



Statement of Accounts

For the year ended 31 March 2021

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Narrative Report

Buckinghamshire Council

1. Introduction

Buckinghamshire Council is the second largest unitary Council by population and was formed on 1st April 2020, comprising of the areas previously administered by Buckinghamshire County Council and the four district councils of Aylesbury Vale, Chiltern, South Bucks and Wycombe. The Annual Statement of Accounts 2020/21 are the first set of accounts prepared by Buckinghamshire Council since its creation.

2. Buckinghamshire

Buckinghamshire is a landlocked county in the South-East region of England, located North-West of the capital city, London. The county borders Greater London, Berkshire, Oxfordshire, Bedfordshire, Northamptonshire and Hertfordshire. It is a home to a large portion of the Chiltern Hills Area of Outstanding Natural Beauty which consist of vast expanse of farmland and woodland dotted with small traditional English towns and villages, that are often regarded as some of the best places to live in the United Kingdom. The two largest cities in the county are Aylesbury and High Wycombe and other large towns include Amersham, Beaconsfield, Buckingham, Chesham and Marlow. It has a rich heritage and has many historic houses some of which are open to the public. It is also the birthplace of the international Paralympic movement.

Buckinghamshire enjoys excellent transport links, particularly to London. This, together with the proximity of both Heathrow and Luton airports, is a benefit in terms of international travel and economic opportunities for residents and local businesses.

Buckinghamshire is a flourishing and growing area with a population of 543,128 as of 2019. Just under a third of Buckinghamshire's residents live in rural areas which can bring its own challenges for residents in terms of access to services. Compared to the country as a whole, Buckinghamshire is affluent, healthy and well educated. Gross Disposable Household Income per head is 36% higher in Buckinghamshire than the UK and 18% higher than South East England.

The demographic make-up of the area is changing rapidly, with intensive growth in the north alongside an increasingly ageing population in the south. These changes have an impact on services, for example, the provision of health and social care for older people, and emphasise the need to attract jobs into Buckinghamshire, alongside ensuring the right skill-base of workers, in order to maintain a strong economy. There is a vibrant voluntary and community sector and widely available cultural, sporting and learning opportunities.

3. Covid-19 Pandemic

When the new Buckinghamshire Council came into being on 1 April 2020, the COVID-19 pandemic was reaching its first peak and the country had been plunged into an unprecedented full lockdown for just over a week. Virtually overnight, local authorities were diverted to responding to this ‘once in a lifetime’ emergency. Instead of the anticipated celebration of the launch of our new organisation and the benefits this would bring to the county, we were helping our homeless into emergency accommodation, co-ordinating volunteer groups, redeploying staff, adjusting the operation of most of our services and rapidly mobilising to protect our most vulnerable.

Early on in the pandemic a number of emergency response cells were established to lead critical areas of our response. These cells are led by senior staff, who work with our local members, the NHS, businesses, voluntary community sector organisations and other partners in supporting our residents and businesses across the county to remain safe and healthy and to reduce the spread of the virus. We have also been a key player in supporting many essential response services, such as the Olympic Lodge reablement unit, the Helping Hand programme, the vaccine delivery programme, establishing Lateral Flow Testing sites and the NHS Test and Trace system.

