

# **Wiltshire Council**

## **Draft Annual Report and Statement of Accounts**

**2022/2023**

**[subject to audit]**

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## Director of Finance Narrative Report

The 2022/23 financial year was the first full year of operation since all COVID-19 restrictions lifted and life returned to a new normal. The year also saw the council and nation face unprecedented levels of inflation, with inflation indices more than double the level on which the budget was set. Managing the financial position came with significant challenges with levels and rate of demand more difficult to predict in the aftermath of the pandemic and uncertainty of the impact of the 'cost of living crisis'.

Following the pandemic, that saw two years of some of the toughest faced by residents and public service alike no-one could have predicted the increased levels of inflation. Not only did the council face increased costs directly but suppliers' capacity to deliver and reactions to the changing economy came with great uncertainty. Despite the challenges, services actively managed costs to minimise the impact of inflation and delivered services in a dynamic and agile way.

Forecasts were for inflation to stabilise, however the reduction in inflationary increases was not seen as soon as originally expected. Challenges as a result of the economic changes remain and it is critical that the Council ensure that it remains fit for the future and delivery good public services to those who need them by actively investing in organisational resilience and the agility of the workforce, as it had for the previous two years.

Uncertainty remained on the longer-term impact of the pandemic, and with the cumulative impact of the 'cost of living crisis' support needed for individuals, households, businesses and communities was not fully understood. It was important for the Council to set out how its business would be shaped for the future and allow the council to respond to the challenges that arise with dynamism and courage.

The overall financial position was managed successfully during the year, with a underspend remaining at the end of the year of £7.775m. Using reserves set aside to manage risk, [Inflation, Pay Award and Budget Equalisation reserves], this surplus was managed, and the balance of those reserves repurposed to align with new priorities. During

the year an additional £7m was transferred to the General Fund reserve to provide additional capacity and resilience to support the financial position of the Council in the future, support the financial risks the Council faces and to allow lead in time for transformation and to reshape services to deliver on-going financial resilience and sustainability.

In setting the 2022/23 budget the Council planned savings of £24.8m which was a significant increase on the previous years, and nearly 88% were either delivered or delivered through alternative savings. In the face of £21m of growth in inflation pressures for services delivery on the saving goals shows the continued strong financial management performance of the council. The next section provides more detail on the financial performance.

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

Significant uncertainties remain on the long-term impact of the pandemic and 'cost of living crisis', 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 change 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 2022/23 Statement of Accounts.

**Lizzie Watkin**

Director of Finance & Procurement (S151 Officer)  
Wiltshire Council  
29 November 2024

## Financial and Performance Review

### Overall Financial Outturn

The financial statements report an underspend for 2022/23. It has been a challenging year where significant levels of inflation and increases in demand for local services were seen.

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:

	2022/2023 £000	2021/2022 £000
<b>Budget Requirement</b>	<b>382,747</b>	<b>354,602</b>
Funding	(374,972)	(358,127)
<b>Surplus in year</b>	<b>(7,775)</b>	<b>(3,525)</b>

The Housing Revenue Account owns approximately 5,333 properties generating rental income of over £26.5 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 £4.351 million underspend in year which resulted in a contribution to HRA balances which remained at a prudent level as at 31 March 2023.

The following pages set out how this financial outturn links to performance and demand. In setting the 2022/23 Budget the Council took account of its Business Plan to reprioritise funding where required and identified £24.8 million of savings to be delivered. 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 a decrease in the Council's pension liabilities and the way these are quantified. The Pension Fund has a plan agreed with its actuaries to achieve a balanced position for the Fund by 2036 and will keep this under review. The key elements of the balance sheet are as follows:

	31 March 2023 £000	31 March 2022 £000
Long-Term Assets	1,478,683	1,405,579
Current Assets	267,631	324,622
Current Liabilities	(176,317)	(218,320)
Net Pension Liability	(195,368)	(596,615)
Other Long-Term liabilities	(513,184)	(524,229)
<b>Net Assets</b>	<b>861,601</b>	<b>391,037</b>
Financed by:		
Usable Reserves	(264,658)	(240,798)
Unusable Reserves	(596,942)	(150,237)
<b>Total Reserves</b>	<b>(861,601)</b>	<b>(391,036)</b>

# Financial and Performance Review (cont'd)

## Delivery of the Capital Programme

The Council's 2022/23 programme saw £128 million spent to deliver a wide range of capital works. The programme being funded from £54 million in grants, £5 million from capital receipts, £14 million GF & HRA contributions, £12m loan to subsidiary companies and the balance of £43 million from borrowing.

The main areas of capital spend were £33 million of highways and infrastructure spend, £25 million on property assets & commercial development, £31 million on education & skills schemes, £12m of loans to subsidiary companies and £17 million on Council house build programmes and refurbishment of Council stock.

Note 25 on Assets Held for Sale identifies that as at 31 March 2023, £3.198 million of Council property is expected to be sold in 2023/24. 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 prudential indicators within the Treasury Management Strategy were fully adhered to in 2022/23. During the year there were two breaches of counterparty limits of £0.013 million and £0.014 million.

At the end of 2022/23 the Council had £399 million of outstanding borrowing. That is £8 million less than as at 31 March 2022. The council repaid one loan in the year. An approach of minimising the cost of borrowing remained and this approach resulted in an 'under-borrowed' position by just less than £153 million which results in an interest payable saving in the region of £3.7 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 pension deficit of £195 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 £5.855 million set aside in provisions, mainly relating to insurance claims, environmental services, adult social care 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 financial position and actions taken results a balance in the Council's General Fund Reserve of £27.731 million. The level of general fund reserve has increased over the period and falls within the level recommended by the Chief Finance Officer.

Other earmarked reserves have decreased by £0.480 million (as set out in Note 32 of the financial statements). This is mainly as a result of £10.629 million collection fund grant that was be used in 2022/23 to fund the collection fund deficit that has arisen due to covid related business rate reliefs. An additional earmarked reserve has been established in 2022/23 of £10 million for Accommodation Needs.

The Dedicated Schools Grant deficit balance as at 31 March 2023 remains on the balance sheet 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 2022/23 budget the Council received no general support funding from government. This meant in 2022/23 an additional £10 million was needed to be raised from Council Tax, and £3 million from the Social Care Levy to fund adult care pressures. This results in the overall proportion of funding from local residents and business remaining stable at around 85%.

The Council continues to face demand and inflationary pressures of circa £30 million per annum. To manage this challenge the Business Plan has had a clear prioritised focus that has helped shape both the areas of financial investment and drive for continual improvement in performance.

The 2022/23 revenue outturn was an underspend of £7.775 million. This is less than 0.1% of the Council's net budget. This overspend was funded by drawing from a risk based earmarked reserve.

The most significant issue the Council faces in future years is the increasing demand for services and any on-going impact of both the COVID-19 pandemic and cost of living crisis. These issues have tested all local authorities. There is uncertainty moving forwards and the changes required in service delivery are being assessed alongside addressing the financial position of the Council and the on-going pressures that are forecast. The Council continues to focus on the delivery of efficient and effective public services for its residents.

### **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 over 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 2022/23 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 2022/23**

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.

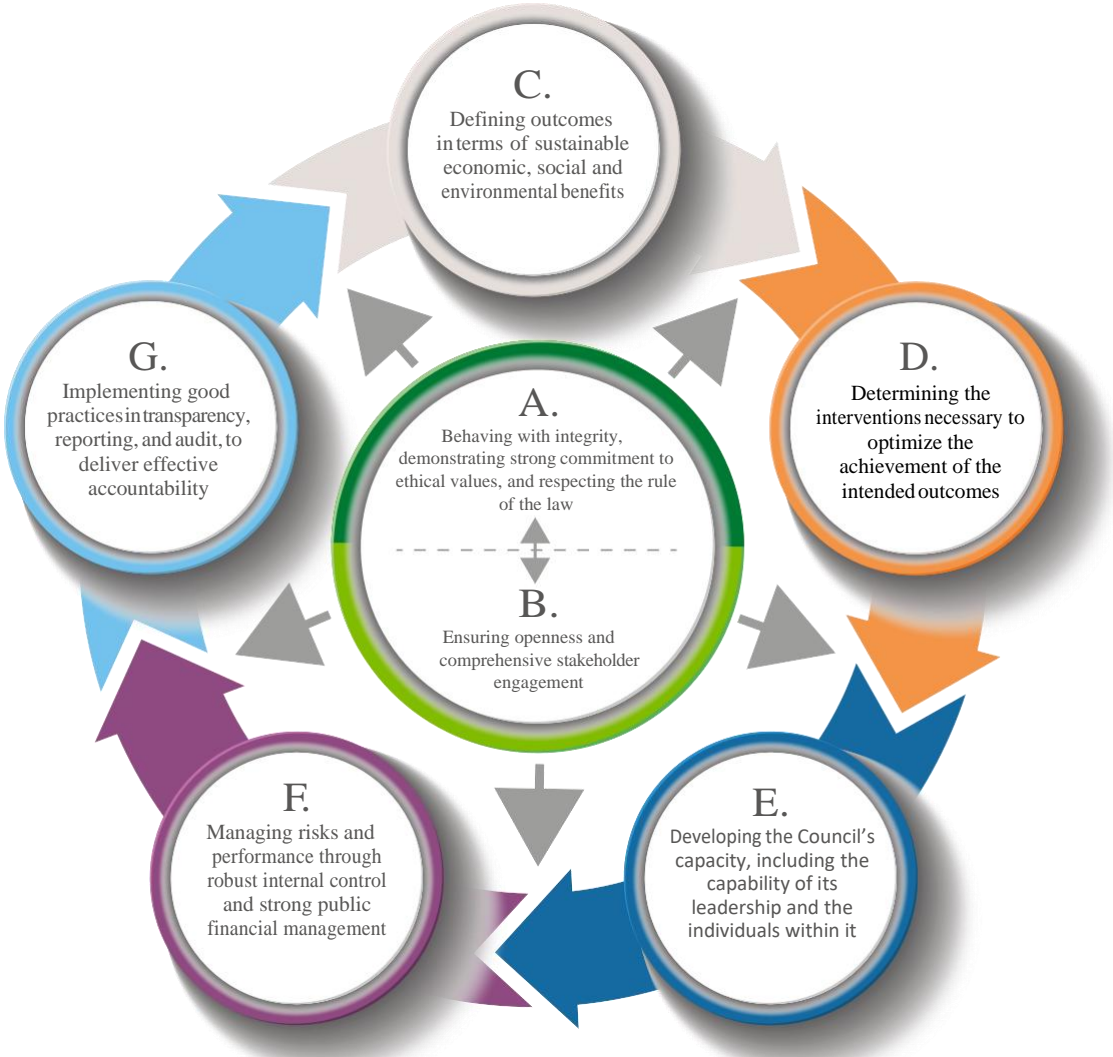
Terence Herbert  
Chief Executive

Cllr Richard Clewer  
Leader of Wiltshire Council

September 2023



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 2022/23 this included updating the council's Complaints Procedure and inclusion of terms of reference for the Channel Panel, part of the Prevent duty.

The Constitution includes at Part 12 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 website in accordance with the requirements of the Code of Conduct and underlying legislation. On 18 October 2022 the council adopted an adapted version of the LGA Model Code, and will be reviewing this further in 2023/24 to assess its operation.

Behaving with integrity

The Council publishes and promotes a code of conduct for its staff alongside **'Our Identity which is a framework, embedded through the employee lifecycle'**, that sets out expectations for how staff and managers are expected to lead, work and act to deliver services

Ethical considerations are also evident in the Council's procurement activity. A Socially Responsible Procurement Policy (SRPP) has been created and adopted. Procurement activity should achieve value for money, support the growth of our local economy, promote fair pay (tackling modern

There is a process for dealing with complaints under the codes 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**. Minutes from the meetings of this Committee can be found [online](#). In 2022-23, 36 complaints were received; 7 regarding Wiltshire Council members and 29 regarding members of town, parish or city councils. Four complaints were referred for investigation.

Strong commitment to ethical values

The Council has launched a 'Positive Conduct, Positive Democracy' campaign, promoting fair and ethical good conduct amongst local council members and clerks in Wiltshire.

**How we can improve**

Review contract management approaches to embed standard contract management activity; deliver policy and training to embed the Socially Responsible Procurement Policy across the Council; and strengthen our approach to working with SMEs and VCS'.

Continue activities to embed all of the elements 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 2022/23 there were 1510 requests with 98% 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 and public engagement campaigns undertaken during 2022/23 include Downton & Redlynch Public Spaces Protection Order, A350 Chippenham Phases 4 & 5, Future High Streets Fund Trowbridge and Salisbury and proposed

Wiltshire Council's 18 **Area Boards** involve the local community in decision-making within the agreed scheme of delegation. 71 area board meetings took place, returning to in person meetings, with devolved funding on community grants, youth, health and wellbeing and transport and devolved decision-making powers on community asset transfers. Cabinet has agreed an increased budget and remit for area boards encompassing highways, cycleways and footway improvements.

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 is exploring integrating the work of the Swindon and Wiltshire Local Enterprise Partnership (**SWLEP**). A council director now chairs the [Local Resilience Forum](#). The council engages the military through various structures to ensure the principles of the Armed Forces Covenant are applied in service provision (which gained legal force in autumn '22). Membership of the groups is kept under review as legislation, roles and responsibilities change.

Engaging with Institutional stakeholders

The **Wiltshire Compact** is an agreed set of guidelines and principles to foster good working relationships between the voluntary sector and the public sector. These guidelines are being refreshed in 2023

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.

**Officer decisions** are published [online](#) in some circumstances including when cabinet members delegate implementation of decisions to officers. Increased emphasis is now being placed on ensuring appropriate advice and training is given to officers on requirements for recording and publishing decisions, including those arising from discussion at programme boards.

#### **How we can improve**

Develop a renewed framework for working with the Voluntary and Community Sector  
Implement a council-wide system for publishing officer decisions in line with the Openness of Local Government Bodies Regulations 2014  
Review the role and function of Area Boards so that they add maximum value to our

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

Defining outcomes

The [Business Plan](#) 2022-32 outlines the guiding themes, missions and outcomes set to be delivered through service plans and by working with partner organisations and local communities. Service delivery plans are refreshed on an annual basis.

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 other schemes.

Following the publication of the report of the Local Government Association's **Peer Review** on Wiltshire Council in 2022, an [action plan](#) was developed and also considered by the Overview and Scrutiny Management Committee. A short follow up visit from the LGA is expected to take place later in 2023.

A [Local Development Scheme](#) provides a three year rolling project plan for producing the **local development framework**. A **refreshed** Local Plan is expected to proceed to examination in public later in 2023.

Parishes throughout the county can continue to request community asset transfers. A rapid scrutiny task group undertook a [review](#) on the service delegation and asset transfer policy and a revised policy was [agreed](#) by Cabinet in September 2022. Significant **service delegation and asset transfer** packages have previously been agreed with Bradford on Avon, Devizes, Chippenham Town Councils and Pewsey Parish Council and Salisbury City Council. A new deal was recently agreed with Trowbridge and further exploratory work is now underway with other interested Town Councils under the new policy. Requirements for the public estate are likely to evolve further in coming years with related opportunities for capital receipts, jobs and housing.

Sustainable economic, social and environmental benefits

**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. New facilities have now opened in Melksham and £25m has been allocated in the capital programme for a new building in Trowbridge, with the preferred site now confirmed as East Wing opposite County Hall.

Investment in transformation of **adult social care** has continued with investment in assistive technology; expansion of the shared lives service; the development of Wiltshire Support at Home and the Wiltshire Living Well at Home Service; as well as a pilot on a new approach to transitional safeguarding. The **Families and children transformation** programme has led to the implementation of improved multi-professional early support and the development of a family hub model which is currently being rolled out; the development of an innovative Risk Outside The Home pathway which is now being rolled out in other

### **How we can improve**

Develop a more clearly articulated strategic narrative of place, using the Local Plan as key spatial narrative.

Create a county-wide strategic partnership board to oversee an Economic Strategy for Wiltshire

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

Regular Performance and financial updates are reported to senior officers and councillors, including scrutiny through the **Financial Planning Task Group** and **Overview and Scrutiny Management Committee**.

Oversight of transformational projects is undertaken by the Corporate Leadership Team (CLT) through the Transformation Board, supported with advice from HR and IT. The **transformation board** oversees and assesses the resourcing and priorities for projects and programmes on behalf of the Council that contribute to major transformation and service performance improvement, to deliver on the council's Business Plan priorities. Reports will be provided to the Cabinet via the quarterly performance monitoring on their ongoing work.

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.

The council's [annual budget](#) setting process has also seen updates to the Medium Term Financial Strategy and ongoing Capital Programme. Work is underway on a capital and asset management strategy.

