But Not Yet Adopted

The Code of Practice on Local Authority Accounting in the UK 2022-23 ("the Code") has introduced the following changes in accounting policy, which will need to be adopted fully by the Council in the 2023-24 financial statements from 1 April 2023.

The Council is required to disclose information relating to the impact of the accounting changes on the financial statements as a result of the adoption by the Code of a new standard that has been issued, but is not yet required to be adopted by the Council. The Council is required to make disclosure of the estimated effect of the new standard in these financial statements.

The following accounting standards have changes next year, but these are either not relevant to the Council or the changes are expected to be minor and are not expected to make any change to the reported financial information in the accounts and will therefore not have a material effect:

- Amendments to IAS 8 (Definition of Accounting Estimates).
- Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies)
- Amendments to IAS 12 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction) Relates to Group Accounts.
- Amendments to IFRS 3 (Updating a Reference to the Conceptual Framework)

IFRS16 (Leases)

As permitted by the Code, the Council has chosen not to adopt this standard from 1 April 2023 and therefore no disclosures are required in these financial statements.

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 31 – Material / Unusual items of income and expense

Grant Income

The accounting requirements for grants differ dependent on whether the Council is acting as either a principal or an agent or whether they are non-ringfenced grants. In general terms if the Council has discretion on grant scheme criteria they are acting as a principal and the transactions will be included in the CIES, where there is no discretion the Council acts as an intermediary agent and transactions will not be shown in the CIES.

The table below details the most significant grants received and how they have been shown in the financial statements.

Grant Name	Transaction Type	Received £'000	Spent £'000	Balance	Balance Held In
Energy Bill Support Scheme	Agent	(665)	84	(581)	Short Term Creditors
Local Authority Housing Fund Grant	Agent	(497)	0	(497)	Short Term Creditors
Alternative Fuel Payment Grant	Agent	(187)	0	(187)	Short Term Creditors

Note 32 – Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent year end balances as reported in these statements are shown in the table below along with our predicted balances for next year:

Date	General Fund	Earmarked Reserves	Note
31 March 2023	£2.7m	£16.3m	
31 March 2024 (estimated & unaudited)	£2.7m	£16.2m	
31 March 2025 (estimated & unaudited)	£2.7m	£17.5m	
31 March 2026 (estimated & unaudited)	£2.7m	£12.7m	
31 March 2027 (estimated & unaudited)	£2.7m	£12.6m	

This remains above our minimum level of General Fund balances as set by our S151 Officer of £2.5m.

The Council had cash and short-term investment balances of £27.75m as of 30 April 2023. The Council has undertaken an assessment of our liquidity position and cash flow forecasting through to March 2027 which demonstrates a positive cash position across the whole period without the need for external borrowing.

NOTES TO THE CORE FINANCIAL STATEMENTS

Our budget and medium term plan was set in the context of inflationary pressures continuing into 2023-24 and beyond. The 2023-24 budget includes an efficiency requirement of £150k, increasing to £1,256k in 2024-25, which will be delivered through the Council's Evolve programme. The liquidity position will not be significantly affected if these targets are not fully achieved, with minimum levels of liquidity remaining throughout the period.

On this basis, the Council concludes that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

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THE COLLECTION FUND

This account reflects the statutory requirements for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing Authority in relation to National Non-Domestic Rates and the Council Tax, and illustrates the way in which these have been distributed to preceptors (i.e. local authorities and the Government) and the General Fund.

Collection Fund Revenue Account

	2022-23			2021-22		
	Council Tax £'000	NNDR £'000	Total £'000	Council Tax £'000	NNDR £'000	Total £'000
Income						
<i>Income Receivable:</i>						
Council Tax receivable	(92,103)	-	(92,103)	(87,687)	-	(87,687)
National Non-Domestic Rates receivable	-	(32,531)	(32,531)	-	(29,191)	(29,191)
Transitional Protection receivable/payable	-	19	19	-	39	39
<i>Repayment of previous year's deficit:</i>						
Breckland Council	-	(1,184)	(1,184)	(45)	(5,969)	(6,014)
Central Government	-	(1,480)	(1,480)	-	(7,445)	(7,445)
Norfolk County Council	-	(296)	(296)	(329)	(1,505)	(1,834)
Norfolk Police & Crime Commissioner	-	-	-	(61)	-	(61)
Total Income	(92,103)	(35,472)	(127,575)	(88,122)	(44,071)	(132,193)
Expenditure						
<i>Apportionment of previous years surplus:</i>						
Breckland Council	22	-	22	-	-	-
Central Government	-	-	-	-	-	-
Norfolk County Council	161	-	161	-	-	-
Norfolk Police & Crime Commissioner	30	-	30	-	-	-
	213	-	213	-	-	-
<i>Precepts:</i>						
Breckland Council	9,262	11,494	20,756	8,785	12,078	20,863
Central Government	-	14,368	14,368	-	15,097	15,097
Norfolk County Council	68,310	2,874	71,184	65,467	3,020	68,487
Norfolk Police & Crime Commissioner	12,969	-	12,969	12,356	-	12,356
	90,541	28,736	119,277	86,608	30,195	116,803