Financial Impact on the Council’s Budgets 2020/21

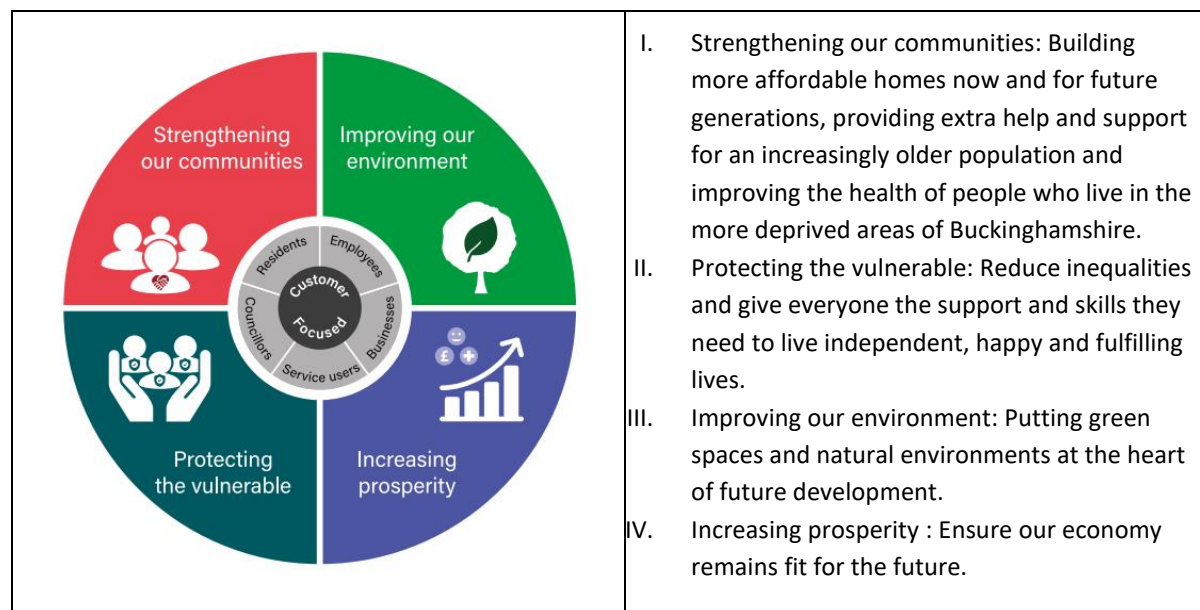
The financial impact of the pandemic has been felt across all local government. The impact on Buckinghamshire Council has been three-fold:

- I. The Council has incurred additional expenditure in its response to the pandemic
- II. The impact on the local economy has led to significant falls in income from sales, fees and charges.
- III. Saving proposals and integrating teams across the legacy authorities have been slightly delayed

The impact of the pandemic has been mitigated by the support provided by Central Government. The most considerable of these is the general Covid-19 grant funding and the income compensation scheme. Collectively these two sources of funding have provided the Council with £295m.

4. Council Vision

The Council's Vision is: Buckinghamshire the best place to live, raise a family, work and do business. This vision is underpinned by key priorities which are:



1. Strengthening our communities

- We want our residents to live independent, fulfilling lives, within strong, healthy, inclusive and resilient communities.
- We want to improve health and wellbeing, with a particular focus on reducing any gap in health outcomes.
- We want to work more with town and parish councils, giving them the responsibility for services and assets where it makes sense to do so, and helping communities to help themselves.

2. Protecting the vulnerable

- We want children, adults and families to feel safe and supported to live independent lives.
- We want our older, disabled and vulnerable people to receive the right support, at the right time.

3. Improving our environment

- We want to address climate change, improve our environment and create economic opportunities for clean growth.
- We want to reduce our county's environmental impact by promoting sustainability and reducing waste. To improve air quality and people's health, by reducing emissions and encouraging green transport options.

4. Increasing prosperity

- We want to encourage sustainable economic growth, working with our partners to maximise opportunities and boost productivity.
- We want to continue to attract high quality jobs and investment in skills, innovation and connectivity, keeping Buckinghamshire one of the best places to do business.
- We want growth to benefit both new and existing communities, preserving the character of our environment while delivering everything we need to prosper

5. Council Governance

The Council's policies are directed by the political leadership and implemented by the Corporate Management Team (CMT).

Political Structure

The council area comprises of 49 wards with 147 democratically elected councillors to represent residents. The Council operates under a Leader/Cabinet system. The Leader of the Council is Cllr Martin Tett and is supported by two Deputy Leaders who are also portfolio holders along with a further seven Cabinet Members across a range of portfolios.

The Council has a Constitution that sets out the rules and procedures that govern how council business is conducted and decisions are made.

Officers Structure

Councillors are supported by the Corporate Management Team (CMT), which is headed by the Chief Executive, Rachael Shimmin. CMT is responsible for the overall leadership and management of the Council, for setting and monitoring overall direction and ensuring high performance in the delivery of council services. Including the Chief Executive, CMT is made up of eight officers which includes all the six Corporate Directors and S151 Officer. The council's operations are split into six directorates each with a responsible Corporate Director and supported by Service Directors.

Local Communities

As a large unitary authority, it is critical the council retains close links with local communities. On vesting day the council introduced a new localism model at the heart of which is 16 community boards. The boards enable a strong local presence and understanding of our diverse communities. The boards help connect the council to communities and partners, providing a focus on local issues and deliver council priorities in a way that is right for each local area.