Business plans for the Council's **local housing company** and **development company** were considered by the Shareholder Group (a committee of Cabinet) on 27 June 2023. The business plans build on previous ambitions to acquire 250 homes over five years and develop six council-owned sites. The housing company acquired 41 properties in 2022/23, bringing the total number of properties to 92. Subject to the approval of the Shareholder, the housing company intends to purchase a further 50 properties in the 2023/24 financial year. The development company received planning approval on two sites in 2022/23, securing permission for 61 new units. A third application was submitted for 24 units and is expected to receive approval shortly. The development company intends to submit a further two sites for planning in 2023/24, with the potential to bring 81 new units to market. The company is due to start construction on its first site in Calne, which will create 9 new homes for local residents. The companies hired two direct employees in 2022/23 and, subject to Shareholder approval, intend to hire further employees in the coming year. Stone Circle Energy Company remains dormant.

#### How we can improve

Consider how developing a comprehensive Asset Management and Capital Investment Strategy could support future transformation and place shaping ambitions and inform future budget decisions.

Continue to ensure the approach to transformation is embedded and understood across the council.

Focus on wider external partnership opportunities that will help take Wiltshire forward



**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

Our workforce strategy has been developed to ensure we have a skilled, adaptive and engaged workforce who collaborate with our partners to effectively and efficiently deliver our business plan priorities and our vision of

The Employee Experience was conducted in early 2023, and focussed on the areas of Employee Engagement, Inclusion and Diversity, and Well-being. Over 97% of the 2,427 respondents understood what was expected of them in their role and wanted to do the best job possible for our communities. Median relationships with colleagues and managers also showed impressive scores of 9 out of 10 indicating positive working relationships. Respondents indicated a Median mental health score of 7 out of 10, and mental health scores were one of the drivers for how likely they would be to recommend us as an employer - we see the mental health of our staff as a priority and continue to develop tools to support those who struggle with it, such as launching Mental Health Advocates, providing resources and counselling. The findings from the survey have provided crucial insights for

We currently have 194 staff active on apprenticeships and, since the introduction of the apprenticeship levy in 2017 have had in total 521 staff start apprenticeships. These range from Level 2 – Level 7. All grade D-F posts are considered for apprenticeships when recruited externally. We have built a successful Leadership & Management apprenticeship programme, we have also started building cohorts of Social Worker and Occupational Therapy apprenticeships to

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. All senior leaders participate in an annual 360 feedback process to support self awareness and development, and this will feed into a wider talent management and succession planning framework launched this year

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.

As well as the corporate peer challenge voluntary peer challenges have also been conducted in the areas of planning, libraries and leisure and for special educational needs and disabilities.

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 provide the

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  
 Measure the impact of the leadership and development programme and other interventions on retention and promotion.

**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

In 2022/23 performance and risk processes returned to the formal arrangements agreed in the [2019 Performance and Risk Management Policy](#), superseding the temporary arrangements that had been put in place during the two-year pandemic response. A redesigned Corporate Performance Scorecard was developed, and an updated Corporate Risk Register integrated Covid-response risks with risks identified through service planning. Both the Performance Scorecard and the Strategic Risk Register have now been reported to Cabinet and Overview and Scrutiny Management Committee for a full financial year. In late 2022/23 the Performance Scorecard measures were collaboratively reviewed by Directors, Cabinet members and Portfolio Holders, resulting in an expanded range of KPIs that provide a broader picture of the Council's performance against its Business Plan objectives. Performance Outcome Boards are now operating in all services.

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

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 separate **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 scheme.

The current risk process continues to operate under regular review by the Audit and Governance Committee. Improvements in the robustness of policies and processes are underway, supported by an ongoing internal audit by the South West Audit Partnership, and include a review and update of the Performance and Risk Management Policy. New master risks have been added to the corporate risk register around climate change and an emerging risk on the impact of global financial events has been noted. Both sustained inflationary pressures and staff capacity have been moved from risks to issues.

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.

Monitoring Officer comments: "During 2022/23 I have held *regular meetings with the Director of Children's Services in her statutory role. In those meetings I have been informed that two decisions have been made to home children in unregistered placements. Unregistered provision is when a child who is being provided with some form of 'care' is living somewhere that is not registered with Ofsted. Together we have developed an escalation and assurance process that clearly shows an audit trail of all options considered by the DCS and her team and consultation with Ofsted and other key internal and external stakeholders. Strong controls are in place to mitigate any risks. The latest position is that the provider delivering the care has applied to Ofsted to become registered.*"

**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

The Council has independent external auditors (Deloitte) and SWAP Internal Audit Services, who provide an internal audit function. SWAP has recently introduced a rolling internal audit plan which enables SWAP’s work to be flexible and responsive to the ever-changing risks of a fast-paced organisation. The plan is built with management as the year progresses based on a continuous risk assessment linked to the council’s strategic risks. SWAP is providing regular updates to the [Audit and Governance Committee](#), and it is through this process and through regular access to the live rolling plan document that the Council’s Corporate Leadership Team and Audit & Governance Committee members are able to assess whether the audit work building through the year provides sufficient coverage of key risks. As part of the 2022/23 annual opinion report SWAP provided a reasonable opinion in respect of the areas reviewed during that year as most were found to be adequately controlled and generally risks are well managed. Some areas require the introduction or improvement of internal controls to ensure the achievement of the Council’s objectives including areas identified as significant corporate risks which were Category Management, Procurement Exemptions, Pension Payroll Project, Pension Fund Key controls and ICT Network Boundary Defences. SWAP will be working with the council across the 2023/24 financial year to ensure that these risks are adequately mitigated. During the first half of the year, SWAP’s work had been punctuated by the need for demand driven COVID related grant certifications. However, this has very much lessened during the second half of the year.

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 increased from the previous year, with 437 in 2022/23 compared to 382 in 21/22, following reductions in previous years (380 in 20/21, 459 in 19/20, 588 in 18/19, 624 in 17/18 and 671 in 16/17). An [Annual Complaints Report](#) provides a breakdown of trends in the complaints received and the actions to be taken to address problem areas identified by all council directorates. The Council received on 26 July the [Annual Letter](#) of the Local Government and Social Care Ombudsman. There were 31 detailed investigations undertaken by the Ombudsman in the year ending 31 March 2023. The number of complaints upheld by the Ombudsman were 18. This compares with 21 (of 35), 9 (of 16), 19 (of 37) and 10 (of 19) in the last few years. This is an uphold rate of 58% which is lower than the average rate of 72% for similar authorities. The council has complied with all recommendations and in 6% of upheld cases had already provided a satisfactory remedy before the complaint was considered.

Implementing good practices in transparency and reporting

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 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 accepted a disclaimer of opinion for the 2020/21 and 2021/22 accounts issued under the backstop regulations 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.

Monitoring Officer comments: *"I have considered the non-completion of accounts this year by our external auditor. The Council has a legal duty to make the available documentation which supports their audited accounts during the first 10 working days of June each year (Accounts and Audit Regulations 2015). We have been unable to facilitate that this year. This is an historic issue. After publishing draft accounts for years 2020/21, 2021/22 and 2022/23 in November 2024, the Council will mimic the statutory 10 working day period and provide public access for the relevant documentation. A note has been added to our website making the position clear to residents."*

### **Overview and Scrutiny**

Overview and Scrutiny has reviewed 73% of the decisions taken by the council's Cabinet, with 65% of eligible members taking part. Reviews have looked at Climate Change, Adoptions and Fostering, NHS Dentistry, the Housing Allocations Policy and the council's financial planning arrangements. An [Annual Report sets](#) out the year's activity in detail. The LGA Peer Review noted 'scrutiny members feel they are able to challenge and influence the policy agenda and there are effective mechanisms in place to co-ordinate activity between Scrutiny and the Cabinet'.

### **How we can improve**

Review how performance can be communicated to the public to deliver maximum openness and transparency, including financial information as part of this.  
Assess progress in delivery against the revised statutory guidance on the Best Value duty

# **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 2022 and of its income and expenditure for the year then ended.



### **Lizzie Watkin**

Director of Finance and Procurement (S151 Officer)  
Wiltshire Council  
29 November 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  
January 2025

# 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.

## Income and Expenditure Account

	2022/2023			2021/2022		
	Expenditure £000	Income £000	Net Expenditure £000	Expenditure £000	Income £000	Net Expenditure £000
<b>General Fund Services</b>						
Living and Ageing Well	123,416	(35,652)	87,764	118,984	(40,515)	78,469
Whole Life Pathway	147,511	(73,520)	73,991	94,696	(16,772)	77,924
Education & Skills	325,378	(261,734)	63,644	281,452	(247,052)	34,400
Families & Children Services	80,263	(10,073)	70,190	74,395	(10,413)	63,982
Finance	77,297	(71,248)	6,049	78,951	(74,064)	4,887
Assets & Commercial Development	31,653	(16,732)	14,921	24,019	(15,613)	8,406
ICT	17,691	(404)	17,287	19,825	(2,181)	17,644
Procurement & Commissioning	9,485	(2,072)	7,413	45,456	(36,130)	9,326
Highways & Transport	71,331	(16,328)	55,003	62,446	(14,370)	48,076
Economy & Regeneration	3,887	(1,660)	2,227	3,791	(1,510)	2,281
Planning	11,618	(5,939)	5,679	11,409	(6,729)	4,681
Environment	60,255	(10,258)	49,997	53,647	(9,821)	43,826
Leisure Culture & Communities	31,096	(14,882)	16,214	26,742	(11,045)	15,698
Public Health	21,489	(20,232)	1,257	17,615	(18,295)	(680)
Legal & Governance	15,953	(2,996)	12,957	15,333	(4,288)	11,045
HR&OD and Transformation	10,484	(2,055)	8,429	10,745	(2,794)	7,951
Corporate	7,476	(12,259)	(4,782)	42,002	(32,649)	9,353
Transformation & Business Change	234	0	234			
HRA	23,842	(27,931)	(4,089)	26,484	(27,239)	(755)
<b>Net Cost of Service</b>	<b>1,070,359</b>	<b>(585,975)</b>	<b>484,384</b>	<b>1,007,992</b>	<b>(571,478)</b>	<b>436,514</b>
<b>Other Operating Expenditure</b>	<b>Note 3</b>		<b>30,293</b>	<b>Note 3</b>		<b>30,242</b>
<b>Financing and Investment Income and Expenditure</b>	<b>Note 4</b>		<b>27,463</b>	<b>Note 4</b>		<b>29,862</b>
<b>Taxation and Non-specific Grant Income</b>	<b>Note 5</b>		<b>(537,264)</b>	<b>Note 5</b>		<b>(503,133)</b>
<b>(Surplus)/ Deficit on the Provision of Services</b>			<b>4,876</b>			<b>(6,515)</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets	<b>Note 36</b>		<b>(11,790)</b>	<b>Note 36</b>		<b>(104,203)</b>
Actuarial (Gains)/Losses on Pension Assets /Liabilities	<b>Note 49</b>		<b>(464,425)</b>	<b>Note 49</b>		<b>(220,642)</b>
Repayment of Grant			<b>0</b>			<b>1,272</b>
Miscellaneous Non-current Asset Adjustments			<b>706</b>			<b>0</b>
Other Adjustments			<b>70</b>			
<b>Other Comprehensive Income and Expenditure</b>			<b>(475,439)</b>			<b>(323,573)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(470,563)</b>			<b>(330,088)</b>

\* 2021/2022 amounts have been restated to reflect the departmental restructure that occurred in 2022/2023.

# 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.

## Statement of total movement in reserves

### Reserve

	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
<b>Movement in reserves during 2022/2023</b>								
Balance at 1 April 2022	(128,238)	(2,876)	(10,554)	(19,849)	(79,282)	(240,798)	(150,239)	(391,037)
Total Comprehensive Income and Expenditure	9,227	(4,351)	70	0	0	4,946	(475,509)	(470,563)
Adjustments between accounting basis and funding basis under regulations (note 14)	(17,002)	404	(309)	11,965	(23,865)	(28,806)	28,806	(0)
<b>Net (Increase)/Decrease in 2022/2023</b>	<b>(7,775)</b>	<b>(3,947)</b>	<b>(239)</b>	<b>11,965</b>	<b>(23,865)</b>	<b>(23,861)</b>	<b>(446,703)</b>	<b>(470,564)</b>
Balance at 31 March 2023	(136,013)	(6,823)	(10,792)	(7,884)	(103,147)	(264,658)	(596,942)	(861,600)

### Movement in reserves during 2021/2022

Balance at 1 April 2021	(136,509)	(8,158)	(11,466)	(20,193)	(73,603)	(249,929)	188,980	(60,949)
Total Comprehensive Income and Expenditure	(9,061)	2,546	0	0	1,272	(5,243)	(324,846)	(330,089)
Adjustments between accounting basis and funding basis under regulations (note 14)	17,332	2,735	913	344	(6,951)	14,373	(14,373)	0
<b>Net (Increase)/Decrease in 2021/2022</b>	<b>8,271</b>	<b>5,282</b>	<b>913</b>	<b>344</b>	<b>(5,679)</b>	<b>9,130</b>	<b>(339,219)</b>	<b>(330,089)</b>
Balance at 31 March 2022	(128,238)	(2,876)	(10,554)	(19,849)	(79,282)	(240,798)	(150,239)	(391,037)

# Balance Sheet

This statement summarises the Council's assets and liabilities as at 31 March for the years 2023 and 2022.

## Consolidated Balance Sheet

	NOTES	31 March 2023		31 March 2022	
		£000	£000	£000	£000
Property, Plant and Equipment	15				
Council Dwellings & Garages		372,420		359,323	
Other Land and Buildings		410,010		397,062	
Vehicles, Plant, Furniture and Equipment		8,933		7,055	
Infrastructure		516,899		500,518	
Community Assets		4,063		4,240	
Assets Under Construction		63,104		48,228	
Surplus Assets Not Held for Sale		3,176		3,830	
			<b>1,378,605</b>		<b>1,320,256</b>
Investment Properties	23	21,426		24,000	
Intangible Assets	24	18,902		18,337	
Long Term Investments	30	17,382		9,368	
Long Term Finance Lease Receivable	21	4,546		6,507	
Long Term Debtors	26 & 30	37,822		27,111	
			100,078		85,323
<b>Total Long Term Assets</b>			<b>1,478,683</b>		<b>1,405,579</b>
<b>Current Assets</b>					
Short Term Investments	30	151,104		204,970	
Assets Held for Sale	25	3,198		3,958	
Inventories		716		712	
Short Term Debtors	26 & 30	88,498		97,261	
Short Term Finance Lease Receivable	21	1,961		1,924	
Cash and Cash Equivalents	27 & 30	22,310		15,797	
<b>Total Current Assets</b>			<b>267,787</b>		<b>324,622</b>
<b>Current Liabilities</b>					
Short Term Creditors	28 & 30	(146,099)		(179,003)	
Grants Receipts in Advance	28 & 30	(5,350)		(16,722)	
Short Term Borrowing	30	(15,303)		(13,128)	
Short Term PFI Creditors	22 & 30	(3,710)		(3,480)	
Provisions	29	(5,855)		(5,987)	
<b>Total Current Liabilities</b>			<b>(176,317)</b>		<b>(218,320)</b>
<b>Long Term Liabilities</b>					
Long Term PFI Creditors	22 & 30	(50,472)		(54,182)	
Long Term Borrowing	30	(391,518)		(404,457)	
Other Long Term Liabilities		(4,397)		(2,956)	
Pension Fund Liability	38	(195,368)		(596,615)	
Planning Deposits		(66,797)		(62,634)	
<b>Total Long Term Liabilities</b>			<b>(708,552)</b>		<b>(1,120,844)</b>
<b>Net Assets</b>			<b>861,601</b>		<b>391,037</b>
<b>Financed by</b>					
Usable Reserves	31	(264,658)		(240,798)	
Unusable Reserves	35	(596,942)		(150,237)	
<b>Total Reserves</b>			<b>(861,601)</b>		<b>(391,036)</b>



Lizzie Watkin  
 Director of Finance and Procurement (S151 Officer)  
 Wiltshire Council  
 29 November 2024

## Cash Flow Statement

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

### Cashflow statement

	NOTES	2022/2023 £000	2021/2022 £000
<b>Net (surplus) or deficit on the provision of services</b>		4,876	(6,515)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	39	(84,930)	(101,098)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	39	85,761	68,054
<b>Net cash flows from Operating Activities</b>		<b>5,707</b>	<b>(39,558)</b>
Investing Activities	40	(28,469)	95,819
Financing Activities	41	16,249	(65,576)
<b>Net decrease or (increase) in cash and cash equivalents</b>		<b>(6,513)</b>	<b>(9,315)</b>
Cash and cash equivalents at the beginning of the reporting period		(15,795)	(6,480)
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>(22,309)</b>	<b>(15,795)</b>

# **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 is shown more fully in the Comprehensive Income & Expenditure statement. The General Fund and earmarked reserves add together to equal the General Fund balance in the Movement in Reserves Statement.

