

Wiltshire Council

**Draft Annual Report and
Statement of Accounts**

2020/2021

[subject to audit]

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Director of Finance Narrative Report

The 2020/21 financial year has been an extraordinary one through the COVID-19 pandemic and managing the delivery of public services during significant periods of lockdown. The Council was responsible for managing and delivering many additional government schemes and providing support to vulnerable households, residents, and businesses across Wiltshire during the year.

At the beginning of the pandemic the Council was forecasting a significant pressure as a result of the economic impact of the pandemic and the impact of interventions such as lockdown, and was forecasting significant overspends. Government recognised the huge financial impact on all councils and issued significant amounts of emergency grant funding to councils, alongside other grant funding to support councils, such as the compensation grant for sales, fees and charges income loss. This additional grant income allowed the Council to effectively manage the financial position successfully to deliver an underspend of £1.4m at the end of the year. Other grant was also given to the Council, where the Council was distributing grant on behalf of the Government, such as the COVID-19 Business Grants. Some of these grant monies remained underspent at the end of the year and were transferred to reserves to support on-going support related activities and to support the financial resilience of the Council.

The Statement of Accounts that follow show just how significant and complex a challenge it has been, but also shows how we have risen above the challenges and delivered.

In setting the 2020/21 budget the Council planned to deliver in excess of £14 million of savings in the face of £34 million of growth in demand and inflation pressures for services. The outturn shows that we have delivered an underspend of £1.4 million and thus delivered again on the saving goals. The next section provides more detail on the financial performance.

Additional activity focused on supporting vulnerable people and vulnerable households delivered quality public services during the year. This support included a well-being hub that provided advice and signposting to support and community groups and also provided food

parcels to the clinically extremely vulnerable and those shielding.

Significant uncertainties remain on the impact of the pandemic, alongside uncertainties on the pressures on service delivery across the Council and future government grant funding to councils for both service delivery and any on-going pandemic implications for public services.

As the financial pressures facing councils increase and funding uncertainties remain both in the short and long term, we have and will continue to put financial acumen at the heart of all decision making to continue delivering an innovative, strong, resilient and sustainable financial environment.

I recognise that to the ordinary reader the set of Statement of Accounts can appear complicated, so the remainder of this narrative simply highlights some of the key areas contained in the 2020/21 Statement of Accounts.

Lizzie Watkin

Director of Finance and Procurement (S151 Officer)
Wiltshire Council
21 March 2024

Financial and Performance Review

Overall Financial Outturn

The financial statements report a minor underspend on the general fund revenue for 2020/2021 and minor overspend on the housing revenue account. This has been achieved after the financial year like no other, with numerous funding streams being provided by government to support Wiltshire businesses, residents and communities as well as providing emergency funding to ensure the Council continued to provide services.

During the year we took regular monitoring forecast reports to senior management and Cabinet. These reports identified the need to take action in year to deliver a balanced budget, and as a result of those actions spending has once again been managed prudently to enable that position to be achieved.

There are some areas of service delivery though that continue to face demand and financial pressures, and mitigations in other service areas have enabled the overall position to be balanced.

The following tables summaries the Council's General Fund expenditure during the year:

	2020/2021 £000	2019/2020 £000
Adults	152,771	164,961
Childrens and Education	65,367	87,022
Growth, Investment and Place	115,822	106,451
Corporate	9,248	(26,413)
Net Spending	343,208	332,021
Funding	(344,663)	(332,377)
Surplus in year	(1,455)	(356)

The Housing Revenue Account owns approximately 5,307 homes generating rental income of over £25.994 million in the year. This income is held in a ring-fenced account (the Housing Revenue Account or "HRA") which can only be used for social housing purposes. The HRA delivered a £1.986 million overspend in the year which was funded by a

contribution from HRA balances which remained at a prudent level as at 31 March 2021.

The following pages set out how this financial outturn links to performance and demand. In setting the 2020/2021 budget the Council took account of its business plan to reprioritise funding where required and identified £14.682 million of savings to be delivered during 2020/2021. Details are available in the budget setting papers on the Council's website.

Impact on the Council's Assets and Liabilities

The Council's Balance Sheet shows a generally stable position, the largest change is due to an increase in the Council's pension liabilities and the way these are quantified. The Pension Fund has a plan agreed with its actuaries to return the fund to a balanced position by 2036 and will keep this under review. The key elements of the balance sheet are as follows:

* Restated – see note 54 for further details.

	31 March 2021 £000	31 March 2020 £000*
Long-Term Assets	1,232,744	1,178,563
Current Assets	264,913	160,527
Current Liabilities	(226,971)	(143,714)
Net Pension Liability	(762,833)	(491,733)
Other Long-Term liabilities	(446,904)	(452,935)
Net Assets	60,949	250,708
Financed by:		
Usable Reserves	(249,929)	(128,400)
Unusable Reserves	188,980	(122,308)
Total Reserves	(60,949)	(250,708)

Delivery of the Capital Programme

The Council's 2020/2021 programme saw £107.2 million spent to deliver a wide range of capital works. The programme being funded from:

- £51.4 million in grants and contributions;
- £1.7 million from capital receipts;
- £8.5 million HRA contributions;
- £1.2 million revenue contributions;
- £5.8 million from borrowing funded by Revenue Savings in Service;
- £35.6 million from borrowing; and
- £3 million from Stone Circle loan.

Financial and Performance Review (cont'd)

The main areas of capital spend where £9.5 million on Chippenham Station Hub, £16.5 million on Housing and Commercial Development schemes, £35.7 million of highways spend, £15.5 million on education schemes and £10 million on Council house build programmes and refurbishment of Council stock.

Note 25 on Assets Held for Sale identifies that as at 31 March 2021, £5.275 million of Council property is expected to be sold in 2021/2022. These sales will continue to support the Council's capital investment plans.

Impact on Treasury Management and Cash Flow

The Council's internal Treasury Management team manages its cash within the strategy approved by Full Council. The Treasury Management Strategy was adhered to in 2020/2021 albeit during the year the Council breached the counterparty limit for the HSBC current account. The limit was £10 million and was breached by £1.5 million for one day. The average long-term borrowing rate was 3.78%; and the return on short term investments was 0.23%.

At the end of 2020/2021 the Council had £336 million of outstanding borrowing. That is £3 million less than as at 31 March 2020. In order to minimise the cost of borrowing no new debt was taken out. This policy resulted in an 'under-borrowed' position by over £176.5 million which results in an overall saving in the region of £3.9 million.

Pension Fund

The deficit on pensions relates to the current actuarial valuation, and whilst it does not need to be paid in year, it will need to be found in future years.

As such the increase to the pension deficit to £765 million reflects an ongoing risk to the Council. This risk is being mitigated through a recovery plan agreed with Wiltshire Pension Fund's actuary that will see the employer's liability fall in the future.

Financial Risks

The Council seeks to manage its financial risk through prudent controls, with business case assessments, always assessing the value of its assets and investments. Overall, these risks are well managed, with the risks associated with the Council's borrowing and investment activities set out in note 50 to the financial statements. There is £6.130 million set aside in provisions, mainly relating to insurance claims and Business Rates Retention Scheme appeals. More details are set out at note 29 to the financial statements.

In common with the rest of local government, the Council has seen a steady reduction in government funding in recent years. We are currently waiting on proposed funding changes following the fair funding review which will impact on our future revenue funding streams.

General Fund and Earmarked Reserves

Overall, the outturn has meant that the Council's General Fund Reserve is £16.911 million, this is an increase of £1.455 million in year. Whilst the level of general fund reserves remains still one of the lowest in the Country in proportion to the size of the Council, it is still within the level recommended by the Chief Finance Officer.

Other earmarked reserves have increased significantly (as set out in note 32 of the financial statements). This is mainly as a result of £34.254 million collection fund grant that will be used in 2021/2022 to fund the collection fund deficit that has arisen due to COVID-19 related business rate reliefs. In addition, there are a number of COVID-19 related grants provided by central government that will be spent in 2021/2022.

The Dedicated Schools Grant deficit balance as at 1 April 2020 has been reclassified as an unusable reserve in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account' and now classified as an 'unusable reserve within the council's financial statements. These funds are ring-fenced for funding schools and recovery plans are in place for these balances.

Financial and Performance Review (cont'd)

Financial and Activity / Performance

In setting the 2020/2021 net expenditure general fund revenue budget the Council received no funding from government through general support grant (revenue support grant). This meant in 2020/2021 an additional £8.25 million was needed to be raised from Council Tax (a 1.99% increase from 2019/2020), and £5.48 million from the Social Care Levy to fund adult care pressures (a 2% increase from 2019/2020).

The COVID-19 pandemic had a significant impact on the Council. In response the Council implemented a full organisational recovery programme. The Council continued to focus on the delivery of efficient and effective public services for its residents and implemented a council wide internal transformation of activities.

The Council received £31.942 million general emergency funding from government and £7.119 million support for loss in sales, fees and charges income.

As part of the government response to the economic impact of COVID-19 and lockdown restrictions, additional business rates mandatory reliefs were announced for some business sectors.

The Council had a savings requirement of £14.682m within its 2020/2021 budget. The deliverability of these proposals has been monitored during the year and it was flagged that the COVID-19 response resulted in resource being focused away from savings delivery and, quite rightly, on service delivery during the response phase. Of the £14.682m savings proposals £8.4 million (57.2%) were assessed as being delivered by the end of 2020/2021.

The delivery of savings remains an important element of financial performance management and a focus for the Council and the status of savings continues to be considered as part of the financial recovery and future year financial planning processes to ensure the budget remains robust and deliverable.

Despite the 2020/2021 savings target not being met, the 2020/2021 general fund revenue outturn was an underspend of £1.455 million. This is 0.42% of the Council's £344.023 net expenditure budget. This underspend added to General Fund Reserve resulted in a balance of £16.9 million at the end of the year.

Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the financial statements and disclosure notes.

Annual Governance Statement

Introduction

Wiltshire Council is a local authority that is responsible for providing services to nearly half a million residents, tens of thousands of varied businesses and over a million visitors per year. It aims to create strong communities, grow the local economy and protect vulnerable people and this approach underlines everything we do. The Council secures funding from national government, local taxation and charges. So, as a public body, it needs to have a strong governance and assurance framework to make certain its business is conducted to the highest standards, ensuring:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making, conducted in accordance with the law and proper standards;
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities; and
- public money is safeguarded and properly accounted for, and continuous improvement in the way in which its functions are exercised is secured, having regard to economy, efficiency and effectiveness.

This statement reflects how Wiltshire Council has met those standards in 2020/21 and beyond; as well as the ongoing actions it is taking to maintain and improve its governance arrangements. Evidence of how we have assessed ourselves has been grouped into sections as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its publication 'Delivering Good Governance in Local Government Framework (2016)' and is consistent with the Local Code of Corporate Governance.

Approval of the Annual Governance Statement 2020/2021

We are satisfied that this statement provides a substantial level of assurance that good governance is in place in Wiltshire Council and that appropriate arrangements are in place to address improvements identified in our review of compliance. Progress on these improvements and on addressing and mitigating the risks will be monitored through the year by senior officers and the Audit and Governance Committee.



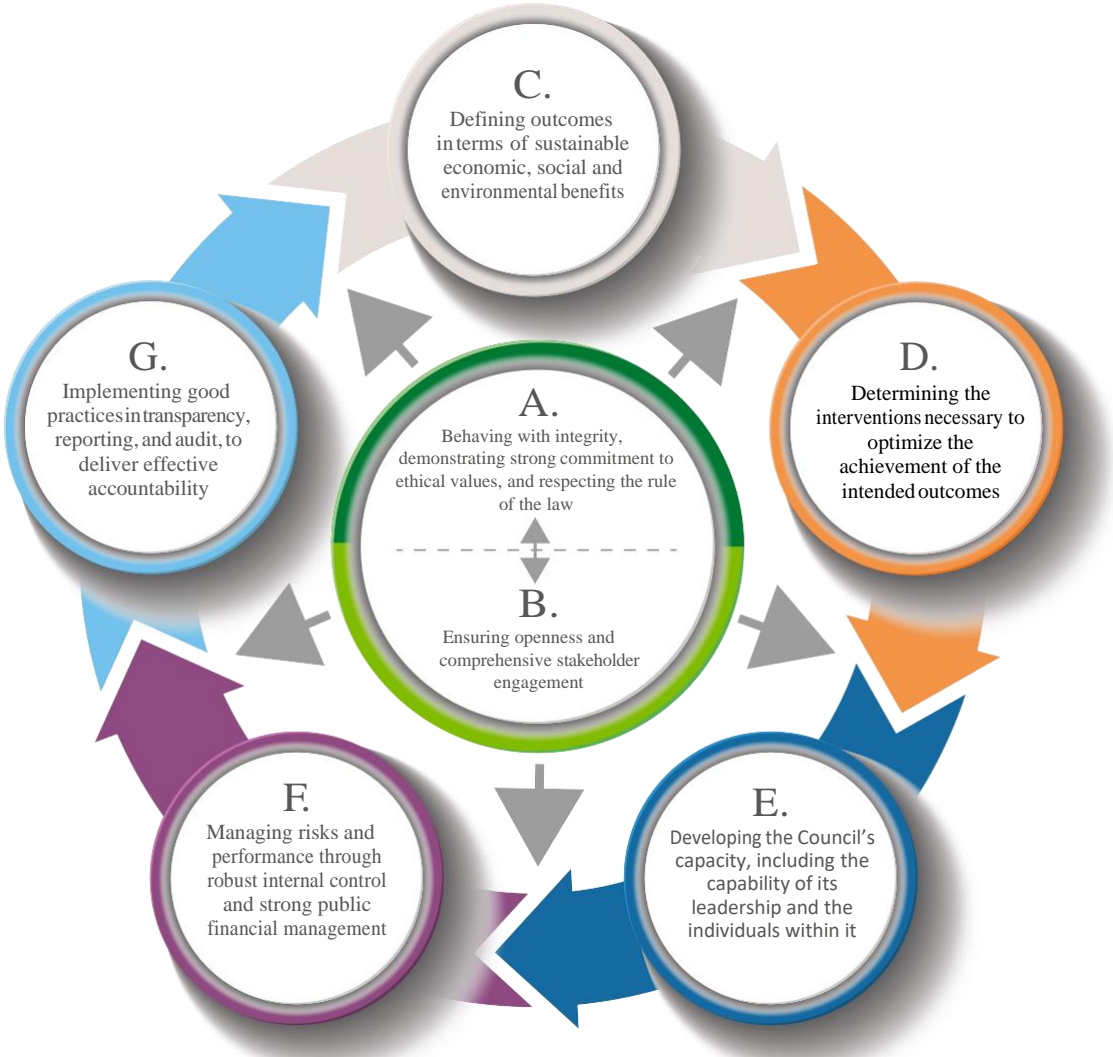
Terence Herbert
Chief Executive



Cllr Richard Clewer
Leader of Wiltshire Council

11 October 2021

The Local Code of Corporate Governance provides a means of demonstrating that a sound level of governance is operated. This local code acts as a means of assurance, but also a mechanism for achieving continuous improvement. This approach is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government* framework. The principles are set out below:



The following pages set out a summary of the key governance controls, mapped against the CIPFA principles. These are supported by case studies to help demonstrate where positive improvement action has already been taken, and a note of improvement actions that the Council will take.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Respect for the rule of law

The Council's [Constitution](#) provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable. The constitution is kept under review by the Standards Committee who request the Constitution Focus Group to review sections. In 2020/21 this included the terms of reference for Wiltshire Pension Fund Committee and Local Pension Board, adjustments to the policy framework and temporary meeting protocols for COVID-19. Bespoke arrangements were in place to ensure virtual meetings delivered continued councillor engagement on key decisions.

The Constitution includes at Part 13 the **Members' Code of Conduct**, which makes clear the obligation of elected members in promoting and maintaining high standards of conduct and ensuring the principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) are adhered to. Pecuniary and non-pecuniary interests are [registered](#) and published on the web site in accordance with the requirements of the Code of Conduct and underlying legislation. During 2020 the Local Government Association (LGA) has consulted on a Model Code of Conduct and the Council's response to the consultation was overseen by the Standards Committee.

Behaving with integrity

The Council publishes and promotes a recently revised code of conduct for its staff. Alongside this '**Our Identity** - public servants building stronger communities' sets out the type of organisation that the Council needs to be; with 10 characteristics that provide the blueprint for organisational development. This includes an EPIC culture – Empowering People to Innovate and Collaborate – and **EPIC Values** that define what the council stands for, creating an inclusive and agile environment where we celebrate each other's successes. These values will be embedded throughout the employment lifecycle, forming a key part of the appraisal system to promote ethical awareness amongst the Council's staff.

There is a process for dealing with complaints under the code of conduct for unitary, parish, town and city councillors in Wiltshire. This process and its application is set by the Council and reviewed regularly by the Council's **Standards Committee**. This year a new assessment sub-committee system has been adopted to streamline the handling of complaints. Minutes from the meetings of this Committee can be found [online](#). There were 71 complaints last year, 11 in relation to unitary members, 60 parish members. 7 in total were referred for investigation. There were 3 hearings, with 2 determined to not be breaches, and the other found to be in breach. The number of complaints per year since 2012 has ranged from 27-82.

Strong commitment to ethical values

Ethical considerations are also evident in the Council's [Procurement Strategy](#) where Social Value is a consideration. A task & finish group has been set up to ensure Social Value is at the forefront of all procurement activity, achieving value for money on a whole life basis for the council, communities and the economy, whilst protecting the environment.

How we can improve

Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.

Continue activities to embed all of the values in Our Identity across the organisation.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Openness

The Council makes available a range of important information on its website including its strategic aims and ambitions in its published [Business Plan](#) and via its [publication scheme](#). The council has arrangements for dealing with requests under Freedom of Information laws. In 2020/21 there were 1281 requests with 94% responded to within 20 days.

Committee meetings are open to the public, and **agenda papers and minutes** are available on the internet in various formats along with forward work plans/ calendars.

Engaging with citizens and services users

Public engagement plays a key part in the decision-making process, across the full range of council services. Key consultations undertaken during 2020/21 include those on Neighbourhood Plans, the Local Plan, reopening libraries, Melksham Bypass, Chippenham distributor road, Salisbury River Park, cycling schemes and extra care housing. A **communications protocol** is in place for councillors and officers.

The Council supports a range of partnerships including: the [Health and Wellbeing Board](#), promoting integrated working between the council and the NHS; the [Wiltshire Police and Crime Panel](#) which reviews and scrutinises decisions of the Police and Crime Commissioner (joint committee with Swindon Borough Council); and the work of the Swindon and Wiltshire Local Enterprise Partnership ([SWLEP](#)). The Council has been an active partner in the [Local Resilience Forum](#) during pandemic and is leading a multi-agency Recovery Coordinating Group and plans for local outbreak control.

Wiltshire Council's 18 **Area Boards** involve the local community in decision-making within the agreed scheme of delegation. 64 area board meetings took place remotely with devolved funding on community grants, youth, health and wellbeing and transport and devolved decision-making powers on community asset transfers. Grants supported a range of local action in response to COVID-19.

The **Wiltshire Compact** is an agreed set of guidelines and principles to foster good working relationships between the voluntary sector and the public sector.

The Council's [Statement of Community Involvement](#) sets out expectations in preparing Wiltshire's planning policy documents and in considering planning applications. This was approved by Full Council in July 2020 and included temporary arrangements in light of the pandemic. Timely, open, officer decision making is in place with the ability for local councillors to call-in **planning** decisions to committee in response to local concerns. A strategic planning committee oversees particular significant issues.

Emergency and other **officer decisions** taken under the scheme of delegation during the pandemic have been enacted with the support of the Leader and published [online](#); with regular reports to Cabinet on the key developments. Input from representative groups has been sought where appropriate and a COVID-19 task and finish scrutiny group has also been established to ensure wider councillor input continues to take place.

Engaging with Institutional stakeholders

How we can improve

Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

The [Business Plan](#) 2017-27 was agreed in 2017 to enable the vision, priorities and goals set out to be translated into actions that deliver the changes required in the coming years. Following the 2021 local elections a refreshed plan is under development.

Following the publication of the report of the Local Government Association's **Peer Review** on Wiltshire Council in 2018, an [action plan](#) was developed and in July 2019 the Overview and Scrutiny Management Committee agreed that further scrutiny was not needed given progress on its recommendations. A further peer review may take place in the next financial year.

A [Local Development Scheme](#) provides a three year rolling project plan for producing the **local development framework**.

Parishes throughout the county can continue to request community asset transfers. During 2020/21 a review of the policy for wider devolution of services and transfer of assets to Town and Parish Councils began, within the scope of current COVID-19 recovery priorities. Significant **service delegation and asset transfer** packages have previously been agreed with Bradford on Avon, Devizes and Chippenham Town Councils, Pewsey Parish Council and Salisbury City Council in previous years. Requirements for the public estate are likely to evolve further in coming years with related opportunities for capital receipts, jobs and housing.

The Council receives reports on the combined economic, social and environmental impacts of its policies in the form of various reports including the **Joint Strategic Needs Assessment (JSNA)**. These also inform community led action planning and inform other schemes such as the Big Pledge.

Community facilities have a key role in supporting people to live more active and fulfilled lives. The campus programme has provided sustainable assets for towns that provide a place, facilities and services that help to combat isolation and loneliness and increase the opportunities for social interaction; and in so doing build strong communities. Several campuses have been completed already including Calne in November 2020 and Cricklade in February 2021. Work continues on the upgrade in Melksham and Trowbridge Leisure Centre has had temporary repairs. Temporary closure of facilities during the pandemic has led to increased uptake of digital facilities; and engagement on safe reopening.

Investment in transformation of **adult social care** has continued with strengths-based professional practice, increasing customer independence and reducing reliance on expensive packages of care. Close working with the NHS during the pandemic has also enabled a multi-professional discharge flow hub to be established. **Families and children** transformation has implemented improved multi-professional early support.

Sustainable economic, social and environmental benefits

How we can improve
Regularly report on delivery against outcomes defined in the new Business Plan, including our commercial approach

Principle D - Determining the interventions necessary to optimise the achievement of intended outcomes

Determining and planning interventions

Regular Performance and financial updates are reported to senior officers and councillors, including scrutiny through the **Financial Planning Task Group** which is a task group established by the [Overview and Scrutiny Management Committee](#).

Oversight of corporate projects is undertaken by the Corporate Leadership Team (CLT), supported with advice from Finance, Legal, HR and Procurement Teams. The **Programme Office** manages projects and programmes on behalf of the Council and provides reports to the Council on ongoing work. During 2019/20 the majority of projects were delivered or progressed according to schedule and monthly reports were provided to CLT with appropriate actions taken. A decision to defer expenditure on a number of programmes was taken by Cabinet in June 2020; although many of these have now resumed alongside a comprehensive approach to planning and delivering organisational recovery.

The Council has established a **local energy company** so that it can trade in energy produced on its assets in the future. The company is currently dormant whilst opportunities are explored – if they are any business plan would be approved by Cabinet.

Business plans for the Council's **local housing company** and **development company** were agreed by Cabinet in February 2021. This will involve the acquisition of 250 homes over five years and the development of five council owned sites to deliver 116 units. The housing company has acquired 22 properties so far which are also tenanted. The development company is applying for planning permission for its first development site in Calne and is currently undertaking due diligence in respect of proposed developments of in Marlborough and Trowbridge. The Council is currently undertaking a governance review of the company and shareholding arrangements to ensure that governance and oversight continues to be robust and fit for purpose.

How we can improve

Finalise the governance review of Stone Circle company and shareholding arrangements.

The council's [annual budget](#) setting process has also seen updates to the Medium Term Financial Strategy and ongoing Capital Programme.

The [Corporate Procurement Strategy](#) provides the framework for the council to obtain value and social capital from all of its bought in goods and services. The strategy focuses on identifying and delivering efficiencies, but not at the expense of quality; and developing and embracing the principles of sustainable procurement.

The procurement strategy is used to encourage the adoption of a mixed economy approach, evaluating on the basis of whole life costings and breaking down barriers to participate in council opportunities. Using transparent processes, the council commits to meeting its obligation to ensure that all of our procurement activity addresses relevant social, economic and environmental standards.

Optimising achievement of intended outcomes

Principle E - Developing capacity, including the capability of the Council's leadership and the individuals within it

Developing capacity

Developing the capability of the Council's leadership and other individuals

The Council's [People Strategy](#) focuses on attracting the best people to work for the Council and engaging, developing and retaining existing staff and will be updated to reflect internal recovery focus.

A wellbeing survey in July 2021 showed an **improvement in staff engagement** overall (+14% to 84%) since December 2018. As might be expected, moving out of the initial response to the pandemic has seen the engagement index score drop very slightly but this is still a very high score and well above the index in the 2018 staff survey (and prior surveys). 82.5% of staff are currently working (predominantly) from home, and most say they face 'no significant challenges' with this. For those finding it more challenging the most common reasons were 'communicating with colleagues' and 'social isolation'. Pilots are currently running on collaborative working, alongside manager wellbeing referrals to support staff. As we move through recovery, to make sure there is support for all staff the council will be moving towards a 'best of both worlds' hybrid working model to build on previous flexible working arrangements, giving us all the benefits of physical as well as virtual collaboration. 95.4% of staff feel they could work efficiently in these new arrangements.