This new way of working empowers communities to explore issues and solutions together on issues that matters most to them. The newly established model was a vital part of the council's civic response in the pandemic and created new collaborative opportunities.

6. Local Government Funding Issues

There are proposed changes which could affect how local authorities are to be funded from 2022/23 onwards. This includes the 'Fair Funding Review' and Business Rates Retention, The allocation of New Homes Bonus is also under review, and the future mechanism for funding Adults Social Care is also uncertain. Whilst these changes have been delayed by the pandemic, they will impact on the Councils funding position during this current Medium Term Financial Planning timeframe.

7. Financial Performance 2020/21

The net budget of £440m was approved by the Shadow Authority on 27th February 2020 and the Members also approved a 1.99% increase in Council Tax and 2% increase for the Adult Social Care Precept. The outturn position for 2020/21 is an underspend of £400k. The Council has a strong financial management process in place with monthly monitoring reports presented to the Corporate Management Team and quarterly to Cabinet.

At Directorate level, there are significant overspends which is due to the Covid-19 impact on service demand and loss of income. The major impact is on the Communities directorate due to loss of income from sports & leisure, trade waste collection and parking income.

Summary of Revenue Budget Outturn:

		Budget	Outturn	Variance		Change in Forecast Var	Variance: COVID BAU	
		£m	£m	£m	%	£m	£m	£m
Adults & Health	Expenditure	229.4	256.3	26.9	12%		22.7	4.2
	Income	(84.2)	(103.1)	(18.9)	22%		(13.9)	(5.0)
		145.2	153.2	8.0	6%	(1.7) ↓	8.8	(0.8)
Children's Services	Expenditure	597.3	453.3	(144.0)	(24%)		5.0	(149.0)
	Income	(493.1)	(340.5)	152.6	(31%)		0.1	152.5
		104.2	112.8	8.6	8%	0.8 ↑	5.1	3.5
Communities	Expenditure	90.7	98.0	7.3	8%		7.9	(0.6)
	Income	(33.8)	(20.7)	13.1	(39%)		13.6	(0.5)
		56.9	77.3	20.4	36%	0.7 ↑	21.5	(1.1)
Deputy Chief Executive	Expenditure	26.0	30.1	4.1	16%		1.1	3.0
	Income	(2.5)	(6.7)	(4.2)	...		-	(4.2)
		23.5	23.4	(0.1)	(0%)	-	1.1	(1.2)
Planning, Growth & Sustainability	Expenditure	52.7	61.0	8.3	16%		3.8	4.5
	Income	(40.3)	(40.6)	(0.3)	1%		3.2	(3.5)
		12.4	20.4	8.0	65%	(0.3) ↓	7.0	1.0
Resources	Expenditure	172.2	156.0	(16.2)	(9%)		1.7	(17.9)
	Income	(130.8)	(111.9)	18.9	(14%)		1.4	17.5
		41.4	44.1	2.7	7%	(0.5) ↓	3.1	(0.4)
Directorates		383.6	431.2	47.6	12%	(1.0) ↓	46.6	1.0
Corporate & Funding	Corporate	50.8	50.5	(0.3)	(1%)	5.4	-	(0.3)
	Funding	(434.4)	(482.1)	(47.7)	11%	(4.8)	(46.6)	(1.1)
		(383.6)	(431.6)	(48.0)	13%	0.6 ↓	(46.6)	(1.4)
Total		-	(0.4)	(0.4)	...	(0.4) ↓	-	(0.4)

The approved Capital programme for 2020/21 was £204m and the actual spend was £170m resulting in a slippage of £34m. Some of the investments made during the year are summarised below: -

- I. £29m in creation of new Primary and Secondary School Places
- II. £23m in Leisure Centres
- III. £45m in Highways Maintenance and Transport Infrastructure
- IV. £13m in Economic Growth & Regeneration
- V. £14m in Housing & Regulatory Services
- VI. £17m in Property & Assets

The main factor for the capital programme having slippage was Covid 19. Projects that had slippage were

- I. Strategic Highways Maintenance - £2.052m
- II. Car Parks - £1.205m
- III. South Bucks County Park - £1.871m
- IV. Waste Vehicles - £1.116m
- V. Chiltern Lifestyle Centre - £0.998m

8. Financial position as at 31st March 2021

Net Asset Position

1. The Council has net assets of £926.267m, backed by usable reserves of £332.348m and unusable reserves of £593.923m. This is shown in the Balance Sheet which shows how the resources available are held in the form of assets and liabilities. There have been a number of significant movements within assets and liabilities that are detailed below.