## EFA STATEMENT

	2022/2023			2021/2022		
	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
<b>General Fund Services</b>						
Living and Ageing Well	77,306	10,458	87,764	68,882	9,587	78,469
Whole Life Pathway	69,239	4,752	73,991	74,717	3,207	77,924
Education & Skills	24,872	38,772	63,644	17,005	17,395	34,400
Families & Children Services	61,886	8,304	70,190	56,287	7,695	63,982
Finance	3,132	2,917	6,049	2,269	2,618	4,887
Assets & Commercial Development	10,733	4,188	14,921	7,737	669	8,406
ICT	11,042	6,245	17,287	11,463	6,181	17,644
Procurement & Commissioning	5,640	1,773	7,413	7,714	1,612	9,326
Highways & Transport	37,575	17,428	55,003	35,011	13,065	48,076
Economy & Regeneration	(1,479)	3,707	2,227	2,414	(133)	2,281
Planning	3,085	2,594	5,679	1,984	2,697	4,681
Environment	47,785	2,212	49,997	41,943	1,883	43,826
Leisure Culture & Communities	5,945	10,269	16,214	6,986	8,712	15,698
Public Health	96	1,161	1,257	(1,782)	1,102	(680)
Legal & Governance	9,347	3,610	12,957	8,078	2,967	11,045
HR&OD and Transformation	6,428	2,001	8,429	5,419	2,532	7,951
Corporate	29,326	(34,108)	(4,782)	43,402	(34,049)	9,353
Transformation & Business Change	(349)	583	234			
<b>Net Cost of Services General Fund</b>	<b>401,608</b>	<b>86,865</b>	<b>488,473</b>	<b>389,528</b>	<b>47,740</b>	<b>437,268</b>
Housing Revenue Account (HRA)	(7,549)	3,460	(4,089)	1,824	(2,579)	(755)
<b>Net Cost of Service</b>	<b>394,059</b>	<b>90,325</b>	<b>484,384</b>	<b>391,352</b>	<b>45,162</b>	<b>436,513</b>
<b>Other Operating Expenditure</b>	<b>23,808</b>	<b>6,485</b>	<b>30,293</b>	<b>22,100</b>	<b>8,141</b>	<b>30,242</b>
<b>Financing and Investment Income and Expenditure</b>	<b>10,741</b>	<b>16,722</b>	<b>27,463</b>	<b>14,233</b>	<b>15,629</b>	<b>29,862</b>
<b>Taxation and Non-Specific Grant Income</b>	<b>(440,329)</b>	<b>(96,935)</b>	<b>(537,264)</b>	<b>(414,133)</b>	<b>(89,000)</b>	<b>(503,133)</b>
<b>(Surplus)/ Deficit on the Provision of Services</b>	<b>(11,722)</b>	<b>16,598</b>	<b>4,876</b>	<b>13,552</b>	<b>(20,068)</b>	<b>(6,516)</b>
<b>Balance Summary</b>						
Opening General Fund & HRA Balance at 1 April	(131,112)			(144,664)		
Add (Surplus)/ Deficit on General Fund & HRA Balances in Year	(11,722)			13,552		
<b>Closing General Fund and HRA Balance at 31 March</b>	<b>(142,834)</b>			<b>(131,112)</b>		
<b>Analysed between type of balance</b>	<b>General Fund</b>	<b>Earmarked Reserves</b>	<b>HRA</b>	<b>Total Balances</b>		
	£000	£000	£000	£000		
<b>Closing Balance at 31 March 2021</b>	<b>(16,911)</b>	<b>(119,596)</b>	<b>(8,159)</b>	<b>(144,666)</b>		
Add (Surplus)/Deficit in year 2021/2022	(3,525)	11,796	5,281	13,552		
<b>Closing balances at 31 March 2022</b>	<b>(20,436)</b>	<b>(107,800)</b>	<b>(2,878)</b>	<b>(131,114)</b>		
Add (Surplus)/Deficit in year 2022/2023	(7,295)	(480)	(3,948)	(11,723)		
<b>Closing balances at 31 March 2023</b>	<b>(27,731)</b>	<b>(108,280)</b>	<b>(6,826)</b>	<b>(142,837)</b>		



# Notes to the Core Financial Statements

## Introduction to the Explanatory Notes

The Statement of Accounts summarises the Council's transactions for the 2021/2022 financial year and its position at the year-end of 31 March 2022. The Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 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 2022/2023 General Fund revised budget and actual spending figures were as below:

	<b>Original Budget £m</b>	<b>Revised Budget £m</b>	<b>Actual £m</b>	<b>Difference £m</b>
<b>Total General Fund (a)</b>	<b>417.703</b>	<b>417.703</b>	<b>409.928</b>	<b>(7.775)</b>
<b>Funded by:</b>				
Draw from General Fund reserves				
Business Rates Retained	(73.388)	(73.388)	(73.388)	0.000
Council Tax	(274.506)	(274.506)	(274.506)	0.000
Social Care Levy	(36.686)	(36.686)	(36.686)	0.000
Collection Fund (Surplus)/Deficit Council Tax	(5.240)	(5.240)	(5.240)	0.000
Collection Fund (Surplus)/Deficit NNDR	14.888	14.888	14.888	0.000
<b>Total Funding (b)</b>	<b>(374.932)</b>	<b>(374.932)</b>	<b>(374.932)</b>	<b>0.000</b>
<b>Movement on General Fund (a) + (b)</b>	<b>42.771</b>	<b>42.771</b>	<b>34.996</b>	<b>(7.775)</b>

The overall underspend against the revised 2022/2023 budget was £7.775 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.



	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Employee expenses	310,763	290,931
Other services expenses	732,983	708,562
Depreciation, amortisation and impairment	45,402	26,053
Interest payments	17,686	16,650
Precept and levies	26,858	24,624
Loss on disposal of assets	3,915	5,532
<b>Total Expenditure</b>	<b>1,137,606</b>	<b>1,072,352</b>
<b>Income</b>		
Fees, charges and other service income	(588,210)	(573,946)
Interest and investment income	(9,971)	(1,019)
Movements in the market value of Investment Properties	2,715	(769)
Income from Council Tax and Business Rates	(399,701)	(397,963)
Government Grants and contributions	(59,064)	(45,437)
Other grants and contributions	(78,499)	(59,733)
<b>Total Income</b>	<b>(1,132,730)</b>	<b>(1,078,867)</b>
<b>(Surplus) / Deficit on the Provision of Services</b>	<b>4,876</b>	<b>(6,516)</b>

## 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:

	2022/2023 £000	2021/2022 £000
Parish Council Precepts	26,858	24,624
Payments to the Government Housing Capital Receipts Pool	(479)	86
(Gains)/losses on the Disposal of Non-Current Assets	3,914	5,532
<b>Total</b>	<b>30,293</b>	<b>30,242</b>

## Note 4 Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

	2022/2023 £000	2021/2022 £000
Interest Payable and Similar Charges	17,686	16,650
Interest and Investment Income	(9,971)	(1,019)
Pension Interest Costs and Expected Return on Pension Assets	16,722	15,629
Income and Expenditure in Relation to Investment Properties	(1,726)	(1,962)
Financial Instruments Adjustments	1,986	618
Movements in the Market Value of Investment Properties	2,715	(769)
Increase/(decrease) in Debt Impairment	51	715
<b>Total</b>	<b>27,463</b>	<b>29,862</b>

## 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.

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Council Tax Income	(312,761)	(304,726)
Collection Fund (Surplus)/Deficit	(3,282)	1,290
Parish Council Precepts	(26,858)	(24,624)
<b>Total Council Tax Income</b>	<b>(342,900)</b>	<b>(328,060)</b>
General Government Grants	(59,064)	(45,437)
Business Rates Retention Scheme	(56,801)	(69,903)
Capital Grants and Contributions	(78,499)	(59,733)
<b>Total</b>	<b>(537,264)</b>	<b>(503,133)</b>

## Note 6 Grant Income

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

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
General Government Grants	(38,023)	(33,262)
Covid Grants (see breakdown below)		(12,176)
Business Rates Retention Scheme	(21,041)	(24,584)
Community Infrastructure Levy	(5,754)	(6,656)
Developer Contributions	(8,136)	(2,102)
Department For Education Grant	(16,663)	(8,828)
Department For Transport Grant	(31,211)	(26,166)
Department For Levelling Up Housing and Communities	(13,928)	(8,647)
Homes England	(1,966)	(4,309)
Department for Business, Energy and Industrial Strategy	0	(169)
Other Grants & Contributions	(2,603)	(3,941)
<b>Total</b>	<b>(139,325)</b>	<b>(130,840)</b>

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Services</b>		
Dedicated Schools Grant	(202,202)	(199,988)
Public Health Grant	(18,015)	(17,522)
Pupil Premium Grant	(13,575)	(7,344)
Learning & Skills Council	(1,267)	(1,128)
Universal Infant Free School Meals	(3,408)	(3,221)
Primary School PE and Sports Premium Grant		(2,106)
PFI	(7,541)	(7,541)
Housing Benefit & Council Tax Admin Grant	(1,437)	(1,450)
Housing Benefit Subsidy	(63,766)	(66,260)
Other Schools Grants	(3,170)	(1,412)
Teacher Pension Grant Funding	(93)	(99)
Schools - Holiday Activities and Food Programme		(1,037)
Adult Social Care Transformation	(5,307)	0
Preventing Homelessness	(1,506)	(1,934)
Looked After Children and Families - Regional Recovery Grant	(163)	(1,289)
Looked After Children and Families - Other Grants		(3,224)
Adult Community Learning		(505)
MOD Support Funding For Schools		0
Improved Better Care Fund & Better Care Fund	(22,057)	(28,895)
Integrated Community Equipment Service	(6,482)	(5,370)
Troubled Families Programme	(1,032)	(872)
Rough Sleepers Grant		0
Social Care Grant (Incl Independent Living Grant)		(1,081)
Other Social Care Grants	(13,269)	(10,564)
Elections		(1,486)
Arts Council	(625)	(626)
Transport (Public Transport & Road Safety)	(2,298)	(1,244)
Other Grants	(21,264)	(6,637)
Other Contributions	(2,223)	(1,156)
Unaccompanied Asylum Seekers		0
Donations	(649)	(642)
Covid Grants (see breakdown below)	(8,295)	(41,388)
<b>Total</b>	<b>(399,644)</b>	<b>(416,021)</b>
<b>Total Grants, Contributions &amp; Donations</b>	<b>(538,969)</b>	<b>(546,861)</b>

During 2022/2023 the Council received a significant amount of Government grant to support businesses and individuals during the Covid 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:

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Balance Sheet (Council acting as an agent)</b>		
Covid Small Business Grant Schemes (non discretionary)		(31,015)
Test & Trace		(243)
<b>Total</b>	<b>0</b>	<b>(31,258)</b>

A breakdown of Covid grants is shown in the following table:

<b>Breakdown of Covid Grants</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Covid 19 Response	0	(10,879)
Sales Fees & Charges Support	0	(1,031)
New Burdens Grants	0	(266)
<b>Total Covid Grants</b>	<b>0</b>	<b>(12,176)</b>
<b>Credited to Services</b>		
HMRC Furlough	(229)	(229)
Business Support Grants	-	(4,491)
Hospital Discharge & Support Care Funding	(744)	(11,383)
Community Testing Grant	(89)	(69)
Winter Grant	0	(391)
Wellbeing for Return to Education (Mental Health Grant)	0	(72)
Clinically Extremely Vulnerable Support	0	(801)
Adult Social Care Rapid Testing	(67)	(108)
Bus Services Support Grant	0	(968)
Local Outbreak Management Plan	0	(107)
Test & Trace	0	(1,189)
Contain Outbreak Management Fund	(739)	(2,807)
Covid Infection Control & Testing	(27)	(8,552)
Schools - Covid Catch Up Grant	0	(921)
Reopening High Streets	(275)	0
Exceptional Costs in Schools	0	(14)
Household Support Fund	(5,457)	(2,729)
Local Restrictions Support Grant (Closed)	0	(1,043)
Free School Meals	0	(128)
Schools Mass Testing Programme	0	(255)
Practical Support	0	(197)
Schools Recovery Premium	0	(373)
Summer Schools Programme	0	(65)
Schools Led Tutoring	0	(315)
Workforce Recruitment	(500)	(4,013)
Logistics	(168)	(168)
<b>Total Covid Grants</b>	<b>(8,295)</b>	<b>(41,388)</b>

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

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Grants Receipts in Advance</b>		
Pupil Premium Grant	(66)	0
Adult Community Learning	0	0
Dedicated Home to School and College Transport	(668)	(365)
Covid Bus Services Support Grant - Restart Grant	0	(153)
Improved Better Care Fund	(2,660)	(7,546)
Holiday Activity Programme Fund	0	(64)
Domestic Abuse Support	0	(152)
Adult Community Learning	0	(128)
Other Grants	(1,053)	(445)
Covid - Schools Led Tutoring	(37)	(23)
Covid Hospital Discharge & Support Care Funding	0	(1,443)
School Improvement Mentoring & Brokering grant	0	(300)
Looked After Children and Families - Regional Recovery Grant	0	(109)
UK Shared Prosperity Fund	(520)	0
Bus Capacity Funding Grant	(350)	0
Transforming Care	(3,876)	0
Other School/Education Grants	10,590	(3)
<b>Total</b>	<b>1,360</b>	<b>(10,731)</b>

## 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 (ESFA), the Dedicated Schools Grant (DSG). The 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) Regulations 2021. 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.

The reserve is a therefore an unusable reserve. Temporary regulations were introduced in April 2020 in order to keep separate from the Council's general fund, any deficits arising from schools budget expenditure which exceeds the available funding provided through the annual dedicated schools grant (DSG). This accounting treatment is limited to the financial reporting periods from 2020/21 through to 2025/26 to provide time for the Government and local authorities to look at budgetary and financial management strategies to reduce the deficits.

Details of the deployment of DSG receivable for 2022/2023 and 2021/2022 are as follows:

	Central Expenditure £000	Individual Schools Budget (ISB) £000	2022/2023 Total £000	2021/2022 Total £000
A Final DSG for year before academy and high needs recoupment			(426,708)	(407,289)
B Academy and high needs recoupment			218,633	207,301
<b>C Total DSG after academy and high needs recoupment</b>			<b>(208,075)</b>	<b>(199,988)</b>
D Brought forward from previous year			0	0
E Less: Carry-forward to 2023 to 2024 agreed in advance				
<b>F Agreed initial budget distribution</b>	<b>(94,398)</b>	<b>(113,677)</b>	<b>(208,075)</b>	<b>(199,988)</b>
G In Year Adjustments	(564)	0	(564)	190
<b>H Final budgeted distribution</b>	<b>(94,962)</b>	<b>(113,677)</b>	<b>(208,639)</b>	<b>(199,798)</b>
I Less: actual central expenditure	104,238		104,238	90,777
J Less: actual ISB deployed to schools		113,677	113,677	116,277
K Plus: Local Authority Contribution for 2022 to 2023	0	0	0	0
<b>L In Year Carry forward as at 31 March</b>	<b>9,276</b>	<b>0</b>	<b>9,276</b>	<b>7,256</b>
M Plus: Carry-forward to 2023 to 2024 agreed in advance (= E)	N/A	N/A	0	0
N Carry-forward to 2023 to 2024 (= L + M if a surplus)	N/A	N/A	0	0
O Addition to DSG unusable reserve at the end of the year	N/A	N/A	25,973	18,717
P Addition to DSG unusable reserve at the end of 2022 to 2023 (= L + M if a deficit)	N/A	N/A	9,276	7,256
Q Total of DSG unusable reserve at the end of the year	N/A	N/A	35,249	25,973
<b>R Net DSG position at the end the year</b>	<b>N/A</b>	<b>N/A</b>	<b>35,249</b>	<b>25,973</b>



## **Note 7 Dedicated Schools Grant (cont.)**

### **Key to the above:**

- A: Final DSG figure before any amount has been recouped from the authority as published March 2023.
- B: Figure recouped from the authority in 2022/2023 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 2022/2023, as published March 2023.
- D: Figure brought forward from 2021/2022, positive or negative.
- E: Any carry forward to 2023/24 as agreed with the schools' forum
- F: Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the schools' forum.
- G: Changes to the initial distribution, for example, adjustments for exclusions, or final early years block adjustment.
- H: Final Budgeted distribution of DSG as at the end of the financial year.
- I: Actual amount of central expenditure items in 2022/2023 amounts not actually spent.
- J: 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).
- K: Any local authority contribution for 2022/23
- L: Any in year carry forward for 2022/23
- M: Any carry forward to 2023/24 agreed in advance
- N: Total carry-forward to following financial year.
- O: Addition to DSG unusable reserve at the end of the year.
- P: Addition to DSG unusable reserve in 2022/2023 as a result of an in-year deficit in 2022/2023
- Q: Total of DSG unusable reserve at end of 2022/2023.
- R: Net DSG position at the end of 2022/2023; this is a memorandum item designed to show the overall position on DSG.