Following the introduction of the **apprenticeship levy** the council and maintained schools in Wiltshire have 316 new and upskilling apprentices. All grade D-F posts are considered for apprenticeships when recruited externally. A leadership development programme offers aspiring and developing managers the opportunity to complete accredited qualifications using levy funding. In addition, the council has 4.8% of its staff aged under 25, some of whom are employed as apprentices.

We have continued to develop the alignment of service responsibilities to roles at the top of the organisation to ensure joined up and effective working. Following the implementation of a single Chief Executive post, as a focal point of leadership for recovery from the impact of COVID-19, appointments at Tier 1 and Tier 2 of the organisation have been confirmed. Further work continues to ensure ongoing alignment and good succession planning.

The council continues to learn by seeking **best practice** both regionally and nationally and responding to the findings of external inspections such as CQC and Ofsted inspections.

The council has evaluated how well we have worked with our civil contingency partners in the response to (and recovery from) the events in south Wiltshire and will be doing the same for the pandemic given the significant implications for the county, council and partners.

Managers complete **annual appraisals** with their staff and use these to discuss behaviours, identify training and development needs, and develop plans to address these needs. Exit interviews also ensure the council learns is a learning organisation.

As well as the training provided as part of councillor induction a range of learning material is made available to councillors online via the Wiltshire Council **learning portal**, GROW.

How we can improve

Rollout training and awareness on decision making processes.

Continue to work with partners to complete a multi-agency evaluation of the response to the pandemic.

Principle F – Managing risks and performance through robust internal controls and strong public financial management

Managing risk and performance

Robust internal control and strong public financial management

A new [risk and performance management policy](#) was [agreed](#) in February 2019 to replace the previously separate Corporate Risk and Corporate Performance Strategies. In the last year service level risks have been identified through, and manage within the COVID-9 response structure. All services risks are scored on the same basis. Significant risks have been escalated to the top of that structure and owned by CLT. Three iterations of this register have replaced the Strategic Risk Register which has been mothballed during the COVID-19 response. The standard corporate risk process will be revived alongside a new corporate strategy with risks being linked to outcomes in the strategy. The Audit and Governance Committee monitor and review the effective development and operation of performance and risk management, receiving progress reports as required.

The Council is the administering authority for more than 180 employers through the Wiltshire Pension Fund, and the [Pension Committee](#) exercises its responsibilities in relation to investment management where it sets investment policy and appoints and monitors external investment managers. This has included participation in the Brunel Pension Partnership (as agreed by full council). The operation of a **Local Pension Board** continues, with the purpose of scrutinising the Council as Administrator for the Wiltshire Pension Fund and ensuring the efficient and effective governance of the pension scheme.

Wiltshire’s section 151 Officer or **Chief Finance Officer** has a statutory duty to ensure that the Council has a strong financial control environment, including an effective and independent Internal Audit function in accordance with the Accounts and Audit Regulations.

The main **changes in risk** during 2020/21 have been around the impact of the pandemic. The pandemic will have immediate and undoubtedly long lasting significant financial implications for Wiltshire’s economy, communities and residents as well as the Council itself. The magnitude and far reaching consequences of this unprecedented situation represents a significant governance issue for the Council, which will be addressed through the Council’s new Business Plan and the linked Organisational Recovery Plan.

The Senior Information Risk Owner’s **(SIRO) Annual Report**, outlines the significant work that has taken place to embed good practice and manage risk to ensure compliance across the Council.

How we can improve
Review how performance can be communicated to the public to deliver maximum openness and transparency.

Principle G - Implementing good practices in transparency, reporting and audit to deliver accountability

Assurance and effective accountability

Implementing good practices in transparency and reporting

The Council has independent external auditors (Deloitte) and SWAP Internal Audit Services, who provide an internal audit function, Wiltshire being the biggest partner. SWAP's internal audit plan is agreed by the [Audit and Governance Committee](#) and periodic update reports were considered by the Committee throughout 2020/21. Due to the significant changes to ways of working as a result of the response to the COVID-19 pandemic it was agreed by the Committee that the internal audit plan for 2020/21 would be considered on a flexible basis, due to the changing operations, risks and priorities for the council during the year. As at April 2021, SWAP Internal Audit completed 45 internal audit reviews, to draft and final report including significant high-risk areas e.g. Missing Children and ICT Cyber and Governance reviews. SWAP has worked closely with officers and the Audit & Governance Committee to follow up and monitor implementation of actions, in particular 3 reports where there was limited assurance (brokerage, accounts payable and procurement). SWAP has also supported the council in the emergency response by providing staff into joint teams to deliver the significant COVID-19 Business Grants to the business sector. This work has been carried out by specific members of the SWAP team to ensure no conflict with Internal Audit activity arose during the year. Overall SWAP assessed the Council's control environment as 'reasonable' with no significant issues raised.

The Council has been working with the **External Auditor** to agree an approach to drawing the outstanding accounts to conclusion. The Council accepted an 'except for' qualification for the 2018/19 and 2019/20 accounts associated with the queries associated with the historic balances within the revaluation reserve and the capital adjustment account. The Council has accepted a disclaimer of opinion for the 2019/20 accounts and has implemented various improvements and additional controls to address the deficiencies reported by the External Auditor. Details of the auditor's opinion can be found in the auditor's ISA260 report.*

There is a strong culture operating in the Council of acting to the highest standards. This is rooted in the behaviours expected of councillors and staff and upheld by the senior leaders. Where any resident feels the Council has not acted properly the Council has a **corporate complaints procedure**. The number of complaints received has fallen from previous years with 380 in 2020/21 (compared to 459 in 19/20, 588 in 18/19, 624 in 17/18 and 671 in 16/17). The Council receives at the end of July the [Annual Letter](#) of the Local Government and Social Care Ombudsman. There were 16 detailed investigations undertaken by the Ombudsman in the year ending 31 March 2021. The number of complaints upheld by the Ombudsman were 9. This compares with 19 (of 37) and 10 (of 19) in the previous two years. This is an uphold rate of 56% which is lower than the average rate of 63% for similar authorities. The council has complied with 100% of Ombudsman recommendations and in 11% of upheld cases the council had already provided a satisfactory remedy before the complaint was considered.

The ambitions set out in the **Local Code of Corporate Governance** are reviewed regularly and quarterly updates have been provided to the Audit and Governance Committee.

Overview and Scrutiny temporarily switched to a streamlined model during the pandemic, comprising a dedicated working group who met regularly with the Executive. The management committee continued to hold public meetings online, alongside regular briefings for select committee chairs. Reviews have also been carried out looking at climate change, the Families and Children Transformation Programme (FACT) and mental health services for children. An [Annual Report](#) sets out the activity in detail.

The Council complies with reporting requirements such as an [online structure chart](#) and senior salaries and expenses.

How we can improve

- Align organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes achieved.
- Review the Complaints Procedure alongside arrangements to report trends and learning.

* The above text has been amended since the AGS was approved by the Audit and Governance committee on 11 October 2021, to represent the correct audit opinion for the 2019/20 accounts. This amendment is being requested to be approved by that committee on 23 April 2024.

Statements to the Accounts

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Arrange for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the management of those affairs. In this Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates;
- complied with the Code of Practice.
- kept proper, up to date accounting records;
- taken reasonable steps to prevent and detect fraud and other irregularities;
- assessed the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Council will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Statement of the Chief Financial Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of Wiltshire Council at 31 March 2021 and of its income and expenditure for the year then ended.



Lizzie Watkin
Director of Finance and Procurement (S151 Officer)
Wiltshire Council
21 March 2024

Approval of the Statement of Accounts

[This statement added and be signed following the completion of the Audit.]

Councillor Iain Wallis
Chairman of the Audit and Governance Committee
TBA 2024

Independent Auditors' Report to the Members of Wiltshire Council

[This will be added following the completion of the Audit.]

KEY FINANCIAL STATEMENTS

Comprehensive Income & Expenditure Statement

This account shows expenditure on and income from the Council's day to day activities. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Council. This statement is shown in a statutory format. Details about how this ties back to the Council's regular budget monitoring reporting is shown in the Expenditure and Funding Analysis Statement.

	2020/2021			2019/2020 Restated ^{***}		
	Expenditure £000	Income £000	Net Expenditure £000	Expenditure £000	Income £000	Net Expenditure £000
General Fund Services						
ASC Operations - Access & Reablement	114,574	(56,272)	58,302	79,647	(25,020)	54,627
Learning Disability & Mental Health	86,075	(14,604)	71,471	83,354	(14,554)	68,800
Commissioning	72,446	(43,245)	29,201	81,790	(50,397)	31,393
Public Health	15,075	(16,287)	(1,212)	17,412	(15,654)	1,758
Digital & Information	18,166	(4,226)	13,940	17,512	(4,886)	12,626
Legal, Electoral & Registration	8,663	(1,871)	6,792	9,841	(4,155)	5,686
Family & Children Services	60,773	(4,536)	56,237	63,147	(5,523)	57,624
Education & Skills	257,027	(218,421)	38,606	265,790	(213,003)	52,787
Human Resources & Org Development	7,307	(2,141)	5,166	9,269	(2,169)	7,100
Economic Development & Planning	18,493	(8,406)	10,087	12,349	(8,169)	4,180
Highways & Environment	86,730	(15,172)	71,558	84,487	(19,597)	64,891
Housing & Commercial Development	31,662	(10,629)	21,033	29,421	(9,596)	19,825
Communities & Neighbourhood	54,918	(11,125)	43,793	51,497	(14,527)	36,970
Finance	99,474	(89,835)	9,639	96,981	(90,404)	6,577
Corporate Directors & Members	3,936	(23)	3,913	3,664	(14)	3,650
Corporate**	16,176	(38,570)	(22,394)	13,406	(2,943)	10,463
Housing Revenue Account (HRA)**	24,144	(27,198)	(3,054)	22,481	(26,827)	(4,346)
Net Cost of Service	975,640	(562,561)	413,079	942,048	(507,437)	434,611
Other Operating Expenditure	Note 3		39,013	Note 3		32,829
Financing and Investment Income and Expenditure**	Note 4		23,056	Note 4		29,403
Taxation and Non-specific Grant Income	Note 5		(503,494)	Note 5		(451,445)
(Surplus)/ Deficit on the Provision of Services			(28,346)			45,398
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets	Note 36		(32,599)	Note 36		(2,898)
Actuarial (Gains)/Losses on Pension Assets /Liabilities	Note 49		248,446	Note 49		(158,930)
Miscellaneous non-current Asset adjustments			(21)			0
Other Comprehensive Income and Expenditure			215,826			(161,828)
Total Comprehensive Income and Expenditure			187,480			(116,431)

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment

** 2019/2020 amounts have been restated to reflect the departmental restructure that occurred in 2020/21.

*** The 2019/2020 Corporate and HRA segments (expenditure and net expenditure) have been restated by £0.065 million and £0.526 million to reflect the reclassification of General Fund and HRA bad debt provisions now shown in the line Financial and Investment Income and Expenditure.

Movement in Reserves Statement

The Council maintains a number of reserves that are recorded on the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

	General Fund Balance* £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000 Note 31	Unusable Reserves £000 Note 35	Total Authority Reserves £000
Movement in reserves during 2020/2021								
Balance at 1 April 2020	(39,372)	(10,144)	(11,128)	(12,169)	(55,586)	(128,400)	(122,308)	(250,708)
Reporting of Schools Budget Deficit to new Adjustment Account at 1 April 2020**	(11,377)	0	0	0	0	(11,377)	11,377	0
Restatement of 1 April 2020 balances***	0	0	0	0	0	0	2,278	2,278
Restated Balance at 1 April 2020	(50,749)	(10,144)	(11,128)	(12,169)	(55,586)	(139,777)	(108,653)	(248,430)
Total Comprehensive Income and Expenditure	(27,002)	(1,344)	0	0	0	(28,346)	215,826	187,480
Adjustments between accounting basis and funding basis under regulations (note 14)	(58,758)	3,330	(338)	(8,024)	(18,017)	(81,807)	81,807	0
Net (Increase)/Decrease in 2020/2021	(85,760)	1,986	(338)	(8,024)	(18,017)	(110,153)	297,633	187,480
Balance at 31 March 2021	(136,509)	(8,158)	(11,466)	(20,193)	(73,603)	(249,929)	188,980	(60,949)
Movement in reserves during 2019/2020 Restated****								
Balance at 1 April 2019	(52,343)	(13,567)	(11,970)	(4,739)	(63,746)	(146,365)	12,088	(134,277)
Total Comprehensive Income and Expenditure*****	50,168	(4,770)	0	0	0	45,398	(161,828)	(116,431)
Adjustments between accounting basis and funding basis under regulations (note 14)*****	(37,197)	8,193	842	(7,430)	8,160	(27,432)	27,432	0
Net (Increase)/Decrease in 2019/2020	12,971	3,423	842	(7,430)	8,160	17,966	(134,396)	(116,431)
Balance at 31 March 2020	(39,372)	(10,144)	(11,128)	(12,169)	(55,586)	(128,400)	(122,308)	(250,708)

* The General Fund Balance is made up of the General Fund working balance and Earmarked Reserves. See Expenditure & Funding Analysis Statement for the summary of these balances and note 32 for the breakdown of the Earmarked Reserves.

** The Dedicated Schools Grant deficit balance as at 1 April 2020 has been reclassified as an Unusable Reserve (previously classified as an Earmarked Reserve in note 32) in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account'.

*** See footnote on notes 15, 23, 24, 36 and 37 for an explanation of this restatement.

**** For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

***** The General Fund and HRA columns for 2019/2020, lines 'Total Comprehensive Income and Expenditure' and 'Adjustments between accounting basis and funding basis under regulations (note 14)' have been restated by £0.336 million to correctly reflect a proportion of the pension net interest cost within HRA. Note: this restatement does not affect the balances as at 31 March 2020.

Balance Sheet

This statement summarises the Council's assets and liabilities as at 31 March for the years 2021 and 2020.

Consolidated Balance Sheet

	NOTES	31 March 2021		31 March 2020	1 April 2019
		£000	£000	Restated*	Restated*
				£000	£000
Property, Plant and Equipment	15				
Council Dwellings & Garages		322,448		299,258	305,740
Other Land and Buildings		328,360		332,089	345,211
Vehicles, Plant, Furniture and Equipment		6,786		7,387	6,165
Infrastructure		444,867		410,393	388,208
Community Assets		4,126		4,377	6,061
Assets Under Construction		54,346		63,360	50,673
Surplus Assets Not Held for Sale		3,465		4,550	8,634
			1,164,398	1,121,414	1,110,692
Investment Properties	23	23,217		23,099	23,452
Intangible Assets	24	17,724		14,244	1,985
Long Term Finance Lease Receivable	21	8,431		10,319	11,406
Long Term Debtors	26 & 30	18,974		9,487	6,403
			68,346	57,149	43,246
Total Long Term Assets			1,232,744	1,178,563	1,153,938
Current Assets					
Short Term Investments	30	142,468		79,820	102,277
Assets Held for Sale	25	5,275		8,477	8,427
Inventories		605		776	789
Short Term Debtors	26 & 30	108,197		60,979	50,531
Short Term Finance Lease Receivable	21	1,888		1,852	1,817
Cash and Cash Equivalents	27 & 30	6,480		8,623	6,703
Total Current Assets			264,913	160,527	170,544
Current Liabilities					
Short Term Creditors	28 & 30	(198,277)		(117,244)	(95,689)
Grants Receipts in Advance	28 & 30	(4,906)		(11,020)	0
Short Term Borrowing	30	(14,269)		(7,679)	(11,017)
Short Term PFI Creditors	22 & 30	(3,389)		(3,265)	(3,083)
Provisions	29	(6,130)		(4,506)	(3,596)
Total Current Liabilities			(226,971)	(143,714)	(113,385)
Long Term Liabilities					
Long Term PFI Creditors	22 & 30	(57,662)		(61,051)	(64,315)
Long Term Borrowing	30	(331,852)		(340,575)	(343,888)
Other Long Term Liabilities		(3,566)		(2,067)	(2,241)
Pension Fund Liability	38	(762,833)		(491,733)	(613,750)
Planning Deposits		(53,824)		(49,242)	(52,626)
Total Long Term Liabilities			(1,209,737)	(944,668)	(1,076,820)
Net Assets			60,949	250,708	134,277
Financed by					
Usable Reserves	31	(249,929)		(128,400)	(146,365)
Unusable Reserves	35	188,980		(122,308)	12,088
Total Reserves			(60,949)	(250,708)	(134,277)

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment



Lizzie Watkin
 Director of Finance and Procurement (S151 Officer)
 Wiltshire Council
 21 March 2024

Cash Flow Statement

This consolidated statement summarises the movement of cash between the Council and third parties for both capital and revenue purposes.

	NOTES	2020/2021 £000	2019/2020 Restated* £000
Net (surplus) or deficit on the provision of services		(28,346)	45,398
Adjustments to net surplus or deficit on the provision of services for non-cash movements	39	(118,667)	(132,612)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	39	77,955	68,646
Net cash flows from Operating Activities		(69,058)	(18,568)
Investing Activities	40	65,314	4,177
Financing Activities	41	5,887	12,471
Net decrease or (increase) in cash and cash equivalents		2,144	(1,920)
Cash and cash equivalents at the beginning of the reporting period		8,623	6,703
Cash and cash equivalents at the end of the reporting period	27	6,480	8,623

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

Expenditure & Funding Analysis Statement

This analysis shows how annual expenditure is used and funded from annual resources (government grants, rents, council tax and business rates) by the Council in comparison with the economic resources consumed or earned by the Council in accordance with generally accepted accounting practice. It shows how the expenditure is allocated for decision making purposes between the Council's services. Income and expenditure are shown more fully in the Comprehensive Income & Expenditure statement.

	2020/2021			2019/2020 Restated*		
	Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis (see note 13)	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis (see note 13)	Net Expenditure in the Comprehensive Income & Expenditure Statement
	£000	£000	£000	£000	£000	£000
General Fund Services						
ASC Operations - Access & Reablement	55,320	2,982	58,302	52,559	2,068	54,627
Learning Disability & Mental Health	70,206	1,265	71,471	67,544	1,256	68,800
Commissioning	28,567	634	29,201	28,907	2,486	31,393
Public Health	(1,710)	498	(1,212)	1,418	340	1,758
Digital & Information	10,872	3,068	13,940	10,230	2,396	12,626
Legal, Electoral & Registration	5,681	1,111	6,792	4,881	805	5,686
Family & Children Services	52,126	4,111	56,237	53,410	4,214	57,624
Education & Skills	11,243	27,363	38,606	24,266	28,521	52,787
Human Resources & Org Development	4,103	1,063	5,166	6,249	851	7,100
Economic Development & Planning	2,078	8,009	10,087	2,495	1,685	4,180
Highways & Environment	53,128	18,430	71,558	48,895	15,996	64,891
Housing & Commercial Development	14,614	6,419	21,033	15,542	4,283	19,825
Communities & Neighbourhood	33,759	10,034	43,793	32,628	4,342	36,970
Finance	7,867	1,772	9,639	5,441	1,136	6,577
Corporate Directors & Members	3,809	104	3,913	3,538	112	3,650
Corporate	4,841	(27,235)	(22,394)	19,274	(8,811)	10,463
Net Cost of Services General Fund	356,504	59,628	416,132	377,276	61,681	438,957
Housing Revenue Account (HRA)	(196)	(2,858)	(3,054)	(538)	(3,808)	(4,346)
Net Cost of Service	356,308	56,770	413,078	376,738	57,873	434,611
Other Operating Expenditure	24,252	14,761	39,013	21,702	11,127	32,829
Financing and Investment Income and Expenditure	11,596	11,461	23,057	14,319	15,084	29,403
Taxation and Non-Specific Grant Income	(475,928)	(27,566)	(503,494)	(396,365)	(55,080)	(451,445)
(Surplus)/ Deficit on the Provision of Services	(83,772)	55,426	(28,346)	16,394	29,004	45,398
Balance Summary						
Opening General Fund & HRA Balance at 1 April	(49,516)			(65,910)		
Reclassification of DSG Reserve to an Unusable Reserve***	(11,377)			0		
Add (Surplus)/ Deficit on General Fund & HRA Balances in Year	(83,772)			16,394		
Closing General Fund and HRA Balance at 31 March	(144,665)			(49,516)		

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** 2019/2020 amounts have been restated to reflect the departmental restructure that occurred in 2020/2021. In addition, the 2019/2020 Corporate and HRA segments in columns 'Net Expenditure Chargeable to General Fund and HRA Balances' and 'Net Expenditure in the Comprehensive Income & Expenditure Statement' have been restated by £0.065 million and £0.526 million to reflect the reclassification of General Fund and HRA bad debt provisions now shown in the line Financial and Investment Income and Expenditure.

*** The Dedicated Schools Grant deficit balance as at 1 April 2020 has been reclassified as an Unusable Reserve (previously classified as an Earmarked Reserve in note 32) in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account'.

Analysed between type of balance	General Fund	Earmarked Reserves	HRA	Total Balances
	£000	£000	£000	£000
Closing Balance at 31 March 2019	(15,100)	(37,243)	(13,567)	(65,910)
Add (Surplus)/Deficit in year 2019/2020	(356)	13,327	3,423	16,394
Closing balances at 31 March 2020	(15,456)	(23,916)	(10,144)	(49,516)
Reclassification of DSG Reserve to an Unusable Reserve*	0	(11,377)	0	(11,377)
Add (Surplus)/Deficit in year 2020/2021	(1,455)	(84,303)	1,986	(83,772)
Closing balances at 31 March 2021	(16,911)	(119,596)	(8,158)	(144,665)

The General Fund and earmarked reserves above add together to equal the General Fund balance in the Movement in Reserves Statement.

* The Dedicated Schools Grant deficit balance as at 1 April 2020 has been reclassified as an Unusable Reserve (previously classified as an Earmarked Reserve in note 32) in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account'.

Notes to the Core Financial Statements

Introduction to the Explanatory Notes

The Statement of Accounts summarises the Council's transactions for the 2020/2021 financial year and its position at the year-end of 31 March 2021. The Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 and the accounting policies are set out in Annex 1. For ease of reference, the notes to the core financial statement are grouped in functional areas.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Note 1a Revenue Outturn

In respect of net revenue outturn, the Council's 2020/2021 General Fund revised budget and actual spending figures were as below:

	Original Budget £m	Revised Budget £m	Actual £m	Difference £m
Total General Fund (a)	344.023	344.023	343.208	(0.815)
Funded by:				
Draw from General Fund reserves	0.000	0.000	0.000	0.000
Business Rates Retained	(56.600)	(56.600)	(57.240)	(0.640)
Council Tax	(260.830)	(260.830)	(260.830)	0.000
Social Care Levy	(23.893)	(23.893)	(23.893)	0.000
Collection Fund (Surplus)/Deficit Council Tax	(1.090)	(1.090)	(1.090)	0.000
Collection Fund (Surplus)/Deficit NNDR	(1.610)	(1.610)	(1.610)	0.000
Total Funding (b)	(344.023)	(344.023)	(344.663)	(0.640)
Movement on General Fund (a) + (b)	0.000	0.000	(1.455)	(1.455)

The overall underspend against the revised 2020/2021 budget was £1.455 million which was returned to General Fund reserves. More details about the Council's revenue spending on services are given in the narrative report, Financial and Performance Review, Comprehensive Income & Expenditure Statement, and subsequent notes.

Note 1b Expenditure and Income Analysed by Nature

Expenditure and income reflected in the Comprehensive Income & Expenditure Statement is analysed by nature below.

	2020/2021 £000	2019/2020 Restated* £000
Expenditure		
Employee expenses	281,129	281,890
Other services expenses	664,045	635,341
Depreciation, amortisation and impairment	44,205	42,172
Interest payments	16,823	16,855
Precept and levies	23,900	21,702
Loss on disposal of assets	13,689	9,894
Total Expenditure	1,043,791	1,007,854
Income		
Fees, charges and other service income	(565,214)	(509,956)
Interest and investment income	(3,383)	(1,141)
Movements in the market value of Investment Properties	(46)	86
Income from Council Tax and Business Rates	(373,945)	(356,395)
Government Grants and contributions	(60,117)	(42,286)
Other grants and contributions	(69,432)	(52,764)
Total Income	(1,072,137)	(962,456)
(Surplus) / Deficit on the Provision of Services	(28,346)	45,398

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment

Note 1c Income from Revenue Contracts

IFRS 15 (Revenue from Contracts with Customers) requires disclosure of income arising from contracts with service recipients. Most of the Council's income streams are outside of the scope of IFRS 15 as the majority of income that the Council receives/collects is government grants, council tax, retained business rates and pay as you go charges (e.g. car parking charges). The Council has reviewed the value of income covered by IFRS 15 and considers this to be an immaterial amount therefore no further disclosures are required.

Note 2 Exceptional Items

The COVID-19 pandemic has had a significant impact through shaping Council services and adversely impacting on Council's income streams, as well as impacting the local community and businesses.

In response the Government provided the Council with significant levels of COVID-19 related grants to support its own services, as well as administering grant payments to businesses. Where material these grants have been separately shown on the face of the Comprehensive Income and Expenditure Statement, and details disclosed in note 6 Grant Income.