Adequacy of Reserves

As well as a contingency budget to enable those more uncertain budgets to be managed, General Reserves (unallocated) are also held to meet unforeseen spending requirements and to provide stability in Medium Term Financial Planning. The level of reserves should consider the strategic, operational and financial risks facing the authority and, as such, a review of the level of reserves has been undertaken as part of the budget formulation. Our Reserves are made up as below:

- General fund balance of £49m
- Schools balance of £20.793m
- Earmarked reserves of £215.122m
- Capital reserves of £47.371mm

Revenue and Capital Budgets

On the 24th February 2021 the Council approved future Revenue and Capital budgets for the Buckinghamshire Council, as well as the Treasury Management Strategy and capital and Investment Strategy.

2. Non-Financial Achievements

Building, leading and managing the new organisation:

- Launched our better Buckinghamshire service review programme and commenced 30 reviews to deliver unitary benefits over the next two years.
- Answered almost 240,000 calls in our customer service centre, responded to approximately 24,500 web chats and over 97,000 emails/contact us forms.
- Procurement of new Buckinghamshire IT network, new single bank account and new revenues and benefits system to create savings for the organisation.
- Launch virtual child protection conferences, virtual fostering and adoption conferences and virtual school education appeals.
- Shortlisted for an LGC Business Transformation Award 2020.

- Highlighted ranking fourth in the country for highest performing council website for 2021 with regards to web accessibility, content quality assurance, response time and search engine optimization.

Strengthening our communities:

- A total of £3.9 million made available for communities with the launch of 16 boards, in order to improve the health and wellbeing of the local communities.
- established strategic funding group that has brought in approximately £2 million of external funding to support the community sector.
- Agreed a new parish council for Kingsbrook.
- Launched Buckinghamshire heritage portal which contains 35,000 records as well as teaching resources for KS2&3.
- Enabled 496,573 archive items to be viewed by the public (online and in person).
- Published the safer Buckinghamshire plan, youth justice strategic plan and the health and wellbeing strategy 2021-24.
- Appointed counsellors 124 outside bodies
- Strengthened our established partnerships with the Thames Valley Police and other key partners to tackle anti-social behaviour.
- Delivered improvement works at the Court Garden Leisure Complex in Marlow, Chesham Leisure Centre, Chalfont Leisure Centre and Trent Marlow Library.
- Recorded a 50% increase in people using our e-book another online library resources, with 406,000 downloads between April and December 2020.
- Continued good progress on construction of the new Chiltern's lifestyle centre development in Amersham.

Protecting the vulnerable:

- Launched first Social Work Apprentice Programme with a further cohort plan for next year.
- Completed 2668 annual reviews of adult social care packages (April 2022 - Jan 2021).
- Provision for 11,500 children with special educational needs in Buckinghamshire.
- Supported 78% of families referred through family support service to achieve their identified outcomes.
- Offered 754 people smoking cessation services, 440 weight management help and 861 have been referred to diabetes education programme by Live Well Stay Well.
- Commission 9 courses of Mental Health First Aid for 144 multi agency staff and delivered 4 courses of suicide first aid training.
- Supported partners to deliver 276 new affordable homes including 105 new shared ownership properties for low income families and for ground floor flats to a wheelchair adaptable specification.
- Received grant funding awards totalling over £1.8 million to 'keep everyone in' - providing immediate help for all rough sleepers and also long-term accommodation solutions to prevent people from returning to rough sleeping and to prepare them to sustain their own tenancies.
- Worked in partnership with a housing provider to secure grant aid and also part fund purchase of nine supported units solely for rough sleepers. In addition, commenced the construction of 58 units for use as temporary accommodation.

Improving our Environment:

- Appointed a new waste provider in South of county for around 115,000 households resulting in an 86% reduction in missed bins since the contract began.
- Emptied 88,000 bins every day across Buckinghamshire, recycling around 50% of our waste.
- Produced enough electricity to power 40,000 Buckinghamshire homes via our Greatmoor Energy from Waste facility.
- Agreed an ambition to plant over 500,000 new trees on Buckinghamshire Council's owned land holdings over the next 10 years - one tree for every citizen of Buckinghamshire contributing to our wider ambition in addressing climate change and improving biodiversity.
- Won the Great British September Clean award at the Keep Britain Tidy Network Awards 2020.
- Completed 13,169 category 1 and 2 defect repairs on our roads between April and December 2020, and 25,883 Highways Inspections during the same time period.
- Achieved 6 green flag awards for our town parks.
- We have built a new skate park and play areas in Amersham, Dunsham park and Rustics Close in Aylesbury.