## 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:

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Self Care, Self Support	5,454	2,877
Intermediate Care	12,349	6,594
Access, rapid response 7 day working	16,259	12,193
Care Bill	3,033	2,788
Protecting Social Care	19,155	17,146
Scheme Management	2,280	568
Social Care Capital	3,796	2,922
Integrated Community Equipment	6,361	4,769
<b>Total Expenditure before return to partners</b>	<b>68,687</b>	<b>49,857</b>
Return to Partners	0	7,546
<b>Total Schemes</b>	<b>68,687</b>	<b>57,403</b>

This was funded from income and grants as follows:

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Wiltshire CCG BCF Contribution	(36,416)	(33,893)
Additional ICB Contribution	(2,307)	0
Wiltshire Council BCF Contribution	(4,548)	(5,080)
Disabled Facilities Grant	(3,796)	(3,714)
Improved Better Care Fund	(16,650)	(9,941)
Brought Forward Underspend from Previous Year	(1,240)	(4,775)
Transformation Fund	(2,147)	0
Discharge Fund - ICB	(1,248)	0
Discharge Fund - LA	(335)	0
<b>Total Income and Grants</b>	<b>(68,687)</b>	<b>(57,403)</b>

## Note 9 Members' Allowances

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

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Allowances	2,129	1,994
Expenses	34	18
<b>Total</b>	<b>2,164</b>	<b>2,012</b>

## 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 £	2022/2023 No. Employees	2021/2022 No. Employees
50,000 - 54,999	163	111
55,000 - 59,999	73	79
60,000 - 64,999	64	56
65,000 - 69,999	51	55
70,000 - 74,999	30	25
75,000 - 79,999	18	2
80,000 - 84,999	9	15
85,000 - 89,999	6	6
90,000 - 94,999	6	4
95,000 - 99,999	4	0
100,000 - 104,999	3	2
105,000 - 109,999	0	1
110,000 - 114,999	3	5
115,000 - 119,999	2	4
120,000 - 124,999	0	0
125,000 - 129,999	1	0
130,000 - 134,999	2	3
135,000 - 139,999	1	2
140,000 - 144,999	0	0
145,000 - 149,999	0	1
150,000 - 154,999	1	1
155,000 - 159,999	0	0
160,000 - 164,999	0	0
175,000 - 179,999	0	0
180,000 - 184,999	0	0
185,000 - 189,999	1	0
240,000 - 249,999	0	1
<b>Total</b>	<b>438</b>	<b>373</b>

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

### 2022/2023 Remuneration for Senior Employees - Salary is £150,000 or more per year

(Included in Officer's Remuneration Bandings)

Post Holder	Additional Salary emoluments (including fees and allowances) £	Additional (inc Elections Payments) £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2022/2023 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2022/23 £
Chief Executive - Terence Herbert - Head of Paid Service	185,470	-	838	-	-	186,308	38,949	225,257
Corporate Director - People - Lucy Townsend	151,386	-	-	-	-	151,386	31,791	183,177
Corporate Director of Resources & Deputy Chief Executive & S151 Officer Andy Brown	136,406	-	-	-	-	136,406	28,645	165,051
Corporate Director - Place - Parvis Khansari	131,969	-	93	-	-	132,062	27,713	159,775
Director Human Resources & Organisational Development	121,833	-	-	89,765	-	211,598	21,154	232,752
<b>Total</b>	<b>727,064</b>	<b>-</b>	<b>931</b>	<b>89,765</b>	<b>-</b>	<b>817,760</b>	<b>148,252</b>	<b>966,012</b>

## **2021/2022 Remuneration for Senior Employees - Salary is £150,000 or more per year**

(Included in Officer's Remuneration Bandings)

	£	£	£	£	£	£	£	£	£
Chief Executive (Head of Paid Service), Terence Herbert	183,545	57,229	409	-	-	241,183	38,544	279,727	
Director Communities & Neighbourhood Services - Jessica Gibbons	93,583	-	-	59,655	-	153,238	14,186	167,424	
Corporate Director - Place (Subnote A)	148,521	-	-	30,000	-	178,521	22,366	200,887	
<b>Total</b>	<b>425,649</b>	<b>57,229</b>	<b>409</b>	<b>89,655</b>	<b>0</b>	<b>572,942</b>	<b>75,096</b>	<b>648,038</b>	

## **2022/2023 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)	Additional emoluments (inc Elections Payments)	Expense Allowances	Compensation for loss of Office	Benefits in Kind	Total Remuneration excluding pension contributions 2022/2023	Employers Pension Contributions	Total Remuneration including pension contributions 2022/2023
						£		£
Director - Adult Social care	117,015	-	-	-	-	117,015	24,573	141,588
Director - Legal & Governance	113,447	-	-	-	-	113,447	23,824	137,271
Director - Education & Skills	113,447	-	-	-	-	113,447	23,824	137,271
Director - Families & Children	102,939	-	228.85	-	-	103,168	21,617	124,786
Director - Procurement & Commissioning	101,941	-	-	-	-	101,941	20,380	122,321
Director - Assets & Commercial Development	96,883	-	255.00	-	-	97,138	20,345	117,484
Director - Leisure, Culture & Communities	91,078	-	454.05	-	-	91,532	19,126	110,658
Director - Finance	91,078	-	-	-	-	91,078	19,126	110,204
Director - Transformation & Business Change	88,792	-	-	-	-	88,792	18,646	107,438
Director - Human Resources & Organisational Development	85,595	-	-	-	-	85,595	19,106	104,701
Director - Whole Life Pathway / DASS	85,497	-	-	-	-	85,497	17,868	103,365
<b>Total</b>	<b>1,087,713</b>	<b>0</b>	<b>938</b>	<b>0</b>	<b>0</b>	<b>1,088,651</b>	<b>228,436</b>	<b>1,317,087</b>

**2021/2022 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	Additional Salary emoluments (including fees and allowances)		Expense Allowances		Compensation for loss of Office		Benefits in Kind	Total Remuneration excluding pension contributions 2021/2022	Employers Pension Contributions	Total Remuneration including pension contributions 2021/2022
	£	£	£	£	£	£				
Corporate Director of Resources & Deputy Chief Executive & S.151 Officer	134,481	0	0	0	0	0	0	134,481	28,241	162,722
Director Legal Governance - Monitoring Officer (Subnote B)	122,240	0	6,500	0	0	0	0	128,740	25,670	154,410
Corporate Director - People	135,729	0	0	0	0	0	0	135,729	28,503	164,232
Director Education & Skills - Chief Education Officer	111,522	0	0	0	0	0	0	111,522	23,420	134,942
Director Human Resources & Organisational Development	115,090	0	0	0	0	0	0	115,090	24,169	139,259
Director of Public Health	111,522	0	0	0	0	0	0	111,522	16,037	127,559
<b>Total</b>	<b>730,584</b>	<b>0</b>	<b>6,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>737,084</b>	<b>146,040</b>	<b>883,124</b>

## 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 on the next page:

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	
	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
£							£	£
0 - 20,000	14	2	40	9	54	11	235,197	88,942
20,001 - 40,000	1	0	10	8	11	8	337,742	250,600
40,001 - 60,000	0	0	2	2	2	2	123,230	87,854
60,001 - 80,000	0	0	0	0	0	0	0	0
80,001 - 100,000	0	0	0	1	0	1	0	89,765
100,001 - 150,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>2</b>	<b>52</b>	<b>20</b>	<b>67</b>	<b>22</b>	<b>696,169</b>	<b>517,161</b>

In 2022/2023 there were 5 exit packages relating to schools, with a value of £40,139.

## 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.

	2022/2023 £000	2021/2022 £000
Fees payable to the appointed auditor, with regard to external audit services carried out for the year	129	129
Fees payable for the certification of grant claim and returns for the year		40
SC116 KPMG Housing Benefit Audit	44	
Additional Fee for 2020/21*	16	100
<b>Total</b>	<b>188</b>	<b>269</b>

\* The additional fee paid in 2022/23 and 2021/22 relating to the 2020/21 accounts was due to ongoing work largely relating to the technical accounting for the Council's fixed assets.

## 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 2021/2022 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 2022/23 the Council charged the fund £2.247 million (£2.068 million in 2021/22) 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 2021/22 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 2023, the Directors of the three companies were:

- A R Cunningham (resigned 13 June 2022)
- I B Block
- E Watkin
- P D Dean
- N Samuels
- J C Terry

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.

## 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.

	2022/2023			Total Adjustments
	Adjustments for Capital Purposes (Note 13a) £000	Net change for the Pension Adjustments (Note 13b) £000	Other Differences (Note 13c) £000	
<b>General Fund Services</b>				<b>£000</b>
Living and Ageing Well	3,822	6,619	17	<b>10,458</b>
Whole Life Pathway	363	4,370	19	<b>4,752</b>
Education & Skills	17,491	11,172	10,109	<b>38,772</b>
Families & Children Services	136	8,175	(7)	<b>8,304</b>
Finance	0	2,917	0	<b>2,917</b>
Assets & Commercial Development	2,642	1,542	4	<b>4,188</b>
ICT	4,034	2,218	(7)	<b>6,245</b>
Procurement & Commissioning	0	1,768	5	<b>1,773</b>
Highways & Transport	13,435	4,009	(16)	<b>17,428</b>
Economy & Regeneration	3,149	563	(5)	<b>3,707</b>
Planning	0	2,611	(17)	<b>2,594</b>
Environment	269	1,889	54	<b>2,212</b>
Leisure Culture & Communities	5,691	5,336	(758)	<b>10,269</b>
Public Health	15	1,175	(29)	<b>1,161</b>
Legal & Governance	8	3,643	(41)	<b>3,610</b>
HR&OD and Transformation	10	2,018	(27)	<b>2,001</b>
Corporate	(18,550)	(15,532)	(26)	<b>(34,108)</b>
Transformation & Business Change	0	527	56	<b>583</b>
Housing Revenue Account (HRA)	2,017	1,436	7	<b>3,460</b>
<b>Net Cost of Service</b>	<b>34,531</b>	<b>46,456</b>	<b>9,338</b>	<b>90,325</b>
Other operating Expenditure	4,993	0	1,492	<b>6,485</b>
Financing and Investment Income and Expenditure	0	16,722	0	<b>16,722</b>
Taxation and non-specific grant income	(78,499)	0	(18,436)	<b>(96,935)</b>
<b>(Surplus)/ Deficit</b>	<b>(38,975)</b>	<b>63,178</b>	<b>(7,606)</b>	<b>16,598</b>

## Note 13a Adjustments for Capital Funding and Expenditure Purposes

2021/2022

	Net change for the			Total
	Adjustments for Capital Purposes (Note 13a)	Pension Adjustments (Note 13b)	Other Differences (Note 13c)	Adjustments
	£000	£000	£000	£000
<b>General Fund Services</b>				
Living and Ageing Well	3,429	6,077	81	9,587
Whole Life Pathway	90	3,094	23	3,207
Education & Skills	1,521	9,727	6,147	17,395
Families & Children Services	15	7,653	27	7,695
Finance	0	2,596	22	2,618
Assets & Commercial Development	(590)	1,251	8	669
ICT	4,145	2,030	6	6,181
Procurement & Commissioning	0	1,617	(5)	1,612
Highways & Transport	9,327	3,699	39	13,065
Economy & Regeneration	(724)	585	6	(133)
Planning	96	2,584	17	2,697
Environment	429	1,483	(29)	1,883
Leisure Culture & Communities	4,617	4,099	(4)	8,712
Public Health	15	1,040	47	1,102
Legal & Governance	8	2,911	48	2,967
HR&OD and Transformation	10	2,515	7	2,532
Corporate Directors & Members	0	248	27	275
Corporate	(18,617)	(15,763)	56	(34,324)
Housing Revenue Account (HRA)	(3,933)	1,348	6	(2,579)
<b>Net Cost of Service</b>	<b>(162)</b>	<b>38,795</b>	<b>6,529</b>	<b>45,162</b>
Other operating Expenditure	7,438	0	703	8,141
Financing and Investment Income and Expenditure	0	15,629	0	15,629
Taxation and non-specific grant income	(59,733)	0	(29,267)	(89,000)
<b>(Surplus)/ Deficit</b>	<b>(52,457)</b>	<b>54,424</b>	<b>(22,035)</b>	<b>(20,068)</b>

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 (IAS19) 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.

2022/2023 Adjustments	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Unusable Reserves
	£000	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital Adjustment Account</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation of non-current assets	(26,716)	(8,676)				35,392
Charges for impairment/ revaluations of plant, property and equipment	(4,871)	(1,989)				6,861
Movements in the market value of Investment Properties	(2,715)					2,715
Amortisation of intangible assets	(3,132)	(17)				3,149
Revenue expenditure funded from capital under statute	(13,631)					13,631
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	(6,837)	(4,340)				11,176
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	(784)		18			766
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	18,173					(18,173)
Voluntary provision for the financing of capital investment						0
Recharges to Capital						0
Capital expenditure charged against the General Fund and HRA balances		361				(361)
<b>Adjustments primarily involving the Major Repairs Reserve</b>						
Amount transferred to reserve during the year		8,682		(8,682)		0
Financing of Capital Expenditure in the year				13,647		(13,647)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	75,445	3,054			(78,499)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(132)				54,634	(54,502)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
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	2,064	5,197	(7,262)			0
Disposal costs (funded by Capital Receipts)	(163)		163			
Use of the Capital Receipts Reserve to finance new capital expenditure			5,894			(5,894)
Use of the Capital Receipts Reserve to finance repayment of HRA debt			1,000	7,000		(8,000)
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)		(47)	47			0
Payments to the Government - Returned 141 receipts (funded by a transfer from the Capital Receipts Reserve)						0
HRA RTB Admin Costs (funded by a transfer from the Capital Receipts Reserve)	(43)		43			0
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve</b>						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	527		(212)			(315)
<b>Adjustment primarily involving the Financial Instruments Adjustments Account:</b>						
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	(1,390)					1,390
<b>Adjustments primarily involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 49)	(61,357)	(1,821)				63,178

<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						0
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	1,569					(1,569)
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	16,867					(16,867)
<b>Adjustment primarily involving the Accumulated Absences Account</b>						0
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	(600)					600
<b>Adjustment primarily involving the DSG</b>	(9,276)					9,276
Transfer of DSG Deficit						0
<b>Total Adjustments</b>	<b>(17,002)</b>	<b>404</b>	<b>(309)</b>	<b>11,965</b>	<b>(23,865)</b>	<b>28,806</b>

2021/2022 Adjustments	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
<b>Adjustments primarily involving the Capital Adjustment Account</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation of non-current assets	(20,878)	(12,869)				33,747
Charges for impairment/ revaluations of plant, property and equipment	12,672	(2,067)				(10,605)
Movements in the market value of Investment Properties	769					(769)
Amortisation of intangible assets	(2,894)	(17)				2,911
Revenue expenditure funded from capital under statute	(11,766)					11,766
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	(8,445)	(5,344)				13,789
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	(1,906)					1,906
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	17,338					(17,338)
Voluntary provision for the financing of capital investment		6,000				(6,000)
Recharges to Capital	(96)					96
Capital expenditure charged against the General Fund and HRA balances	986	98				(1,084)
<b>Adjustment primarily involving the Major Repairs Reserve</b>						
Posting of HRA resources from revenue to the Major Repairs Reserve		12,886		(12,886)		0
Use of the Major Repairs Reserve to finance new capital expenditure and depreciation				13,230		(13,230)
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	59,118	615			(59,733)	0
Application of grants to capital financing transferred to the Capital Adjustment Account					52,782	(52,782)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
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	3,083	5,231	(8,314)			0
Disposal costs (funded by Capital Receipts)	(56)		56			0
Use of the Capital Receipts Reserve to finance new capital expenditure			5,456			(5,456)
Use of the Capital Receipts Reserve to finance repayment of HRA debt			3,164			(3,164)
Payments to the Government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(768)		768			0
Payments to the Government - Returned 141 receipts (funded by a transfer from the Capital Receipts Reserve)	0		0			0
HRA RTB Admin Costs (funded by a transfer from the Capital Receipts Reserve)		(57)	57			0
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve</b>						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	683		(275)			(408)
<b>Adjustment primarily involving the Financial Instruments Adjustments Account:</b>						
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	(127)					127
<b>Adjustments primarily involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 49)*	(52,690)	(1,734)				54,424
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
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	6,461					(6,461)
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	22,806					(22,806)
<b>Adjustment primarily involving the Accumulated Absences Account</b>						
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	299	(6)				(293)
<b>Adjustment primarily involving the DSG</b>						
Transfer of DSG Deficit	(7,256)					7,256
<b>Total Adjustments</b>	<b>17,332</b>	<b>2,735</b>	<b>912</b>	<b>344</b>	<b>(6,951)</b>	<b>(14,373)</b>