Note 3 Other Operating Expenditure

Other operating expenditure includes the following items:

	2020/2021 £000	2019/2020 £000
Parish Council Precepts	23,900	21,702
Payments to the Government Housing Capital Receipts Pool	1,424	1,233
(Gains)/losses on the Disposal of Non-Current Assets	13,689	9,894
Total	39,013	32,829

Note 4 Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

	2020/2021 £000	2019/2020 Restated £000
Interest Payable and Similar Charges	16,823	16,855
Interest and Investment Income	(3,383)	(1,141)
Pension Interest Costs and Expected Return on Pension Assets	11,510	15,001
Income and Expenditure in Relation to Investment Properties	(2,146)	(1,986)
Financial Instruments Adjustments	126	(3)
Movements in the Market Value of Investment Properties	(46)	86
Increase/(decrease) in Debt Impairment*	173	591
Total	23,056	29,403

* £0.591 million 2019/2020 debt impairment (General Fund and HRA) previously reflected in net cost of services is now shown in Financing and Investment Income and Expenditure.

Note 5 Taxation and Non-specific Grant Income

The Council raises the following income in respect of Council Tax, Non-Domestic Rates ("NDR") and General Government Grants which are not attributable to specific services.

	2020/2021	2019/2020
	£000	£000
Council Tax Income	(280,356)	(268,627)
Collection Fund Surplus	(1,090)	(2,881)
Parish Council Precepts	(23,900)	(21,702)
Total Council Tax Income	(305,346)	(293,210)
General Government Grants	(60,117)	(42,286)
Business Rates Retention Scheme	(68,599)	(63,185)
Capital Grants and Contributions	(69,432)	(52,764)
Total	(503,494)	(451,445)

Note 6 Grant Income

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

	2020/2021	2019/2020
	£000	£000
Credited to Taxation and Non Specific Grant Income		
General Government Grants	(32,308)	(30,708)
Covid Grants (see breakdown below)	(27,809)	(11,578)
Business Rates Retention Scheme	(45,699)	(58,500)
Community Infrastructure Levy	(9,866)	(9,183)
Developer Contributions	(6,264)	(5,764)
Department For Education Grant	(5,319)	(4,496)
Department For Transport Grant	(34,596)	(19,544)
Department For Levelling Up Housing and Communities*	624	(6,687)
Ministry of Defence Contribution	0	(7,488)
Homes England	(4,897)	0
Department for Business, Energy and Industrial Strategy	(5,039)	0
Other Grants & Contributions	(4,361)	397
Total	(175,535)	(153,550)

* Previous name was Ministry of Housing, Communities & Local Government Grant.

	2020/2021 £000	2019/2020 £000
Credited to Services		
Dedicated Schools Grant	(188,575)	(178,567)
Public Health Grant	(17,343)	(16,903)
Pupil Premium Grant	(7,465)	(14,052)
Learning & Skills Council	(1,164)	(1,186)
Universal Infant Free School Meals	(3,719)	(3,743)
PFI	(7,541)	(7,541)
Housing Benefit & Council Tax Admin Grant	(1,386)	(1,356)
Housing Benefit Subsidy	(71,059)	(75,239)
Saillsbury Recovery	0	(150)
Other Schools Grants	(7,695)	(16,023)
Teacher Pension Grant Funding	(4,600)	(3,818)
Adult Social Care Transformation	(10,262)	0
Care Packages	0	(3,823)
Preventing Homelessness	(145)	(922)
Looked After Children (&PE & Sport Premium)	0	(2,376)
MOD Support Funding For Schools	(55)	(1,476)
Winter Pressures	0	(1,823)
Improved Better Care Fund & Better Care Fund	(5,677)	(13,182)
Integrated Community Equipment Service	(4,845)	(4,691)
Troubled Families Programme	(910)	(1,045)
Rough Sleepers Grant	(329)	0
Social Care Grant (Incl Independent Living Grant)	(2,883)	0
Other Social Care Grants	(3,808)	0
Elections	(238)	(1,810)
Arts Council	(635)	(620)
Transport (Public Transport & Road Safety)	(2,856)	(1,237)
Other Grants	(6,671)	(11,993)
Other Contributions	(2,649)	(3,625)
Unaccompanied Asylum Seekers	(1,581)	0
Donations	(468)	(861)
Covid Grants (see breakdown below)	(60,015)	0
Total	(414,574)	(368,062)
Total Grants, Contributions & Donations	(590,109)	(521,612)

During 2020/2021 the Council received a significant amount of Government grant to support businesses and individuals during the COVID-19 pandemic. The Council acted as an agent of Government and hence the grant income and subsequent payments to the recipients of the grants were accounted for on the Council's balance sheet. The balance sheet included the following grant amounts where the Council acted as an agent of Government:

	2020/2021 £000	2019/2020 £000
Credited to Balance Sheet (Council acting as an agent)		
Covid Small Business Grant Schemes (non discretionary)	(142,973)	0
Test & Trace	(464)	0
Total	(143,437)	0

A breakdown of COVID-19 grants is shown in the following table:

Breakdown of Covid Grants	2020/2021 £000	2019/2020 £000
Credited to Taxation and Non Specific Grant Income		
Covid 19 Response	(20,364)	(11,578)
Sales Fees & Charges Support	(7,119)	0
New Burdens Grants	(326)	0
Total Covid Grants	(27,809)	(11,578)
Credited to Services		
HMRC Furlough	(2,035)	0
Council Tax Hardship Grant	(3,222)	0
Business Support Grants	(21,303)	0
Emergency Food Grant	(411)	0
Hospital Discharge & Support Care Funding	(11,593)	0
Community Testing Grant	(101)	0
Winter Grant	(1,363)	0
Christmas Support Package	(307)	0
Wellbeing for Return to Education (Mental Health Grant)	(85)	0
Clinically Extremely Vulnerable Support	(520)	0
Adult Social Care Rapid Testing	(856)	0
Bus Services Support Grant	(1,179)	0
Local Outbreak Management Plan	(1,587)	0
Test & Trace	(280)	0
Additional School & College Transport Funding	(868)	0
Workforce Capacity Fund	(912)	0
Contain Outbreak Management Fund	(11,536)	0
Compliance & Enforcement	(202)	0
Schools - Covid Catch Up Grant	(1,297)	0
Exceptional Costs in Schools	(358)	0
Total Covid Grants	(60,015)	0

The Council received the following grants in relation to future years:

	2020/2021 £000	2019/2020 £000
Grants Receipts in Advance		
MOD Education Support Fund	0	(55)
Business Rates Support Grants	0	(10,751)
Early Years Professional Development Programme Grant Tranche 3	(7)	0
Adult Community Learning	(173)	0
Dedicated Home to School and College Transport	(237)	0
Covid Bus Services Support Grant - Restart Grant	(223)	0
Improved Better Care Fund	(4,112)	0
Holiday Activity Programme Fund	(154)	0
Sports England/Sports Council	(842)	0
Mental Health Grant	(20)	0
Learning Disabilities	(51)	0
Other Grants	(306)	(214)
Total	(6,125)	(11,020)

Note 7 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant ("DSG"). DSG is ringfenced and can only be applied to meet expenditure properly included in the schools budget, as defined in the School Finance and Early Years (England) (No 2) Regulations 2018. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual schools budget ("ISB"), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2020/2021 and 2019/2020 are as follows:

	Central Expenditure £000	Individual Schools Budget (ISB) £000	2020/2021 Total £000	2019/2020 Total £000
A Final DSG for year before academy and high needs recoupment			(375,432)	(351,062)
B Academy and high needs recoupedment			186,856	172,495
C Total DSG after academy and high needs recoupment			(188,576)	(178,567)
D Brought forward from previous year			11,350	2,073
E Agreed initial budget distribution	(70,016)	(107,210)	(177,226)	(176,494)
F In Year Adjustments	(539)	0	(539)	206
G Final budgeted distribution	(70,555)	(107,210)	(177,765)	(176,288)
H Less: actual central expenditure	89,272	0	89,272	80,891
I Less: actual ISB deployed to schools	0	107,210	107,210	106,747
J Carry forward as at 31 March	18,717	0	18,717	11,350

A: Final DSG figure before any amount has been recouped from the authority as published March 2021, excluding the January 2021 early years block adjustment.

B: Figure recouped from the authority in 2020/2021 by the DfE for the conversion of maintained schools into academies and for high needs payments made by ESFA.

C: Total DSG figure after academy and high needs recoupment for 2020/21, as published March 2021.

D: Figure brought forward from 2019/2020, positive or negative.

E: Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the schools forum.

F: Changes to the initial distribution, for example, adjustments for exclusions, or final early years block adjustment.

G: Budgeted distribution of DSG as at the end of the financial year.

H: Actual amount of central expenditure items in 2020/2021 amounts not actually spent.

I: Amount of ISB actually distributed to schools (ISB is regarded for DSG purposes as spent by the authority once it is deployed to school's budget shares). Note that budget shares include early years funding, sixth form funding and high needs place funding: they do not include high needs top-up funding which is treated as central expenditure.

J: Total carry-forward to following financial year.

Note 8 Pooled Budgets

Partnerships Schemes under S31 Health Act: Better Care Fund

The Better Care Fund ("BCF") is a programme spanning both the NHS and local government. It was created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with 'wraparound' fully integrated health and social care, resulting in an improved experience and better quality of life.

Wiltshire Council and Wiltshire CCG have entered into a formal arrangement from 1 April 2015 to deliver services via the Better Care Fund. The expenditure via the Better Care Fund was as follows:

	2020/2021	2019/2020
	£000	£000
Self Care, Self Support	1,860	1,449
Intermediate Care	13,874	14,240
Access, rapid response 7 day working	3,963	3,738
Care Bill	2,647	2,500
Protecting Social Care	16,871	18,913
Scheme Management	374	483
Social Care Capital	1,302	1,917
Integrated Community Equipment	3,620	5,354
Total Expenditure before return to partners	44,511	48,594
Return to Partners Wiltshire Council	11,304	2,984
Total Schemes	55,815	51,578

This was funded from income and grants as follows:

	2020/2021	2019/2020
	£000	£000
Wiltshire CCG BCF Contribution	(34,539)	(33,016)
Wiltshire Council BCF Contribution	(5,080)	(5,348)
Disabled Facilities Grant	(5,015)	(3,273)
Improved Better Care Fund	(9,941)	(8,118)
Winter Pressures Grant	0	(1,823)
Brought Forward Underspend from Previous Year	(1,240)	0
Total Income and Grants	(55,815)	(51,578)

Note 9 Members' Allowances

The Council paid the following amounts to Members of the Council:

Member's Allowances

	2020/2021	2019/2020
	£000	£000
Allowances	1,948	1,914
Expenses	8	74
Total	1,956	1,988

Note 10 Officers' Remuneration

The Council is required to disclose the number of employees who received taxable remuneration from Wiltshire Council in excess of £50,000 for the year. These figures include Wiltshire Council employees as well as teaching and non-teaching employees employed directly by Wiltshire Council Schools. The table below is based on full remuneration and not just salary.

Remuneration Band £	2020/2021 No. Employees	2019/2020 No. Employees
50,000 - 54,999	114	94
55,000 - 59,999	97	74
60,000 - 64,999	53	51
65,000 - 69,999	40	37
70,000 - 74,999	19	14
75,000 - 79,999	14	13
80,000 - 84,999	8	4
85,000 - 89,999	3	3
90,000 - 94,999	2	2
95,000 - 99,999	1	2
100,000 - 104,999	1	7
105,000 - 109,999	10	2
110,000 - 114,999	2	6
115,000 - 119,999	0	1
120,000 - 124,999	2	0
125,000 - 129,999	2	1
130,000 - 134,999	1	0
135,000 - 139,999	0	0
140,000 - 144,999	0	0
145,000 - 149,999	0	0
150,000 - 154,999	0	0
155,000 - 159,999	0	2
160,000 - 164,999	0	0
175,000 - 179,999	1	0
220,000 - 225,000	1	1
Total	371	314

Notes: Officers' remuneration includes compensation for loss of office (redundancy).

2020/2021 Remuneration for Senior Employees - Salary is £150,000 or more per year (Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2020/2021 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2020/21 £
Chief Executive (Head of Paid Service), Terence Herbert (Subnote A)	178,948	0	0	0	0	178,948	37,579	216,527
Chief Executive Officer - Place, Alistair Cunningham (Subnote B)	90,694	0	281	133,960	0	224,936	12,224	237,159
Total	269,642	0	281	133,960	0	403,883	49,803	453,686

Subnote A:

The Chief Executive - Head of Paid Service (statutory role) was appointed on 1st July 2020 with an annualised salary of £180,388. Prior to this the postholder was Chief Executive Officer - People (role discontinued) with an annualised salary of £174,626.

Subnote B:

Chief Executive Officer - Place had an annualised salary of £174,626. The Chief Executive Officer - Place left the employment of the Council on 31st July 2020 following a senior management restructure. The postholder received £133,960 as a severance payment and the role discontinued.

2019/2020 Remuneration for Senior Employees - Salary is £150,000 or more per year

(Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2019/2020 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2019/2020 £
						£		£
Executive Director - Adult Care, Public Health & Digital, Carlton Brand (Subnote 1)	159,084	0	0	120,727	0	279,811	25,675	305,486
Chief Executive Officer - Place, Alistair Cunningham (Subnote 2)	156,297	0	2,881	0	0	159,178	32,822	192,000
Chief Executive Officer - People, Terence Herbert (Subnote 3)	156,297	0	1,275	0	0	157,572	32,822	190,394
Total	471,678	0	4,156	120,727	0	596,561	91,319	687,880

Subnote 1:

Executive Director Adult Care, Public Health & Digital was appointed on 1 October 2019. The annualised salary for that post was £157,376. Prior to 1 October 2019, the post holder was Corporate Director, Growth, Investment & Place from 1 April 2019. The annualised Salary was £157,376. The executive Director Adult Care, Public Health & Digital left the employment of the Council on 1 January 2020 following a senior management restructure. The postholder received £120,727 as a severance payment.

Subnote 2:

Chief Executive Officer - Place was appointed on 13 January 2020. The annualised salary for this post was £169,952. Prior to this the postholder was Executive Director Growth, Investment and Place from 1 October 2019 and Corporate Director Growth, Investment & Place from 1 April 2019, both with an annualised salary of £152,496.

Subnote 3:

Chief Executive Officer - People was appointed on 13 January 2020. The annualised salary for that post was £169,952. Prior to this the postholder was Executive Director Children & Education from 1 October 2019 and Corporate Director Children & Education from 1st April 2019, both with an annualised salary of £152,496 (this role was a statutory role).

2020/2021 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2020/2021 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2020/2021 £
						£		£
Director Education & Skills - Chief Education Officer	106,103	0	0	0	0	106,103	22,282	128,385
Corporate Director People - Director for Children's Services and Director for Adult Services (Subnote C)	127,807	0	0	0	0	127,807	26,839	154,647
Corporate Director of Resources (Deputy Chief Executive & S151 Officer) (Subnote D)	127,331	0	0	0	0	127,331	26,739	154,070
Director Legal & Governance (Monitoring Officer) (Subnote E)	107,456	0	0	0	0	107,456	22,566	130,021
Corporate Director - Place (Subnote F)	113,820	0	0	0	0	113,820	23,902	137,722
Director Human Resources & Organisational Development	109,604	0	0	0	0	109,604	23,017	132,621
Director of Public Health (Subnote G)	102,771	0	0	0	0	102,771	7,383	110,155
Total	794,892	0	0	0	0	794,892	152,728	947,620

Subnote C:

Corporate Director People (two statutory roles) had an annualised salary at 31 March 2021 of £127,807. Prior to this the postholder was the Interim Corporate Director for People between 1st July 2020 to 28th March 2021 and before that the Director for Childrens Services from 1st April 2020 to 30th July 2020. Both of these previous roles had the same annualised salary of £127,807.

Subnote D:

Corporate Director of Resources & Deputy Chief Executive & S151 Officer (statutory role) was appointed on 29th March 2021 with an annualised salary of £127,807. Prior to this the postholder was the Interim Corporate Director of Resources with the same salary from 1st July 2020, and prior to this from 1st April 2020 the postholder was the Director of Finance & Procurement (role discontinued 30th June 2020) with an annualised salary of £125,902.

Subnote E:

Director Legal & Governance (Monitoring Officer) was appointed on 1 January 2021 with an annualised salary of £90,488 (part time). Prior to this the postholder was the Director Legal, Electoral & Registration from 1 April 2020 with an annualised salary of £113,111.

Subnote F:

Corporate Director - Place was appointed on 29 March 2021 with an annualised salary of £127,807. Prior to this the post holder was appointed the Interim Corporate Director Place & Environment from 23 November 2020 with the same salary and before this Director of Economic Development & Place (role discontinued) with an annualised salary of £106,103.

Subnote G:

Director of Public Health was appointed on 13 October 2020 with an annualised salary of £106,103. Prior to this the post holder was the Acting Director Public Health from 1 June 2020 with the same salary. Prior to this the postholder was a Public Health Consultant with an annualised salary of £82,404.

2019/2020 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2019/2020 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2019/2020 £
Director Education & Skills - Chief Education Officer (Subnote 4)	101,560	0	2,313	0	0	103,873	21,327	125,200
Director for Children's Services (Subnote 5)	108,099	0	742	0	0	108,841	22,701	131,542
Director, Finance & Procurement (S151 Officer) (Subnote 6)	10,211	0	0	0	0	10,211	2,144	12,355
Director, Legal, Electoral & Registration (Monitoring Officer) (Subnote 7)	110,084	0	163	0	0	110,247	23,118	133,365
Director Human Resources & Organisational Development (Head of Paid Services)	103,263	0	0	0	0	103,263	21,685	124,948
Total	433,217	0	3,218	0	0	436,435	90,975	527,410

Subnote 4:

Director Education & Skills (which is a required statutory role) had annualised salary as at 31 March 2020 of £103,263, an increase from 1 October 2019 when the annualised salary was £99,856.

Subnote 5:

Director of Children's Services (statutory role) was appointed on 2 March 2020 with an annualised salary of £124,386. Prior to this the postholder was Director Families & Children with an annualised salary of £106,761. The statutory role prior to 2 March 2020 was carried out by the Executive Director Children & Education from 1 October 2019 and Corporate Director Children & Education from 1 April 2019 both with an annualised salary of £152,496.

Subnote 6:

Director Finance & Procurement started 1 March 2020 with an annualised salary of £122,532. Prior to this the role was filled on an interim basis pending recruitment of a new permanent postholder. The amounts paid to the agency for these staff is as follows:

- Interim Director, Finance & Procurement 1 (April 2019 – October 2019) £153,709; and
- Interim Director, Finance & Procurement 2 (November 2019 – March 2020) £106,479.

Subnote 7:

Director Legal, Electoral & Registration started on 1 October 2019 and prior to this from 1 April 2019 was Director Legal & Democratic Services, both with an annualised salary of £110,084.

Additional disclosure:

The statutory role of Director of Adults Services was undertaken by the Executive Director, Adult Care, Public Health & Digital until his departure. The role was then held from January to March by an agency staff. The amount paid to the agency for this staff member was as follows:

- Interim Director of Adults (January 2020 to March 2020) £44,525.

Exit Packages

Exit packages include all benefits provided in relation to the termination of employment. These include redundancy payments, pay in lieu of notice and pension strain. The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

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	
	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
	£		£		£		£	
0 - 20,000	9	3	66	87	75	90	468,061	323,690
20,001 - 40,000	1	0	19	4	20	4	535,831	99,263
40,001 - 60,000	0	0	5	0	5	0	238,675	208,201
60,001 - 80,000	0	0	0	4	0	4	0	0
80,001 - 100,000	0	0	1	2	1	2	80,648	164,673
100,001 - 150,000	0	0	1	1	1	1	120,727	133,960
Total	10	3	92	98	102	101	1,443,942	929,788

In 2020/2021 there were 25 exit packages relating to schools, with a value of £114,326.

Note 11 External Audit Fees

Wiltshire Council incurred the following fees in respect of external audit and statutory inspection in accordance with the Local Audit & Accountability Act 2014.

	2020/2021 £000	2019/2020 £000
Fees payable for external audit services carried out by the appointed auditor	129	129
Fees payable for the certification of grant claims and returns	47	24
Total	176	153

Note 12 Related Parties

The Council is required to disclose material transactions with related parties. Related parties are persons or entities that are related to Wiltshire Council. A related party transaction is a transfer of resources or obligations between a reporting entity (Wiltshire Council) and a related party, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

UK Central Government - has significant influence over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Details of grant income are shown in note 6.

Members of the Council - have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2020/2021 is shown in note 9. If a Member declares an interest in a transaction which involves the Council, these transactions are recorded in the Register of Members' Interests, open to public inspection at County Hall, Trowbridge. The register has been reviewed and Members have not disclosed any material transactions with related parties.

Officers - under the requirements of the Local Government Act 2000, the Council has developed a Code of Conduct for officers and established a Register of Officers interests. This Register of interests has been reviewed and no material transactions have been discovered.

Wiltshire Pension fund - In 2020/2021 the Council charged the fund £1.804 million (£1.818 million in 2019/2020) for expenses incurred in administering the fund.

Entities Controlled or Significantly Influenced by the Council – The related party transactions involving entities controlled or significantly influenced by the Council in 2020/2021 are shown below.

Stone Circle Group of Companies

The Council has dominant control of the group of companies by virtue of being 100% shareholder in Stone Circle Holding Company, which in turn is the 100% shareholder in Stone Circle Development Company Ltd and Stone Circle Housing Company Ltd. Council Members and Officers occupy all director positions within all three companies, thereby have guaranteed majority voting rights. For the financial year ending 31 March 2021, the Directors of the three companies were as follows:

- A R Cunningham
- N Samuels (appointed 17 August 2020)
- J C Terry
- Councillor I L Thorn
- Councillor B A Wayman
- Councillor R J Clewer (resigned 20 May 2021)
- C Tasker (resigned 3 February 2020)

The Council has control of the group of companies by virtue of being 100% shareholder in Stone Circle Holding Company, which in turn is the 100% shareholder in Stone Circle Development Company Ltd and Stone Circle Housing Company Ltd. In addition, Council Members and Officers occupy all director positions within all three companies, thereby have guaranteed majority voting rights. Due to the immaterial transactions and balances in 2019/2020 and 2020/2021 [once intercompany balances have been eliminated], the Council has not produced produce group accounts.

Note 13 Note to the Funding Analysis

Adjustments to General Fund to add Expenditure or Income not Chargeable to taxations or rents and remove items which are only chargeable under statute as in the table below.

	2020/2021			
	Adjustments for Capital Purposes (Note 13a)	Net change for the Pension Adjustments (Note 13b)	Other Differences (Note 13c)	Total Adjustments
	£000	£000	£000	£000
General Fund Services				
ASC Operations - Access & Reablement	455	2,508	19	2,982
Learning Disability & Mental Health	(13)	1,271	7	1,265
Commissioning	0	620	14	634
Public Health	15	484	(1)	498
Digital & Information	1,929	1,155	(16)	3,068
Legal, Electoral & Registration	48	1,054	9	1,111
Family & Children Services	386	3,715	10	4,111
Education & Skills	13,769	5,280	8,314	27,363
Human Resources & Org Development	9	1,055	(1)	1,063
Economic Development & Planning	6,533	1,472	4	8,009
Highways & Environment	16,859	1,572	(1)	18,430
Housing & Commercial Development	5,694	1,134	(409)	6,419
Communities & Neighbourhood	6,987	3,053	(6)	10,034
Finance	0	1,782	(10)	1,772
Corporate Directors & Members	0	102	2	104
Corporate	(11,491)	(15,746)	2	(27,235)
Housing Revenue Account (HRA)	(3,517)	633	26	(2,858)
Net Cost of Service	37,663	11,144	7,963	56,770
Other operating Expenditure	13,338	0	1,423	14,761
Financing and Investment Income and Expenditure	(46)	11,510	(3)	11,461
Taxation and non-specific grant income	(69,433)	0	41,867	(27,566)
(Surplus)/ Deficit	(18,478)	22,654	51,250	55,426

	2019/2020 Restated*/**			
	Adjustments for Capital Purposes (Note 13a) £000	Net change for the Pension Adjustments (Note 13b) £000	Other Differences (Note 13c) £000	Total Adjustments £000
General Fund Services				
ASC Operations - Access & Reablement	349	1,706	13	2,068
Learning Disability & Mental Health	278	984	(5)	1,256
Commissioning	2,055	433	(2)	2,486
Public Health	0	360	(20)	340
Digital & Information	1,511	864	21	2,396
Legal, Electoral & Registration	66	732	7	805
Family & Children Services	1,467	2,722	25	4,214
Education & Skills	24,623	3,587	311	28,521
Human Resources & Org Development	24	827	0	851
Economic Development & Planning	616	1,061	8	1,685
Highways & Environment	14,845	1,141	10	15,996
Housing & Commercial Development	3,484	792	7	4,283
Communities & Neighbourhood	1,901	2,410	31	4,342
Finance	133	1,349	(346)	1,136
Corporate Directors & Members	0	113	(1)	112
Corporate	(10,992)	2,393	(212)	(8,811)
Housing Revenue Account (HRA)	(4,257)	438	11	(3,808)
Net Cost of Service	36,103	21,912	(143)	57,873
Other operating Expenditure	11,127	0	0	11,127
Financing and Investment Income and Expenditure	86	15,001	(3)	15,084
Taxation and non-specific grant income	(52,764)	0	(2,316)	(55,080)
(Surplus)/ Deficit	(5,448)	36,913	(2,462)	29,004

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** 2019/2020 amounts have been restated to reflect the departmental restructure that occurred in 2020/21.