THE COLLECTION FUND

	2022-23			2021-22		
	Council Tax £'000	NNDR £'000	Total £'000	Council Tax £'000	NNDR £'000	Total £'000
<i>Charges to the Collection Fund:</i>						
Write offs of uncollectable amounts	642	214	856	633	171	804
Appeals charged to the Provision	-	(1,292)	(1,292)	-	(1,630)	(1,630)
Increase/(Decrease) in Bad Debts Provision	(334)	40	(294)	(232)	(75)	(307)
Increase/(Decrease) in Appeals Provision	-	(1,639)	(1,639)	-	1,204	1,204
Cost of Collection	-	168	168	-	167	167
Renewable Energy Income retained by Breckland	-	2,525	2,525	-	2,522	2,522
	308	16	324	401	2,359	2,760
(Surplus)/Deficit for the Year	(1,041)	(6,720)	(7,761)	(1,113)	(11,517)	(12,630)
Fund Balance at 1 st April	(713)	4,556	3,843	400	16,073	16,473
(Surplus)/Deficit Carried Forward at 31st March	(1,754)	(2,164)	(3,918)	(713)	4,556	3,843

THE COLLECTION FUND

Notes to the Collection Fund

1. Income from Non-Domestic Rates

The total non-domestic rateable value at 31 March 2023 was £91,626,797 and the national non-domestic multiplier for the year was £0.512 (£0.499 for small businesses).

2. Council Tax

The Council Tax base for 2022-23 was as follows:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
No. of chargeable dwellings	15,312	17,415	13,852	7,784	4,523	1,703	765	52	61,406
Band D equivalent	10,208	13,545	12,313	7,784	5,528	2,460	1,275	104	53,217
Net effect of premiums, discounts and collection allowance									(8,186)
Tax Base for Council Tax Purposes									45,031

2022-23 figures as approved in February 2022.

3. Precepts and Demands on the Collection Fund

The major precepting authorities, their precepts and share of the fund balance are shown in the table below.

Council Tax	2022-23	Share of Balance	2022-23	2021-22
	Precept/Demand	31.03.2023	Total	Total
	£'000	£'000	£'000	£'000
Norfolk County Council	68,310	(1,323)	66,987	66,005
Norfolk Police & Crime Commissioner	12,969	(251)	12,718	12,458
Breckland Council	9,262	(180)	9,082	8,858
Total	90,541	(1,754)	88,787	87,321

NNDR	2022-23	Share of Balance	2022-23	2021-22
	Precept/Demand	31.03.2023	Total	Total
	£'000	£'000	£'000	£'000
Norfolk County Council	2,874	(216)	2,658	2,564
Central Government	14,368	(1,082)	13,286	12,819
Breckland Council	11,494	(866)	10,628	10,256
Total	28,736	(2,164)	26,572	25,639

GROUP ACCOUNTS

Introduction

The Code sets out a requirement to prepare group accounts where the authority has interests in subsidiaries, associates and/or joint ventures, subject to the consideration of materiality. A review of the Council's relationships with other bodies is carried out each year to consider whether it is appropriate to prepare group accounts.

Breckland Bridge Ltd

Breckland Council have formed a Local Asset Backed Company (LABV) with The Land Group (Breckland) Ltd. The objective of Breckland Bridge Ltd is to accelerate long term regeneration and economic growth through projects in the Council area, with a view to securing the economic, social and environmental well-being of the Council area whilst also delivering a financial return for the shareholders.

Note 1 to these Group Accounts provides more details on the Council's relationship with Breckland Bridge Ltd.