## 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 2022/2023	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
<b>Cost or Valuation</b>							
Opening Balance 1 April 2022	359,323	407,931	27,992	4,240	48,228	3,891	851,605
Additions	12,714	18,582	3,391	0	39,916	52	74,655
Derecognition - Disposals	(4,463)	(6,100)	(356)	0	0	0	(10,919)
Revaluation increases/ (decreases) recognised in Revaluation reserve	5,728	(3,920)	0	68	0	0	1,876
Revaluation increases/ (decreases) recognised in Surplus/ Deficit on provision of services	(744)	(4,772)	0	(245)	0	0	(5,761)
Category Adjustments & other movements	31	23,473	11	0	(25,040)	(675)	(2,200)
<b>At 31 March 2023</b>	<b>372,589</b>	<b>435,194</b>	<b>31,038</b>	<b>4,063</b>	<b>63,104</b>	<b>3,268</b>	<b>909,256</b>
<b>Depreciation and Impairments</b>							
Opening Balance 1 April 2022	0	(10,869)	(20,937)	0	0	(61)	(31,867)
Depreciation	(8,631)	(14,891)	(1,524)	0	0	(57)	(25,103)
Accumulated depreciation written back on derecognition of assets	124	115	356	0	0	0	595
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	(1,245)	(653)	0	0	0	0	(1,898)
Revaluation losses/Impairment recognised in the revaluation reserve, and Depreciation written out to the revaluation reserve on revaluation	9,583	1,131	0	0	0	0	10,714
Category Adjustments & other movements	0	(17)	0	0	0	26	9
<b>At 31 March 2023</b>	<b>(169)</b>	<b>(25,184)</b>	<b>(22,105)</b>	<b>0</b>	<b>0</b>	<b>(92)</b>	<b>(47,550)</b>
<b>Net Book Value at 31 March 2023</b>	<b>372,420</b>	<b>410,010</b>	<b>8,933</b>	<b>4,063</b>	<b>63,104</b>	<b>3,176</b>	<b>861,706</b>
<b>Net Book Value at 31 March 2022</b>	<b>359,323</b>	<b>397,062</b>	<b>7,055</b>	<b>4,240</b>	<b>48,228</b>	<b>3,830</b>	<b>819,738</b>

Other Property, Plant and Equipment 2021/2022	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
<b>Cost or Valuation</b>							
Opening Balance 1 April 2021	322,448	340,660	25,656	4,126	54,346	3,465	750,701
Additions	13,894	8,997	2,001	26	36,211	14	61,143
Derecognition - Disposals	(5,582)	(7,235)	(11)	(55)	0	0	(12,883)
Revaluation increases/ (decreases) recognised in Revaluation reserve	29,992	51,428	0	0	0	0	81,420
Revaluation increases/ (decreases) recognised in Surplus/ Deficit on provision of services	(1,433)	10,693	0	0	0	0	9,260
Category Adjustments & other movements	4	3,388	346	143	(42,329)	412	(38,036)
<b>At 31 March 2022</b>	<b>359,323</b>	<b>407,931</b>	<b>27,992</b>	<b>4,240</b>	<b>48,228</b>	<b>3,891</b>	<b>851,605</b>
<b>Depreciation and Impairments</b>							
Opening Balance 1 April 2021	0	(12,300)	(18,870)	0	0	0	(31,170)
Depreciation	(12,869)	(10,448)	(2,078)	0	0	(52)	(25,447)
Accumulated depreciation written back on derecognition of assets	237	373	11	0	0	0	621
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	(634)	1,979	0	0	0	0	1,345
Revaluation losses/Impairment recognised in the revaluation reserve, and Depreciation written out to the revaluation reserve on revaluation	13,266	9,518	0	0	0	0	22,784
Category Adjustments & other movements	0	9	0	0	0	(9)	0
<b>At 31 March 2022</b>	<b>0</b>	<b>(10,869)</b>	<b>(20,937)</b>	<b>0</b>	<b>0</b>	<b>(61)</b>	<b>(31,867)</b>
<b>Net Book Value at 31 March 2022</b>	<b>359,323</b>	<b>397,062</b>	<b>7,055</b>	<b>4,240</b>	<b>48,228</b>	<b>3,830</b>	<b>819,738</b>
<b>Net Book Value at 31 March 2021</b>	<b>322,448</b>	<b>328,360</b>	<b>6,786</b>	<b>4,126</b>	<b>54,346</b>	<b>3,465</b>	<b>719,531</b>

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	2021/2022 £000	2022/2023 £000
<b>Net Book Value [Modified Historical Cost] at 1 April</b>	<b>444,867</b>	<b>500,518</b>
Additions	26,014	24,634
Depreciation	(8,300)	(10,290)
Impairment	0	0
Revaluation	0	0
Derecognition [Disposals & Decommissioning]	0	0
Category Adjustments & Other Movements	37,937	2,037
<b>Net Book Value [Modified Historical Cost] at 31 March</b>	<b>500,518</b>	<b>516,899</b>

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.

<b>Net Book Value</b>	<b>31 March 2022 £000</b>	<b>31 March 2023 £000</b>
Infrastructure Assets	500,518	516,899
Other Property, Plant and Equipment Assets	819,738	861,706
<b>Total Property, Plant and Equipment Assets</b>	<b>1,320,256</b>	<b>1,378,605</b>

### Capital Commitments

At 31 March 2023, the Council had entered into contracts for the construction and enhancement of property, plant and equipment in 2023/24 and future years. The significant commitments are as follows:

	<b>As at 31 March 2023 £000</b>	<b>As at 31 March 2022 £000</b>
<b>Capital Commitments</b>		
Campuses	4,980	5,549
Economic Development	1,170	4,272
Education	22,832	35,062
Fleet	1,292	0
Highways	5,675	4,209
Housing	14,626	13,915
ICT	4,772	3,891
Other	284	219
Property	1,814	2,219
Ultrafast Broadband	0	64
<b>Total</b>	<b>57,445</b>	<b>69,400</b>

### 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. 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.

The total depreciation charged to tangible Property Plant and Equipment fixed assets for 2022/23 is £35.392 million (£33.747 million in 2021/22).

### 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.

	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>
<b>Opening Capital Financing Requirement</b>	<b>585,967</b>	<b>571,672</b>
<b>Capital Investment</b>		
Plant Property & equipment Assets	99,291	87,231
Investment Properties	141	50
Intangible assets	3,714	3,524
Revenue Expenditure Funded from Capital	13,632	11,766
Flexible use of capital receipts to fund transformation expenditure - transfer of	766	1,906
Loan to subsidiary company	10,397	8,777
Write-down of Finance Lease Receivable	1,924	1,888
	<b>129,865</b>	<b>115,142</b>
<b>Sources of Finance</b>		
Government Grants	(54,504)	(52,687)
Major Repairs Reserve	(13,647)	(13,230)
Capital Receipts	(7,818)	(8,508)
Assets purchased through Revenue (inc HRA)	(361)	(1,084)
Minimum Revenue Provision	(14,692)	(13,949)
Voluntary Revenue Provision	0	(6,000)
Minimum Revenue Provision - PFI Schemes	(3,481)	(3,389)
Use of capital receipts reserve to finance HRA debt repayment	(1,000)	(2,000)
	<b>(95,503)</b>	<b>(100,847)</b>
<b>Closing Capital Financing Requirement</b>	<b>620,329</b>	<b>585,967</b>
<b>Explanation of Movements in the Year</b>		
Increase / (decrease) in underlying need to borrow	34,362	14,295
<b>Increase / (decrease) in Capital Financing Requirement</b>	<b>34,362</b>	<b>14,295</b>

## Note 18 Fixed Asset Valuation

Assets classified as Land & Buildings, 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.

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

The assets revalued during 2022/2023 include:

- Pay & Display Car Parks
- Old People's Homes, Children's Homes, Respite Centres
- Cemeteries
- Playing Fields, Play Areas, Allotments
- Public Conveniences
- HRA and General Fund Housing Stock
- Investment properties

A review took place on asset classes (i.e. assets held for sale, surplus assets not for sale, new acquisitions and assets with significant works during the year), and it was demonstrated there is no material impact of not revaluing these during 2022/23. All 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 in line with the requirements of the Code. The Council is not aware of any material change in the value of the remaining assets that were not revalued in 2022/2023.

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	4,432	8,933	516,899	0	63,104	0	593,368
Valued at current value in:								
2022/2023	367,485	76,148	0	0	4,016	0	0	447,649
2021/2022	4,935	197,039	0	0	0	0	45	202,019
2020/2021	0	113,105	0	0	3	0	3,131	116,239
2019/2020	0	14,424	0	0	44	0	0	14,468
2018/2019	0	4,844	0	0	0	0	0	4,844
2017/2018	0	17	0	0	0	0	0	17
<b>Book Value at 31 March 2023</b>	<b>372,420</b>	<b>410,010</b>	<b>8,933</b>	<b>516,899</b>	<b>4,063</b>	<b>63,104</b>	<b>3,176</b>	<b>1,378,605</b>

### Schools Assets

During the 2022/2023 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 appropriate Wiltshire Council Officers. 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 2023.

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

	As at 31 March 2023 £000	As at 31 March 2022 £000
<b>Operating Leases - Lessor</b>		
Not later than one year	1,489	2,032
Later than one year and not later than five years	2,375	3,687
Later than five years	3,172	3,350
<b>Total</b>	<b>7,036</b>	<b>9,069</b>

#### 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:

\* 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 4 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 2023 £000	As at 31 March 2022 £000
<b>Finance Lease - Lessor</b>		
Finance lease debtor (net present value of minimum lease payments)		
Current	1,961	1,924
Non-current	4,546	6,507
Unearned Finance Income	269	430
<b>Gross Investment in the Lease</b>	<b>6,776</b>	<b>8,861</b>

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	As at 31 March	As at 31 March	As at 31 March
	2023	2022	2023	2022
<b>Finance Lease - Lessor</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than one year	1,961	1,924	2,085	2,085
Later than one year and not later than five years	4,546	6,507	4,691	6,776
Later than five years		0		0
<b>Total</b>	<b>6,507</b>	<b>8,431</b>	<b>6,776</b>	<b>8,861</b>

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	As at 31 March
	2023	2022
	£000	£000
<b>Operating Leases - Lessee</b>		
Not later than one year	862	1,496
Later than one year and not later than five years	473	1,293
Later than five years	891	977
<b>Total</b>	<b>2,226</b>	<b>3,767</b>

\* 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:

	2022/2023	2021/2022
	£000	£000
<b>Operating Leases - Lessee</b>		
<b>Minimum lease payments &amp; contingent rents</b>		
Vehicles, Plant & Equipment	650	937
Property	439	364
Software	489	1,955
<b>Total</b>	<b>1,578</b>	<b>3,256</b>

\* 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 £0.395 million as at 31 March 2023 (£0.435 million 31 March 2022). 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 2021/22). 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 2022	(20,796)	(36,866)	(57,662)
Payments during the year to reduce capital liability	1,428	2,052	3,480
<b>Liability outstanding 31 March 2023</b>	<b>(19,368)</b>	<b>(34,814)</b>	<b>(54,182)</b>
Split:			
Due within 1 year	(1,542)	(2,168)	(3,710)
Due in over 1 year	(17,826)	(32,646)	(50,472)
<b>Liability outstanding 31 March 2023</b>	<b>(19,368)</b>	<b>(34,814)</b>	<b>(54,182)</b>

### North Wiltshire Schools PFI & Additional 6<sup>th</sup> 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	2022/2023	2021/2022
				Total £000	Total £000
Within 1 years	(1,542)	(1,211)	(3,839)	(6,592)	(6,495)
Within 2-5 years	(7,506)	(3,547)	(16,338)	(27,391)	(26,977)
Within 6-10 years	(10,319)	(1,317)	(17,079)	(28,716)	(35,723)
Within 11-15 years				0	0
<b>Total</b>	<b>(19,367)</b>	<b>(6,075)</b>	<b>(37,256)</b>	<b>(62,699)</b>	<b>(69,195)</b>

### 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	2022/2023	2021/2022
			Total £000	Total £000
Within 1 years	(2,066)	(1,827)	<b>(3,893)</b>	(3,889)
Within 2-5 years	(9,257)	(6,396)	<b>(15,653)</b>	(15,665)
Within 6-10 years	(15,564)	(4,146)	<b>(19,710)</b>	(19,748)
Within 11-15 years	(12,045)	(542)	<b>(12,587)</b>	(8,622)
<b>Total</b>	<b>(38,932)</b>	<b>(12,911)</b>	<b>(51,843)</b>	<b>(47,924)</b>

### 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.

	2022/2023	2021/2022
	Total £000	Total £000
Rental income from investment property	(2,235)	(2,468)
Direct operating expenses arising from investment properties	509	506
<b>Net (Gain)/ Loss</b>	<b>(1,726)</b>	<b>(1,962)</b>

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:

	2022/2023	2021/2022
	Total £000	Total £000
Balance at start of the year	24,000	23,217
Additions: subsequent expenditure	141	50
Disposals	0	(36)
Net gains from fair value adjustments	(2,715)	769
<b>Balance at end of the year</b>	<b>21,426</b>	<b>24,000</b>

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 2022/2023 and 2021/2022 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		
	31 March 2022	31 March 2021	
	Total	Total	
	£000	£000	
Adults & Children's Case Management System	2,364	2,470	3
Other items of software	4,727	1,898	0
Microsoft Navigator	7,949	9,368	4
Intangibles Under Construction	3,297	3,988	n
<b>Total</b>	<b>18,337</b>	<b>17,724</b>	

	Carrying Amount		Remaining Amortisation Period
	31 March 2023	31 March 2022	
	Total	Total	
	£000	£000	
Adults & Children's Case Management System	1,853	2,364	2-3 Years
Other items of software	5,331	4,727	0-5 Years
Microsoft Navigator	6,459	7,949	3 Years
Intangibles Under Construction	5,259	3,297	n/a
<b>Total</b>	<b>18,902</b>	<b>18,337</b>	

	Carrying Amount		
	31 March 2022	31 March 2021	
	Total	Total	
	£000	£000	
Adults & Children's Case Management System	2,364	2,470	3
Other items of software	4,727	1,898	0
Microsoft Navigator	7,949	9,368	4
Intangibles Under Construction	3,297	3,988	n

**Total****18,337****17,724**

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.

	<b>2021/2022 Purchased Software Licences £000</b>	<b>2020/2021 Purchased Software Licences £000</b>
Gross carrying amounts	40,453	36,094
Accumulated amortisation	(22,729)	(21,928)
<b>Net Carrying amount at the start of the year</b>	<b>17,724</b>	<b>14,166</b>
Purchases	3,524	4,359
Amortisation for the period	(2,911)	(801)
<b>Net carrying amount at end of year</b>	<b>18,337</b>	<b>17,724</b>
Comprising:		
Gross carrying amounts	43,977	40,453
Accumulated amortisation	(25,640)	(22,729)
<b>Net carrying amount at end of year</b>	<b>18,337</b>	<b>17,724</b>

	<b>2022/2023</b> <b>Purchased</b> <b>Software</b> <b>Licences</b> <b>£000</b>	<b>2021/2022</b> <b>Purchased</b> <b>Software</b> <b>Licences</b> <b>£000</b>
Gross carrying amounts	43,977	40,453
Accumulated amortisation	(25,640)	(22,729)
<b>Net Carrying amount at the start of the year</b>	<b>18,337</b>	<b>17,724</b>
Purchases	3,714	3,524
Amortisation for the period	(3,149)	(2,911)
<b>Net carrying amount at end of year</b>	<b>18,902</b>	<b>18,337</b>
Comprising:		
Gross carrying amounts	47,691	43,977
Accumulated amortisation	(28,789)	(25,640)
<b>Net carrying amount at end of year</b>	<b>18,902</b>	<b>18,337</b>

## Note 25 Assets Held for Sale

The Council held the following amounts as assets held for sale as at 31 March 2023 [and 31 March 2022]. 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.

	<b>2022/2023</b> <b>£000</b>	<b>2021/2022</b> <b>£000</b>
Balance at start of the year	3,958	5,275
Assets newly classified as held for sale	92	175
Assets Sold	(852)	(1,492)
Revaluations	0	0
<b>Balance at end of the year</b>	<b>3,198</b>	<b>3,958</b>

Balance at start of the year  
Assets newly classified as held for sale  
Assets Sold  
Revaluations  
**Balance at end of the year**



## 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 2022 but not received at that date.

	2022/2023 £000	2021/2022 £000
Other Local Authorities	918	1,357
Government Departments	15,471	20,615
NHS Bodies	11,880	1,363
<b>Other entities &amp; individuals:</b>		
Public Corporation	0	0
Share of Business Rates and Council Tax	22,178	20,174
Housing Tenants	1,945	2,309
Housing Benefit Overpayments	5,102	5,606
Other Sundry Debtors	44,235	47,877
Payments in Advance	6,180	17,116
<b>Gross Debtors</b>	<b>107,909</b>	<b>116,417</b>
Less: Allowance for expected credit losses		
General Fund Debtors	(6,529)	(6,838)
Housing Benefit Overpayments	(5,102)	(5,606)
Housing Rent Arrears	(664)	(548)
Council Tax Arrears	(6,693)	(5,745)
Business Rates Arrears	(423)	(419)
<b>Total Allowance for expected credit losses</b>	<b>(19,411)</b>	<b>(19,156)</b>
<b>Total Short Term Debtors</b>	<b>88,498</b>	<b>97,261</b>

#### Note 26b Long Term Debtors

These represent sums owed to the Council, in the areas shown in the table below, before 31 March 2023 but not received at that date, with payment due after 31 March 2024.

	2022/2023 £000	2021/2022 £000
Council House Mortgages	2,589	2,274
Adult Home Loan Awaiting House sale	2,595	2,590
Other Loans and Advances	10,303	10,310
Stone Circle Loans	22,334	11,937
<b>Total Long Term Debtors</b>	<b>37,822</b>	<b>27,111</b>

#### 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.

	2022/2023 £000	2021/2022 £000
Cash & Bank	3,310	(4,086)
Schools' bank accounts	19,000	19,883
<b>Total Cash and Cash Equivalents</b>	<b>22,310</b>	<b>15,797</b>

## Note 28 Short Term Creditors

These represent sums owed by the Council for supplies and services received before 31 March 2023 but not paid for at that date.