Note 13a Adjustments for Capital Funding and Expenditure Purposes

These adjustments are made to the General Fund Balances to meet the requirements of generally accepted accounting practices. For services, this column includes adjustments for depreciation, impairment and revenue funded by capital. In other operating expenditure this adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Note 13b Net changes for the removal of Pension Contributions and the addition of Pension (IAS 19) related Expenditure and Income

Net changes for the removal of pension contribution and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as permitted by statute and the replacement with current service costs and past service costs.

Note 13c Other Differences

Other differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. These include adjustments for accumulated absences, PFI service charges and items reported to members but not included in statutory net cost of service (e.g. general government grants, movement on reserves and interest).

Note 14 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2020/2021 Adjustments	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(17,673)	(12,024)	0	0	0	29,697
Charges for impairment/ revaluations of plant, property and equipment	(11,659)	(2,048)	0	0	0	13,707
Movements in the market value of Investment Properties	46	0	0	0	0	(46)
Amortisation of intangible assets	(801)	0	0	0	0	801
Revenue expenditure funded from capital under statute	(25,149)	0	0	0	0	25,149
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(19,243)	(2,617)	0	0	0	21,860
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	(1,881)	0	0	0	0	1,881
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	14,898	0	0	0	0	(14,898)
Voluntary provision for the financing of capital investment		1,000	0	0	0	(1,000)
Capital expenditure charged against the General Fund and HRA balances	1,084	4,562	0	0	0	(5,646)
Adjustments primarily involving the Major Repairs Reserve						
Amount transferred to reserve during the year	0	12,027	0	(12,027)	0	0
Financing of Capital Expenditure in the year	0	0	0	4,003	0	(4,003)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	68,603	829	0	0	(69,432)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	51,415	(51,415)
Adjustments primarily involving the Capital Receipts Reserve:						
Capital receipts received for the sale of non-current assets reflected as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5,993	2,530	(8,523)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	3,583	0	0	(3,583)
Use of the Capital Receipts Reserve to finance repayment of HRA debt	0	0	3,000	0	0	(3,000)
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(723)	(23)	746	0	0	0
Payments to the Government - Returned 141 receipts (funded by a transfer from the Capital Receipts Reserve)	(1,060)	0	1,060	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	359	0	(204)	0	0	(155)
Adjustment primarily involving the Financial Instruments Adjustments Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	426	0	0	0	0	(426)
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 49)	(21,750)	(904)	0	0	0	22,654
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(4,366)	0	0	0	0	4,366
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(37,501)	0	0	0	0	37,501
Adjustment primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,020)	(3)	0	0	0	1,023
Adjustment primarily involving the DSG						
Transfer of DSG Deficit	(7,341)	0	0	0	0	7,341
Total Adjustments	(58,758)	3,330	(338)	(8,024)	(18,017)	81,807

2019/2020 Adjustments Restated*	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Restated Total Unusable Reserves
	£000	£000	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(22,235)	(12,232)	0	0	0	34,467
Charges for impairment/ revaluations of plant, property and equipment	(7,276)	0	0	0	0	7,276
Movements in the market value of Investment Properties	(86)	0	0	0	0	86
Amortisation of intangible assets	(429)	0	0	0	0	429
Revenue expenditure funded from capital under statute	(21,393)	0	0	0	0	21,393
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(24,056)	(1,719)	0	0	0	25,775
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	(1,581)	0	0	0	0	1,581
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	12,552	0	0	0	0	(12,552)
Capital expenditure charged against the General Fund and HRA balances	0	4,257	0	0	0	(4,257)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	52,764	0	0	0	(52,764)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	60,924	(60,924)
Adjustments primarily involving the Capital Receipts Reserve:						
Capital receipts received for the sale of non-current assets reflected as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	9,442	6,440	(15,882)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	7,695	0	0	(7,695)
Use of the Capital Receipts Reserve to finance repayment of HRA debt	0	0	8,000	0	0	(8,000)
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(1,233)	0	1,233	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	215	0	(204)	0	0	(11)
Adjustment primarily involving the Major Repairs Reserve						
Posting of HRA resources from revenue to the Major Repairs Reserve	0	12,232	0	(12,232)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure and depreciation	0	0	0	4,802	0	(4,802)
Adjustment primarily involving the Financial Instruments Adjustments Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	351	0	0	0	0	(351)
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 49)**	(36,139)	(774)	0	0	0	36,913
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,370)	0	0	0	0	2,370
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	4,686	0	0	0	0	(4,686)
Adjustment primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(409)	(11)	0	0	0	420
Total Adjustments	(37,197)	8,193	842	(7,430)	8,160	27,432

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** The General Fund and HRA columns for 2019/2020 comparatives on line 'Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 49)' have been restated by £0.336 million to correctly reflect a proportion of the pension net interest cost within HRA.

BALANCE SHEET NOTES RELATING TO CAPITAL

Note 15 Property, Plant and Equipment (“PPE”)

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

The tables below provide a reconciliation from the carrying amount of PPE at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Other Property, Plant and Equipment 2020/2021	Council Dwellings & Garages inc land £000	Other Land & Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Assets under Construction £000	Surplus Assets £000	Total Other Property, and Plant & Equipment £000
Cost or Valuation							
Opening Balance 1 April 2020	297,873	344,049	26,552	4,376	63,298	4,551	740,699
Restated balance at start of the year*	3,205	2,739	194	(19)	(13)	(1)	6,105
Restated Opening Balance 1 April 2020	301,078	346,788	26,746	4,357	63,285	4,550	746,804
Additions	10,517	6,149	1,823	0	55,172	0	73,661
Derecognition - Disposals	(2,814)	(13,400)	(2,991)	(484)	0	0	(19,689)
Revaluation increases/ (decreases) recognised in Revaluation reserve	11,759	85,534	0	(189)	0	40	97,144
Revaluation increases/ (decreases) recognised in Surplus/ Deficit on provision of services	(973)	(103,078)	0	3	0	87	(103,961)
Category Adjustments & other movements	2,881	18,667	78	439	(64,111)	(1,212)	(43,258)
At 31 March 2021	322,448	340,660	25,656	4,126	54,346	3,465	750,701
Depreciation and Impairments							
Opening Balance 1 April 2020	1,385	(11,960)	(19,165)	1	62	(1)	(29,678)
Restated balance at start of the year*	(1,470)	(6,587)	(190)	(1)	(62)	1	(8,309)
Restated Opening Balance 1 April 2020	(85)	(18,547)	(19,355)	0	0	0	(37,987)
Depreciation	(12,024)	(8,152)	(2,159)	0	0	(145)	(22,480)
Accumulated depreciation written back on derecognition of assets	197	172	2,644	0	0	0	3,013
Revaluation losses/Impairment recognised in the surplus/deficit on provision of services, and depreciation written out to the surplus/deficit on provision of services on revaluation	(1,075)	91,805	0	0	0	99	90,829
Revaluation losses/Impairment recognised in the revaluation reserve, and depreciation written out to the revaluation reserve on revaluation	12,987	(77,578)	0	0	0	46	(64,545)
Category Adjustments & other movements	0	0	0	0	0	0	0
At 31 March 2021	0	(12,300)	(18,870)	0	0	0	(31,170)
Net Book Value at 31 March 2021	322,448	328,360	6,786	4,126	54,346	3,465	719,531
Net Book Value at 31 March 2020	300,993	328,241	7,391	4,357	63,285	4,550	708,817

* A review of the Council's fixed asset register has been undertaken and as a result the following adjustments have been made to the 2020/21 opening balances. 2019/2020 comparative has not been adjusted due to the immaterial amounts.

Cost or Valuation	£000
Add assets owned/controlled by the Council:	
- Council Dwellings (Shared Ownership)	1,735
- Other Land and Buildings (DIYSO)	1,040
Delete assets no longer owned/controlled by the Council:	
- Other Land & Buildings	(5,880)
- Community Assets	(21)
- Assets Under Construction	(1,644)
Reclassification of Assets Under Construction to REFCUS	1,568

	£000
Adjustments to reconcile to fixed asset records:	
- Council Dwellings	1,470
- Other Land & Buildings	7,579
- Vehicles, Plant and Equipment	194
- Community Assets	2
- Assets under Construction	63
- Surplus Assets	(1)
Total	6,105
Depreciation and Impairments	£000
Delete assets no longer owned/controlled by the Council:	
- Other Land & Buildings	977
Adjustments to reconcile to fixed asset records:	
- Council Dwellings	(1,470)
- Other Land & Buildings	(7,564)
- Vehicles, Plant and Equipment	(190)
- Community Assets	(1)
- Assets under Construction	(62)
- Surplus Assets	1
Total	(8,309)

Other Property, Plant and Equipment 2019/2020 Restated	Council Dwellings & Garages inc land £000	Other Land & Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Assets under Construction £000	Surplus Assets £000	Total Other Property, and Plant & Equipment £000
Cost or Valuation							
Opening Balance 1 April 2019	305,858	366,267	26,149	6,061	50,673	8,935	763,943
Restated balance at start of the year*	0	(4,271)	0	0		0	(4,271)
Restated balance at start of the year**	0	2,817	0	0	0	0	2,817
Restated balance at start of the year***	(1,588)	(6,288)	0	0	0	0	(7,876)
Restated Opening Balance 1 April 2019	304,270	358,525	26,149	6,061	50,673	8,935	754,613
Additions	9,854	11,920	3,544		52,903		78,221
Derecognition - Disposals****	(1,538)	(18,030)	(3,254)	(689)		(125)	(23,636)
Revaluation increases/ (decreases) recognised in Revaluation reserve*/**/***/****	(14,343)	11,295	(119)	(840)	10	0	(3,997)
Revaluation increases/ (decreases) recognised in Surplus/ Deficit on provision of services*/**/***/****	(192)	(26,915)	28	(192)	0	0	(27,271)
Category Adjustments & other movements****	(178)	7,254	204	36	(40,288)	(4,259)	(37,231)
At 31 March 2020	297,873	344,049	26,552	4,376	63,298	4,551	740,699
Depreciation and Impairments							
Opening Balance 1 April 2019	(118)	(19,446)	(19,984)	0	0	(301)	(39,849)
Restated balance at start of the year*	0	2,661	0	0	0	0	2,661
Restated balance at start of the year**	0	(2,817)	0	0	0	0	(2,817)
Restated balance at start of the year***	1,588	6,288	0	0	0	0	7,876
Restated Opening Balance 1 April 2019	1,470	(13,314)	(19,984)	0	0	(301)	(32,129)
Depreciation*	(12,229)	(12,145)	(2,268)				(26,642)
Accumulated depreciation written back on derecognition of assets****	0	2,023	3,072	1	0	0	5,096
Revaluation losses/Impairment recognised in the surplus/deficit on provision of services, and depreciation written out to the surplus/deficit on provision of services on revaluation*/**/***/****	83	20,177	(28)	0	62	0	20,294
Revaluation losses/Impairment recognised in the revaluation reserve, and depreciation written out to the revaluation reserve on revaluation*/**/***/****	12,061	(8,692)	43	0	0	0	3,412
Category Adjustments & other movements****	0	(9)	0	0	0	300	291
At 31 March 2020	1,385	(11,960)	(19,165)	1	62	(1)	(29,678)
Net Book Value at 31 March 2020*	299,258	332,089	7,387	4,377	63,360	4,550	711,021
Net Book Value at 31 March 2019*	305,740	345,211	6,165	6,061	50,673	8,634	722,484

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** 2019/2020 amounts have been restated to reflect that the removal of revaluation losses that were incorrectly classified as impairment losses have been actioned twice. Asset values have not changed, the restatement is presentational only.

Cost or Valuation

- Opening Balance at 1 April 2019, other land and buildings increased by £2,871 million.
- Revaluation increases/ (decreases) recognised in revaluation reserve, other land and buildings increased by £0.113 million.
- Revaluation increases/ (decreases) recognised in surplus/ deficit on provision of services, other land and buildings decreased by £0.314 million.

Depreciation and Impairments

- The entries are the opposite of the above.

*** 2019/2020 amounts have been restated to reflect the write out of accumulated depreciation associated with revaluation losses that were incorrectly classified as impairment losses, and therefore should have been subsequently written out in the year when a revaluation occurred. Asset values have not changed, the restatement is presentational only.

Cost or Valuation

- Opening Balance at 1 April 2019, council dwellings and other land and buildings reduced by £1.588 million and £6.288 million, respectively.
- Revaluation increases/ (decreases) recognised in revaluation reserve, other land and buildings increased by £0.716 million.
- Revaluation increases/ (decreases) recognised in surplus/ deficit on provision of services, other land and buildings decreased by £2.013 million.

Depreciation and Impairments

- The entries are the opposite of the above.

**** As a consequence of the correction described above [***], PPE amounts written out through disposals and category transfers needed restating. Asset values have not changed, the restatement is presentational only.

Cost or Valuation

- Derecognition – disposals, other land and buildings, and community assets decreased by £3.177 million and £0.009 million, respectively.
- Revaluation increases/ (decreases) recognised in revaluation reserve, other land and buildings decreased by £0.014 million.
- Revaluation increases/ (decreases) recognised in surplus/ deficit on provision of services, other land and buildings increased by £0.085 million.
- Category adjustments and other movements, other land and buildings increased by £0.009 million.

Depreciation and Impairments

- The entries are the opposite of the above.

The table below provides a reconciliation from the carrying amount of Infrastructure at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Infrastructure Assets	2019/2020	2020/2021
	£000	£000
Net Book Value [Modified Historical Cost] at 1 April	388,208	410,393
Additions	922	2,328
Depreciation	(7,825)	(7,215)
Impairment	0	0
Revaluation	0	0
Derecognition [Disposals & Decommissioning]	0	0
Category Adjustments & Other Movements	29,088	39,361
Net Book Value [Modified Historical Cost] at 31 March	410,393	444,867

The table below provides a summary of carrying amounts of other PPE assets and infrastructure assets, and a total for property, plant and equipment assets.

Net Book Value	31 March 2020	31 March 2021
	Restated £000	£000
Infrastructure Assets	410,393	444,867
Other Property, Plant and Equipment Assets	708,817	719,531
Total Property, Plant and Equipment Assets	1,119,210	1,164,398

Capital Commitments

At 31 March 2021, the Council had entered into contracts for the construction and enhancement of property, plant and equipment in 2021/22 and future years. The significant commitments are as follows:

Capital Commitments	As at 31 March	As at 31 March
	2021	2020
	£000	£000
Campuses	16,639	4,252
Economic Development	1,493	5,626
Education	6,019	8,967
Highways	7,643	8,036
Housing	8,718	27,816
ICT	1,106	1,205
Other	181	432
Property	2,470	1,718
Ultrafast Broadband	1,268	2,638
Total	45,537	60,690

Note 16 Information about Depreciation Methodologies

All depreciation applied is on a straight-line basis using the following standard useful lives. Useful lives are re-set to standard upon revaluation.

- Council Dwellings including Garages are depreciated over a useful life of 30 years.
- Other Land and Buildings are depreciated over a useful life of 50 years. Land is not depreciated.
- Vehicles, Plant and Equipment are depreciated over a standard period of 5 years unless more specific information has been obtained by the service operating the assets.
- Community Assets, Assets under Construction and Non-operational Assets are not depreciated.
- Infrastructure. With effect from 1 April 2020 Bridges and Drainage assets are depreciated over a useful life of 120 years. Roads, Traffic Signals and Street Lights are depreciated over a useful life of 30 years. Infrastructure assets spend that were recorded on the balance sheet prior to 1 April 2020 are depreciated with a weighted average useful life of 60 years.

The total depreciation charged to tangible Property Plant and Equipment fixed assets for 2020/2021 is £29.697 million (£34.467 million in 2019/2020).

Note 17 Capital Expenditure and Capital Financing

Over the page is the financing of the year's capital expenditure on fixed assets and revenue expenditure funded from capital under statute. This shows the Council's overall capital financing requirement for General Fund and HRA – the underlying amount of borrowing the Council has incurred on its capital investment.

	31 March 2021 £000	31 March 2020 £000
Opening Capital Financing Requirement	546,176	533,628
Restated balance at start of the year*	(202)	0
Restated Opening Capital Financing Requirement	545,974	533,628
Capital Investment		
Plant Property & equipment Assets	75,989	79,143
Investment Properties	273	101
Intangible assets	4,359	8,560
Revenue Expenditure Funded from Capital under Statute**	23,581	21,393
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	1,881	1,580
Loan to subsidiary company	3,160	0
Write-down of Finance Lease Receivable	1,852	1,817
	111,095	112,594
Sources of Finance		
Government Grants	(51,415)	(60,924)
Major Repairs Reserve	(4,004)	(4,802)
Capital Receipts	(5,436)	(9,511)
Assets purchased through Revenue (inc HRA)	(5,646)	(4,257)
Minimum Revenue Provision	(11,633)	(8,959)
Voluntary Revenue Provision	(1,000)	(12)
Minimum Revenue Provision - PFI Schemes	(3,265)	(3,581)
Use of capital receipts reserve to finance HRA debt repayment	(3,000)	(8,000)
	(85,398)	(100,046)
Closing Capital Financing Requirement	571,672	546,176
Explanation of Movements in the Year		
Increase / (decrease) in underlying need to borrow	25,698	12,548
Increase / (decrease) in Capital Financing Requirement	25,698	12,548

* The restatement of 1 April 2020 balances relates to capital expenditure previously recognised in capital financing requirement that needs deducting to avoid overstating the closing balance.

** The 2020/2021 amount has been reduced by £1.569 million to reflect the amount reclassified from Assets Under Construction (see note 15). The deduction is needed to avoid overstating the closing capital financing requirement because this amount was reflected in the capital financing requirement in 2019/2020.

Note 18 Fixed Asset Valuation

Assets classified as Land & Buildings, excluding County Farms, are revalued as part of the Council's rolling programme for the revaluation of fixed assets. The valuations are carried out by an external valuer, Avison Young (UK) Limited.

County Farms were most recently revalued in 2018/2019 by a qualified external valuer.

The basis for valuation is set out in the statement of accounting policies.

The assets revalued during 2020/21 include:

- Offices, Stores & Depots.
- Leisure Centres.
- Libraries.
- Youth Centres.
- Surplus Assets Not Held for Sale.
- Assets held for Sale.
- HRA and General Fund Housing Stock including Garages.
- Investment Properties.
- Any new assets acquired or constructed during 2020/2021 or significantly altered.

All other assets will be revalued over the coming years as part of the Council's 3-year rolling programme; but have been revalued within a maximum 5-year period as dictated in the code of practice. The Council is not aware of any material change in the value of the remaining assets that were not revalued in 2020/21.

The following table shows the split of the certified valuations for Property plant and equipment across the financial years.

	Council Dwellings & Garages inc land £000	Other Land & Buildings £000	Vehicles, Plant and Equipment £000	Infra-structure £000	Community Assets £000	Assets under Construction £000	Surplus Assets £000	Total Property, and Plant & Equipment £000
Valued at historical cost	0	0	6,785	444,865	0	54,345	0	505,995
Valued at current value in:								
2020/2021	322,448	141,664	0	0	426	0	3,465	468,003
2019/2020	0	67,983	0	0	3,700	0	0	71,683
2018/2019	0	118,669	0	0	0	0	0	118,669
2017/2018	0	18	0	0	0	0	0	18
Book Value at 31 March 2021	322,448	328,334	6,785	444,865	4,126	54,345	3,465	1,164,368

Schools Assets

During the 2020/2021 financial year any schools that became Academy schools have had their assets removed from the Balance Sheet. This is shown as a derecognition in the note for Property plant and equipment above. The Council does not recognise Academy, Voluntary Controlled and Voluntary Aided schools in its financial statements. This is except for playing fields for Voluntary Controlled and Voluntary Aided schools which the Council is required to provide.

Components and effect on depreciation

The Council complies with the IFRS requirement to componentise its property assets. Components have been applied to material items in PPE in accordance with the IFRS Code of practice.

All assets with a value over £2 million de-minimis value have been split into the following components and disclosed in the Balance Sheet and fixed assets notes:

- Structure – the fabric of the building.
- Services – e.g. Lifts and other electrical or other services.
- Fittings – internal fittings, Kitchens, doors etc.
- Externals – landscaping, car parking etc.

In addition, all the remaining useful lives are reassessed by the internal property team. This means that services are shown separately from the structure within the plant and equipment, and services typically have a considerably shorter remaining useful life than the structure of the building.

Note 19 Revaluation and Impairment Losses

As part of the valuation process, reductions in the value of our property, plant and equipment assets (where there have previously not been upward valuations) are charged as downwards revaluation losses to the surplus/deficit on the provision of services. These are detailed by asset class in note 15.

As it is good practice to revalue properties when they are complete to ensure the carrying values are appropriate, the external valuers provided valuations for the new/refurbished buildings as at 31 March 2021.

The total revaluation gains, losses and impairment costs charged to the surplus/deficit on the provision of services but do not reflect any loss to the Council as these downward valuation charges are reversed out in the Movement in Reserves Statement (as statutorily required) so that they have no impact on the General Fund and HRA balances.

Note 20 Heritage Assets

Heritage assets are assets that are held by the Council principally for their contribution to knowledge and/ culture. Typical examples of Heritage assets would include works of art, statues, archaeological sites, military or scientific equipment. Wiltshire Council does not have extensive museum collections as most of the museums in the county are owned by other bodies. Therefore, the Council does not have a significant collection of art or other antiquities that need to be disclosed on the Balance Sheet with a value. These assets can be disclosed in a note to the financial statements if the cost of obtaining a valuation exceeds the benefit to the users of the Statement of Accounts.

These principal items that have been identified as heritage assets by Wiltshire Council are:

- **East Grafton Wilton Windmill**
This windmill, built in 1821, is held for historic purposes being managed by the Wilton Windmill Society. As a specialised grade II listed building with a major need for ongoing repairs it is felt that it would have minimal value and the cost of obtaining the valuation would far exceed the benefit to the users. Therefore, this asset has been disclosed in this note only.
- **Village Lock-ups**
Village lock-ups are historic buildings that were used for the temporary detention of people in England and Wales. A typical village lock-up is a small structure with a single door and a narrow slit window or opening. A number of these lock ups remain in various towns across Wiltshire. Many of these are owned and maintained by Wiltshire Council and so remain part of the Heritage Assets of the County. No formal valuation has been obtained for these sites as the costs of obtaining one would outweigh the benefits of doing so, and it is felt that they would not have any material value due to their size, condition and specialisation.
- **County Hall Members' Rooms Art**
There is a small collection of items formally held in the Members' rooms at County Hall. These include various portraits and landscapes, as well as a stuffed Bustard in a stand. These are not on public display but are kept for artistic reasons. These have not been valued for insurance purposes in the past because of their low value. The total value of these items is not material, nor is there a benefit to the user of the Statement of Accounts in obtaining updated valuations. Therefore, these items have been disclosed in this note only.

- **Other items of Historical Interest**

There are a small number of other art works in the Council including a modern art piece (the Leaf) in Bourne Hill, Salisbury, a newly commissioned giant painted Bustard held outside the Library in Trowbridge; various statues in parks and open spaces across the county. In addition, there are various collections such as the Local Collections at Salisbury, the Savernake Collection, Arundell of Wardour collection amongst others. These items have not been valued for insurance purposes in the past because of their low value. The total value of these items is not material, nor is there a benefit to the user of the Statement of Accounts in obtaining updated valuations. Therefore, these items have been disclosed in this note only.

Note 21 Leases

Authority as Lessor

Operating Leases

The Council leases out property under operating leases for the following purposes:

- Provide suitable affordable accommodation for local businesses.
- Provide accommodation to other local service providers.

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

	As at 31 March 2021 £000	As at 31 March 2020 £000
Operating Leases - Lessor		
Not later than one year	2,088	1,670
Later than one year and not later than five years	5,297	5,088
Later than five years	3,555	4,070
Total	10,940	10,828

* Due to the number of leases the Council has it has not been practical to separately disclose amounts from minimum lease payments that are contingent on events taking place after the lease was entered into, such as adjustments following rent review, therefore contingent rents are included in the amounts in the table above.

Finance Leases

It has been determined (based on accounting standards IFRIC 4 and IAS 17), that the Council's contractual arrangement to make its waste vehicles available to the contractor to provide waste services to the Council, is a finance lease.

The lease has a remaining term of 5 years 3 months. The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the vehicles acquired by the waste contractor and finance income that will be earned by the Council in future years while the debtor remains outstanding. The gross investment is made up of the following amounts:

	As at 31 March 2021 £000	As at 31 March 2020 £000
Finance Lease - Lessor		
Finance lease debtor (net present value of minimum lease payments)		
Current	1,888	1,852
Non-current	8,431	10,319
Unearned Finance Income	627	860
Gross Investment in the Lease	10,946	13,031

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

	Minimum Lease Payments		Gross Investment in the Lease	
	As at 31 March 2021 £000	As at 31 March 2020 £000	As at 31 March 2021 £000	As at 31 March 2020 £000
Finance Lease - Lessor				
Not later than one year	1,888	1,852	2,085	2,085
Later than one year and not later than five years	7,920	7,770	8,340	8,339
Later than five years	511	2,549	521	2,607
Total	10,319	12,171	10,946	13,031

It is expected that the finance lease payments will be made therefore no allowance has been made for uncollectable amounts.