Increasing Prosperity:

- Progress the number of property and regeneration schemes including Brunel Shed, The Winslow Development, old Wickham library, Old Council Offices and White Hart Street.
- Sign the contract for Aylesbury Housing Infrastructure Fund bringing £172.3 million of investment to the county.
- Ensure overall standards for pupils in Buckinghamshire schools are in line with or above national comparators with a higher percentage of schools rated good or better by Ofsted than schools nationally.
- Future High Streets Fund – provisionally successfully for £11.8 million, which will support the recovery and regeneration of High Wycombe town centre.

3. People Strategy

Buckinghamshire employs approximately 4,700 staff in full-time and part-time positions. Council sees the development of its employees, a culture of lifelong learning and continuous improvement as integral to providing quality services. The Council's Proud Ambitious Collaborative Trustworthy (PACT) values are central to the workplace culture.

During the year we took on 21 new talent apprentices and on 1 April 2021 we had 160 employees on apprenticeship programmes.

4. Outlook

Given the levels of uncertainty around government funding levels beyond 2021/22 and the difficulties with accurately forecasting the longer-term implications arising as a result of the pandemic made it impractical to set a multi-year Medium Term Financial Plan (MTFP) and, therefore, the Council set a revenue budget for 2021/22 only and a funded capital programme for the period to 2024/25. This ensured that the Council did not make decisions based on assumptions which were impossible to estimate given the global, national and local fiscal impact of the pandemic.

There is still uncertainty surrounding the impact of pandemic on the Council's medium to long-term finances. Despite, the challenging circumstances the overall outturn position for 2020/21 is an underspend of £0.4m bringing the General Fund reserves position at £49m. Financial sustainability will be a critical consideration for the Council going forward and the financial strategy will require a strategic approach to ensure that the Council can deliver its core services sustainably whilst maintaining the adaptability required to respond to changing environment and its impact on service demands and levels of resources.

The Council is currently working on the MTFP, for the four year period 2022/23 to 2025/26, which will then be submitted to Cabinet and Full Council for approval in February 2022. The Council is also carrying out service reviews through the '*Better Buckinghamshire Programme*'. As well as focussing on recovery, growth and increasing our resilience and agility it should help to clarify priorities, identify the optimum model of delivery and ensure that budgets are properly aligned to service activity. The process will seek to drive innovation in service design, harness the opportunities of technology and improve the customer experience.

The Council's drives an ambitious four-year capital investment programme totalling £569m, including: New and improved educational and leisure facilities; Improved transport management systems, roads, bridges, footpaths and infrastructure; Improved waste management. The investment programme is funded mainly from Government Grants (42%); Borrowing (7%); Capital Receipts (14%) and S106/Community Infrastructure Levy/Housing Improvement Fund (32%).

1. Strategic risks for upcoming year

A risk management strategy is in place enable the organisation to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive opportunity or threat and the likely impact. The risk management processes are subject to regular review and reporting to those charged with governance. The key risks for the forthcoming year include:

I. Covid-19 :

Risk : The pandemic is not yet over and will continue to have a huge impact on our residence, business and resources.

Mitigation : Resources across the Council are fully mobilised in reducing the risk of exposure, through effective outbreak managements, as well as reducing the risk of complications and death among our residents. We will continue our work the NHS, businesses, voluntary community sector organisations and other partners in supporting the Helping Hand programme, our residents and businesses across the county to remain safe and healthy and to reduce the spread of the virus. We will also continue to support and work with the wide range of partners to encourage and increase the vaccine update. This increase in vaccine uptake is going to play a vital role in managing the impact of the pandemic on lives as well as our services.

II. Finance and Resources :

Risk : A range of wider market dynamics contributes to increasing financial pressures placed on the Council, including changing levels of service demand, the impacts of Covid-19, Brexit, and central government policy. These affect services across the Council in different ways; however, ultimately, they could impact service quality and delivery and therefore the residents and businesses, our overall financial position and reputation.