	2022/2023 £000	2021/2022 £000
Other Local Authorities	(440)	(6,489)
Government Departments	(40,415)	(73,833)
NHS Bodies	(2,500)	(1,530)
Sundry Creditors	(88,064)	(73,023)
Receipts in Advance	(7,015)	(17,063)
Accumulated Absences	(7,665)	(7,065)
<b>Total Short Term Creditors</b>	<b>(146,099)</b>	<b>(179,003)</b>
<b>Grants Receipts in Advance</b>	<b>(5,350)</b>	<b>(16,722)</b>

The £5.350 million grants receipts in advance relates to grant income received in 2022/2023 in advance of being utilised in 2023/2024. 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 £000	Insurance Claims £000	Business Rate Retention Scheme Appeals £000	Termination Benefits £000	Environmental Services £000	Adult Social Care £000	Total £000
Balance at 1 April 2022	0	(1,464)	(3,275)	(334)	(1,316)	(1,267)	(7,656)
Additional provisions made in year		0	(431)	(11)	(1,292)	(1,289)	(3,023)
Amounts used in year		17	1,890	334		1,267	3,508
Unused amounts reversed	0	0		0	1,316	0	1,316
<b>Balance at 31 March 2023</b>	<b>0</b>	<b>(1,447)</b>	<b>(1,816)</b>	<b>(11)</b>	<b>(1,292)</b>	<b>(1,289)</b>	<b>(5,855)</b>

### 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. 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.

### 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 £3.706 million as at 31 March 2022. 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 £1.816 million.

#### **Termination Benefits**

As at 31 March 2022 the Council made a total provision of £0.011 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 2022/2023 financial year.

#### **Environmental Services**

As at 31 March 2022 the balance of the provision in respect of environmental services totalled £1.316 million. £1.292 million was utilised in the year, with a further £1.316 million additional provision made. It is expected that the remaining potential costs will be resolved during 2022/2023 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	
	2022/2023 £000	2021/2022 £000	2022/2023 £000	2021/2022 £000
<b>Investments</b>				
At amortised cost:				
Principal	20,000	10,000	151,104	204,809
Accrued interest	(2,618)			161
Impairment		(632)		
<b>Total Investments</b>	<b>17,382</b>	<b>9,368</b>	<b>151,104</b>	<b>204,970</b>
<b>Cash and Cash Equivalents</b>				
At amortised cost:				
Principal			22,310	15,797
Accrued interest				
<b>Total Cash and Cash Equivalents</b>			<b>22,310</b>	<b>15,797</b>
<b>Debtors</b>				
At amortised cost:				
Trade receivables			(27,049)	50,985
Loss allowance			(7,193)	(7,386)
Loans and Advances	37,822	27,111		
<b>Included in Debtors<sup>1</sup></b>	<b>37,822</b>	<b>27,111</b>	<b>(34,242)</b>	<b>43,599</b>
<b>Total Financial Assets</b>	<b>55,204</b>	<b>36,479</b>	<b>139,172</b>	<b>264,366</b>

<b><sup>1</sup> Debtors Reconciliation to Balance Sheet</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>2022/2023</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Included in Financial Assets	37,822	27,111	(34,242)	43,599
<i>Debtors that do not meet the definition of a financial asset:</i>				
Statutory Debtors			116,398	36,546
Prepayments			6,180	17,116
<b>Total Debtors</b>	<b>37,822</b>	<b>27,111</b>	<b>88,337</b>	<b>97,261</b>

<b>Categories of Financial Liabilities</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>2022/2023</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Financial Liabilities</b>				
<b>Borrowings</b>				
Loans at Amortised Cost:				
Principal sum borrowed	(391,518)	(404,457)		(10,813)
Accrued interest				(2,315)
<b>Total Borrowings</b>	<b>(391,518)</b>	<b>(404,457)</b>	<b>(15,303)</b>	<b>(13,128)</b>
<b>Finance Lease Liabilities</b>				
PFI Liabilities at amortised cost	(50,472)	(54,182)	(3,710)	(3,480)
<b>Total Finance Lease Liabilities</b>	<b>(50,472)</b>	<b>(54,182)</b>	<b>(3,710)</b>	<b>(3,480)</b>
<b>Creditors*</b>				
Liabilities at amortised cost		0	(103,179)	(60,769)
<b>Included in Creditors<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>(103,179)</b>	<b>(60,769)</b>
<b>Total Financial Liabilities</b>	<b>(441,990)</b>	<b>(458,639)</b>	<b>(122,192)</b>	<b>(77,377)</b>

<b><sup>2</sup> Creditors Reconciliation to Balance Sheet*</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>2022/2023</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Included in Financial Liabilities	0	0	(103,179)	(60,769)
<i>Creditors that do not meet the definition of a financial liability:</i>				
Statutory Creditors	(71,194)	(65,590)	(35,905)	(101,172)
Income in Advance			(12,365)	(33,785)
<b>Total Creditors</b>	<b>(71,194)</b>	<b>(65,590)</b>	<b>(151,449)</b>	<b>(195,726)</b>

\* 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	2022/2023		Total £000
	Financial Liabilities: Amortised Cost £000	Financial Assets: Amortised Cost £000	
	Interest Expense	17,686	
<b>Interest Payable and Similar Charges</b>	<b>17,686</b>	<b>0</b>	<b>17,686</b>
Interest Income		(9,971)	(9,971)
<b>Interest and Investment Income</b>	<b>0</b>	<b>(9,971)</b>	<b>(9,971)</b>
Impairment of Assets		1,986	<b>1,986</b>
Net Adjustment of reflecting Amortisation of Unamortised Premiums and Adjustment on Market Loans to match EIR	0		<b>0</b>
<b>Recognised in the surplus on provision of services</b>	<b>17,686</b>	<b>(7,985)</b>	<b>9,701</b>
<b>Recognised in Other Comprehensive Income</b>			<b>0</b>
<b>Net (Gain) / Loss for the Year</b>	<b>17,686</b>	<b>(7,985)</b>	<b>9,701</b>

	2021/2022		
Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	Financial Liabilities: Amortised Cost £000	Financial Assets: Amortised Cost £000	Total £000
Interest Expense	16,650		16,650
<b>Interest Payable and Similar Charges</b>	<b>16,650</b>	<b>0</b>	<b>16,650</b>
Interest Income		(1,019)	(1,019)
<b>Interest and Investment Income</b>	<b>0</b>	<b>(1,019)</b>	<b>(1,019)</b>
Impairment of Assets		632	632
Net Adjustment of reflecting Amortisation of Unamortised Premiums and Adjustment on Market Loans to match EIR	(14)		(14)
<b>Recognised in the surplus on provision of services</b>	<b>16,636</b>	<b>(387)</b>	<b>16,249</b>
<b>Recognised in Other Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net (Gain) / Loss for the Year</b>	<b>16,636</b>	<b>(387)</b>	<b>16,249</b>

## 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	2022/2023 £000	2021/2022 £000
General Fund		(27,731)	8,271
Earmarked Reserves	32	(108,282)	(136,509)
<b>General Fund Balance per Movement in Reserves Statement</b>		<b>(136,013)</b>	<b>(128,238)</b>
Housing Revenue Account Balance		(6,823)	(2,876)
<b>Closing General fund and HRA balance per Expenditure &amp; Funding Statement</b>		<b>(142,836)</b>	<b>(131,114)</b>
Other Usable Reserves:			
Major Repairs Reserve	33	(7,884)	(19,849)
Usable Capital Receipts Reserve	34	(10,793)	(10,554)
Capital Grants and Contributions		(103,147)	(79,282)
Unapplied Account			
<b>Total Usable Reserves</b>		<b>(264,659)</b>	<b>(240,798)</b>

## 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.

<b>Earmarked Reserves</b>	<b>Opening Balance £000</b>	<b>Movement £000</b>	<b>Closing Balance £000</b>	<b>Movement £000</b>	<b>Closing Balance £000</b>
PFI Reserve	(3,152)	(220)	(3,372)	486	(2,886)
Insurance Reserve	(2,659)	(574)	(3,233)	216	(3,017)
Locally Managed Schools' Balances	(12,542)	(1,606)	(14,148)	120	(14,028)
Elections Reserve	(200)	(200)	(400)	(200)	(600)
Area Board Reserve	(70)	0	(70)	0	(70)
Revenue Grants Earmarked Reserve	(762)	(2,344)	(3,106)	(1,598)	(4,704)
PFI Housing Scheme Earmarked Reserve	(2,553)	110	(2,443)	132	(2,311)
Economic Development & Planning Reserve	(52)	(25)	(77)	0	(77)
Single View of the Customer Reserve	(341)	341	0	0	0
Play Area Asset Transfers	(59)	59	0	0	0
Enabling Fund	(140)	140	0	0	0
Business Rates Equalisation Fund	(309)	0	(309)	309	0
Leisure	(12)	(92)	(104)		(104)
Development of Local Plan	(323)	(326)	(649)	100	(549)
Salisbury Recovery	(272)	214	(58)	0	(58)
Public Health Grant	(3,366)	(3,262)	(6,628)	(336)	(6,964)
Rough Sleepers	(166)	166	0	0	0
Flexible Housing Support	(950)	700	(250)	(162)	(412)
Homelessness Reduction	(121)	121	0	0	0
Covid	0	0	0	0	0
Waste	(168)	(169)	(337)	(168)	(505)
Budget Equalisation Corporate	(7,861)	(8,659)	(16,520)	16,520	0
Collection Fund Volatility Reserve	(10,717)	4,279	(6,438)	(3,032)	(9,470)
Latent Demand	(7,895)	0	(7,895)	101	(7,794)
Collection Fund S31 Grant	(34,254)	23,321	(10,933)	10,629	(304)
COVID 19 Business Grants	(9,212)	9,212	0	0	0
COMF	(8,041)	3,266	(4,775)	4,775	0
Highways & Environment Reserve	(3,007)	512	(2,495)	1,782	(713)
Gain Share Income	(2,675)	2,675	0	0	0
Pay Award Reserve	(2,000)	144	(1,856)	1,856	0
Passenger Transport Reserve	(1,876)	(588)	(2,464)	123	(2,341)
Syrian Refugee Reserve	(991)	(35)	(1,026)	26	(1,000)
One Public Estate	(465)	83	(382)	0	(382)
Community Housing Fund	(462)	0	(462)	0	(462)
Covid Vulnerable	(346)	(801)	(1,147)	0	(1,147)
Porton Science Park	(274)	(42)	(316)	(71)	(387)
School Improvement, Monitoring & Brokerage Grant	(220)	0	(220)	0	(220)
Covid Compliance	(189)	189	0	0	0
Flexible Housing Support	(187)	187	0	0	0
LA EU Exit Preparation Grant	(105)	105	0	0	0
Future High Street Fund	(105)	0	(105)	0	(105)
Council Tax Hardship Relief EMR	(172)	(140)	(312)	140	(172)



Earmarked Reserves (cont'd)	2021/2022		2022/2023		
	Opening Balance £000	Movement £000	Closing Balance £000	Movement £000	Closing Balance £000
Neighbourhood Planning	(164)	46	(118)	102	(16)
NAAS Grant	(163)	57	(106)	7	(99)
Business Planning	0	(2,080)	(2,080)	(1,764)	(3,844)
Transformation	0	(5,259)	(5,259)	(5,606)	(10,865)
Tree Works	0	(709)	(709)	202	(507)
Inflation Reserve	0	(7,000)	(7,000)	7,000	0
Accommodation Needs EMR	0	0	0	(10,000)	(10,000)
Client Level Data Flows Support Grant	0	0	0	(19)	(19)
Inquests EMR	0	0	0	(158)	(158)
Domestic Abuse	0	0	0	(737)	(737)
Active Travel	0	0	0	(44)	(44)
Active Travel Capability Fund 2022-2023	0	0	0	(183)	(183)
LEVI Capability Fund	0	0	0	(86)	(86)
Streetscene Contract Issues	0	0	0	(353)	(353)
Cardiac Stroke Project	0	0	0	(82)	(82)
Streamline Adult Social Care Assessments	0	0	0	(178)	(178)
Homes For Ukraine	0	0	0	(13,231)	(13,231)
Olympian & Paralympian sponsorship fund	0	0	0	(23)	(23)
Primary Mental Health ICB Income	0	0	0	(222)	(222)
Pay Award 2023-2024	0	0	0	(2,000)	(2,000)
Feasibility Studies	0	0	0	(600)	(600)
Ukrainian Education Funding	0	0	0	(772)	(772)
Adults Programmes (ex COMF)	0	0	0	(824)	(824)
Libraries & Leisure Programmes (ex COMF)	0	0	0	(270)	(270)
Childrens Programmes (ex COMF)	0	0	0	(2,265)	(2,265)
Public Health (ex-COMF)	0	0	0	(120)	(120)
<b>Total</b>	<b>(119,598)</b>	<b>11,796</b>	<b>(107,802)</b>	<b>(480)</b>	<b>(108,282)</b>

### 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	2022/2023 £000	2021/2022 £000
Financing of capital expenditure in the year	13,647	13,230
Use of MRR to finance HRA debt repayment	7,000	0
Amount transferred to the reserve during the year	(8,682)	(12,886)
Movement in Year	11,965	344
Balance at 1 April	(19,849)	(20,193)
<b>Balance at 31 March</b>	<b>(7,884)</b>	<b>(19,849)</b>

### 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.

<b>Usable Capital Receipts Reserve</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts Receivable in year</b>		
Disposal of land and buildings	(6,910)	(7,359)
Other capital receipts - mortgages	(212)	(275)
Other capital receipts	(1,977)	(2,018)
Housing Pooled Capital Receipt	(47)	(768)
	<b>(9,145)</b>	<b>(10,420)</b>
<b>Amounts applied to finance new capital investment in year</b>		
Capital receipts utilised - capital expenditure	5,894	6,620
Capital receipts utilised - lease receivable	1,924	1,888
Capital receipts utilised for HRA repayment	1,000	2,000
Transfer to CIES equal to contribution to Housing Pooled Capital receipt	0	0
Transfer to CIES for administration costs of Housing Pooling	43	57
Transfer to CIES equal to contribution to Housing Pooled Capital receipt	47	768
	<b>8,907</b>	<b>11,333</b>
<b>Movement in Year</b>	<b>(238)</b>	<b>913</b>
Balance at 1 April	(10,554)	(11,467)
<b>Balance at 31 March</b>	<b>(10,793)</b>	<b>(10,554)</b>

### Note 35 Unusable Reserves

<b>Reserve</b>	<b>Note</b>	<b>2022/2023</b>	<b>2021/2022</b>
		<b>£000</b>	<b>£000</b>
Revaluation Reserve	<b>36</b>	(334,749)	(337,707)
Capital Adjustment Account	<b>37</b>	(495,823)	(454,892)
Dedicated Schools Grant Adjustment Account	<b>7</b>	35,249	25,973
Financial Instruments Adjustment Account		6,399	5,009
Deferred capital receipts		(2,589)	(2,274)
Pensions Reserve	<b>38</b>	195,368	596,615
Collection Fund Adjustment Account		(8,462)	9,974
Accumulated Absences Account		7,665	7,065
<b>Total Unusable Reserves</b>		<b>(596,942)</b>	<b>(150,237)</b>

## 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.

### Unusable Reserves

Reserve	Note	2022/2023 £000	2021/2022 £000
Revaluation Reserve	36	(334,749)	(337,707)
Capital Adjustment Account	37	(495,823)	(454,892)
Dedicated Schools Grant Adjustment Account	7	35,249	25,973
Financial Instruments Adjustment Account		6,399	5,009
Deferred capital receipts		(2,589)	(2,274)
Pensions Reserve	38	195,368	596,615
Collection Fund Adjustment Account		(8,462)	9,974

\* The Revaluation Reserve 2022/2023 opening balance has been restated by £0.799 million in relation to assets found to be holding historic revaluation losses and a balance on the revaluation reserve. 2021/2022 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).