The lease payments do not include payments that are contingent on events taking place after the lease was entered into, and as such there are no contingent payments to be disclosed.

Authority as Lessee

Operating Leases

The Council has acquired its fleet of vehicles for providing various services with typical lives of 5 years, office equipment and property, by entering into operating leases.

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

	As at 31 March 2021 £000	As at 31 March 2020 £000
Operating Leases - Lessee		
Not later than one year	3,258	3,173
Later than one year and not later than five years	2,705	5,288
Later than five years	1,064	1,145
Total	7,027	9,606

* Due to the number of leases the Council has it has not been practical to separately disclose amounts from minimum lease payments that are contingent on events taking place after the lease was entered into, such as adjustments following rent review, therefore contingent rents are included in the amounts in the table above.

The expenditure charged to the Comprehensive Income and Expenditure Statement* during the year in relation to these leases was:

	2020/2021 £000	2019/2020 £000
Operating Leases - Lessee		
Minimum lease payments & contingent rents		
Vehicles, Plant & Equipment	962	818
Property	358	297
Software	1,955	1,776
Total	3,275	2,891

* Expenditure is charged to the following segments: Highways and Environment, Education and Skills, Human Resources and Organisation Development, and Housing and Commercial Development.

Finance Leases

The Council has leases for a small number of properties that are held on the balance sheet as investment properties and measured at fair value being £0.435 million as at 31 March 2021 (£0.400 million 31 March 2020). The liabilities associated with these leases have not been recognised on the Council's balance sheet because they are immaterial in value with payments being reflected in the Comprehensive Income and Expenditure Statement.

In addition, the Council has a small number of vehicles which it leases (with the leases ending in 2021/2022). These leases are finance leases however, because of the immaterial amounts involved the associated assets and liabilities have not been reflected on the Council's Balance Sheet, with payments being reflected in the Comprehensive Income and Expenditure Statement.

Note 22 Private Financing Initiatives (“PFI”) and Similar Contracts

The total amount held in Private Financing Initiative and Similar contracts is as follows:

	North Wilts Schools PFI £000	Housing PFI £000	Total Long term contracts £000
Balance outstanding at 1 April 2020	(23,343)	(40,973)	(64,316)
Payments during the year to reduce capital liability	1,224	2,041	3,265
Liability outstanding 31 March 2021	(22,119)	(38,932)	(61,051)
Split:			
Due within 1 year	(1,323)	(2,066)	(3,389)
Due in over 1 year	(20,796)	(36,866)	(57,662)
Liability outstanding 31 March 2021	(22,119)	(38,932)	(61,051)

North Wiltshire Schools PFI & Additional 6th Form Units

Wiltshire Council has a Private Finance Initiative (“PFI”) for three secondary schools with White Horse Education Partnership (“WHEP”). WHEP is responsible for maintaining and operating the facilities for 30 years from when the first school became operational (March 2002). These are included in the non-current assets in the Balance Sheet with an associated liability.

The funding for the annual PFI payment comes from the Council's own resources and a special government grant called a PFI credit which is credited to the revenue account in the year it is received.

The future estimated payments the Council will make under the contract are as follows:

Period	Liability £000	Interest £000	Service charges £000	2020/2021	2019/2020
				Total £000	Total £000
Within 1 years	(1,323)	(1,424)	(3,654)	(6,401)	(6,307)
Within 2-5 years	(6,435)	(4,586)	(15,551)	(26,573)	(26,179)
Within 6-10 years	(11,399)	(2,575)	(21,622)	(35,596)	(35,045)
Within 11-15 years	(2,962)	(235)	(3,828)	(7,025)	(14,370)
Total	(22,119)	(8,820)	(44,655)	(75,595)	(81,901)

Housing PFI Scheme

A total of 242 units have been built since 2012/2013 under a housing PFI scheme at sites across the county. These are included in the non-current assets in the Balance Sheet with an associated liability.

Payments are made to the PFI contractors as monthly unitary payments. These payments are commitments and can vary subject to indexation, reductions for performance and availability failures. The funding of the unitary payment will come from a government grant (the PFI credits referred to above), as well as a Council contribution.

The future estimated payments the Council will make under the contract are as follows:

Period	Liability £000	Interest £000	2020/2021	2019/2020
			Total £000	Total £000
Within 1 years	(2,066)	(1,826)	(3,893)	(3,887)
Within 2-5 years	(9,257)	(6,381)	(15,638)	(15,611)
Within 6-10 years	(15,564)	(4,146)	(19,710)	(19,672)
Within 11-15 years	(12,044)	(542)	(12,586)	(16,544)
Total	(38,932)	(12,894)	(51,826)	(55,714)

Note 23 Investment Property

Investment property are assets that are held solely to earn rentals or for capital appreciation. The following items of income and expense have been accounted for in relation to running the investment property estate. These items are shown in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2020/2021	2019/2020
	Total £000	Total £000
Rental income from investment property	(2,651)	(2,519)
Direct operating expenses arising from investment properties	505	533
Net (Gain)/ Loss	(2,146)	(1,986)

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 for repairs, maintenance or enhancement.

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

	2020/2021	2019/2020
	Total £000	Total £000
Balance at start of the year	23,099	23,452
Restatement of balance*	24	0
Restated balance at start of the year	23,123	23,452
Additions: Subsequent expenditure	273	101
Disposals	(225)	0
Gains from fair value adjustments	46	0
Losses from fair value adjustments	0	(86)
Transfers (to)/from Property, Plant and Equipment	0	(368)
Balance at end of the year	23,217	23,099

* A review of the Council's fixed asset register has been undertaken and as a result the investment property 2020/2021 opening balance has been restated by £0.024 million. This restatement is in relation to the reclassification of assets previously held as assets under construction in property plant and equipment, that should be classified as investment property assets under construction. 2019/2020 comparative has not been adjusted due to the immaterial amount.

The fair value of the Council's investment property is measured annually at each reporting date. The valuations are carried out by an independent valuer. For 2019/2020 and 2020/2021 this was Avison Young (UK) Limited. The valuations are carried out in accordance with the methodologies and bases of estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. There is regular liaison between the valuer and the Council's finance and property officers regarding all valuation matters.

Fair Value Hierarchy and Valuation Techniques

All of the Council's investment properties shown above are measured at fair value on a recurring basis using other significant observable inputs, Level 3 on the fair value hierarchy.

The fair value measurement of the investment properties is based on the market approach using current market conditions consisting 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 valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use of Investment Properties

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

Note 24 Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. Intangible assets include both purchased licences and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The remaining useful lives assigned to the major software suites used by the Council along with the carrying amounts are:

	Carrying Amount		Remaining Amortisation Period
	31 March 2021 Total £000	31 March 2020 Total £000	
Adults & Children's Case Management System	2,470	2,953	4 - 5 Years
Other items of software	5,886	3,027	5 Years
Microsoft Navigator	9,368	8,264	5 Years
Total	17,724	14,244	

The carrying amount of intangible assets is amortised on a straight-line basis. All amortisation applied to Intangible assets is on a straight-line basis over 5-years.

The table overleaf provides a reconciliation from the carrying amount of intangible assets at the beginning of the period to the carrying amount at the end of the period with details of all movements.

	2020/2021 Purchased Software Licences £000	2019/2020 Purchased Software Licences £000
Gross carrying amounts	36,207	23,519
Accumulated amortisation	(21,963)	(21,534)
Net Carrying amount at the start of the year	14,244	1,985
Restatement of gross carrying amounts *	(113)	0
Restatement of accumulated amortisation *	35	0
Restatement of net carrying amount at the start of the year	(78)	0
Restated gross carrying amounts	36,094	23,519
Restated accumulated amortisation	(21,928)	(21,534)
Restated net carrying amount at the start of the year	14,166	1,985
Purchases	4,359	8,560
Amortisation for the period	(801)	(429)
Category Adjustments		4,128
Net carrying amount at end of year	17,724	14,244
Comprising:		
Gross carrying amounts	40,453	36,207
Accumulated amortisation	(22,729)	(21,963)
Net carrying amount at end of year	17,724	14,244

* A review of the Council's fixed asset register has been undertaken and as a result the 2020/2021 opening balance for intangible assets gross carrying and accumulated amortisation amounts have been restated by £0.113 million and £0.035 million, respectively. This adjustment was in relation to the reclassification of assets previously held as assets under construction in property plant and equipment of £0.052 million and the removal of intangible assets no longer owned/controlled by the Council of £0.130 million. 2019/2020 has not been adjusted due to the immaterial amount of this adjustment.

Note 25 Assets Held for Sale

The Council held the following amounts as assets held for sale as at 31 March 2021. The definition of an asset held for sale is one that is readily available for sale, the planned sale will occur within 12 months and that the property is being actively marketed.

	2020/2021 £000	2019/2020 £000
Balance at start of the year	8,477	8,427
Assets newly classified as held for sale	2,332	4,101
Assets Sold	(4,959)	(7,236)
Revaluations	(575)	3,185
Balance at end of the year	5,275	8,477

OTHER NOTES TO THE BALANCE SHEET

Note 26 Debtors

Note 26a Short Term Debtors

These represent sums owed to the Council for supplies and services provided before 31 March 2021 but not received at that date.

	2020/2021	2019/2020
	£000	£000
Other Local Authorities	4,059	2,766
Government Departments*	46,610	8,251
NHS Bodies	9,158	4,225
Other entities & individuals:		
Public Corporation	417	0
Share of Business Rates and Council Tax	17,674	17,185
Housing Tenants	2,199	2,296
Housing Benefit Overpayments	6,226	6,934
Other Sundry Debtors	32,933	33,000
Payments in Advance	8,071	7,378
Gross Debtors	127,347	82,035
Less: Allowance for expected credit losses		
General Fund debtors	(6,280)	(8,689)
Housing Benefit Overpayments	(6,226)	(6,934)
Housing Rent arrears	(548)	(1,999)
Council Tax arrears	(5,775)	(3,214)
Business Rates Arrears	(321)	(220)
Total Allowance for expected credit losses	(19,150)	(21,056)
Total Short Term Debtors	108,197	60,979

* Government Departments debtors have increased in 2020/2021 mainly as a result of the amount due from Government for its share of the Collection Fund Deficit.

Note 26b Long Term Debtors

These represent sums owed to the Council, in the areas shown in the table below, before 31 March 2021 but not received at that date, with payment due after 31 March 2022.

	2020/2021	2019/2020
	£000	£000
Council House Mortgages	1,692	1,539
Adult Home Loan Awaiting House sale	3,176	2,934
Other Loans and Advances	10,946	5,014
Stone Circle Loans	3,160	0
Total Long Term Debtors	18,974	9,487

Note 27 Cash and Cash Equivalents

The balance of cash and cash equivalents consists of the bank accounts of locally managed schools and the rest of the Council's cash and bank accounts.

	2020/2021 £000	2019/2020 £000
Cash & Bank	(12,323)	(5,858)
Schools' bank accounts	18,803	14,481
Total Cash and Cash Equivalents	6,480	8,623

Note 28 Short Term Creditors

These represent sums owed by the Council for supplies and services received before 31 March 2021 but not paid for at that date.

	2020/2021 £000	2019/2020 £000
Other Local Authorities*	(28,080)	(10,447)
Government Departments**	(61,007)	(4,817)
NHS Bodies	(1,263)	(1,770)
Sundry Creditors	(82,211)	(80,442)
Receipts in Advance	(18,358)	(13,432)
Accumulated Absences	(7,358)	(6,336)
Total Short Term Creditors	(198,277)	(117,244)
Grants Receipts in Advance	(4,906)	(11,020)

* Other Local Authority creditors have increased in 2020/2021 as a result monies owed to Swindon Council in relation to transport projects funded from the Local Growth Fund.

** Government Departments creditors have increased in 2020/2021 mainly as a result of the balance of COVID-19 Business Grants (which were paid on account) due to be paid back to Government.

The £4.906 million grants receipts in advance relates to grant income received in 2020/2021 in advance of being utilised in 2021/2022. The breakdown of the grant is provided in note 6.

Note 29 Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. These are recognised where the Council has a present obligation as a result of a past event, that it is probable (i.e. the event is more likely than not to occur) that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made. If these conditions are not met no provision is recognised. Amounts set aside for purposes falling outside the definition of provisions are accounted for as earmarked reserves, or contingent liabilities.

	Legal Claims	Insurance Claims	Business Rate Retention Scheme Appeals	Termination Benefits	Environmental Services	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	(499)	(1,176)	(1,853)	(978)	0	(4,506)
Additional provisions made in year	(81)	(711)	0	(2)	(1,808)	(2,602)
Amounts used in year	0	0	0	978	0	978
Balance at 31 March 2021	(580)	(1,887)	(1,853)	(2)	(1,808)	(6,130)

Legal Claims

The Council has made provisions in respect of legal claims which may become payable by the Council depending on the outcome of a small number of individual cases totalling £0.580 million. In order not to prejudice seriously the Council's position in these cases any further information has been withheld from this publication. It is currently expected that all of these claims will be settled during the 2021/2022 financial year.

Insurance Claims

An insurance provision is accounted for when it is probable that a cost will be incurred, and a reliable estimate of the cost can be made. The insurance provision for 2020/2021 is made up of 25 claims totalling £1.887 million. These claims consisted of a mixture of Public and Employers' Liability claims and own Property claims.

The Council self-insures, with the Council meeting the first £0.200 million of each employers and public liability claim and up to £0.250 million for own property claims. It is currently expected that all of these claims will be settled during 2021/2022.

Business Rate Retention Scheme Appeals

The Council is required to make provision for the costs associated with refunding business ratepayers with regard to current and prior year appeals against the rateable values of their properties on the rating list. The Council has estimated the total value of this provision to be £3.781 million as at 31 March 2021 which is no change from 31 March 2020. This liability, however, is shared between Wiltshire Council (49%), Central Government (50%) and Dorset and Wiltshire Fire & Rescue Authority (1%). The Council's share of this provision is therefore £1.853 million.

Termination Benefits

As at 31 March 2021 the Council made a total provision of £0.002 million in respect of termination benefits, relating to redundancy costs for 1 employee. It is expected that all cases will be resolved during the first half of the 2021/2022 financial year.

Environmental Services

The Council made a new provision of £1.808 million in respect of environmental services. It is expected that these potential costs will be resolved during 2021/2022 financial year.

Note 30 Financial Instruments

Financial instruments are recognised on the balance sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities

Financial liabilities are initially measured at fair value and then at amortised cost. For the Council's borrowing this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement ("CIES") are based on the carrying amount of the liability, multiplied by the rate of interest for the instrument.

Financial Assets

To meet the financial instruments accounting standard requirements (IFRS 9), financial assets are now classified into one of three categories:

1. *Financial assets held at amortised cost* - represented by loans or loan type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal due plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
2. *Fair Value through Other Comprehensive Income* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account with the balance debited or credited to the CIES when the asset is disposed of.
3. *Fair Value Through Profit or Loss* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Allowances for impairment losses have been calculated for amortised cost assets applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are taken to the Financing and Investment Income and Expenditure line in the CIES.

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet.

Categories of Financial Assets	Long Term		Short Term	
	2020/2021 £000	2019/2020 £000	2020/2021 £000	2019/2020 £000
Investments				
At amortised cost:				
Principal	0	0	142,452	79,548
Accrued interest	0	0	16	272
Total Investments	0	0	142,468	79,820
Cash and Cash Equivalents				
At amortised cost:				
Principal	0	0	6,480	8,623
Accrued interest	0	0	0	0
Total Cash and Cash Equivalents			6,480	8,623
Debtors				
At amortised cost:				
Trade receivables	0	0	73,831	26,837
Loss allowance	0	0	(6,280)	(8,689)
Loans and Advances	18,974	9,487	0	0
Included in Debtors ¹	18,974	9,487	67,551	18,148
Total Financial Assets	18,974	9,487	216,499	106,591

¹ Debtors Reconciliation to Balance Sheet	Long Term		Short Term	
	2020/2021	2019/2020	2020/2021	2019/2020
	£000	£000	£000	£000
Included in Financial Assets	18,974	9,487	67,551	18,148
<i>Debtors that do not meet the definition of a financial asset:</i>				
Statutory Debtors	0	0	32,575	35,453
Prepayments	0	0	8,071	7,378
Total Debtors	18,974	9,487	108,197	60,979

Categories of Financial Liabilities	Long Term		Short Term	
	2020/2021	2019/2020	2020/2021	2019/2020
	£000	£000	£000	£000
Financial Liabilities				
Borrowings				
Loans at Amortised Cost:				
Principal sum borrowed	(331,852)	(340,575)	(12,093)	(5,508)
Accrued interest	0	0	(2,176)	(2,171)
Total Borrowings	(331,852)	(340,575)	(14,269)	(7,679)
Finance Lease Liabilities				
PFI Liabilities at amortised cost	(57,662)	(61,051)	(3,389)	(3,265)
Total Finance Lease Liabilities	(57,662)	(61,051)	(3,389)	(3,265)
Creditors*				
Liabilities at amortised cost	0	0	(101,444)	(39,617)
Included in Creditors²	0	0	(101,444)	(39,617)
Total Financial Liabilities	(389,514)	(401,626)	(119,102)	(50,561)

² Creditors Reconciliation to Balance Sheet*	Long Term		Short Term	
	2020/2021	2019/2020	2020/2021	2019/2020
	£000	£000	£000	£000
Included in Financial Liabilities	0	0	(101,444)	(39,617)
<i>Creditors that do not meet the definition of a financial liability:</i>				
Statutory Creditors	(57,390)	(51,309)	(78,475)	(64,195)
Income in Advance	0	0	(23,264)	(24,452)
Total Creditors	(57,390)	(51,309)	(203,183)	(128,264)

* Includes Grants Receipts in Advance shown separately on the face of the Balance Sheet.

Items of Income, Expense, Gains and Losses Recognised in the Comprehensive Income and Expenditure Statement

The follow table provides a breakdown of the financial instrument items of income, expenditure and gains/ losses recognised in the Comprehensive Income and Expenditure Statement.

Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	2020/2021		Total £000
	Financial Liabilities: Amortised Cost £000	Financial Assets: Amortised Cost £000	
Interest Expense	16,836	0	16,836
Interest Payable and Similar Charges	16,836	0	16,836
Interest Income	0	(3,383)	(3,383)
Interest and Investment Income	0	(3,383)	(3,383)
Impairment of Assets	0	299	299
Net Adjustment of reflecting Amortisation of Unamortised Premiums and Adjustment on Market Loans to match EIR	(13)	0	(13)
Recognised in the surplus on provision of services	16,823	(3,084)	13,739
Recognised in Other Comprehensive Income	0	0	0
Net (Gain) / Loss for the Year	16,823	(3,084)	13,739

Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	2019/2020		Total £000
	Financial Liabilities: Amortised Cost £000	Financial Assets: Amortised Cost £000	
	Interest Expense	16,855	
Interest Payable and Similar Charges	16,855	0	16,855
Interest Income	0	(1,141)	(1,141)
Interest and Investment Income	0	(1,141)	(1,141)
Impairment of Assets*	0	591	591
Net Adjustment of reflecting Amortisation of Unamortised Premiums and Adjustment on Market Loans to match EIR	(3)	0	(3)
Recognised in the surplus on provision of services	16,852	(550)	16,302
Recognised in Other Comprehensive Income	0	0	0
Net (Gain) / Loss for the Year	16,852	(550)	16,302

* 2019/2020 comparative adjusted to include impairment of assets.

NOTES RELATING TO RESERVES

Note 31 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, with the year-end balances summarised in the table below.

Reserve	Note	2020/2021 £000	2019/2020 £000
General Fund		(16,911)	(15,456)
Earmarked Reserves	32	(119,598)	(23,916)
General Fund Balance per Movement in Reserves Statement		(136,509)	(39,372)
Housing Revenue Account Balance		(8,158)	(10,144)
Closing General fund and HRA balance per Expenditure & Funding Statement		(144,667)	(49,516)
Other Usable Reserves:			
Major Repairs Reserve	33	(20,193)	(12,169)
Usable Capital Receipts Reserve	34	(11,466)	(11,128)
Capital Grants and Contributions Unapplied Account		(73,603)	(55,586)
Total Usable Reserves		(249,929)	(128,399)

Note 32 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

Earmarked Reserves	2019/2020		2020/2021		
	Opening Balance £000	Movement £000	Closing Balance £000	Movement £000	Closing Balance £000
PFI Reserve	(3,483)	301	(3,182)	30	(3,152)
Insurance Reserve	(3,414)	(71)	(3,485)	826	(2,659)
Locally Managed Schools' Balances	(7,778)	(313)	(8,091)	(4,451)	(12,542)
Elections Reserve	(400)	400	0	(200)	(200)
Area Board Reserve	(168)	168	0	(70)	(70)
Revenue Grants Earmarked Reserve	(3,432)	(110)	(3,542)	2,780	(762)
PFI Housing Scheme Earmarked Reserve	(2,761)	98	(2,663)	110	(2,553)
Economic Development & Planning Reserve	(52)	0	(52)	0	(52)
Single View of the Customer Reserve	(741)	0	(741)	400	(341)
Play Area Asset Transfers	(99)	40	(59)	0	(59)
Enabling Fund	(3,411)	3,271	(140)	0	(140)
Business Rates Equalisation Fund	(5,858)	5,549	(309)	0	(309)
Adoption West	(73)	73	0	0	0
Area Board Pavements	(300)	300	0	0	0
Leisure	(57)	20	(37)	25	(13)
Capital Financing	(2,328)	2,328	0	0	0
Development of Local Plan	(300)	300	0	(323)	(323)
Reducing Parental Conflict	(40)	40	0	0	0
CAMHS Funding	(76)	76	0	0	0
Pewsey Campus	(32)	32	0	0	0
National Armed Forces Day	(35)	35	0	0	0
Culver Street Car Park	(25)	25	0	0	0
Microsoft Contract	(800)	800	0	0	0
Young Parents Support	(250)	250	0	0	0
Oxenwood	(80)	80	0	0	0
Ofsted	(450)	450	0	0	0
School Readiness	(300)	300	0	0	0
Salisbury Recovery	(500)	0	(500)	228	(272)
Public Health Grant	0	(839)	(839)	(2,527)	(3,366)
Rough Sleepers	0	(166)	(166)	0	(166)
Flexible Housing Support	0	(287)	(287)	(663)	(950)
Homelessness Reduction	0	(121)	(121)	0	(121)
Covid	0	(11,079)	(11,079)	11,079	0
Waste	0	0	0	(168)	(168)
Budget Equalisation Corporate	0	0	0	(7,861)	(7,861)
Collection Fund Volatility Reserve	0	0	0	(10,717)	(10,717)
Latent Demand	0	0	0	(7,895)	(7,895)
Collection Fund S31 Grant	0	0	0	(34,254)	(34,254)
COVID 19 Business Grants	0	0	0	(9,212)	(9,212)
COMF	0	0	0	(8,041)	(8,041)
Highways & Environment Reserve	0	0	0	(3,007)	(3,007)
Gain Share Income	0	0	0	(2,675)	(2,675)

Earmarked Reserves (cont'd)	2019/2020			2020/2021	
	Opening Balance	Movement	Closing Balance	Movement	Closing Balance
	£000	£000	£000	£000	£000
Pay Award Reserve	0	0	0	(2,000)	(2,000)
Passenger Transport Reserve	0	0	0	(1,876)	(1,876)
Syrian Refugee Reserve	0	0	0	(991)	(991)
One Public Estate	0	0	0	(465)	(465)
Community Housing Fund	0	0	0	(462)	(462)
Covid Vulnerable	0	0	0	(346)	(346)
Porton Science Park	0	0	0	(274)	(274)
School Improvement, Monitoring & Brokerage Grant	0	0	0	(220)	(220)
Covid Compliance	0	0	0	(189)	(189)
Flexible Housing Support	0	0	0	(187)	(187)
LA EU Exit Preparation Grant	0	0	0	(105)	(105)
Future High Street Fund	0	0	0	(105)	(105)
Council Tax Hardship Relief EMR	0	0	0	(172)	(172)
Neighbourhood Planning	0	0	0	(164)	(164)
NAAS Grant	0	0	0	(163)	(163)
DSG Reserve*	0	11,377	11,377	0	0
Total	(37,243)	13,327	(23,916)	(84,305)	(119,598)

* The Dedicated Schools Grant deficit balance as at 31 March 2021 has been reclassified as an Unusable Reserve in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account' (see note 35).

Note 33 Major Repairs Reserve

The Major Repairs Reserve was a requirement under the Accounts and Audit Regulations to transfer into it a sum not less than the Major Repairs Allowance, which was an element of the former HRA subsidy. Now that the HRA is self-financing, the reserve is no longer a formal requirement but can be used as previously to earmark funds to be spent for capital expenditure on Housing Revenue Account assets.