GROUP ACCOUNTS

Group Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund 2022-23 £'000	Adjustments Between Funding & Accounting Basis 2022-23 £'000	Net Expenditure in the CIES 2022-23 £'000	Net Expenditure Chargeable to the General Fund 2021-22 Restated £'000	Adjustments Between Funding & Accounting Basis 2021-22 Restated £'000	Net Expenditure in the CIES 2021-22 Restated £'000	Note
Cost of Services							
Health & Housing	3,362	419	3,781	2,625	211	2,836	
Economy & Growth	1,564	118	1,682	2,506	64	2,570	
Finance	1,541	627	2,168	2,030	(49)	1,981	
People & Governance	3,484	56	3,540	3,590	77	3,667	
Contracts & Operations	4,503	1,393	5,896	4,588	995	5,583	
Property & Infrastructure	(539)	3,251	2,712	(10)	3,773	3,763	
Housing Benefit	1,033	(62)	971	987	(19)	968	
Net Cost of Services	14,948	5,802	20,750	16,316	5,052	21,368	
Other Income & Expenditure	(12,899)	(6,530)	(19,429)	(9,289)	(9,979)	(19,268)	
(Surplus)/Deficit on Provision of Services	2,049	(728)	1,321	7,027	(4,927)	2,100	2,3,4

Opening General Fund & Earmarked Reserves Balance @ 31.03.22	21,056
Adjust for Surplus/Deficit on Provision of Services	(2,049)
Closing General Fund & Earmarked Reserves Balance @ 31.03.23	19,007

The Expenditure and Funding Analysis is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Financial Performance Report at Cabinet to the Comprehensive Income and Expenditure Statement (CIES). Figures for 2021-22 have been restated to reflect the Council reporting according to Assistant Director responsibilities in 2022-23, to allow like-for-like comparison.

GROUP ACCOUNTS

Group Comprehensive Income and Expenditure Statement

	Gross Expenditure 2022-23	Gross Income 2022-23	Net Expenditure 2022-23	Gross Expenditure 2021-22 Restated	Gross Income 2021-22 Restated	Net Expenditure 2021-22 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Services						
Health & Housing	8,341	(4,560)	3,781	6,776	(3,940)	2,836
Economy & Growth	4,787	(3,105)	1,682	7,482	(4,912)	2,570
Finance	8,774	(6,606)	2,168	8,916	(6,935)	1,981
People & Governance	3,997	(457)	3,540	3,970	(302)	3,668
Contracts & Operations	10,755	(4,859)	5,896	10,031	(4,448)	5,583
Property & Infrastructure	3,656	(944)	2,712	4,599	(836)	3,763
Housing Benefit	21,743	(20,772)	971	22,547	(21,580)	967
Cost of Services	62,053	(41,303)	20,750	64,321	(42,953)	21,368
Other operating expenditure						
Parish Council Precepts and Drainage Board Levies	4,593	-	4,593	4,396	-	4,396
(Gain)/Loss on disposal of non-current assets	-	(359)	(359)	-	(314)	(314)
Financing and investment income and expenditure						
Interest receivable & payable & similar income & expenditure	541	(1,242)	(701)	547	(696)	(149)
Re-measurement of the net defined benefit liability/asset	3,798	(2,495)	1,303	2,904	(1,688)	1,216
(Surplus)/Deficit on trading undertakings	156	(3,110)	(2,954)	(1,530)	(2,963)	(4,493)
Other	559	-	559	913	-	913
Taxation and non-specific grant income and expenditure						
Council Tax income (including collection fund)	-	(9,400)	(9,400)	-	(8,861)	(8,861)
NDR income & expenditure (including collection fund)	10,311	(15,523)	(5,212)	11,089	(14,601)	(3,512)
Revenue Support Grant	-	(681)	(681)	-	(660)	(660)
Covid-19 Government grants	-	-	-	-	(731)	(731)
Other non-ring-fenced Government grants	-	(6,445)	(6,445)	-	(7,073)	(7,073)
Donated Assets	-	(132)	(132)	-	-	-
(Surplus)/Deficit on Provision of Services	82,011	(80,690)	1,321	82,640	(80,540)	2,100

Continued on next page

GROUP ACCOUNTS

Continued from previous page						
(Surplus)/Deficit on Provision of Services	82,011	(80,690)	1,321	82,640	(80,540)	2,100
Share of (surplus)/deficit on the Provision of Services for Joint Ventures			15			(78)
Group (Surplus) /Deficit			1,336			(2,022)
(Surplus) /Deficit on revaluation of PPE assets			(678)			(2,828)
Actuarial (gains) /losses on pension assets/liabilities			(39,054)			(15,712)
Share of other Comprehensive Expenditure & Income for Joint Ventures			(35)			153
Other Comprehensive (Income) and Expenditure			(39,767)			(18,387)
Total Comprehensive (Income) and Expenditure			(38,431)			(16,365)

Figures for 2021-22 have been restated to reflect the Council reporting according to Assistant Director responsibilities in 2022-23, to allow like-for-like comparison.