## 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.

<b>Revaluation Reserve</b>	<b>2022/2023 £000</b>	<b>2021/2022 £000</b>
<b>Balance at 1 April</b>	<b>(337,707)</b>	<b>(246,612)</b>
Restatement of balance as at 1 April*	799	0
<b>Restated Balance at 1 April</b>	<b>(336,908)</b>	<b>(246,612)</b>
Upward revaluation of assets	(18,397)	(109,786)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services	5,808	5,582
<b>(Surplus) or deficit on revaluation of non-current assets not posted to surplus/ deficit on the provision of services</b>	<b>(12,589)</b>	<b>(104,204)</b>
Difference between fair value depreciation and historic cost depreciation	10,371	8,994
Accumulated gains on assets sold or scrapped	4,377	4,115
<b>Net amount transferred to the Capital Adjustment Account</b>	<b>14,748</b>	<b>13,109</b>
<b>Balance at 31 March</b>	<b>(334,749)</b>	<b>(337,707)</b>
	(334,749)	(337,707)
	0	0

Links to supporting working papers:  
[..\H. Notes\36 Revaluation Reserve](#)

<b>Capital Adjustment Account</b>	<b>2022/2023 £000</b>	<b>2021/2022 £000</b>
<b>Balance 1 April</b>	<b>(454,892)</b>	<b>(395,571)</b>
Restatement of balance as at 1 April*	(799)	
<b>Restated Balance at 1 April</b>	<b>(455,691)</b>	<b>(395,571)</b>
<b>Reversal of items relating to capital expenditure debited or credited to the comprehensive income and</b>		
Charges for depreciation of non-current assets	35,392	33,747
Charges for impairment/revaluations of plant, property and equipment	7,659	(10,604)
Amortisation of intangible assets	3,149	2,911
Revenue expenditure funded from capital under statute	13,632	11,766
Amounts of non-current assets written off as part of gain / loss on disposal posed to CIES	11,176	13,790
Recharges to capital	0	96
Additonal Capital Expenditure	706	0
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	766	1,906
	<b>72,480</b>	<b>53,612</b>
Adjusting amounts written out of Revaluation Reserve	(14,748)	(13,109)

\* 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 2023			Period ended 31 March 2022		
	Assets	Liabilities	Net (liability)/asset	Assets	Liabilities	Net (liability)/asset
	Obligations			Obligations		
	£000	£000	£000	£000	£000	£000
Fair value of employer assets	1,345,939		1,345,939	1,247,604	0	1,247,604
Present value of funded liabilities		(1,894,715)	(1,894,715)	0	(1,958,460)	(1,958,460)
Present value of unfunded liabilities		(47,839)	(47,839)	0	(51,977)	(51,977)
<b>Opening Position</b>	<b>1,345,939</b>	<b>(1,942,554)</b>	<b>(596,615)</b>	<b>1,247,604</b>	<b>(2,010,437)</b>	<b>(762,833)</b>
<u>Service cost</u>						
Current service cost*		(90,798)	(90,798)	0	(80,236)	(80,236)
Past service cost (including curtailments)		(1,134)	(1,134)	0	(466)	(466)
Effect of settlements	(596)	1,586	990	(1,034)	1,704	670
<b>Total service cost</b>	<b>(596)</b>	<b>(90,346)</b>	<b>(90,942)</b>	<b>(1,034)</b>	<b>(78,998)</b>	<b>(80,032)</b>
<u>Net interest</u>						
Interest income on plan assets	36,342		36,342	24,883		24,883
Interest cost on defined benefit obligation		(53,064)	(53,064)		(40,512)	(40,512)
Impact of asset ceiling on net interest			0	0	0	0
<b>Total net interest</b>	<b>36,342</b>	<b>(53,064)</b>	<b>(16,722)</b>	<b>24,883</b>	<b>(40,512)</b>	<b>(15,629)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>35,746</b>	<b>(143,410)</b>	<b>(107,664)</b>	<b>23,849</b>	<b>(119,510)</b>	<b>(95,661)</b>
<u>Cash flows</u>						
Plan participants' contributions	10,262	(10,262)	0	9,078	(9,078)	0
Employer contributions	40,988		40,988	37,857	0	37,857
Contributions in respect of unfunded benefits	(48,663)	48,663	0	3,380		3,380
Benefits paid	(3,498)	3,498	0	(50,817)	50,817	0
Unfunded benefits paid	3,498		3,498	(3,380)	3,380	0
Effect of business combinations and disposals			0			0
<b>Expected closing position</b>	<b>1,384,272</b>	<b>(2,044,065)</b>	<b>(659,793)</b>	<b>1,267,571</b>	<b>(2,084,828)</b>	<b>(817,257)</b>
<u>Remeasurements</u>						
Change in demographic assumptions		(4,305)	(4,305)	0	10,657	10,657
Change in financial assumptions		723,148	723,148	0	134,868	134,868
Other experience	(7,501)	(128,967)	(136,468)	0	(3,251)	(3,251)
Return on assets excluding amounts included in net interest	(117,950)		(117,950)	78,368	0	78,368
<b>Total remeasurements recognised in Other Comprehensive Income ("OCI")</b>	<b>(125,451)</b>	<b>589,876</b>	<b>464,425</b>	<b>78,368</b>	<b>142,274</b>	<b>220,642</b>
Fair value of employer assets	1,258,821		1,258,821	1,345,939	0	1,345,939
Present value of funded liabilities		(1,413,108)	(1,413,108)	0	(1,894,715)	(1,894,715)
Present value of unfunded liabilities**		(41,081)	(41,081)	0	(47,839)	(47,839)
<b>Closing position</b>	<b>1,258,821</b>	<b>(1,454,189)</b>	<b>(195,368)</b>	<b>1,345,939</b>	<b>(1,942,554)</b>	<b>(596,615)</b>

\* The current service cost includes an allowance for administration expenses of 0.8% (0.8% in 2020/2021) of payroll.

\*\* As at 31 March 2022, the unfunded liabilities totalling £41.081 million comprise of £13.493 million in respect of LGPS unfunded pensions and £27.588 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'<sup>1</sup>, 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.

<sup>1</sup> 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:

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Depreciation	(35,392)	(33,747)
Charges for impairment/ revaluations of plant, property and equipment	(6,861)	10,605
Movements in the market value of Investment Properties	(2,715)	769
Amortisation of intangible assets	(3,149)	(2,911)
(Increase) / decrease in impairment for bad debts	(256)	(6)
(Increase) / decrease in creditors	33,622	(742)
(Increase) / decrease in provisions	131	143
Increase / (decrease) in debtors	5,250	(5,293)
Movement in pension liability	(63,178)	(54,424)
Carrying amount of non-current assets sold or de-recognised	(11,176)	(13,789)
Write-down of loan premium	650	491
Other non-cash items charged to the SODPOS	(1,856)	(2,193)
<b>Adjustments for Non-Cash Movements</b>	<b>(84,930)</b>	<b>(101,098)</b>

#### 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:

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
Proceeds from the sale of PPE, investment property and intangible assets	7,262	8,321
Cash receipts of capital grants	78,499	59,733
<b>Total adjustment for items that are investing and financing activities</b>	<b>85,761</b>	<b>68,054</b>

### Operating activities

The cash flows for operating activities include the following items:

	2022/2023 £000	2021/2022 £000
Interest Received	(9,971)	(1,019)
Interest Payable	17,686	16,650

### **Note 40 Cash Flow Investing Activities**

The investing activities include the following items:

	2022/2023 £000	2021/2022 £000
Purchase of Property, plant and equipment, investment property and intangible assets	103,144	90,731
(Proceeds)/Purchase of short-term investments	(45,852)	62,502
(Proceeds)/Purchase of long-term investments	0	9,368
Proceeds from the sale of PPE and investment property	(7,262)	(8,321)
Cash receipts of capital grants	(78,499)	(58,461)
<b>Net cash flows from investing activities</b>	<b>(28,469)</b>	<b>95,819</b>

### **Note 41 Cash Flow Financing Activities**

The financing activities include the following items:

	2022/2023 £000	2021/2022 £000
Increase/ (decrease) in debtors in respect of Preceptors' and Government's shares of net cash for Council Tax and/or Non Domestic	2,004	2,500
Net repayments/ (advances) of short term borrowing	(2,175)	1,141
Net repayments/ (advances) of long term borrowing	12,939	(72,605)
Movement on PFI Contracts	3,481	3,388
<b>Net cash flows from financing activities</b>	<b>16,249</b>	<b>(65,576)</b>

## **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 2022/2023 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 2023/2024 Code are:

- IFRS 1 First Time Adoption of IFRS – subsidiary as a first-time adopter;
- IAS 37 Provisions, Contingent Assets and Contingent Liabilities - specification of costs to be included when assessing whether a contract will be onerous;
- IAS 41 Agriculture – taxation in fair value measurements; and
- IAS 16 Property, Plant and Equipment - proceeds before intended use.

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 started becoming material to the Council's overall financial position, therefore group accounts have been produced for the first time.
- 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 pandemic on the collectability of its income outstanding as at 31 March 2023, and made additional impairments where considered necessary.

### **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 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- **Property, Plant and Equipment**

The Council's valuers use a combination of methodologies to value operational assets. This includes Depreciated Replacement Cost (DRC), Existing Use Value (EUV) and comparable methods. These methods can cause estimation uncertainty due to the indices and inputs (such as floor area, build costs, obsolescence and yield) that must be used to apply valuations. Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. 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 £41.894 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.

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 £37.242 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 £0.936 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 £0.308 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 £2.143 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 2023, the Council had a balance of short term debtors of £107.747 million. An allowance for expected credit losses of £19.411 million or around 18% of the debt has been made. See note 26 for further details. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. 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.

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.

- **Provisions**

At 31 March 2023, the Council had a balance of provisions totalling £5.855 million, made up of Legal Claims, Insurance Claims, Business Rate Retention Scheme Appeals, Termination Benefits and 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 £0.586 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 29 November 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 on 18 February 2025.

## **Note 46 Events after the Balance Sheet Date**

The Statement of Accounts were authorised by the Chief Financial Officer on 29 November 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 2022/2023.

## **Note 47 Contingent Liabilities and Assets**

There are no contingent liabilities or assets as at 31 March 2022.

## **Note 48 Pension Schemes Accounted for as defined contribution Schemes**

### **Teachers pension scheme**

In 2022/2023 the Council paid £14.1 million (£13.9 million in 2021/2022) 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 2022 to March 2023. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2022/2023 these amounted to £2.25million (£2.28 million in 2021/2022).

## **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 2022, using financial assumptions that comply with IAS 19. To calculate the asset share, the assets disclosed at 31 March 2022 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 are 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:

<b>Comprehensive Income and Expenditure Statement, and Movement in Reserves Statement</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cost of Services</b>		
Service Cost comprising:		
Current service cost	(90,798)	(80,236)
Past service cost including curtailments	(1,134)	(466)
Effect of Settlements	990	670
<b>Financing and Investment Income &amp; Expenditure</b>		
Net interest expense		(15,629)
<b>Total post-employment benefits charged to the Surplus / (Loss) on Provision of Services</b>	<b>(90,942)</b>	<b>(95,661)</b>

## 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)	(117,950)	78,368
Actuarial gains and (losses) arising on changes in demographic assumptions	(4,305)	10,657
Actuarial gains and (losses) arising on changes in financial assumptions	723,148	134,868
Actuarial gains and (losses) arising on changes based on other experience	(136,468)	(3,251)
<b>Total post-employment benefits recognised in Other Comprehensive Income and Expenditure</b>	<b>464,425</b>	<b>220,642</b>

## 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	107,664	95,661
Actual amount charged against the General Fund Balance for pensions in the year: Employer's contributions payable to the scheme	(44,486)	(41,237)
<b>Total movement</b>	<b>63,178</b>	<b>54,424</b>

## 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 2023 and 2022 are as follows:

	31 March 2023 £000	31 March 2022 £000
Fair Value of Employer Assets	1,258,821	1,345,939
Present Value of Funded Liabilities	(1,413,108)	(1,894,715)
<b>Net (Under)/Overfunding in Funded Plans</b>	<b>(154,287)</b>	<b>(548,776)</b>
Present value of Unfunded Liabilities	(41,081)	(47,839)
<b>Net Asset/(Liability)</b>	<b>(195,368)</b>	<b>(596,615)</b>
Amount on balance sheet:		
Asset	1,258,821	1,345,939
Liability	(1,454,189)	(1,942,554)
<b>Net Liability Amount in Balance Sheet</b>	<b>(195,368)</b>	<b>(596,615)</b>

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 18 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	425,190	30.1	51.0
Deferred members	319,065	22.6	52.0
Pensioner members	668,853	47.3	69.0
<b>Total</b>	<b>1,413,108</b>	<b>100.0</b>	

### 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 2023 % per annum	31 March 2022 % per annum
Pension Increase Rate	2.95%	3.20%
Salary Increase Rate	3.45%	3.60%
Discount Rate	4.75%	2.70%

#### Assumptions on Mortality Rates

Life expectancies are based on the Fund's Vita Curves with improvements in line with the CMI 2021 model. Based on this, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.8	24.4
Future Pensioners	22.4	26.0

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

<b>Prospective Pensioners &amp; Pensioners</b>
CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% 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 2023				31 March 2022				
	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		
<b>Real Estate:</b>									
UK Property	0	87,741	87,741	7%	0	93,813	93,813	7%	
Overseas Property	0	52,834	52,834	4%	0	56,490	56,490	4%	
<b>Investment Funds &amp; Unit Trusts:</b>									
Equities	0	504,440	504,440	40%	0	539,350	539,350	40%	
Bonds	0	344,786	344,786	27%	0	368,647	368,647	27%	
Infrastructure	0	95,821	95,821	8%	0	102,453	102,453	8%	
Other	0	167,526	167,526	13%	0	179,120	179,120	13%	
<b>Cash &amp; Cash Equivalents:</b>									
All	0	5,674	5,674		0	6,067	6,067		
<b>Total</b>	<b>0</b>	<b>1,258,821</b>	<b>1,258,821</b>	<b>100%</b>	<b>0</b>	<b>1,345,939</b>	<b>1,345,939</b>	<b>100%</b>	

### Projected defined benefit costs for the period to 31 March 2024

The projected amounts determined by the actuary to be charged to the Councils Comprehensive Income and Expenditure under IAS 19 in 2023/2024 are as follows:

Period Ending 31 March 2024	Assets	Obligations	Net (Liability)/Asset	
	£000	£000	£000	% of Payroll
Projected Current Service Cost*		41,346	41,346	(21.8%)
<b>Total Service Costs</b>	<b>0</b>	<b>41,346</b>	<b>41,346</b>	<b>(21.8%)</b>
Interest Income on Plan Assets	60,016		60,016	31.6%
Interest Cost on Defined Benefit Obligation		69,053	69,053	(36.4%)
<b>Total Net Interest Cost</b>	<b>60,016</b>	<b>69,053</b>	<b>129,069</b>	<b>(4.8%)</b>
<b>Total included in Surplus/Deficit on Provision of Services</b>	<b>60,016</b>	<b>110,399</b>	<b>170,415</b>	<b>(26.6%)</b>

\* The current service cost includes an allowance for administration expenses of 0.7% of payroll. The monetary value is based on a projected payroll of £189.954 million.

The estimated employer contributions for the year to 31 March 2024 will be approximately £47.868 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 2023	Approximate % increase to Employer	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	24,237
1 year increase in member life expectancy	4%	58,168
0.1% increase in salary increase rate	0%	1,925
0.5% increase in pension increase rate (CPI)	2%	22,685

Further information can be found in the Wiltshire Pension Fund annual report 2022/2023 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 2022/2023 was approved by Full Council on 15 February 2022 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 £158.105 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 2023 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 2022/2023 is £7,427.

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 2023.

	<b>Credit Risk Rating</b>	<b>Gross Carrying Amount £000s</b>
12 month expected credit losses	AAA	35,209
	AA	0
	AA-	55,478
	A+	7,001
	A	30,298
	A-	30,118
	BBB	0
	Sub BBB	0
<b>Maximum Credit Risk Exposure</b>		<b>158,104</b>

During 2022/2023 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 (£158.105 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 2022/2023):

	<b>Approved Minimum Limits</b>	<b>Approved Maximum Limits</b>	<b>Actual 31 March 2023</b>		<b>Actual 31 March 2022</b>	
			<b>£000s</b>	<b>%</b>	<b>£000s</b>	<b>%</b>
Less than 1 Year	0%	25%	13,992	3.5%	11,946	2.9%
Between 1 and 2 Years	0%	25%	14,172	3.5%	11,631	2.8%
Between 2 and 5 Years	0%	45%	50,123	12.5%	34,295	8.3%
Between 5 and 10 Years	0%	75%	68,491	17.1%	88,991	21.7%
More than 10 Years	0%	100%	254,386	63.4%	263,884	64.2%
<b>Total</b>			<b>401,164</b>	<b>100.0%</b>	<b>410,747</b>	<b>100.0%</b>

### **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 2023, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

<b>Effects of a 1% Increase in Interest Rates</b>	<b>2022/2023 £000</b>
Increase in interest payable on variable rate borrowings	
Increase in interest receivable on variable rate investments	
Increase in Government grant receivable for financing costs	
Impact on Surplus or Deficit on the Provision of Services	
Share of overall impact debited to the HRA	
Decrease in fair value of fixed rate investment assets	(177)
Impact on Other Comprehensive Income and Expenditure	
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 Expenditure)	36,253

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.