Major Repairs Reserve	2020/2021 £000	2019/2020 £000
Financing of capital expenditure in the year	4,003	4,802
Amount transferred to the reserve during the year	(12,027)	(12,232)
Movement in Year	(8,024)	(7,430)
Balance at 1 April	(12,169)	(4,739)
Balance at 31 March	(20,193)	(12,169)

Note 34 Usable Capital Receipts Reserve

This reserve records the receipts to be received by the Council from the sale of non-current assets i.e. PPE, and mortgages advances to former tenants to purchase their Council owned home. Payments out of reserve relate to amounts used to finance capital expenditure.

Usable Capital Receipts Reserve	2020/2021	2019/2020
	£000	£000
Amounts Receivable in year		
Disposal of land and buildings	(7,800)	(14,649)
Other capital receipts - mortgages	(204)	(204)
Other capital receipts	(1,852)	(1,817)
Housing Pooled Capital Receipt	(723)	(1,233)
	(10,579)	(17,903)
Amounts applied to finance new capital investment in year		
Capital receipts utilised - capital expenditure	3,583	7,695
Capital receipts utilised - lease receivable	1,852	1,817
Capital receipts utilised for HRA repayment	3,000	8,000
Transfer to CIES equal to contribution to Housing Pooled Capital receipt	723	1,233
Transfer to CIES for administration costs of Housing Pooling	23	0
Transfer to CIES equal to returned 141 capital receipt	1,060	0
	10,241	18,745
Movement in Year	(338)	842
Balance at 1 April	(11,128)	(11,970)
Balance at 31 March	(11,466)	(11,128)

Note 35 Unusable Reserves

Reserve	Note	2020/2021	2019/2020
		£000	Restated
			£000
Revaluation Reserve*	36	(246,612)	(226,825)
Capital Adjustment Account**	37	(395,571)	(394,520)
Dedicated Schools Grant Adjustment Account***	7	18,717	0
Financial Instruments Adjustment Account		4,882	5,308
Deferred capital receipts		(1,867)	(1,713)
Pensions Reserve	38	762,833	491,733
Collection Fund Adjustment Account****		39,240	(2,627)
Accumulated Absences Account		7,358	6,336
Total Unusable Reserves		188,980	(122,308)

* The Revaluation Reserve 2019/2020 comparative has been restated – see note 36 for more detail.

** The Capital Adjustment Account 2019/2020 comparative has been restated – see note 37 for more detail.

*** The Dedicated Schools Grant deficit balance as at 31 March 2021 has been reclassified as an Unusable Reserve (previously classified as an Earmarked Reserve in note 32) in line with revised regulations and accounting practice which came into effect from 1 April 2020. This account has been renamed 'Dedicated Schools Grant Adjustment Account'.

**** The Collection Fund Adjustment Account balance of £39.240 million as at 31 March 2021 is due to the Council's share of the Collection Fund deficit as a result of the business rate COVID-19 reliefs provided to local businesses. The financial impact of these reliefs will be reflected in General Fund over the coming couple of years', but this impact will be funded by Government grants (S31 grants) which are held in an Earmarked Reserve (see note 32).

Note 36 Revaluation Reserve

The balance of this reserve represents the revaluation gains (as certified by the Council's external valuer – Avison Young, and the Council's internal valuer for farms) made by the Council arising from increases in the value of its Property, Plant and Equipment assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains lost.
- Used in the provision of services and gains are consumed through depreciation.
- Disposed of and the gains are realised.

The reserve only contains revaluation gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains prior to this have been consolidated into the balance on the Capital Adjustment account.

Revaluation Reserve	2020/2021	2019/2020
	£000	Restated
		£000
Balance at 1 April	(226,825)	(272,733)
Restatement of balance as at 1 April*	0	18,343
Restatement of balance as at 1 April**	85	0
Restated Balance at 1 April	(226,740)	(254,390)
Upward revaluation of assets	(41,651)	(22,930)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services	9,052	20,031
(Surplus) or deficit on revaluation of non-current assets not posted to surplus/ deficit on the provision of services	(32,599)	(2,899)
Difference between fair value depreciation and historic cost depreciation	6,101	10,120
Accumulated gains on assets sold or scrapped	6,626	13,914
Net amount transferred to the Capital Adjustment Account	12,727	24,034
Restatement of balance as at 31 March***	0	6,430
Balance at 31 March	(246,612)	(226,825)

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** The Revaluation Reserve 2020/2021 opening balance has also been restated by £0.085 million in relation to assets found to no longer being under the ownership/control of Wiltshire Council. 2019/2020 comparative has not been adjusted due to the immaterial amount. This restatement only impacts on the Revaluation Reserve and the Capital Adjustment Account (see note below).

*** The Revaluation Reserve 2019/2020 closing balance has been restated by £6.430 million in relation to the PFI school assets. This adjustment arose when verifying the Revaluation Reserve balance in the accounting ledger to the balances in the fixed asset register. This restatement only impacts on the Revaluation Reserve and the Capital Adjustment Account (see note below).

Note 37 Capital Adjustment Account

The Capital Adjustment Account reflects the timing differences arising from the different arrangements for accounting for the financing of the acquisition of assets and the consumption of those assets.

This account shows the reversal of amounts relating to Capital that are charged to the Comprehensive Income and Expenditure Statement. It also shows the financing of capital expenditure and the reversal of sums charged to the Comprehensive Income and Expenditure Statement that have been set aside to repay debt.

Capital Adjustment Account	2020/2021 £000	Restated 2019/2020 £000
Balance 1 April	(394,520)	(340,101)
Restatement of balance as at 1 April*	0	(16,733)
Restatement of balance as at 1 April**	(85)	0
Restatement of balance as at 1 April***	2,278	0
Restated 1 April 2020	(392,327)	(356,834)
Reversal of items relating to capital expenditure debited or credited to the comprehensive		
Charges for depreciation of non-current assets	29,697	34,467
Charges for impairment/revaluations of plant, property and equipment	13,707	7,276
Amortisation of intangible assets	801	429
Revenue expenditure funded from capital under statute	25,149	21,393
Amounts of non-current assets written off as part of gain / loss on disposal posed to CIES	21,860	25,776
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	1,881	1,580
	93,095	90,921
Adjusting amounts written out of Revaluation Reserve	(12,728)	(24,034)
Net written out amount of the cost of non-current assets consumed in the year	80,367	66,887
Capital financing applied in the year		
Use of capital receipts reserve to finance new capital expenditure	(3,583)	(7,694)
Use of capital receipts reserve to finance lease receivable	(1,852)	(1,817)
Use of major repairs reserve to finance new capital expenditure	(4,004)	(4,802)
Application of grants to capital financing from the capital grants unapplied account	(51,415)	(60,924)
Statutory provision for the financing of capital investment charged against the general fund balances	(14,898)	(12,552)
Capital expenditure charged against the general fund and HRA balances	(5,646)	(4,257)
Use of HRA Revenue to finance HRA debt repayment	(1,000)	0
Use of capital receipts reserve to finance HRA debt repayment	(3,000)	(8,000)
	(85,398)	(100,046)
Movement in the market value of Investment properties (credited) / debited to the CIES	(46)	86
Write-down of Lease Receivable	1,852	1,817
Miscellaneous non-current Asset adjustments	(20)	0
Restatement of balance as at 31 March****	0	(6,430)
Balance at 31 March	(395,571)	(394,520)

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

** This adjustment is the opposite entry to the adjustments made to property, plant, and equipment (see note 15), investment property [see note 23], and intangible assets (see note 24).

*** See explanation of this restatement included in note 36 Revaluation Reserve.

**** See explanation of this restatement included in note 36 Revaluation Reserve.

Note 38 Pension Fund Liability

The detailed movements in the Council's net liabilities in the Pension Fund are shown in the table below, with the closing position (liability) being reflected on the face of the Council's Balance Sheet. Additional pension fund disclosures are included in note 49.

	Period ended 31 March 2021			Period ended 31 March 2020		
	Assets Obligations	Liabilities	Net (liability)/ asset	Assets Obligations £000	Liabilities £000	Net (liability)/ asset £000
Fair value of employer assets	1,056,505	0	1,056,505	1,124,418	0	1,124,418
Present value of funded liabilities	0	(1,499,566)	(1,499,566)	0	(1,682,916)	(1,682,916)
Present value of unfunded liabilities	0	(48,672)	(48,672)	0	(55,252)	(55,252)
Opening Position	1,056,505	(1,548,238)	(491,733)	1,124,418	(1,738,168)	(613,750)
<u>Service cost</u>						
Current service cost*	0	(52,040)	(52,040)	0	(59,347)	(59,347)
Past service cost** (including curtailments)	0	(666)	(666)	0	(2,345)	(2,345)
Effect of settlements	(626)	860	234	(1,010)	1,589	579
Total service cost	(626)	(51,846)	(52,472)	(1,010)	(60,103)	(61,113)
<u>Net interest</u>						
Interest income on plan assets	24,730	0	24,730	26,996	0	26,996
Interest cost on defined benefit obligation	0	(36,240)	(36,240)	0	(41,997)	(41,997)
Impact of asset ceiling on net interest	0	0	0	0	0	0
Total net interest	24,730	(36,240)	(11,510)	26,996	(41,997)	(15,001)
Total defined benefit cost recognised in Profit or (Loss)	24,104	(88,086)	(63,982)	25,986	(102,100)	(76,114)
<u>Cash flows</u>						
Plan participants' contributions	8,904	(8,904)	0	8,393	(8,393)	0
Employer contributions	40,174	0	40,174	35,667	0	35,667
Contributions in respect of unfunded benefits	3,466		3,466	3,534	0	3,534
Benefits paid	(53,185)	53,185	0	(46,996)	46,996	0
Unfunded benefits paid	(3,466)	3,466	0	(3,534)	3,534	0
Effect of business combinations and disposals	10,810	(13,122)	(2,312)	0	0	0
Expected closing position	1,087,312	(1,601,699)	(514,387)	1,147,468	(1,798,131)	(650,663)
<u>Remeasurements</u>						
Change in demographic assumptions	0	(23,618)	(23,618)	0	42,875	42,875
Change in financial assumptions	0	(400,112)	(400,112)	0	137,875	137,875
Other experience	0	14,992	14,992	0	69,143	69,143
Return on assets excluding amounts included in net interest	160,292	0	160,292	(90,963)	0	(90,963)
Total remeasurements recognised in Other Comprehensive Income ("OCI")	160,292	(408,738)	(248,446)	(90,963)	249,893	158,930
Fair value of employer assets	1,247,604	0	1,247,604	1,056,505	0	1,056,505
Present value of funded liabilities	0	(1,958,460)	(1,958,460)	0	(1,499,566)	(1,499,566)
Present value of unfunded liabilities***	0	(51,977)	(51,977)	0	(48,672)	(48,672)
Closing position	1,247,604	(2,010,437)	(762,833)	1,056,505	(1,548,238)	(491,733)

* The current service cost includes an allowance for administration expenses of 0.8% (0.5% in 2019/2020) of payroll.

** In June 2019 the Government failed to obtain the right to appeal to the Supreme Court on the McCloud judgement, which reflected age discrimination in designing transitional arrangements in the move of public sector pension schemes from final salary to career average. This has given rise to a liability estimated by the Council's actuaries at £1.866 million as at 31 March 2020 which is reflected in the Past Service Cost. No explicit additional adjustment for McCloud has been added to the current service cost for 2020/21

*** As at 31 March 2021, the unfunded liabilities totalling £51.977 million comprise of £15.733 million in respect of LGPS unfunded pensions and £36.244 million in respect of Teachers' unfunded pensions.

On 7 February 2018, the IASB issued changes to the IAS19 standard for plan amendments, curtailments and settlements ("special events"). The changes to IAS19 have now incorporated into the Code of Practice on Local Authority Accounting in the United Kingdom, such that the amendments are applicable for disclosures at the Accounting Date. As set out in IAS19 and CIPFA guidance, where an event is considered 'significant'¹, the profit and loss account should be remeasured at the date of the event. The Council's actuary has considered the implication of this change as not material for the Council and therefore has not remeasured the profit and loss account in this year's disclosures.

¹ We have measured significance based on 5% of active membership being affected by any event.

NOTES TO THE CASH FLOW STATEMENT

Note 39 Cash Flow Operating Activities

Non-Cash Movements

The Surplus on Provision of Services has been adjusted for the following non-cash movements:

	2020/2021	2019/2020
	£000	Restated*
		£000
Depreciation	(29,697)	(34,467)
Charges for impairment/ revaluations of plant, property and equipment	(13,707)	(7,276)
Movements in the market value of Investment Properties	46	(86)
Amortisation of intangible assets	(801)	(429)
(Increase) / decrease in impairment for bad debts	1,906	1,356
(Increase) / decrease in creditors	(81,000)	(36,494)
(Increase) / decrease in provisions	(1,624)	(910)
Increase / (decrease) in debtors	54,310	9,090
Movement in pension liability	(22,654)	(36,913)
Carrying amount of non-current assets sold or de-recognised	(21,860)	(25,775)
Write-down of loan premium	413	348
Other non-cash items charged to the SODPOS	(3,999)	(1,056)
Adjustments for Non-Cash Movements	(118,667)	(132,612)

* For further detail, please refer to note 54 Prior Period Adjustment – Property, Plant and Equipment.

Adjustment for items that are investing and financing activities

The Surplus on Provision of Services has been adjusted for the following items that are investing and financing activities:

	2020/2021	2019/2020
	£000	£000
Proceeds from the sale of PPE, investment property and intangible assets	8,523	15,882
Cash receipts of capital grants	69,432	52,764
Total adjustment for items that are investing and financing activities	77,955	68,646

Operating activities

The cash flows for operating activities include the following items:

	2020/2021 £000	2019/2020 £000
Interest Received	(3,383)	(1,141)
Interest Payable	16,823	16,855

Note 40 Cash Flow Investing Activities

The investing activities include the following items:

	2020/2021 £000	2019/2020 £000
Purchase of Property, plant and equipment, investment property and intangible assets	80,621	87,804
(Proceeds)/Purchase of short-term investments	62,648	(22,457)
Proceeds from the sale of PPE and investment property	(8,523)	(15,882)
Cash receipts of capital grants	(69,432)	(45,288)
Net cash flows from investing activities	65,314	4,177

Note 41 Cash Flow Financing Activities

The financing activities include the following items:

	2020/2021 £000	2019/2020 £000
Increase/ (decrease) in debtors in respect of Preceptors' and Government's shares of net cash for Council Tax and/or Non Domestic	489	3,086
Net repayments/ (advances) of short term borrowing	(6,590)	3,446
Net repayments/ (advances) of long term borrowing	8,723	2,360
Movement on PFI Contracts	3,265	3,579
Net cash flows from financing activities	5,887	12,471

NOTES RELATING TO ACCOUNTING DECISION-MAKING

Note 42 Accounting Standards that have been Issued but have not yet been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code") requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2020/2021 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2021/2022 Code are:

- Definition of a Business: Amendments to IFRS 3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Code requires the Council to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. It is considered that these standards will not have a material impact on the financial statements of Wiltshire Council, so no further disclosure is required in these Statement of Accounts in this year.

IFRS 16 Leases

This standard will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities rather than expense the rental charge through the Comprehensive Income and Expenditure Statement. CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1 April 2024.

Note 43 Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies set out in Annex 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. In the accounts these are as follows:

- The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. The Council's interests in Stone Circle Holding Company Ltd, Stone Circle Development Company Ltd and Stone Circle Housing Company Ltd are not material to the Council's overall financial position, therefore group accounts have not been produced.
- Waste contract payments made to the operator are abated for the income the Council charges the operator for the use of waste vehicles owned by the Council. This arrangement has been determined as a finance lease, with a receivable being recognised on the balance sheet and the income as a capital receipt.
- There is a high degree of uncertainty about future levels of funding for local government. The Council has assessed the impact of the COVID-19 pandemic on the collectability of its income outstanding as at 31 March 2021, and made additional impairments where considered necessary.
- In 2020/2021 the Council received a significant amount (£) of COVID-19 grants from Central Government. The names and values (£) of these grants are detailed in note 6 Grant Income. Having regard to the specific terms and conditions for each individual grant, a judgement has been made as to whether the Council is acting as a principal or agent and have been accounted for accordingly in the Comprehensive Income and Expenditure Account or Balance Sheet.

Note 44 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- **Property, Plant and Equipment**

The outbreak of COVID-19 impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. There is an unprecedented set of circumstances on which to base a judgement.

There remained significant market uncertainty at the time of preparing the property, plant and equipment, and investment property valuations and analysis following the outbreak of the COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020. The UK’s property markets have been significantly impacted and, as at the valuation date, we consider that this continued uncertainty and lower than usual transaction activity may distort the data used by the Council’s external valuers in preparing valuations. Valuations are therefore reported on the basis of ‘material valuation uncertainty’ as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the property, plant and equipment, and investment property valuations.

A reduction in the estimated property, plant and equipment valuations would result in reductions to the Revaluation Reserve and/or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. A reduction in the estimated investment property valuations would result in a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.

If the value of the Council’s operational properties were to reduce by 10%, this would result in a charge to the Revaluation Reserve and/or Comprehensive Income and Expenditure Statement of approximately £33.512 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances.

All operational buildings that were closed at the end of the year, due to the effects of the COVID-19 pandemic, have been reviewed for the effect on useful life. It is felt that although these assets were temporally affected, the current best estimate is that the assets are still held ready to be used again (and in most cases reopened in April 2021, therefore there is no requirement for a general impairment in valuation.

A reduction in the estimate value of HRA dwellings would be a reduction in the Revaluation Reserve and/or a loss in the Comprehensive Income and Expenditure Statement. If the value of dwellings were to reduce by 10% this would lead to a reduction in value of about £32.245 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced or increased, depreciation increases or reduces respectively, and consequently the carrying amount of the assets’ fall or increase, respectively. It is estimated that the annual depreciation charge for General Fund assets would increase or decrease by approximately £1.004 million for every year that useful lives had to be reduced or increased, respectively. This impact would be mitigated by the fact that depreciation is reversed out so has no impact on the level of Council Tax. For HRA assets the annual depreciation charge to HRA would increase or decrease by approximately £0.546 million for every year. Since the contribution to the Major Repairs Reserve equals the amount of HRA depreciation, any impact of a reduction or increase in HRA depreciation will impact of the bottom line of the HRA.

- **Fair measurements value**

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (“DCF”) model), however per note 52, the Council does not hold any of this type of asset at present. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council’s assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 51 and 52.

The Council uses the DCF model to measure the fair value of some of its investment properties and financial assets.

The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets).

Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

A reduction in the estimated valuations of investment properties would result in reductions to the Comprehensive Income and Expenditure Statement. If the value of the Council's investment properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately £2.322 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances.

- **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 to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured and further details of the assumptions are in note 49.

- **Arrears**

At 31 March 2021, the Council had a balance of short term debtors of £127.347 million. An allowance for expected credit losses of £19.150 million or around 15% of the debt has been made. See note 26 for further details.

An understatement of allowance for expected credit losses would lead to a future adjustment and impairment to be reflected. The impairment allowances held are based on policies adapted to historic experience and success rates experienced in collection. The nature of the debt and service area have been considered however, the economic impact of the COVID-19 pandemic has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.

If collection rates were to deteriorate by 5% then the Council would need to review its policies on the calculation of its impairment allowance for doubtful debts. With the effects of the COVID-19 pandemic, and the consequential current economic climate it is difficult to assess the accuracy of this provision, but this will be continually kept under review.

- **Provisions**

At 31 March 2021, the Council had a balance of provisions totalling £6.1 million, made up of Legal Claims, Insurance Claims, Business Rate Retention Scheme Appeals, Termination Benefits and a new provision set up in 2020/2021 for Environmental Services. See note 29 for further details. The amount of the provisions are uncertain as they dependent on numerous factors including the likelihood of insurance claims being successful and amount to paid, businesses lodging an appeal, the outcome of appeal cases, whether appeals will result in any change to the rateable value and the amount by which the rateable value is changed if successful. If the total provision required is 10% greater than estimated, an increase of £0.519 million would be required to be charged to the Comprehensive Income and Expenditure Statement, which includes the Council's attributable share of Business Rate Retention Scheme Appeals.

Note 45 Authorisation of Accounts for Issue

These Statement of Accounts will be considered and authorised by the Chief Financial Officer of Wiltshire Council on 21 March 2024. It is anticipated that the final audited version of these Statement of Accounts will be considered for approval by the Audit and Governance Committee at its meeting in July 2024.

Note 46 Events after the Balance Sheet Date

The Statement of Accounts were authorised by the Chief Financial Officer on 21 March 2024. Events taking place after this date are not reflected in the financial statements or notes.

Where events take place or further information is obtained before this date, the figures in the financial statements and notes will be adjusted in all material respects to reflect the impact of this information.

There are no adjusting events after the Balance Sheet date for 2020/2021.

Note 47 Contingent Liabilities and Assets

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council is required to disclose an estimate in respect of future costs that may occur that are not currently reflected in the financial statements. The Council has identified two contingent liabilities as at 31 March 2021.

- **Conversion to a School Academy**

A school which is seeking sponsored academy status for September 2021. In the event that this comes to pass, the Council will be liable for irrecoverable costs. The projected deficit on the school budget as at 31 March 2021 was £0.087 million.

- **Legal Claim**

As at 31 March 2019 there was 1 legal claim pending a tribunal. The estimated value of this claim should the Council be found liable is £0.100 million.

A contingent asset is a potential asset which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council has identified one contingent asset as at 31 March 2021.

- **Joint Funding Arrangement**

This concerns a joint funding arrangement with another local authority for the care of a client. In the event that negotiations / arbitration finds in the Council's favour, the Council is estimated to receive a settlement in the region of £0.100 million.

Note 48 Pension Schemes Accounted for as defined contribution Schemes

Teachers pension scheme

In 2020/2021 the Council paid £13.78 million (£12.04 million in 2019/2020) to the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE)" in respect of teachers' pension costs which represents 23.68% of teachers' pensionable pay for the period from April 2020 to March 2021. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2020/2021 these amounted to £2.33 million (£2.35 million in 2019/2020).

Note 49 Defined Benefit Pension Schemes

Participation in Pensions Schemes

As part of the terms and conditions of employment for officers and other employees, the Council offers retirement benefits. Although these will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two pension schemes:

- **The Local Government Pension Scheme (“LGPS”) for civilian employees, administered by Wiltshire Council** – this is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets.
- **The Teachers' Pension Scheme** – this is an unfunded scheme, meaning that there are no investments assets built up to meet the provisions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The liability for this scheme falls upon central government.

The following text in this note below relates to the LGPS.

Liabilities for the LGPS have been assessed by Hymans Robertson, an independent firm of actuaries, on an actuarial basis, based on the roll forward from the accounting valuation as at 31 March 2020, using financial assumptions that comply with IAS 19. To calculate the asset share, the assets disclosed at 31 March 2020 have been rolled forward allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees. The roll-forward allows for any changes in financial and demographic assumptions, additional benefit accrual, actual pension increase orders and estimated cash flows over the period. It also allows for any transfers, business combinations, settlements etc as shown in the Results Schedule.

The principal risks to the Council of the LGPS are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described below.

The cost of retirement benefits is in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions (on the basis required by the accounting standard IAS 19). 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 and Housing Revenue Account via the Movement in Reserves Statement.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account 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:

Comprehensive Income and Expenditure Statement, and Movement in Reserves Statement	2020/2021	2019/2020
	£000	£000
Cost of Services		
Service Cost comprising:		
Current service cost	(52,040)	(59,347)
Past service cost including curtailments	(666)	(2,345)
Effect of Settlements	234	579
Financing and Investment Income & Expenditure		
Net interest expense	(11,510)	(15,001)
Total post-employment benefits charged to the Surplus / (Loss) on Provision of Services	(63,982)	(76,114)

Other Post-employment Benefits Charged to Other Comprehensive Income &

Remeasurement of the Net Defined Benefit Liability comprising:

Return on plan assets (excluding the amount included in the net interest expense)	160,292	(90,963)
Actuarial gains and (losses) arising on changes in demographic assumptions	(23,618)	42,875
Actuarial gains and (losses) arising on changes in financial assumptions	(400,112)	137,875
Actuarial gains and (losses) arising on changes based on other experience	14,992	69,143
Total post-employment benefits recognised in Other Comprehensive Income and Expenditure	(248,446)	158,930

Movement in Reserves Statement

Reversal of net charges made to the Surplus on Provision of Services for post-employment benefits in accordance with the Code	66,294	76,114
Actual amount charged against the General Fund Balance for pensions in the year: Employer's contributions payable to the scheme	(43,640)	(39,201)
Total movement	22,654	36,913

Pensions Assets and Liabilities Recognised in the Balance Sheet

The underlying assets and liabilities for the retirement benefits attributable to the Council as at 31 March 2021 and 2020 are as follows:

	£000	£000
Fair Value of Employer Assets	1,247,604	1,056,505
Present Value of Funded Liabilities	(1,958,460)	(1,499,566)
Net (Under)/Overfunding in Funded Plans	(710,856)	(443,061)
Present value of Unfunded Liabilities	(51,977)	(48,672)
Net Asset/(Liability)	(762,833)	(491,733)
Amount on balance sheet:		
Asset	1,247,604	1,056,505
Liability	(2,010,437)	(1,548,238)
Net Liability Amount in Balance Sheet	(762,833)	(491,733)

A more detailed breakdown is included in note 38.