GROUP ACCOUNTS

Group Movement in Reserves Statement

	General Fund Balance £'000	Ear-marked GF Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Un-applied £'000	Total Usable Reserves £'000	Un-usable Reserves £'000	Total Reserves £'000	Council's share of Joint Venture £'000	Total Group Reserves £'000
Balance as at 1 April 2021	2,849	25,234	-	1,516	29,599	8,310	37,909	(200)	37,709
Movement in Reserves during 2021-22									
Total Comprehensive Income & Expenditure	(2,100)	-	-	-	(2,100)	18,052	15,952	78	16,030
Share of other Comprehensive Expenditure & Income for Joint Ventures	-	-	-	-	-	-	-	(153)	(153)
Adjustments from income & expenditure charged under the accounting basis to funding basis	(4,927)	-	-	76	(4,851)	5,339	488	-	488
Transfers to/from Earmarked Reserves	6,999	(6,999)	-	-	-	-	-	-	-
Increase/(decrease) for year	(28)	(6,999)	-	76	(6,951)	23,391	16,440	(75)	16,365
Balance as at 31 March 2022	2,821	18,235	-	1,592	22,648	31,701	54,349	(275)	54,074
Balance as at 1 April 2022	2,821	18,235	-	1,592	22,648	31,701	54,349	(275)	54,074
Movement in Reserves during 2022-23									
Total Comprehensive Income & Expenditure	(1,321)	-	-	-	(1,321)	39,732	38,411	(15)	38,396
Share of other Comprehensive Expenditure & Income for Joint Ventures	-	-	-	-	-	-	-	35	35
Adjustments from income & expenditure charged under the accounting basis to funding basis	(728)	-	-	(170)	(898)	898	-	-	-
Transfers to/from Earmarked Reserves	1,892	(1,892)	-	-	-	-	-	-	-
Increase/(decrease) for year	(157)	(1,892)	-	(170)	(2,219)	40,630	38,411	20	38,431
Balance as at 31 March 2023	2,664	16,343	-	1,422	20,429	72,331	92,760	(255)	92,505

GROUP ACCOUNTS

Group Balance Sheet

	31 March 2023		31 March 2022	
	£'000	£'000	£'000	£'000
Non Current Assets				
Property Plant and Equipment	44,539		42,898	
Heritage Assets	323		337	
Investment Property	34,639		34,099	
Intangible Assets	71		51	
Total Non Current Assets		79,572		77,385
Long term debtors		12,250		12,411
Investments in Joint Ventures		35		-
Total long-term assets		91,857		89,796
Current Assets				
Short-term investments	19,520		33,015	
Short-term debtors	10,409		7,922	
Cash and cash equivalents	6,308		8,860	
Assets Held for Sale	18		18	
Total Current Assets		36,255		49,815
Total Assets				
Current Liabilities				
Short-term creditors	(15,043)		(27,172)	
Provisions	(1,109)		(2,272)	
Total Current Liabilities		(16,152)		(29,444)
Total Assets less Current Liabilities		111,960		110,167
Long Term Liabilities				
PFI Lease Liability > 1 year	(6,928)		(7,227)	
Pensions Liability	(10,668)		(47,186)	
Capital grants receipts in advance	(1,569)		(1,405)	
Investments in Joint Ventures	(290)		(275)	
Total Long-term Liabilities		(19,455)		(56,093)
Net Assets		92,505		54,074
Financed By:-				
Usable reserves		(20,429)		(22,648)
Un-usable reserves		(72,331)		(31,701)
Usable reserves of Joint Ventures		255		275
Total Net Worth		(92,505)		(54,074)

GROUP ACCOUNTS

I certify that the group statements of accounts on pages 80 to 91 present a true and fair view of the financial position of the Group as at 31 March 2023 and its income and expenditure for the year then ended.