Mitigation: The Council is currently working on the Medium Term Financial Plan, for 2022/23 to 2025/26 which also includes review of corporate contingency to manage financial costs of these risks arising from service demands, increased cost of service provision and loss of significant income streams. In addition to this the council is carrying out service reviews through the '*Better Buckinghamshire Programme*'. As well as focussing on recovery, growth and increasing resilience and agility it should help to clarify priorities, identify the optimum model of delivery and ensure that budgets are properly aligned to service activity.

III. **Failure of a Major Contract**

Risk : The Council depends on a range of contracted partners to deliver its services. This supply chain could be disrupted by several factors such as the Covid-19 pandemic, Brexit, and the economic fallout and uncertainties arising. This could ultimately delay or disrupt critical services or service delivery, resulting in non-compliance of contractual and statutory obligations, financial loss or impact the Council's reputation. Covid-19 has had a disproportionate impact on some sectors, notably social care affecting services for adults, children, and wider public health.

Mitigation : The Council Contract Procedure rules embed the culture of contract management throughout the duration of a contract to help identify this risk. The Council's Contract Management Framework for Supplier Management ensures a consistent approach to contract management and thus providing a high level of assurance, providing a contract management toolkit and training, policies and guidance around contracts and procurement and supplier financial viability assessments.

IV. **Safeguarding of Adults and Children**

Risk: One of the key priorities for the Council is protecting the vulnerable; that children, adults and families feel safe and supported to live independent lives and that older, disabled, and vulnerable people receive the right support. With budget reductions, an increased demand for services and capacity restraints due to national shortages, this could put additional pressure on the Council's ability to deliver statutory obligations and ultimately protect those most in need. The COVID-19 pandemic has presented new challenges in terms of maintaining essential services to protect some of the most vulnerable people.

Mitigation: For Adults, as well as maintaining close relationships and working with our key partners, work will continue on the delivery of the Better Lives Strategy through the Adult Social Care transformation programme. The new social work case management, iCares, was launched on 1st March 2021 and this continues to be embedded along with enhanced safeguarding systems, processes and practice. A three-year workforce strategy has been introduced which has included the launch of occupational therapy apprenticeship scheme and in collaboration with Bucks New

University, the Social Care Academy. For Children's, work on the Children's Services Improvement Plan continues to be implemented with particular focus on management oversight, supervision and recruitment following on from the Ofsted focused visit in Buckinghamshire in February 2021. Progress against the improvement plan will continue to be monitored every six weeks at the Children's Service Improvement Board, chaired by the DfE appointed Improvement Adviser.

V. Technology failure and breaches

Risk: Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber attack, loss of data or breach of data protection are some of the events that could happen to the Council. This could result of severe financial and reputational damage as well as the major disruption for services. The Covid-19 pandemic has also given opportunities for cyber-crime criminals to take advantage of changes in working habits and exploiting the situation and vulnerabilities in cyber security to their own benefit.

Mitigation: The Information Technology ONE Programme is implementing a modern IT platform for the Council to ensure that council has a secure, stable and robust IT environment to facilitate the use of technology across all services. Within this programme are major projects which include building a new network, new data centres, migration of services to the Cloud, a single modern telephony platform and the rationalisation of all corporate and business applications. There is also a corporate IT Security Framework in place that provides a holistic approach to security covering personnel, physical, communications, information, computer and technical security. The framework is constantly reviewed taking into account best practices and standards as well as lessons learnt from technology failures and breaches outside of the Council.

VI. Climate Change

Risk: Insufficient resources and capacity to meet the Council's target of achieving net carbon zero by 2050 for Buckinghamshire as a whole (and by 2030 for Council's own activities) along with increased frequency of extreme weather events such as flooding and rise in temperatures, could put increased pressure on our local environment and public health in future years.

Mitigation: The Climate Change and Air Quality Strategy is in development and will have a cross cutting impact on all council services, particularly those with major carbon impacts.

5. Explanation of Accounting Statements

The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each financial year. These statements contain several different elements which are explained below:

Statement of Responsibilities for the Statement of Accounts sets out the respective responsibilities of the Authority and the Chief Finance Officer (Service Director – Corporate Finance).

Auditor's Report gives the auditor's opinion of the financial statements and of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.