Information about the defined benefit obligation

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible using a stability overlay mechanism which dampens down short term market volatility subject to certain limits. The Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 19 years. Funding levels are monitored on an annual basis. The 31 March 2019 formal valuations for English and Welsh LGPS were concluded by 31 March 2020. The purpose of the formal funding valuation, which is carried out every three years, is to assess the ongoing financial position of the Fund and to determine the cash contribution rates at which the employing bodies participating in the Fund should contribute in the future. 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 scheme takes account of the national changes that were introduced to the scheme under the Public Services Pensions Act 2013. The Act provided for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. Members started earning benefits under the new scheme from April 2014.

The obligation shows the underlying commitments that the Council has in the long run to pay retirement benefits. Statutory arrangements for the funding of the deficit mean that the financial position of the Council remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The weighted average duration of the defined benefit obligation for scheme members is shown below.

	Liability split £000	Liability split %	Average Age
Active members	753,799	38.5	51.0
Deferred members	519,491	26.5	52.0
Pensioner members	685,170	35.0	69.0
Total	1,958,460	100.0	

Pension Assumptions

Financial Assumptions

The estimates of pensions payable in future years are dependent on certain assumptions. The main assumptions used in the calculations are:

Assumptions as at Year Ended:

	31 March 2021 % per annum	31 March 2020 % per annum
Pension Increase Rate	2.85%	1.90%
Salary Increase Rate	3.25%	2.30%
Discount Rate	2.00%	2.30%

Assumptions on Mortality Rates

Life expectancies are based on the Fund's Vita Curves with improvements in line with the CMI 2020 model. Based on this, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.9 years	24.4 years
Future Pensioners	22.9 years	26.2 years

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements is shown below:

Prospective Pensioners & Pensioners
CMI 2018 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a.

Pension Assets

Fair value of employer assets

Assets in the Wiltshire County Council Pension Fund are valued at a fair value, principally market value for investment and consist of the following categories, by proportion:

Asset Category	31 March 2021				31 March 2020			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	%	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	%
	£000	£000	£000		£000	£000	£000	
Real Estate:								
UK Property	0	84,871	84,871	7%	0	88,371	88,371	8%
Overseas Property	0	42,760	42,760	3%	0	39,925	39,925	4%
Investment Funds & Unit Trusts:								
Equities	0	539,751	539,751	43%	0	569,670	569,670	54%
Bonds	0	387,895	387,895	31%	0	271,772	271,772	26%
Infrastructure	0	82,418	82,418	7%	0	81,803	81,803	8%
Other	0	95,471	95,471	8%	0	221	221	0%
Cash & Cash Equivalents:								
All	0	14,438	14,438	1%	4,743	0	4,743	0%
Total	0	1,247,604	1,247,604	100%	4,743	1,051,762	1,056,505	100%

Projected defined benefit costs for the period to 31 March 2022

The projected amounts determined by the actuary to be charged to the Councils Comprehensive Income and Expenditure under IAS 19 in 2021/2022 are as follows:

Period Ending 31 March 2022	Assets	Obligations	Net (Liability)/Asset	
	£000	£000	£000	% of Payroll
Projected Current Service Cost*	0	(79,469)	(79,469)	(53.9%)
Total Service Costs	0	(79,469)	(79,469)	(53.9%)
Interest Income on Plan Assets	24,876	0	24,876	16.9%
Interest Cost on Defined Benefit Obligation	0	(40,524)	(40,524)	(27.5%)
Total Net Interest Cost	24,876	(40,524)	(15,648)	(10.6%)
Total included in Surplus/Deficit on Provision of Services	24,876	(119,993)	(95,117)	(64.5%)

* The current service cost includes an allowance for administration expenses of 0.8% of payroll. The monetary value is based on a projected payroll of £147.422 million.

The estimated employer contributions for the year to 31 March 2022 will be approximately £36.659 million.

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions that are set out earlier in this note. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are shown below. These 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 credit method. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Change in Assumptions as at 31 March 2021	Approximate % increase to Employer	Approximate monetary amount £000
0.5% decrease in real discount rate	10%	195,781
0.5% increase in salary increase rate	1%	13,830
0.5% increase in pension increase rate (CPI)	9%	178,262

Further information can be found in the Wiltshire Pension Fund annual report 2020/2021 which is available on request. Requests for this report, or any other queries arising from the Wiltshire Pension Fund Accounts, should be addressed to the Director, Finance & Procurement, Wiltshire Council, County Hall, Bythesea Road, Trowbridge, BA14 8JN.

Note 50 Nature and Extent of risks arising from Financial Instruments

Risk management is carried out by the treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.)

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;
- **Refinancing risk** - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- **Market risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services.

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 is available on the Council's website.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below.

The Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard & Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies.
- CDS spreads to give early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 2020/2021 was approved by Full Council on 25 February 2020 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set using internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £142.468 million 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 31 March 2021 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Amounts Arising from Expected Credit Losses

Impairments arising from expected credit losses have been calculated using an historical default table provided by Link Asset Services.

The Expected Credit Loss for Individual Financial Assets (Fixed Term Deposits) recognised at amortised cost during 2020/2021 is £5,687.

For deposits with Local Authorities no impairment is required since the Code does not recognise a loss allowance where the counterparty for a financial asset is central government or a local authority for which relevant statutory provisions prevent default.

Impairments for all other assets have been calculated using an historical default table provided by Link Asset Services. As the impairment is immaterial there no need to recognise this in the financial statements.

During the year, no financial assets were written off by the Council.

Credit Risk Exposure

The Council has the following exposure to credit risk at 31 March 2021.

	Credit Risk Rating	Gross Carrying Amount £000s
12 month expected credit losses	AAA	41,978
	AA	0
	AA-	50,479
	A+	20,003
	A	20,006
	A-	10,001
	BBB Sub BBB	
Maximum Credit Risk Exposure		142,467

During 2020/2021 the Council held collateral as security on two loans made to external entities. A legal charge was made against assets up to the value of the loan principal.

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 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.

Outstanding investments (£142.468 million) are all due to be repaid in less than one year.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (as approved in the Treasury Management Strategy 2020/2021):

	Approved Minimum Limits	Approved Maximum Limits	Actual 31 March 2021		Actual 31 March 2020	
			£000s	%	£000s	%
Less than 1 Year	0%	25%	13,203	3.9%	6,726	2.0%
Between 1 and 2 Years	0%	25%	9,027	2.7%	10,926	3.2%
Between 2 and 5 Years	0%	45%	33,102	9.8%	28,620	8.4%
Between 5 and 10 Years	0%	75%	47,000	13.9%	49,226	14.5%
More than 10 Years	0%	100%	235,883	69.7%	243,897	71.9%
Total			338,215	100.0%	339,395	100.0%

Market Risk – Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2021, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Effects of a 1% Increase in Interest Rates	2020/2021 £000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	0
Increase in Government grant receivable for financing costs	0
Impact on Surplus or Deficit on the Provision of Services	0
Share of overall impact debited to the HRA	0
Decrease in fair value of fixed rate investment assets	(126)
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and	57,783

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in note 51 Fair Value (see below).

Market Risk - Price Risk

The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

Market Risk - Foreign Exchange Risk

The Council has no material financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Note 51 Fair Value

All financial liabilities and financial assets represented by amortised cost, and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The following table shows the fair values, based on new borrowing rates:

Financial Liabilities	31 March 2021		31 March 2020	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Long Term Borrowing:				
Non-PWLB (Market)	(72,138)	(98,751)	(70,866)	(88,057)
PWLB	(259,714)	(325,744)	(269,709)	(318,629)
Total Long Term Borrowing	(331,852)	(424,495)	(340,575)	(406,686)
Short Term Borrowing:				
Non-PWLB (Market)	(2,756)	(2,701)	(2,165)	(2,690)
PWLB	(11,513)	(11,652)	(5,514)	(6,514)
Total Short Term Borrowing	(14,269)	(14,353)	(7,679)	(9,204)
Total Borrowing Value	(346,121)	(438,848)	(348,254)	(415,890)
Short Term Creditors	(203,183)	(203,183)	(128,264)	(128,264)
Long Term Creditors	(3,566)	(3,566)	(2,067)	(2,067)
Total Financial Liabilities	(552,870)	(645,597)	(478,585)	(546,221)

The following table shows the fair values, based on the alternative premature repayment borrowing rates:

Financial Liabilities	31 March 2021		31 March 2020	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Long Term Borrowing:				
Non-PWLB (Market)	(72,138)	(135,092)	(70,866)	(136,584)
PWLB	(259,714)	(371,806)	(269,709)	(419,712)
Total Long Term Borrowing	(331,852)	(506,898)	(340,575)	(556,296)
Short Term Borrowing:				
Non-PWLB (Market)	(2,756)	(2,747)	(2,165)	(4,173)
PWLB	(11,513)	(11,729)	(5,514)	(8,581)
Total Short Term Borrowing	(14,269)	(14,476)	(7,679)	(12,754)
Total Borrowing Value	(346,121)	(521,374)	(348,254)	(569,050)
Short Term Creditors	(203,183)	(203,183)	(128,264)	(128,264)
Long Term Creditors	(3,566)	(3,566)	(2,067)	(2,067)
Total Financial Liabilities	(552,870)	(728,123)	(478,585)	(699,381)

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2021) arising from a commitment to pay interest to lenders above current market rates.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £271.227 million would be valued at £337.396 million. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £383.535 million.

Financial Assets	31 March 2021		31 March 2020	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Loans and Receivables:				
Cash and Cash Equivalents	6,480	6,480	8,623	8,623
Short Term investment	142,468	142,468	79,820	79,820
Total Loans and Receivables	148,948	148,948	88,443	88,443
Short Term Debtors	108,197	96,619	60,979	47,228
Long Term Debtors	18,974	18,974	9,487	9,487
Total Financial Assets	276,119	264,541	158,909	145,158

The fair value of the treasury assets is equal to the carrying amount - because the Council's portfolio of investments and receivables are only short term (less than one year to maturity), even with a fluctuation in shorter term rates, the difference between the carrying amount and the fair value will be immaterial.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 52 Fair Value Measurement of Investment Properties

Fair Value Hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2021 and 2020 are as follows:

Recurring fair value measurements using:	Quoted prices in active market for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2021 £000
Main Portfolio	0	0	23,217	23,217
Other	0	0	0	0
Total	0	0	23,217	23,217

Recurring fair value measurements using:	Quoted prices in active market for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2020 £000
Main Portfolio	0	0	23,099	23,099
Other	0	0	0	0
Total	0	0	23,099	23,099

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

- **Significant Unobservable Inputs Level 3**

The Council's Main Portfolio are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Council's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The whole of the Council's Investment Estate is therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

- **Highest and Best Use of Investment Properties**

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

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

	As at 31 March 2021	Valuation technique used to measure fair value	Unobservable inputs	Sensitivity
	£000			
Main Portfolio	23,217	Income Market Rentals Yields	Comparables Databases (Public & GVA Internal) Rents, yields, capital costs	Medium

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's Finance Officers work closely with the external valuer's and the Council's internal Strategic Property service reporting directly to the Chief Financial Officer on a regular basis regarding all valuation matters.

Note 53 Trust Funds

The Council acts a custodian trustee for 5 trust funds. As a custodian trustee the Council holds the property but takes no decisions on its use. The funds do not represent the assets of the Council and therefore they have not been included in the Balance Sheet.

Funds for which the Council acts as custodian trustee:

2020/2021	Income £000	Expenditure £000	Assets £000	Liabilities £000
Edwin Young Collection	22	0	536	32
John Creasey Museum	0	0	256	8
Westbury Swimming Pool	97	99	124	0
Calne Trust Fund	3	0	105	0
Canberra Youth Centre	12	28	381	0
Total	134	127	1,402	40

2019/2020	Income £000	Expenditure £000	Assets £000	Liabilities £000
Edwin Young Collection	19	0	438	13
John Creasey Museum	3	0	214	5
Westbury Swimming Pool	130	149	96	0
Calne Trust Fund	3	1	104	0
Canberra Youth Centre	0	4	372	0
Total	155	154	1,224	18

A brief description of the Trust Fund are as follows:

- Edwin Young Collection - to maintain a picture gallery in Salisbury.
- John Creasey Museum - perpetuate the name of this famous local author.
- Westbury Swimming Pool - provision of a swimming bath for the benefit of the inhabitants of Westbury.
- Calne Trust Fund - advance education of the inhabitants of Calne by provision of items, services for Calne Library not normally provided out of public funds.
- Canberra Youth Centre - a building used for children resident in Melksham for social, physical training and recreation.

Note 54 Prior Period Adjustments - Property Plant and Equipment

An incorrect application of the componentisation policy for land and buildings has resulted in a difference between the reported carrying value and the valuation report at that date, and incorrect entries for depreciation and impairments/revaluations, and associated incorrect entries in the comprehensive income and expenditure statements, movement in reserves statement and revaluation reserve and capital adjustment accounts. The error meant that as at 31 March 2020, the carrying amount of other land and buildings and unusable reserves were overstated by £1.483 million. The 1 April 2019 and 31 March 2020 Balance Sheets and 2019/20 comparative figures have thus been restated in the 2020/21 Statement of Accounts to correct this error.

The following sets out the nature of the error and the amount of correction required.

1) Effect on opening balance sheet 1 April 2019

At 1 April 2019, the carrying amount of other land and buildings of property, plant and equipment is restated downwards by £1.610 million (£4.271 million gross book value, less £2.661 million accumulated depreciation/impairment) covering the period 2009/10 to 2018/19. The reduction in the other land and buildings carrying amount is matched by a debit to the capital adjustment account (unusable reserve). In addition, the revaluation reserve (unusable reserve) is restated downwards by £18.343 million with a corresponding credit to capital adjustment account (unusable reserve).

The fully restated 1 April 2019 Balance Sheet is provided on page 23. The adjustments that have been made to the Balance Sheet over the version published in the 2019/20 Statement of Accounts are as follows:

Balance Sheet - 1 April 2019

	Opening balances as at 1 April 2019 £000	Restated - opening balances as at 1 April 2019 £000	Correction required to opening balances as at 1 April 2019 £000
Property, Plant and Equipment			
Other Land and Buildings*	346,821	345,211	(1,610)
Total Long Term Assets	1,155,548	1,153,938	(1,610)
Net Assets	135,887	134,277	(1,610)
Financed by			
Usable Reserves	(146,365)	(146,365)	0
Unusable Reserves**	10,478	12,088	1,610
Total Reserves	(135,887)	(134,277)	1,610

* Note 15 Property, Plant and Equipment opening balances as at 1 April 2019 for 'Cost or Valuation' and 'Depreciation and Impairments' have been restated by £4.271 million (decrease) and £2.661 million (decrease), respectively. These adjustments are in addition to further adjustments detailed in a footnote to note 15 on page 45.

** Note 36 Revaluation Reserve and Note 37 Capital Adjustment Account opening balances as at 1 April 2019 have been restated by £18.343 million (decrease) and £16.733 million (increase), respectively.

2) Effect on Comprehensive Income and Expenditure Statement and Movement in Reserves Statement 2019/20

During 2019/20, the revaluation gain recognised in the General Fund services has been reduced by £3.117 million and the revaluation loss increased by £0.643 million, and the depreciation charge decreased by £0.088 million, as a result of cumulative changes to the carrying value of Council Dwellings at 1 April 2019 and 31 March 2020 and the incorrect application of the componentisation policy for land and buildings. In addition, the revaluation gain recognised in the revaluation reserve has been reduced by £3.502 million and the revaluation loss increased by £0.219 million, The impact of which is reversed out of General Fund balances (usable reserve) and reflected in the revaluation reserve and capital adjustment account (unusable reserves) within the Movement in Reserves Statement. The fully restated 2019/20 comparative figures for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement are on pages 21 and 22, respectively.

The adjustments that have been made to the statements over the versions published in the 2019/20 Statement of Accounts are as follows:

Comprehensive Income and Expenditure Statement 2019/20

	As previously Stated - Net Expenditure*	Restated - Net Expenditure	Correction required - Net Expenditure
	£000	£000	£000
Education & Skills	53,352	52,787	(565)
Highways & Environment	65,023	64,891	(132)
Communities & Neighbourhood	40,122	36,971	(3,151)
Net Cost of Service	438,459	434,611	(3,848)
(Surplus)/ Deficit on the Provision of Services	49,246	45,398	(3,848)
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets	(6,619)	(2,898)	3,721
Other Comprehensive Income and Expenditure	(165,549)	(161,828)	3,721
Total Comprehensive Income and Expenditure	(116,303)	(116,430)	(127)

* Note: these amounts have been adjusted to reflect the departmental restructure that occurred in 2020/21.

Movement in Reserves Statement - Usable Reserves 2019/20

	As previously Stated - General Fund Balance	Restated - General Fund Balance	Correction required - General Fund Balance
	£000	£000	£000
Balance at 1 April 2019	(52,343)	(52,343)	0
Total Comprehensive Income and Expenditure	* 54,016	50,168	(3,848)
Adjustments between accounting basis and funding basis under regulations**	(41,045)	(37,197)	3,848
Net (Increase)/Decrease in 2019/2020	12,971	12,971	0
Balance at 31 March 2020	(39,372)	(39,372)	0

* £54.016 million and £41.045 million have been adjusted by £0.336 million - see footnote to Movement in Reserves Statement on page 22 for further details.

Movement in Reserves Statement - Unusable Reserves 2019/20

	As previously Stated - Unusable Reserves £000	Restated - Unusable Reserves £000	Correction required - Unusable Reserves £000
Balance at 1 April 2019	10,478	12,088	1,610
Total Comprehensive Income and Expenditure	(165,549)	(161,828)	3,721
Adjustments between accounting basis and funding basis under regulations**	31,280	27,432	(3,848)
Net (Increase)/Decrease in 2019/2020	(134,269)	(134,396)	(127)
Balance at 31 March 2020	(123,791)	(122,308)	1,483

** Note 14 Adjustments between accounting basis and funding basis under regulations, lines 'Charges for depreciation of non-current assets' and 'Charges for impairment/ revaluations of plant, property and equipment', for both the General Fund balance and Unusable Reserves, and been reduced by £0.088 million and £3.760 million, respectively.

3) Effect on Balance Sheet 31 March 2020

The resulting restated Balance Sheet for 31 March 2020 is provided on page 23. The adjustments cover the cumulative impact of revaluation gains and losses and depreciation in the tables above.

The adjustments that have been made to the Balance Sheet over the version published in the 2019/20 Statement of Accounts are as follows:

Balance Sheet - 31 March 2020

	As previously stated as at 31 March 2020 £000	Restated as at 31 March 2020 £000	Correction required as at 31 March 2020 £000
Property, Plant and Equipment			
Other Land and Buildings*	333,572	332,089	(1,483)
Total Long Term Assets	1,180,046	1,178,563	(1,483)
Net Assets	252,190	250,707	(1,483)
Financed by			
Usable Reserves	(128,399)	(128,399)	0
Unusable Reserves**	(123,791)	(122,308)	1,483
Total Reserves	(252,190)	(250,707)	1,483

* Note 15 Property, Plant and Equipment, in addition to the adjustments to the opening balances as at 1 April 2019 referenced above, in year transaction relating to other land and buildings for 'Cost or Valuation' has been restated by £1.035 million (decrease), and 'Depreciation and Impairments' have been restated by £1.162 million (decrease). These adjustments are in addition to the adjustments detailed in a footnote to note 15 on page 45.

** Note 36 Revaluation Reserve and Note 37 Capital Adjustment Account, in addition to the adjustments to the opening balances as at 1 April 2019 referenced above, in-year transactions have been restated by £3.721 million (decrease) and £3.848 million (increase), respectively. In addition, in both notes, a restatement has been made to the line 'Difference between fair value depreciation and historic cost depreciation' for £0.787 million. In addition, there is a further adjustment of £6.430 million between the Revaluation Reserve and Capital Adjustment Account which is detailed in a footnote to note 36 revaluation reserve on page 67.

4) Effect on Cashflow Statement 2019/20

The resulting restated Cash Flow Statement for 31 March 2020 is provided on page 24. The adjustments cover the cumulative impact of revaluation gains and losses and depreciation in the tables above.

The adjustments that have been made to the Cash Flow Statement over the version published in the 2019/20 Statement of Accounts are as follows:

Cash Flow Statement - 31 March 2020

	As previously stated as at 31 March 2020 £000	Restated as at 31 March 2020 £000	Correction required as at 31 March 2020 £000
Net (surplus) or deficit on the provision of services	49,246	45,398	(3,848)
Adjustments to net surplus or deficit on the provision of services for non-cash movements*	(136,460)	(132,612)	3,848
Net cash flows from Operating Activities	(18,568)	(18,568)	0
Net decrease or (increase) in cash and cash equivalents	(1,920)	(1,920)	0
Cash and cash equivalents at the beginning of the reporting period	6,703	6,703	0
Cash and cash equivalents at the end of the reporting period	8,623	8,623	0

* Note 39 Cash Flow Operating Activities lines 'Depreciation' and 'Charges for impairment/ revaluations of plant, property and equipment', have been reduced by £0.088 million and £3.760 million, respectively.

5) Effect on Expenditure and Funding Analysis Statement 2019/20

The resulting restated Expenditure and Funding Analysis Statement for 31 March 2020 is provided on page 25. The adjustments cover the adjustments to the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement in the tables above.

The adjustments that have been made to the Expenditure and Funding Analysis Statement over the version published in the 2019/20 Statement of Accounts are as follows:

Expenditure and Funding Analysis Statement 2019/20

	As previously Stated - Adjustments between Funding and Accounting Basis*	Restated - Adjustments between Funding and Accounting Basis**	Correction required - Adjustments between Funding and Accounting Basis
	£000	£000	£000
Education & Skills	29,086	28,521	(565)
Highways & Environment	16,128	15,996	(132)
Communities & Neighbourhood	7,493	4,342	(3,151)
Net Cost of Service	61,721	57,873	(3,848)
(Surplus)/ Deficit on the Provision of Services	32,852	29,004	(3,848)

* Note: these amounts have been adjusted to reflect the departmental restructure that occurred in 2020/21.

** Note 13 Note to the Funding Analysis, under the heading 'Adjustments for Capital Purposes', the lines in the table above been restated (reduced) by same amounts (£) in the above table.

Expenditure and Funding Analysis Statement 2019/20

	As previously Stated - Net Expenditure in the Comprehensive Income & Expenditure Statement*	Restated - Net Expenditure in the Comprehensive Income & Expenditure Statement	Correction required - Net Expenditure in the Comprehensive Income & Expenditure Statement
	£000	£000	£000
Education & Skills	53,352	52,787	(565)
Highways & Environment	65,023	64,891	(132)
Communities & Neighbourhood	40,122	36,971	(3,151)
Net Cost of Service	438,459	434,611	(3,848)
(Surplus)/ Deficit on the Provision of Services	49,246	45,398	(3,848)

* Note: these amounts have been adjusted to reflect the departmental restructure that occurred in 2020/21.

Annex 1 Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/2021 financial year and its position at the year-end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 supported by International Financial Reporting Standards ("IFRS").

The Statement of Accounts has been prepared on a "going concern" basis. The accounting conventions adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected; and
- Housing benefits expenditure is payable on a weekly basis throughout the year. No adjustments are made to account for payments in respect of part weeks at the beginning or end of the financial year.

iii. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

iv. 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 in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and 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 in the Movement in Reserves Statement 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, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

v. 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 (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (“CIL”). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects to support development in the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income & Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

vi. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council are eligible to join the following separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education ("DfE"); and
- The Local Government Pension Scheme, administered by Wiltshire Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Wiltshire pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 4.3% (based on the indicative rate of return on high quality corporate bonds (the Iboxx Sterling Corporates Index, AA over 15 years).

The assets of Wiltshire pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price;
- unquoted securities – professional estimate;
- unitised securities – current bid price; and
- property – market value.

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

- *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 arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of non-distributed costs;
- *interest cost* – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- *expected return on assets* – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- *gains or losses on settlements and curtailments* – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of non-distributed costs;
- *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 – debited to the Pensions Reserve; and
- *contributions paid to the Wiltshire 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 when benefits are earned by employees.

Discretionary Benefits

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

vii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue & Customs. VAT receivable is excluded from income.

viii. Overheads and Support Services

The costs of overheads and support services are not recharged to services as part of normal management accounts reporting. Therefore, they are no recharges for overheads and support services within the Comprehensive Income & Expenditure Statement.

ix. Intangible Fixed Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrated that the project is technical, feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributed to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods and services.

Amortisation, impairment losses and disposal gains and losses can be charged to the Comprehensive Income and Expenditure Statement. However, they are not permitted to have an impact on the General Fund Balance, so the gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement.

x. Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's 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. The Council does not have a fixed de-minimis level for the recognition of capital expenditure but recognises expenditure as capital where appropriate. Where there are large volumes of low value similar assets, these assets are grouped together on the fixed asset register and accounted for as one larger asset.