Assistant Director Finance:

A Chubbock

Date: 31 May 2023

GROUP ACCOUNTS

Group Cash Flow Statement

	2022-23		2021-22	
	£'000	£'000	£'000	£'000
Net (surplus) or deficit on the provision of services	1,321		2,100	
Adjust net surplus or deficit on the provision of services for non-cash movements				
Depreciation and amortisation	(1,734)		(1,794)	
Impairments and valuations	(98)		(799)	
(Increase)/Decrease in creditors	12,775		(3,076)	
Increase/(Decrease) in debtors (including interest debtors)	2,868		(2,336)	
Pension liability	(2,536)		(2,890)	
Carrying amount of non-current assets sold	(392)		(870)	
Other	1,775		2,480	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities				
Capital grants credited to the surplus/deficit on the provision of service	3,796		2,993	
Proceeds from the sale of non-current assets	678		1,316	
Net Cash Flows from Operating Activities		18,453		(2,876)
Investing Activities				
Purchase of PPE, Investment property and intangible assets		3,178		3,678
Net Purchases/(Proceeds) of short and long term investments		(13,560)		13,000
Proceeds from the sale of PPE, Investment property and intangible assets		(575)		(1,184)
Other receipts and payments for investing activities		(2,543)		(4,505)
Financing Activities				
Cash payments for the reduction of liabilities relating to PFI contracts		284		269
Other receipts/payments for financing activities		(2,685)		(8,653)
Net (Increase)/Decrease in Cash and Cash Equivalents		2,552		(271)
Cash and cash equivalents at the beginning of the reporting period		8,860		8,589
Cash and cash equivalents at the end of the reporting period		6,308		8,860

The 'Purchase of short and long term investments line' has been consolidated with the 'Proceeds from short and long term investments line' to show the net movement on short and long term investments for both years.

The cash flows from operating activities includes interest received of £1,241k in 2022-23 (£686k in 2021-22) and interest paid of £541k in 2022-23 (£547k in 2021-22). No dividend was paid to Breckland Council this year (£170k in 2021-22).

GROUP ACCOUNTS

Notes to the Group Accounts

Note 1 – Disclosure of Interests in Other Entities

The financial statements within this group accounts section show the group accounts for Breckland Council incorporating Breckland Bridge Ltd. These have been consolidated using the equity method as Breckland Bridge is classified as a Joint Venture. The equity method means only the Council's share of the net assets or liabilities of the company are included in the group accounts.

Breckland Bridge has one main area of work currently; building houses on Council owned land and selling these houses at market levels (with the option for the Council to purchase these houses if a business case supports it).

Prior to August 2020, the Council was a 90% shareholder in Breckland Bridge and The Land Group were the remaining 10% shareholder. Whilst Breckland Council was the majority shareholder, the decisions of the company were made equally (50/50) by each shareholder. At the end of the initial business plan period the shareholders agreed to move to the planned 50/50 shareholding and this took effect from August 2020, the decisions of the company are still made on the equal 50/50 basis and therefore joint control of the company still exists as a unanimous decision between the two shareholders is required. As a result of the change in shareholding, the group CIES includes an adjusting line to reflect the new shareholding.

During 2022-23 there was a cash share issue of £69,930, which created a share premium reserve in the Breckland Bridge group accounts. As a result of the share issue, the CIES includes an adjusting line to reflect the Council's proportion of the new shares.

Breckland Bridge is the parent company and consolidated into their accounts are various subsidiary companies all owned 100% by Breckland Bridge Ltd. As at 31 March 2023 these subsidiaries were: Breckland Homes (Mileham) Ltd, Breckland Homes (Attleborough) Ltd, Breckland Homes (Colkirk) Ltd.

One of the Directors of Breckland Bridge Ltd is an Executive Director of Breckland Council and one Director of Breckland Bridge is a Member of Breckland Council.

Note 2 – Accounting Policies

The consolidated financial statements of Breckland Bridge Ltd have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 and have been prepared under the historical cost convention. This is therefore a different basis to the International Financial Reporting Standards (IFRS) which the Council's accounts are produced on. Based on the 2022-23 transactions, there are no significant differences in the accounting policies of Breckland Council and Breckland Bridge Ltd that would cause a material adjustment in the consolidation of the Group Accounts.

GROUP ACCOUNTS

Note 3 – Summarised Financial Information

Below is the consolidated income statement and Balance Sheet of Breckland Bridge Ltd.