The Council holds £20m in the CCLA property fund, and value of this varies. However, any movements in value will not impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

#### **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 2023		31 March 2022	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Long Term Borrowing:</b>				
Non-PWLB (Market)	(69,795)	(65,953)	(72,738)	(97,679)
PWLB	(321,724)	(278,932)	(331,719)	(368,724)
<b>Total Long Term Borrowing</b>	<b>(391,519)</b>	<b>(344,885)</b>	<b>(404,457)</b>	<b>(466,403)</b>
<b>Short Term Borrowing:</b>				
Non-PWLB (Market)	(3,593)	(3,466)	(3,476)	(3,323)
PWLB	(11,710)	(11,582)	(9,652)	(9,703)
<b>Total Short Term Borrowing</b>	<b>(15,303)</b>	<b>(15,048)</b>	<b>(13,128)</b>	<b>(13,026)</b>
<b>Total Borrowing Value</b>	<b>(406,822)</b>	<b>(359,933)</b>	<b>(417,585)</b>	<b>(479,429)</b>
Short Term PFI Creditors	(3,710)	(3,710)	(3,480)	(3,480)
Long Term PFI Creditors	(50,472)	(50,472)	(54,182)	(54,182)
Short Term Creditors	(151,449)	(151,449)	(195,725)	(195,725)
Long Term Creditors			(2,956)	(2,956)
<b>Total Financial Liabilities</b>	<b>(612,453)</b>	<b>(565,564)</b>	<b>(673,928)</b>	<b>(735,772)</b>

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

Financial Liabilities	31 March 2023		31 March 2022	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Long Term Borrowing:</b>				
Non-PWLB (Market)	(69,795)	(77,248)	(67,081)	(117,154)
PWLB	(321,724)	(310,106)	(337,376)	(421,930)
<b>Total Long Term Borrowing</b>	<b>(391,519)</b>	<b>(387,354)</b>	<b>(404,457)</b>	<b>(539,084)</b>
<b>Short Term Borrowing:</b>				
Non-PWLB (Market)	(3,593)	(3,493)	(3,476)	(3,383)
PWLB	(11,710)	(11,655)	(9,652)	(9,775)
<b>Total Short Term Borrowing</b>	<b>(15,303)</b>	<b>(15,148)</b>	<b>(13,128)</b>	<b>(13,158)</b>
<b>Total Borrowing Value</b>	<b>(406,822)</b>	<b>(402,502)</b>	<b>(417,585)</b>	<b>(552,242)</b>
Short Term PFI Creditors	(3,710)	(3,710)	(3,480)	(3,480)
Long Term PFI Creditors	(50,472)	(50,472)	(54,182)	(54,182)
Short Term Creditors	(151,449)	(151,449)	(195,725)	(195,725)
Long Term Creditors	0	0	(2,956)	(2,956)
<b>Total Financial Liabilities</b>	<b>(612,453)</b>	<b>(608,133)</b>	<b>(673,928)</b>	<b>(808,585)</b>

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 2023) 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 £406.822 million would be valued at £359.933 million. But, if the Council were to repay 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 £402.502 million.

Financial Assets	31 March 2023		31 March 2022	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Loans and Receivables:</b>				
Cash and Cash Equivalents	22,310	22,310	15,797	15,797
Short Term investment	158,105	158,105	209,670	209,670
<b>Total Loans and Receivables</b>	<b>180,415</b>	<b>180,415</b>	<b>225,467</b>	<b>225,467</b>
Short Term Debtors	88,498	73,436	97,261	83,251
Long Term Debtors	37,822	37,822	27,111	27,111
<b>Total Financial Assets</b>	<b>306,735</b>	<b>291,673</b>	<b>349,839</b>	<b>335,829</b>

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 2023 and 2022 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 2023 £000
Main Portfolio	0	0	21,426	21,426
Other	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>21,426</b>	<b>21,426</b>

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 2022 £000
Main Portfolio	0	0	24,000	24,000
Other	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>24,000</b>	<b>24,000</b>

## 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**

	<b>As at 31 March 2023</b>	<b>Valuation technique used to measure fair value</b>	<b>Unobservable inputs</b>	<b>Sensitivity</b>
	<b>£000</b>			
<b>Main Portfolio</b>	21,426	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:

<b>2022/2023</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Edwin Young Collection	12	0	579	48
John Creasey Museum	7	0	273	12
Westbury Swimming Pool	137	141	136	0
Calne Trust Fund	2	0	96	0
Canberra Youth Centre	0	3	127	0
<b>Total</b>	<b>158</b>	<b>144</b>	<b>1,211</b>	<b>60</b>

<b>2021/2022</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Edwin Young Collection	17	0	582	42
John Creasey Museum	5	0	276	10
Westbury Swimming Pool	134	88	140	0
Calne Trust Fund	1	0	102	0
Canberra Youth Centre	0	10	129	0
<b>Total</b>	<b>157</b>	<b>98</b>	<b>1,229</b>	<b>52</b>

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.

# Annex 1 Accounting Policies

## i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 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.
- Housing benefits expenditure is payable on a weekly or monthly basis throughout the year. No adjustments are made to account for payments in respect of part weeks / months 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)
- 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, based on the indicative rate of return on high quality corporate bonds.

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
- 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
- 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, there 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 accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council does not have a fixed de minimis level for the recognition of capital expenditure, but recognises expenditure as capital where appropriate.

**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
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use value (EUV).

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 three 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)
- 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)
- 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 a suitable qualified officer
- vehicles, plant and equipment – straight line allocation over the useful life of each class of assets in the balance sheet, as advised by a suitably qualified officer. The useful lives vehicles, plant and equipment is generally between 5 to 20 years

- infrastructure – 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 asset spend recorded on the balance sheet prior to 1st April 2020 is depreciated with a weighted average useful life of 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
- 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)

- 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.

### **Loans and receivables**

### **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 life time 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 plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis or 12 month expected losses.

### **Financial Assets measured at Fair Value through Profit or Loss**

Financial assets that are measured at 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
- 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
- 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 a material 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 holding company Stone Circle Development Company; Stone Circle Housing Company which purchases residential property for let to tenants and the dormant Stone Circle Energy Company. The Council will produce group accounts when the balances have a material impact on the council's own single-entity accounts based on line by line consolidation following the elimination of inter-company balances / transactions and alignment of accounting policies. In the council's own single-entity accounts, the interest in Stone Circle is recorded as financial assets at cost, less any provision for losses.

## **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:

- i. Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- ii. 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
- iii. 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

- iv. 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)
- v. 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

- 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:

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

The 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
- 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 Rates (NDR)**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) 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 CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the movement in Reserves Statement.

The Balance Sheet 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 Grants provided by Government, the council is acting as an agent where the council is not in control of funding where it is responsible only for distributing amounts to beneficiaries with rules supplied by 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	2022/2023		2021/2022	
		£000	£000	£000	£000
<b>Income</b>					
Rents (gross):					
- dwellings		(25,910)		(25,193)	
- garages		(394)		(374)	
- other		(216)		(421)	
			(26,520)		(25,988)
Charges for services and facilities			(1,427)		(1,249)
<b>Total Income</b>			<b>(27,947)</b>		<b>(27,237)</b>
<b>Expenditure</b>					
Repairs and Maintenance			7,598		6,055
Supervision and Management:					
- general		3,995		3,790	
- special services		1,680		1,363	
			5,676		5,152
Depreciation & Impairments of Fixed Assets					
- On dwellings	3	10,687		14,954	
- On garages	3	0		0	
- On other Assets	3	0		0	
			10,687		14,954
<b>Total Expenditure</b>			<b>23,960</b>		<b>26,161</b>
<b>Net Cost of Services per Income &amp; Expenditure Account</b>			<b>(3,987)</b>		<b>(1,076)</b>
HRA Services share of Corporate and Democratic Core			321		321
<b>Net Cost of HRA Services</b>			<b>(3,667)</b>		<b>(755)</b>
<b>HRA share of the operating income and expenditure in the whole Council Comprehensive Income and Expenditure Statement:</b>					
Capital grants and Contributions			(3,415)		(615)
(Gain)/Loss on sale of HRA fixed assets			(858)		113
Interest Payable			3,089		3,336
Interest Receivable			(206)		(76)
Net interest on the net defined benefit liability			385		386
Increase/(Decrease) in allowance for bad debts			319		157
<b>(Surplus)/Deficit for the Year on HRA Services</b>			<b>(4,351)</b>		<b>2,546</b>

## Statement of Movement on the HRA Balances

	2022/2023 £000	2021/2022 £000
<b>Balance on the HRA at the end of the previous reporting period</b>	(2,878)	(8,159)
(Surplus)/ Deficit for year on HRA Income and Expenditure Account	(4,351)	2,546
<b>Adjustments between accounting basis and funding basis under statute:</b>		
HRA share of contributions to the Pensions Reserve (see note 6)*	(1,821)	(1,734)
Transfer to/from Capital Adjustment Account <sup>1</sup>	(15,027)	(14,298)
Transfer to the Usable Capital Receipts Reserve - RTB Admin Costs	(43)	(57)
Transfer to the Usable Capital Receipts Reserve	5,197	5,231
Transfer to the Major Repairs Reserve	8,682	12,886
Capital grants & contributions unapplied	3,415	615
HRA share of Transfer to/from Accumulated Absences Reserve	0	(6)
Revenue Contributions to Capital Expenditure	361	98
<b>Total</b>	<b>765</b>	<b>2,735</b>
<b>Net increase before transfers to/from earmarked reserves</b>	<b>(3,587)</b>	<b>5,281</b>
Transfer to/ from reserves	0	0
<b>(Increase)/decrease in the year on the HRA</b>	<b>(3,587)</b>	<b>5,281</b>
<b>Balance on the HRA at the end of the current reporting period</b>	<b>(6,464)</b>	<b>(2,878)</b>

### Transfers to/ from the Capital Adjustment Account comprise:

	2022/2023 £000	2021/2022 £000
<b>1Transfers to/from Capital Adjustment Account comprise:</b>		
Reversal of depreciation, impairment and amortisation	(10,687)	(14,954)
Capital grants & contributions applied	0	0
Voluntary provision for financing of capital investment	0	6,000
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(4,340)	(5,344)
<b>Total</b>	<b>(15,027)</b>	<b>(14,298)</b>

# Housing Revenue Account Notes

## Note 1 Housing Stock

Houses and Bungalows	31 March 2023	31 March 2022
- 1 bedroom	279	280
- 2 bedrooms	1,460	1,456
- 3 bedrooms	1,659	1,680
- 4+ bedrooms	132	130
<b>Flats</b>		
- 1 bedroom	979	964
- 2 bedrooms	762	755
- 3+ bedrooms	62	62
<b>Total dwellings as at 31 March</b>	<b>5,333</b>	<b>5,327</b>

The Council sold 44 houses during 2022/2023 under the right to buy scheme ("RTB"). The Council received a total before pooling of £2.872 million as capital receipts. The Council has also obtained an additional 22 houses as part of the Council House Build Program in 2022/2023. The overall net reduction in council houses since 2021/2022 is therefore 22.

The figures 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 2023 £000	31 March 2022 £000
Rent arrears	1,945	2,309
Less:		
Rent payments in advance	(678)	(684)
Bad debt provision	(664)	(548)
<b>Net arrears position</b>	<b>603</b>	<b>1,077</b>

The bad debt provision has been reviewed as at 31 March 2023 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.

<b>Movement of HRA assets</b>	<b>Council Dwellings £000</b>	<b>Council Garages £000</b>	<b>Council Dwellings &amp; Garages inc Land £000</b>
Net Book Value 1 April 2022	354,218	5,104	<b>359,322</b>
Additions in Year	12,714	0	<b>12,714</b>
Disposals	(4,339)	0	<b>(4,339)</b>
Revaluations	13,323	0	<b>13,323</b>
Depreciation	(8,461)	(170)	<b>(8,631)</b>
Category Adjustments	31	0	<b>31</b>
<b>Balance of Net Book Value at 31 March 2023</b>	<b>367,486</b>	<b>4,934</b>	<b>372,420</b>

The Balance Sheet value of Council Dwellings (structures, services and land) as at 31 March 2023 was £367.486 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 2023 was £1049.960 billion. 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 2023 was £682.474 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.

	<b>2022/2023 £000</b>	<b>2021/2022 £000</b>
Council Dwellings (Structures and Services)	<b>7,521</b>	8,123
Council House Build Programme	<b>9,214</b>	7,997
<b>Total HRA capital expenditure</b>	<b>16,735</b>	<b>16,120</b>
Revenue and Reserves	<b>361</b>	98
Other receipts (Major Repairs Reserve)	<b>13,647</b>	13,230
Grants and Contributions	<b>1,790</b>	1,259
Capital Receipts	<b>936</b>	1,533
<b>Total HRA capital financing</b>	<b>16,734</b>	<b>16,120</b>

## 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.

	<b>2022/2023</b> <b>£000</b>	<b>2021/2022</b> <b>£000</b>
Balance on the reserve at 1 April	(19,849)	(20,193)
Financing of capital expenditure in the year	13,647	13,230
Amount transferred to the reserve during the year	(8,682)	(12,886)
Amount transferred from reserve to repay debt	<b>7,000</b>	
<b>Balance on the reserve at 31 March</b>	<b>(7,884)</b>	<b>(19,849)</b>

## 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			Non-Domestic		
		Rates 2022/2023	Council Tax 2022/2023	Total 2022/2023 £000	Rates 2021/2022	Council Tax 2021/2022	Total 2021/2022 £000
<b>Income</b>							
Council Tax	1		(406,319)	(406,319)		(387,665)	(387,665)
Non-Domestic Rates		(148,251)		(148,251)	(131,056)		(131,056)
		<b>(148,251)</b>	<b>(406,319)</b>	<b>(554,570)</b>	<b>(131,056)</b>	<b>(387,665)</b>	<b>(518,721)</b>
<b>Disbursement</b>							
Precepts and Demands							
- Wiltshire Council		68,667	311,192		73,415	298,265	
- Police			45,833			43,367	
- Fire		1,401	15,089		1,498	14,604	
- Town and Parish Councils			26,858			24,624	
- Central Government		70,068			74,913		
				<b>539,107</b>			<b>530,686</b>
Share of surplus/(deficit) on Collection Fund							
- Wiltshire Council		(14,888)	3,282		(34,235)	(1,291)	
- Police			430			(184)	
- Fire		(304)	142		(699)	(65)	
- Central Government		(15,192)			(34,935)		
				<b>(26,529)</b>			<b>(71,409)</b>
Disregarded Amounts							
- Renewable Energy		2,334		2,334	1,242		1,242
Cost of collection allowance							
Movement in allowance for Bad Debts		624			622		
Write-offs		7	1,129		199	(31)	
Appeals		360	493		925	774	
Other transfers to general fund		431			(505)		
		-100			2,074		
				<b>2,944</b>			<b>4,058</b>
<b>Fund surplus/(deficit) for the year</b>							
		<b>34,843</b>	<b>1,872</b>	<b>36,715</b>	<b>46,542</b>	<b>7,602</b>	<b>54,144</b>
		<b>148,251</b>	<b>406,320</b>	<b>554,571</b>	<b>131,056</b>	<b>387,665</b>	<b>518,721</b>
		<b>Non-Domestic Rates</b>	<b>Council Tax</b>	<b>Total</b>	<b>Non-Domestic Rates</b>	<b>Council Tax</b>	<b>Total</b>
Fund balance b/f		28,078	(3,658)	24,420	74,620	3,944	78,564
(Surplus)/deficit for year		(34,843)	(1,872)	(36,715)	(46,542)	(7,602)	(54,144)
Fund balance c/f	3	<b>(6,765)</b>	<b>(5,530)</b>	<b>(12,295)</b>	<b>28,078</b>	<b>(3,658)</b>	<b>24,420</b>

# 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 £2,100.24 for 2022/2023 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	2022/2023 Band D Equivalent Dwellings	2021/2022 Band D Equivalent Dwellings
Band A Disabled	5/9	27	15	15
Band A	6/9	15,324	10,216	10,109
		15,351	10,231	10,124
Band B	7/9	29,973	23,312	23,194
Band C	8/9	44,697	39,731	39,223
Band D	9/9	34,439	34,439	33,869
Band E	11/9	27,395	33,483	32,845
Band F	13/9	16,641	24,037	23,567
Band G	15/9	10,461	17,435	17,178
Band H	18/9	1,179	2,358	2,337
			185,026	182,337
Adjustment for MOD contribution in lieu, new properties, & collection			4,937	5,181
<b>Council Tax Base</b>			<b>189,963</b>	<b>187,518</b>

## Note 2 National Non-Domestic Rates

The total non-domestic rateable value at 31 March 2023 was £390,952,945 (£391,490,990 at 31 March 2022). The national non-domestic multiplier for the year was 51.2p (51.2p in 2021/2022) and the small business rates relief multiplier was 49.9p (49.9p in 2021/2022).

## 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 31/03/2023 £000	Council Tax 31/03/2023 £000	Total 31/03/2023 £000	Non-Domestic Rates 31/03/2022 £000	Council Tax 31/03/2022 £000	Total 31/03/2022 £000
Wiltshire Council	(3,315)	(3,114)	(6,429)	13,758	(3,114)	10,644
Police	0	(412)	(412)	0	(412)	(412)
Fire	(68)	(132)	(200)	281	(132)	149
Central Government	(3,382)		(3,382)	14,039	0	14,039
	<b>(6,765)</b>	<b>(3,658)</b>	<b>(10,423)</b>	<b>28,078</b>	<b>(3,658)</b>	<b>24,420</b>



# 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.