Measurement

Assets are initially measured at cost, comprising the purchase price and 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. Assets are carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount for infrastructure assets only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year;
- Dwellings – fair value, determined using the basis of existing use value for social housing ("EUJ-SH");
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective; and
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use value ("EUJ").

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost ("DRC") is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

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

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- 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 allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the remaining useful life of the property as estimated by the valuer;
- vehicles, plant, furniture and equipment – Straight line allocation over a useful life of 5 years or in the case of services within buildings remaining useful life of the services as estimated by the valuer; and
- Infrastructure – straight-line allocation over 60 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet 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. Any receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets) are payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement).

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing.

xi. 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 the highest and best use. Properties are not depreciated but revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties 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 and are therefore reserved out in the Movement in Reserves Statement.

xii. 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 fixed assets during the year:

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance of a Minimum Revenue Provision ("MRP").

Housing Revenue Account capital charges are calculated in accordance with the prescribed statutory determination.

xiii. Revenue Expenditure Funded from Capital Under Statute

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

xiv. Leases

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

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee:

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

The Council as Lessor:

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as a gain or loss on disposal.

Lease rentals receivable are apportioned between:

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

xv. Financial Instruments

Financial Liabilities

Financial liabilities 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 are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measures at:

- Amortised cost;
- Fair value through profit or loss; and
- Fair value through other comprehensive income.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments, are not solely payment of principal and interest.

Financial Assets Measured at Amortised Cost

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

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime leases are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk platys a crucial part is assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime bases of 12 month expected losses.

Financial Assets measured at Fair Value through Profit or Loss ("FVPL")

Financial assets that are measured ay FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices - the market prices; and
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following 3 levels:

- *Level 1 inputs* – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date;

- *Level 2 inputs* – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
- *Level 3 inputs* – unobservable inputs for the asset.

xvi. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvii. Interest in companies and other entities

The Council has an interest in three subsidiary companies. Stone Circle is a wholly owned subsidiary of Wiltshire Council that was set up for the benefit of Wiltshire residents, aiming to provide quality affordable housing. It comprises the Stone Circle Holding Company, Stone Circle Development Company, and Stone Circle Housing Company. There is also a dormant company, Stone Circle Energy Company.

The Council has not produced group accounts for 2020/21 because following the elimination of inter-company balances / transactions and alignment of accounting policies, the remaining transactions and balances are not materially different to the Council's single entity accounts.

xviii. Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- *Fair value of the services received during the year* – debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- *Finance cost* – an interest charge made on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- *Contingent rent* – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- *Payment towards liability* – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease); and
- *Lifecycle replacement costs* – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xix. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

xx. 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 mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

xxi. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xxii. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events. 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.

xxiii. Non-Compliance with Code of Practice

For operational reasons, the accounts do not fully comply with the Code of Practice on minor points. The main non-compliance is in relation to debtors and creditors. Whilst the accounts are maintained on an accruals basis, i.e. all sums due to or from the Council are included whether or not the cash has actually been received or paid in the year, exceptions are made for quarterly utilities payments based on meter reading dates. Since these policies are applied consistently year-on-year, they have no material effect on any one year's accounts.

xxiv. Foreign Currency

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date of the transaction. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xxv. Heritage Assets

The Council's Heritage Assets are assets that are kept to increase the knowledge, understanding and appreciation of the Council's history and local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below.

If items are of a material nature a separate external revaluation exercise would be commissioned and the assets carried at market value in the Balance Sheet; alternatively insurance valuations would be used to establish value. If this was the case these assets would be reviewed for impairment on a regular basis and the figures in the Balance Sheet updated accordingly. Any disposals would be treated in the same way as other assets. If the values of the assets are of limited or no value, then they will be disclosed in a note to the accounts only and not brought onto the Balance Sheet with a value. This decision is made based on whether the cost of obtaining a valuation exceeds the benefits to the users of the accounts.

For Wiltshire Council, which does not hold museum or art collections, the costs of commissioning external valuations exceeds the benefit to the users of the accounts therefore the assets are disclosed in a note to the accounts only. The assets disclosed in note 20 include a property (the East Grafton Windmill), the White Horse in Westbury, and a small collection of art held across the county.

xxvi. Fair value measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the 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 and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- *Level 1* – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- *Level 2* – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- *Level 3* – unobservable inputs for the asset or liability.

xxvii. Council Tax and Non-domestic Rates

Billing authorities act as agents. Collecting council tax and non-domestic rates ("NDR") on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund, (the Collection Fund) for the collection and distribution due in respect of council tax and NDR. Under legislation framework for the Collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be more or less than predicted.

Accounting for Council Tax and Non-Domestic

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of the accrued income for the year. However, regulations determine the amount of the council tax and NDR that must be in the Council's General Fund. Therefore, the difference between the Comprehensive Income and 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 end of year balances in respect of council tax and NDR relating to arrears impairment allowances for doubtful debts, overpayments and prepayments and appeals.

xxviii. Accounting for Agency / Principal Relationships

The Council acts as principal where it acts on its own behalf and as Agent where it acts as an intermediary. Where it acts as principal, transactions are included in the financial statements in full. Where it acts as agent, only the cash collected and or expenditure incurred are included in the council's statements, with the creation of a debtor or creditor and any cash being shown in the council's cash flow statement under financial activities.

An example of such a principal / agent relationship is where the council acts as billing authority for NDR and council tax attributable to the police and fire authorities. In this example, the council is principal and shows cash collected on behalf of the other authorities in its net cash balance and two creditors. A further example would be in respect of COVID-19 Grants provided by Government; the Council is acting as an agent where it is not in control of funding where it is responsible only for distributing amounts to beneficiaries with rules supplied by the Government (the funder), so that the recipient and the amounts they receive would be no different if Government had distributed the funding itself.

Housing Revenue Account

This account records the transactions relating to the Council's housing stock. The Local Government and Housing Act 1989 requires its separation to give a clear picture of the cost of providing homes for council tenants. Housing Revenue Account income and expenditure does not affect the amount of council tax levied.

	NOTE	2020/2021		2019/2020	
		£000	£000	£000	£000
Income					
Rents (gross):					
- dwellings		(25,042)		(24,757)	
- garages		(379)		(387)	
- other		(573)		(630)	
			(25,994)		(25,774)
Charges for services and facilities			(1,204)		(1,052)
Total Income			(27,198)		(26,826)
Expenditure					
Repairs and Maintenance			5,237		5,427
Supervision and Management:					
- general		3,139		3,260	
- special services		1,374		1,240	
			4,513		4,500
Depreciation & Impairments of Fixed Assets					
- On dwellings	3	13,987		12,147	
- On garages	3	85		85	
- On other Assets	3	0		0	
			14,072		12,232
Total Expenditure			23,823		22,159
Net Cost of Services per Income & Expenditure Account			(3,375)		(4,667)
HRA Services share of Corporate and Democratic Core			321		321
Net Cost of HRA Services			(3,054)		(4,346)
HRA share of the operating income and expenditure in the whole Council Comprehensive Income and Expenditure Statement:					
Capital grants and Contributions			(829)		0
(Gain)/Loss on sale of HRA fixed assets			87		(4,721)
Interest Payable			3,560		3,587
Interest Receivable			(79)		(152)
Net interest on the net defined benefit liability*			270		336
Increase/(Decrease) in allowance for bad debts**			(1,299)		526
(Surplus)/Deficit for the Year on HRA Services			(1,344)		(4,770)

* The 2019/2020 comparative has been restated by £0.336 million to correctly reflect a proportion of the pension net interest cost within HRA.

** The line 'Increase/(Decrease) in allowance for bad debts has been moved to below Net Cost of HRA Services, which has resulted in the 2019/2020 comparative for net cost of HRA services has been restated by £0.526 million. This restatement is a presentational adjustment which has not impacted on the Surplus/Deficit for the Year on HRA Services.

Statement of Movement on the HRA Balances

	2020/2021 £000	2019/2020 £000
Balance on the HRA at the end of the previous reporting period	(10,144)	(13,567)
(Surplus)/ Deficit for year on HRA Income and Expenditure Account	(1,344)	(4,770)
Adjustments between accounting basis and funding basis under statute:		
HRA share of contributions to the Pensions Reserve (see note 6)*	(904)	(774)
Transfer to/from Capital Adjustment Account ¹	(14,860)	(13,951)
Transfer to the Usable Capital Receipts Reserve - RTB Admin Costs	(23)	6,440
Transfer to the Usable Capital Receipts Reserve	2,530	0
Transfer to the Major Repairs Reserve	12,027	12,232
HRA share of Transfer to/from Accumulated Absences Reserve	(3)	(11)
Revenue Contributions to Capital Expenditure	4,562	4,257
Total	3,330	8,193
Net increase before transfers to/from earmarked reserves	1,986	3,423
Transfer to/ from reserves	0	0
(Increase)/decrease in the year on the HRA	1,986	3,423
Balance on the HRA at the end of the current reporting period	(8,158)	(10,144)

* The 2019/2020 comparative has been restated by £0.336 million to correctly reflect a proportion of the pension net interest cost within HRA.

Transfers to/ from the Capital Adjustment Account comprise:

¹Transfers to/from Capital Adjustment Account comprise:

	2020/2021 £000	2019/2020 £000
Reversal of depreciation, impairment and amortisation	(14,072)	(12,232)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	0	(1,719)
Capital grants & contributions applied	829	0
Voluntary provision for financing of capital investment	1,000	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(2,617)	0
Total	(14,860)	(13,951)

Housing Revenue Account Notes

Note 1 Housing Stock

	31 March 2021	31 March 2020 Restated
Houses and Bungalows		
- 1 bedroom	280	278
- 2 bedrooms	1,453	1,444
- 3 bedrooms	1,696	1,710
- 4+ bedrooms	135	132
Flats		
- 1 bedroom	963	953
- 2 bedrooms	750	756
- 3+ bedrooms	72	64
Total dwellings as at 31 March	5,349	5,337

The 2019/2020 housing stock has been restated to include 35 shared ownership properties omitted due to the numbers previously being not material, and an additional 5 properties following a reconciliation to underlying housing records. The Council sold 18 properties during 2020/2021 under the right to buy scheme ("RTB"). The Council received a total before pooling of £1.786 million as capital receipts. In 2020/2021 the Council has also obtained an additional 26 properties as part of the Council House Build Program and 4 properties as part of the rough sleepers' programme. The overall net increase in council houses since 2019/2020 is therefore 12.

The housing stock numbers above do not include the PFI housing units; these are classified as General Fund funding, and so are not part of the HRA. Further information on these PFI dwellings is found in note 22 to the Core Financial Statements.

Note 2 Arrears

The year-end position regarding arrears owed to the HRA was:

	31 March 2021 £000	31 March 2020 £000
Rent arrears	2,152	2,295
Less:		
Rent payments in advance	(664)	(654)
Bad debt provision	(548)	(1,999)
Net arrears position	939	(358)

The bad debt provision has been reviewed as at 31 March 2021 to more accurately reflect the profile of the HRA debtors.

Note 3 Movement of Housing Revenue Account Assets

The table overleaf provides a reconciliation from the carrying amount of HRA assets at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Movement of HRA assets	Council Dwellings £000	Council Garages £000	Council Dwellings & Garages & inc Land £000
Net Book Value 1 April 2020	296,793	2,465	299,258
Restatement of Net Book Value 1 April 2020*	1,735	0	1,735
Restated Net Book Value 1 April 2020	298,528	2,465	300,993
Additions in Year	10,517	0	10,517
Disposals	(2,617)	0	(2,617)
Revaluations	22,312	386	22,698
Depreciation	(11,939)	(85)	(12,024)
Category Adjustments	2,881	0	2,881
Balance of Net Book Value at 31 March 2021	319,682	2,766	322,448

* The net book value of HRA assets 2019/20 closing balance has been restated by £1.735 million to reflect Wiltshire Council's ownership percentage of shared ownership properties. 2019/2020 has not been adjusted due to the immaterial amount.

The Balance Sheet value of Council Dwellings (structures, services and land) as at 31 March 2021 was £319.682 million. This represents the valuation at existing use for social housing which is the value of the properties with a secured tenant continuing to live in the property paying social rents rather than market rents.

The Vacant Possession value (open market) of the properties at 31 March 2021 was £913.377 million. This represents the value of the houses if the property were sold without a secured tenant continuing in the property. Therefore, it could be rented out at market rent so has a higher value. This figure has been discounted by a factor of 35% to get the Existing use value - social housing.

The difference between the Vacant Possession value and the Balance Sheet value of dwellings within the HRA shows the Economic Cost of providing Council Housing at less than open market rents. The Economic Cost of the properties at 31 March 2021 was £593.695 million.

Note 4 Financing of HRA Capital Expenditure

The total capital expenditure during the year and how it was financed is shown in the table below.

	2020/2021 £000	2019/2020 £000
Council Dwellings (Structures and Services)	6,346	8,398
Council House Build Programme	3,768	4,160
Total HRA capital expenditure	10,114	12,558
Revenue and Reserves	4,562	4,257
Other receipts (Major Repairs Reserve)	4,004	4,802
Grants and Contributions	829	2,946
Capital Receipts	719	553
Total HRA capital financing	10,114	12,558

Note 5 Major Repairs Reserve

The major repairs reserve is an earmarked fund to which the Council transfers an amount annually to support capital expenditure on council dwellings. The analysis of the movement on the reserve for the year is shown in the table below.

	2020/2021 £000	2019/2020 £000
Balance on the reserve at 1 April	(12,169)	(4,739)
Financing of capital expenditure in the year	4,003	4,802
Amount transferred to the reserve during the year	(12,027)	(12,232)
Balance on the reserve at 31 March	(20,193)	(12,169)

Note 6 Contribution to Pension Reserve

The HRA bears a share of the pension contribution and net interest cost due to the IAS 19 adjustment in proportion to the payments made during the year. See note 49 to the Core Financial Statements for more information on accounting for retirement benefits.

Collection Fund

The Collection Fund is a statutory fund. It covers Council Tax and Non-Domestic Rate collection and the precepts of Wiltshire Council, the Office of the Police and Crime Commissioner for Wiltshire and Swindon (Police), Wiltshire Fire and Rescue Service (Fire) and Parish Councils.

NOTE	Non-Domestic Rates 2020/2021			Non-Domestic Rates 2019/2020		
	£000	Council Tax 2020/2021 £000	Total 2020/2021 £000	£000	Council Tax 2019/2020 £000	Total 2019/2020 £000
Income						
Council Tax	0	(363,651)	(363,651)	0	(346,945)	(346,945)
Non-Domestic Rates	(79,847)	0	(79,847)	(150,634)	0	(150,634)
	(79,847)	(363,651)	(443,498)	(150,634)	(346,945)	(497,579)
Disbursement						
Precepts and Demands						
- Wiltshire Council	73,497	284,723		72,336	270,997	
- Police	0	40,645		0	38,369	
- Fire	1,500	14,351		1,476	13,927	
- Town and Parish Councils	0	23,900		0	21,702	
- Central Government	74,997	0		73,812	0	
			513,613			492,619
Share of surplus/(deficit) on Collection Fund						
- Wiltshire Council	1,610	1,090		(4,367)	2,881	
- Police	0	154		0	371	
- Fire	33	56		(89)	148	
- Central Government	1,643	0		(4,456)	0	
			4,586			(5,512)
Disregarded Amounts						
- Renewable Energy	2,221	0	2,221	0	0	0
Cost of collection allowance	616	0		621	0	
Movement in allowance for Bad Debts	208	2,976		(52)	561	
Write-offs	439	915		1,265	747	
Appeals	0	0		(64)	0	
Other transfers to general fund	985	0		588	0	
			6,139			3,666
Fund surplus/(deficit) for the year	(77,902)	(5,159)	(83,061)	9,564	(2,758)	6,806
	79,847	363,651	443,498	150,634	346,945	497,579
	Non-Domestic Rates £000	Council Tax £000	Total £000	Non-Domestic Rates £000	Council Tax £000	Total £000
Fund balance b/f	(3,282)	(1,215)	(4,497)	6,282	(3,973)	2,309
(Surplus)/deficit for year	77,902	5,159	83,061	(9,564)	2,758	(6,806)
Fund balance c/f	74,620	3,944	78,564	(3,282)	(1,215)	(4,497)

Collection Fund Notes

Note 1 Council Tax

Council tax is charged according to the Government's valuation of residential properties as at 1 April 1991. Valuations are stratified into eight bands for charging purposes. Individual charges are calculated by estimating the total amount of income required by the Collection Fund's preceptors and dividing this by the council tax base. The tax base is the total number of chargeable properties in all valuation bands converted to an equivalent number of band D dwellings, with an allowance made for discounts and exemptions.

The average amount of council tax required from a property in any tax band is the band D charge; the average for Wiltshire Council was £1,934.80 for 2020/2021 multiplied by the ratio specified for that band. Ratios specified for the bands A to H are as follows:

Band	Ratio	Estimated No. of Taxable Properties after discounts	2020/2021 Band D Equivalent Dwellings	2019/2020 Band D Equivalent Dwellings
Band A Disabled	5/9	32	18	17
Band A	6/9	15,579	10,386	10,270
		15,611	10,404	10,287
Band B	7/9	30,237	23,518	23,328
Band C	8/9	44,001	39,112	38,617
Band D	9/9	33,759	33,759	33,207
Band E	11/9	26,594	32,504	31,909
Band F	13/9	16,183	23,376	23,106
Band G	15/9	10,220	17,034	16,944
Band H	18/9	1,159	2,318	2,300
			182,025	179,698
			5,911	6,315
Council Tax Base			187,936	186,013

Adjustment for MOD contribution in lieu, new properties, & collection

Note 2 National Non-Domestic Rates

The total non-domestic rateable value at 31 March 2021 was £388,059,354 (£390,056,478 at 31 March 2020). The national non-domestic multiplier for the year was 51.2p (50.4p in 2019/2020) and the small business rates relief multiplier was 49.9p (49.1p in 2019/2020).

Note 3 Collection Fund Balance

The Council has to record transactions for council tax and non-domestic rates in the Collection Fund Account. The balance, as usable income, will be paid to the Council and its major preceptors in future years.

	Non-Domestic Rates 31/03/2021 £000	Council Tax 31/03/2021 £000	Total 31/03/2021 £000	Non-Domestic Rates 31/03/2020 £000	Council Tax 31/03/2020 £000	Total 31/03/2020 £000
Wiltshire Council	36,564	3,348	39,912	(1,608)	(1,019)	(2,627)
Police	0	440	440	0	(144)	(144)
Fire	746	156	902	(33)	(52)	(85)
Central Government	37,310	0	37,310	(1,641)	0	(1,641)
	74,620	3,944	78,564	(3,282)	(1,215)	(4,497)

Glossary of Terms

For the purposes of compiling the Statement of Accounts, the following definitions have been adopted and may be useful to the reader in understanding terminology used in the statement.

Accruals

The recognition of income and expenditure as it falls due, not when cash is received or paid.

Amortisation

The writing down of the value of intangible fixed assets in line with its programmed useful life.

Assets

These can be either:

- **Intangible assets** – assets which are non-physical in form, that is, which cannot be seen. Examples are patents, goodwill, trademarks and copyrights.
- **Property plant and Equipment (“PPE”) assets** – tangible assets that give benefits to the Council for more than one year.
- **Community assets** – assets without determinate life that the Council intends to hold in perpetuity. They may have restrictions on their disposal. Examples include parks and historic buildings.
- **Infrastructure assets** – inalienable fixed assets such as highways and footways.
- **Non-operational assets** – fixed assets not directly used for service provision. Examples include surplus land and buildings awaiting sale or further development.
- **Heritage assets** – Assets held solely for historical, artistic, scientific, technological, geophysical or environmental qualities.

Balance Sheet

A summary of all the assets, liabilities, funds, reserves etc.

Best Value

The Council duty to provide effective and efficient services based on community need and desire.

Budget

The Council's financial plans for the year. Both capital and revenue budgets are prepared and, amongst other things, used as performance measures.

Billing Authority

An authority which bills and collects council tax and NDR for its area.

Capital Adjustment Account (“CAA”)

The Capital Adjustment Account reflects the timing differences arising from the different arrangements for accounting for the financing of the acquisition of assets and the consumption of those assets.

Capital Financing Requirement (“CFR”)

This shows the Council's overall capital financing requirement for General Fund and HRA – the underlying amount of borrowing the Council has incurred on its capital investment.

Capital Expenditure

Substantial expenditure producing benefit to the Council for more than one year.

Capital Receipts

The proceeds of the disposal of assets, non-approved investments and the repayment of grants, share capital and capital loans made by the Council.

Cash Flow Statement

A summary of the inflows and outflows of cash with third parties for revenue and capital purposes.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the institute of professional local government accountants and produces standards and codes of practice followed in the production of a Council's accounts.

Comprehensive Income and Expenditure Statement ("CIES")

This account shows expenditure on and income from the Council's day-to-day activities in accordance with generally accepted accounting practices. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Council.

Creditors

Money owed by the Council to others.

Collection Fund

This statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and NDR.

Debtors

Money owed to the Council by others.

Dedicated Schools Grant ("DSG")

A central government grant paid to the Council for the use for expenditure on schools.

Depreciation

The writing down of the value of tangible fixed assets in line with its programmed useful life.

Expenditure and Funding Analysis ("EFA")

This show how annual expenditure is used and funded from resources by the Council in comparison with the resources consumed or earned by the Council in accordance with generally accepted accounting practices.

Employee Costs

Pay and associated costs such as national insurance, pension contributions etc.

Exceptional Items

Items that, although usual to the activities of the Council, by their nature need separate disclosure because of their unusual size or incidence.

Extraordinary Items

Material items needing separate disclosure because they are unusual to the activities of the Council by their nature.

General Fund

The main revenue fund of the Council which shows income from and expenditure on the Council's day-to-day activities. It excludes the provision of housing which must be charged to a separate Housing Revenue Account.

Government Grants

The amounts of money the Council receives from the Government and inter-government agencies to help fund both general and specific activities.

Government Grants Deferred

Capital grants which are credited to the Balance Sheet and amortised to revenue over the life of the relevant asset to offset provisions made for depreciation.

Gross Expenditure

Expenditure before deducting any related income.

Housing Revenue Account ("HRA")

The account which sets out the expenditure and income on the provision of housing. Other services are charged to the General Fund.

Impairment

A reduction in the value of a fixed asset below it's carrying amount on the Balance Sheet.

International Financial Reporting Standards (“IFRSs”)

International Financial Reporting Standards issued by the Accounting Standards Board requiring information to be shown in accounts.

Leases

These may be finance leases that transfer the risks and rewards of ownership of an asset to the Council. Alternatively, they may be operating leases that are more akin to a hire agreement.

Liabilities

Amounts the Council either owes or anticipates owing to others, whether they are due for immediate payment or not.

Long Term Contracts

A contract that, once entered into, will take longer than the current period of account to complete.

Local Government Accounting Code of Practice

Issued by CIPFA, this is a code of proper accounting practice with which Local Authorities in England and Wales must comply in preparing their financial statements.

Movement in Reserves Statement (“MIRS”)

This statement shows the movement from the start to the end of the year on the different reserves held by the Council.

Minimum Revenue Provision (“MRP”)

Statute requires revenue accounts to be charged with a prudent Minimum Revenue Provision as a notional redemption cost of all external loans.

Major Repairs Reserve (“MRR”)

The MRR is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings.

Net Expenditure

Gross expenditure less directly related income.

Non-Domestic Rates (“NDR”)

Wiltshire Council collects Non-Domestic Rates from local businesses and organisations. The income is then distributed between Wiltshire Council, Central Government and Wiltshire & Swindon Fire Authority in line with the relevant statutory and accounting guidelines.

Precept

The amount of income demanded of the Collection Fund by an authority entitled to that income.

Preceptor

An authority entitled to demand money of the Collection Fund. The preceptors on Wiltshire Council's Collection Fund are the Council itself, the Office of the Police and Crime Commissioner for Wiltshire and Swindon, Wiltshire Fire and Rescue Service and Parish and Town Councils.

Private Financing Initiative (“PFI”)

A long-term contractual public private partnership under which the private sector takes on the risks associated with the delivery of public services in exchange for payments tied to standards of performance.

Provisions

Amounts held in reserve against specific potential liabilities or losses where there is uncertainty as to amounts and/or due dates. Payment to a provision is counted as service expenditure.

Rateable Value

Assessment by the Valuation Office Agency (“VOA”) of a property's value from which rates payable are calculated.

Reserves

Amounts prudently held to cover potential liabilities. Payments to reserves are not counted as service expenditure.

Revaluation Reserve

The balance of this reserve represents the revaluation gains (as certified by the Council's external valuer, and the Council's internal valuer for farms) made by the Council arising from increases in the value of its Property, Plant and Equipment assets.

Revenue Expenditure

Day-to-day running costs of services.

Revenue Income

Day to day income received for services.

Revenue Support Grant

A Government grant paid towards the cost of General Fund services.

Running Expenses

The cost of running a service less employee expenses and capital charges.

Usable Capital Receipts Reserve

This reserve holds the amounts of capital receipts derived from the disposal of fixed assets until such a time that they are used to finance capital expenditure.

Useful Life

The anticipated period that an asset will continue to be of benefit.

Value Added Tax ("VAT")

An indirect tax levied on vatiable goods and services.