Income Statement

	Breckland Bridge Ltd 2022-23 £'000	Breckland Council Share 2022-23 £'000	Breckland Bridge Ltd 2021-22 £'000	Breckland Council Share 2021-22 £'000
Turnover	(363)	(181)	(557)	(466)
Cost of Sales	2	1	378	340
Gross (Profit)/Loss	(361)	(180)	(179)	(126)
Administrative Expenses	356	180	146	88
Operating (Profit)/Loss	(5)	0	(33)	(38)
Interest Payable and Similar Charges	29	15	(80)	(40)
(Profit)/Loss on Ordinary Activities Before Taxation	24	15	(113)	(78)
Tax on Ordinary Activities	-	-	-	-
(Profit)/Loss for the Financial Period for the Group	24	15	(113)	(78)

The Breckland Council share does not equate to 90% or 50% in all lines due to the percentage shares for areas prior to August 2020 being shared at 90% and after this date at 50%. In due course, when all the prior August 2020 balances are zero, this table will show the 50% share against all lines.

GROUP ACCOUNTS

Balance Sheet

	Breckland Bridge Ltd 2022-23 £'000	Breckland Council Share 2022-23 £'000	Breckland Bridge Ltd 2021-22 £'000	Breckland Council Share 2021-22 £'000
Current Assets				
Work in progress	1,938	969	255	128
Debtors	1,051	528	66	50
Cash and Cash Equivalents	76	66	137	94
	3,065	1,563	458	272
Short Term Creditors				
Amounts falling due within one year	(1,735)	(880)	(115)	(79)
	(1,735)	(880)	(115)	(79)
Total Assets Less Current Liabilities	1,330	683	343	193
Long Term Creditors				
Amounts falling due after more than one year	(1,877)	(938)	(936)	(468)
	(1,877)	(938)	(936)	(468)
Net Assets/(Liabilities)	(547)	(255)	(593)	(275)
Capital and Reserves				
Share Premium	70	35	-	-
Retained Earnings	(617)	(290)	(593)	(275)
Shareholders' Funds	(547)	(255)	(593)	(275)

The Breckland Council share does not equate to 90% or 50% in all lines due to the percentage shares for areas prior to August 2020 being shared at 90% and after this date at 50%. In due course, when all the prior August 2020 balances are zero, this table will show the 50% share against all lines.

Note 4 – Related Party Transactions

The following loans have been provided to Breckland Bridge Ltd by the Council:

- Working capital loan of £117k at an interest rate of 0% (12.5% up to 31.3.22) leaving £464k owed at 31 March 2023 (£464k at 31 March 2022)
- Colkirk shareholder loan of £109k at an interest rate of 10% leaving £131k owed at 31 March 2023 (£118k at 31 March 2022)
- Litcham shareholder loan of £25k at an interest rate of 10% leaving £30k owed at 31 March 2023 (£27k at 31 March 2022)
- Colkirk construction loan of £355k at an interest rate of 3.75% above the Bank Rate, leaving £359k owed at 31 March 2023 (£Nil at 31 March 2022)
- Colkirk land loan of £265k at an interest rate of 8% leaving £278k owed at 31 March 2023 (£Nil at 31 March 2022)
- Colkirk shareholder loan (Stage 2) of £118k at an interest rate of 10% leaving £120k owed at 31 March 2023 (£Nil at 31 March 2022)

GROUP ACCOUNTS

The following loans have been committed to Breckland Bridge but have not yet been drawn down at the reporting date:

- Shipdham shareholder loan £110k
- Kenninghall loan £80k
- Shipdham shareholder loan (Highways) £30k

The interest rate on the working capital loan of £117k was reduced from 12.5% to 0% with effect from 1 April 2022. The loan would therefore now be classed as a soft loan. The effect of this change has been assessed and the financial impact of the interest rate reduction is deemed to be immaterial, therefore no adjustments have been made to the Council's accounts to reflect this change.

Amounts are paid to Breckland Bridge & subsidiary companies for services (such as review of vacant land).

The Council paid Breckland Bridge Ltd £123k for other services in 2022-23 (such as grant funded projects, planning costs, design and study fees, etc) (£55k in 2021-22).

The Council also paid the Land Group £15k for other services in 2022-23 (such as design and survey fees) (£4k in 2021-22).

Breckland Bridge pays the Council for some services (such as planning fees and directors' fees) and the total paid to the Council was £9k in 2022-23 (£6k in 2021-22) (excluding the loan values shown above).

At the end of the year £750 was owed to the Council by Breckland Bridge (£nil in 2021-22) and £nil was owed by Breckland Homes Attleborough Ltd (£nil in 2021-22). The Council owed £17k to all related companies (£nil in 2021-22).

Note 5 – Capital Commitments

At 31 March 2023 the company had entered into contracts for the construction of Property in future years, the major commitments are:

	Expenditure Approved and Contracted	Expenditure Approved not Contracted
	£'000	£'000
At 31 March 2023	4,686	440
At 31 March 2022	46	5,341

APPROVAL OF THE STATEMENT OF ACCOUNTS

Chairman's Declaration

I confirm that these 2022-23 accounts were approved by the Governance and Audit Committee at the meeting held on TBC.

Signed on behalf of Breckland Council:

To be signed following the audit of these draft accounts

Chairman of the Governance and Audit Committee

Date: TBC

GLOSSARY

ACCOUNTING POLICIES – Those principles, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in the financial statements through:

- Recognising
- Selecting measurement bases for, and
- Presenting assets, liabilities, gains and losses and changes to reserves

ACCRUALS - The concept that income and expenditure are included in the records as they are earned or incurred, not as money is received or paid.

ACTUARY – An expert on pension scheme assets and liabilities.

ACTUARIAL GAINS AND LOSSES (RELATES TO IAS 19 - PENSIONS) – For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses)
- The actuarial assumptions have changed

AMORTISATION – The writing down in value of intangible assets, which is charged to service revenue accounts to reflect the cost of such assets, used in the provision of those services. This is the equivalent of depreciation for non-current assets.

ASSET – Something that the Council owns that has monetary value. Assets are either “current” or “non-current (fixed)”

AUDIT OF ACCOUNTS – An independent examination of the Council’s accounts to ensure that they comply with the necessary legislation and follow best accounting practice. The Council’s accounts are audited by EY.

BUDGET - A statement of a Council’s plans for revenue and capital expenditure over a specified period of time.

CAPITAL EXPENDITURE - Expenditure on buying or developing major assets, which will be used by the Council for more than a year. For example, buildings, computer hardware and significant pieces of equipment.

CAPITAL GRANT - A grant received towards the capital expenditure incurred on a particular service or project. A local authority can also make capital grants.

CAPITAL RECEIPTS - Proceeds from the sale of assets, e.g. land and buildings.

CARRYING VALUE – An accounting measure of value, where the asset is based on the figure in the Balance Sheet. For assets, the value is based on the original cost of the asset less any depreciation, amortisation or impairment costs made against the asset.

CIES – Comprehensive Income & Expenditure Statement.

CIPFA – The Chartered Institute of Public Finance and Accountancy, who are the leading professional accountancy body for public services.

GLOSSARY

CODE OF PRACTICE – Sets out proper accounting principles and practices required for the statements of accounts, in accordance with the statutory framework for accounts, as established for England and Wales. The aim is to produce financial statements which “present a true and fair view” of the financial position of the Council.

CONTINGENT ASSETS AND LIABILITIES – A condition which exists at the Balance Sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

COUNCIL TAX – This is a banded property tax set by local authorities in order to meet their budget requirements. There are eight bands (Band A to Band H), set by the District Valuer according to the value of the property. The amount each household pays depends on the value of their property.

CREDITOR - An amount owed by us to someone else for which payment has not been made.

CURRENT ASSET - An asset where the value may change on a daily basis, e.g. cash balances and debtors.

CURRENT LIABILITY - An amount which will become payable or could be called in within the next year, e.g. creditor, cash overdrawn.

DCMS – Department for Culture, Media & Sport.

DLUHC – Department for Levelling Up, Housing and Communities. The central government department responsible for local government.

DEBT IMPAIRMENT – Outstanding amounts owed to the Council which are highly unlikely to be collected.

DEBTOR - An amount due to us but not received at the balance sheet date.

DEFRA – Department for Environment, Food and Rural Affairs.

DEPRECIATION - The measure of the wearing out, consumption or other reduction in the useful economic life of an asset, whether arising from use, flow of time or obsolescence through technological or other changes.

EFA – Expenditure and Funding Analysis.

FAIR VALUE – The fair value of an asset is the price at which it could be exchanged in an “arms-length” transaction, less where applicable, any grants receivable towards the purchase or use of that asset.

FINANCE LEASE – A lease which transfers substantially all the risks and rewards of ownership of an asset (even though title to the asset may not be transferred).

FINANCIAL INSTRUMENTS – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another, such as trade payables and receivables, borrowings, bank deposits and investments.

FINANCIAL REPORTING STANDARD (FRS) – Accounting standards developed by the Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Statement of Recommended Practice except where the standards conflict with specific statutory requirements.

GENERAL FUND - The main revenue account of a local authority which summarises the cost of all services provided by the council which are paid for from council tax, government grants and other income.

GLOSSARY

GOING CONCERN – The accounts have been prepared on the assumption that the Council will continue to provide operational services for the foreseeable future.

GOVERNMENT GRANTS - Grants by government towards either the revenue or capital cost of local authority services. These may be either in respect of particular services or purposes, called specific and supplementary grants, or in aid of local services generally, e.g. revenue support grant.

HOUSING BENEFITS – A national system for giving financial assistance to individuals towards certain housing costs. The cost of the service is subsidised by central government.

IMPAIRMENT - Impairment of non-current assets relates to downward revaluation of assets during the year caused by clear consumption of economic benefit and is recognised in the Comprehensive Income and Expenditure Statement.

IMPROVEMENT GRANTS - Statutory or discretionary payments that local authorities make to tenants or homeowners to enable them to bring dwellings up to modern standards. Also known as Renovation Grants. Disabled Facilities Grants are statutory, and these attract subsidy from the government.

INFRASTRUCTURE ASSETS – Non-current assets that cannot be transferred to another, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INTANGIBLE ASSETS - An item in a balance sheet where there is no tangible asset but the asset has continuing value to the Council at the Balance Sheet date, e.g. computer software licences.

INTERNATIONAL ACCOUNTING STANDARD (IAS) - Accounting standards developed by the International Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Code of Practice except where the standards conflict with specific statutory requirements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) – Financial reporting standards developed by the International Accounting Standards Board.

LOCAL ASSET BACKED VEHICLE (LABV) – An entity created with a public sector body and a private sector partner to trade as a separate entity.

LIABILITY – A liability arises when the Council owes money to others and it must be included in the financial statements.

MATERIALITY – In using its professional judgment the Council has considered the size and nature of any transaction, or set of transactions. An item is considered to be material where its omission or misstatement would reasonably change the substance of the information presented in the accounts.

MINIMUM REVENUE PROVISION (MRP) - Under the Local Government and Housing Act 1989 there is a requirement to set aside an amount from revenue, the MRP, for the repayment of external loans.

NATIONAL NON DOMESTIC RATES (NNDR) – The rates, payable by businesses on their properties, are calculated by applying a nationally determined multiplier to the rateable value of the property. This is collected by the Council and nationally determined proportionate shares are paid to the Government and Norfolk County Council with a share retained by Breckland Council.

NET BOOK VALUE – The value of non-current assets less the accumulated amount of depreciation/amortization.

NON-CURRENT ASSET - An asset that has value beyond one financial year.

GLOSSARY

OPERATING LEASES - Leases under which the ownership of the asset remains with the lessor and consequently are outside the Government's system of capital controls.

PRECEPT - The method by which a local authority obtains the income it requires from the Collection Fund to meet its net expenditure requirements.

POST BALANCE SHEET EVENTS – Those events, both favourable and unfavourable, which occur between the Balance Sheet date and the date on which the Statements of Accounts is signed by the responsible person.

PPE – Property Plant & Equipment

PRECEPT – The amount that the Council is required to collect from council taxpayers to fund another, non tax-collecting Authority's expenditure. Precepts are issued by Norfolk County Council, Norfolk Police and Crime Commissioner, Breckland Council and Parish and Town Councils.

PRIVATE FINANCE INITIATIVE (PFI) – This is a procurement route established in 1995 and it is an important route for government spending on assets, as it transfers significant risks to the private sector.

PROVISION - An amount set aside in the accounts and charged to individual services for liabilities that are likely to be incurred in the future but cannot be accurately quantified.

RELATED PARTY TRANSACTIONS – Two or more parties are related when at any time during the financial period:

- One party has direct or indirect control of the other party
- The parties are subject to common control from the same source
- One party has influence over the financial and operational policies of the other party to an extent that the other party may be inhibited from pursuing its own interests

The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own interests.

RELEVANCE – The information in the accounts is useful in assessing the Council's stewardship of public funds and performance.

RELIABILITY – The information in the accounts is complete, prudently prepared, reflects the substance of transactions and is free from deliberate or systematic bias or material error.

RESERVE - An amount set aside in the accounts for defraying particular expenditure in the future. Unlike provisions, transfers to and from reserves are not shown as part of the individual service costs.

REVENUE EXPENDITURE - The day-to-day running costs than an authority incurs in providing services (as opposed to capital expenditure).

REVENUE SUPPORT GRANT (RSG) - A general grant paid by the government and credited to the General fund to help finance local authority revenue expenditure.

SERVICE REPORTING CODE OF PRACTICE (SeRCOP) – CIPFA guidance to establish proper practices with regard to consistent financial reporting for services.