Core Financial Statements

- **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "useable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes.
- **Comprehensive Income and Expenditure Statement (CIES)** shows the cost of providing services in the year in accordance with International Financial Reporting Standards. The top part of the CIES provides an analysis by Portfolio and reflects the Council's local reporting format. The bottom half of the statement deals with corporate transactions and funding.
- **Balance Sheet** shows the value of the Council's assets, liabilities and reserves at a point in time.
- **Cash Flow Statement** shows the changes in the Council's cash and cash equivalents during the year and quantifies the movements in balances attributable to day to day running of the Council (operating activities), investing activities or financing activities.

Collection Fund Statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Business Rates and its distribution to precepting bodies.

The Annual Governance Statement (AGS) sets out the governance structures of the Council and its key internal controls.

The Pension Fund Account report the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme.



Statement of Responsibilities

Buckinghamshire Council

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Service Director – Corporate Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts, delegated to the Audit and Governance Committee.

The Service Director – Corporate Finance Responsibilities

The Service Director – Corporate Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

In preparing this Statement of Accounts, the Service Director – Corporate Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Authorised issue of the Financial Statements

The Service Director – Corporate Finance authorised the issue of the financial statements on XX 2021.

Certificate of the Service Director – Corporate Finance

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

Richard Ambrose

Date: XX 2021

Service Director – Corporate Finance

Approval of the Statement of Accounts

The Statement of Accounts will be approved by the Buckinghamshire Council Audit and Governance Committee following the completion of the Audit.

Chairman of Governance and Audit Committee



Core Financial Statements

Buckinghamshire Council

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure (revenue or capital), or reduce local taxation) and unusable reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the CIES (Comprehensive Income and Expenditure Statement). This is different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. Authorities raise taxation to cover expenditure in accordance with regulations. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council. The unusable reserves hold unrealised gains and losses (for example the Revaluation Reserve) and account for differences under regulations between accounting basis and funding basis which are detailed in Note 3.

	General Fund Balance £000	Earmarked Schools Balances £000	Earmarked General Fund Reserves £000	Total General Fund £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves* £000	Total Reserves £000
Balance at April 2020	(48,664)	(14,034)	(137,256)	(199,954)	(34,702)	(32,793)	(267,449)	(803,522)	(1,070,971)
Movement in reserves during 2020/21									
(Surplus) or deficit on the Provision of Services	52,771	-	-	52,771	-	-	52,771	-	52,771
Other Comprehensive Income and Expenditure	-	-	-	-		(5,267)	(5,267)	88,736	83,469
Total Comprehensive Income and Expenditure	52,771	-	-	52,771	-	(5,267)	47,504	88,736	136,240
Adjustments between accounting basis & funding basis under regulations (Note 9)	(131,036)	-	-	(131,036)	25,391	-	(105,645)	120,868	15,223
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(78,265)	-	-	(78,265)	25,391	(5,267)	(58,141)	209,604	151,463
Transfers to/(from) Earmarked Reserves (Note 10)	77,866	(6,759)	(77,866)	(6,759)	-	-	(6,759)	-	(6,759)
(Increase) / Decrease in 2020/21	(399)	(6,759)	(77,866)	(85,024)	25,391	(5,267)	(64,900)	209,604	144,704
Balance at 31 March 2021	(49,063)	(20,793)	(215,122)	(284,977)	(9,311)	(38,060)	(332,348)	(593,919)	(926,267)

Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The statutory General Fund position is shown in both the Expenditure and Funding Analysis and in the Movement in Reserves Statement.

	2020/21		
	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Adults and Health	274,646	(120,700)	153,946
Children's Services	523,311	(352,863)	170,448
Communities	159,017	(22,995)	136,022
Deputy Chief Executive	31,380	(6,654)	24,726
Planning, Growth & Sustainability	83,243	(18,689)	64,553
Resources	172,771	(112,079)	60,693
Corporate Costs	8,592	(1,108)	7,484
Cost of Services	1,252,961	(635,088)	617,873
Surplus or deficit of discontinued operations			
Other Operating Expenditure (Note 11)	24,095	-	24,095
Financing and Investment Income and Expenditure (Note 12)	15,029	(22,601)	(7,572)
Taxation and Non-Specific Grant Income (Note 13)	133,788	(715,414)	(581,625)
(Surplus) or Deficit on Provision of Services	1,425,873	(1,373,103)	52,771
(Surplus) or Deficit on Revaluation of Non-Current Assets (Note 23)			(104,150)
Surplus or deficit on revaluation of financial assets (Note 23)			139
Remeasurement of the defined benefit liability / (asset) (Note 36)			192,747
Other Comprehensive Income and Expenditure			88,736
Total Comprehensive Income and Expenditure			141,507

Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

	Notes	31 March 2021 £000
Property, Plant & Equipment	14	1,863,261
Heritage Assets	15	8,892
Investment Property	16	369,632
Intangible Assets	18	2,464
Long Term Investments	17	4,522
Long Term Trade and Other Receivables	18	100,460
Long Term Assets		2,349,232
Short Term Investments	17	137,177
Temporary Loans	17	1,336
Assets Held for Sale	20	6,279
Inventories		228
Short Term Trade and Other Receivables	18	103,454
Current Assets		248,474
Cash and Cash Equivalents	19	(15,698)
Short Term Borrowing	17	(15,851)
Short Term Trade and Other Payables	19	(178,806)
Current Provisions	21	(7,804)
Current Liabilities		(218,160)
Long Term Trade and Other Payables	21	(64,777)
Provisions and Long Term Liabilities	22	(6,245)
Long Term Borrowing	17	(312,698)
Pension Liability	36	(1,069,555)
Long Term Liabilities		(1,453,275)
Net Assets		926,271
Usable Reserves	MiRS*	(332,348)
Unusable Reserves	23	(593,923)
Total Reserves		(926,271)

Cash Flow Statement

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

	2020/21
	£000
Net (surplus) or deficit on the provision of services	52,771
Adjustments to net surplus or deficit on the provision of services for non-cash movements	(67,560)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	98,981
Net cash flows from operating activities (note 28)	84,191
Purchase of property, plant and equipment, investment property and intangible assets	111,848
Purchase of short-term and long-term investments	4,933,982
Proceeds from short-term and long-term investments	(4,924,576)
Other receipts from investing activities	(84,320)
Net cash flows from investing activities	36,933
Cash receipts of short and long-term borrowing	138,420
Repayments of short and long-term borrowing	(186,475)
Net cash flows from financing activities	(48,056)
Net (increase) or decrease in cash and cash equivalents	73,069
Cash and cash equivalents at the beginning of the reporting period	57,371
Cash and cash equivalents at the end of the reporting period	(15,698)

Expenditure and Funding Analysis

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

	Net expenditure per outturn £000	Transfers (to) / from earmarked reserves (Note 4) £000	Net expenditure chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the CIES £000
Adults and Health	153,240	(10,511)	142,730	11,216	153,946
Children's Services	112,782	(998)	111,784	58,664	170,448
Communities	78,055	386	78,441	57,581	136,022
Deputy Chief Executive	23,435	(1,667)	21,768	2,958	24,726
Planning, Growth & Sustainability	20,919	4,914	25,833	38,720	64,553
Resources	44,146	6,113	50,259	10,434	60,693
Corporate costs	64,589	(57,599)	6,990	494	7,484
Net Cost of Services	497,166	(59,361)	437,804	180,068	617,873
Other Income and Expenditure in CIES	(469,862)	(15,933)	(485,795)	(79,308)	(565,102)
(Surplus) or Deficit on Provision of Services	27,304	(75,294)	(47,990)	100,761	52,771
Adjustments under Regs	(27,703)	(9,331)	(37,034)	(100,761)	(137,795)
Net (Increase) / Decrease before Transfers to Earmarked Reserves	(399)	(84,625)	(85,024)	0	(85,024)
Transfers to / (from) earmarked reserves	0	0	0	0	0
(Increase) / Decrease in 2020/21	(399)	(84,625)	(85,024)	0	(85,024)
General Fund Balance as at 1 April 2020					(199,956)
General Fund Balance as at 31 March 2021					(284,980)
Net Budget (surplus) / deficit	(399)				



Accounting Policies

Buckinghamshire Council

1.1 General Overview

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end 31st March 2021. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

The Council prepares its Statement of Accounts on a going concern basis, on the assumption that it will continue in existence into the foreseeable future. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Accruals of Income and Expenditure

Activity is accounted for when 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 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 and where there is a gap between the date supplies are received and their consumption, these are included as inventories in 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 in the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor/creditor for the 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.

1.3 Provisions

Provisions are made where an event has taken place that gives 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. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income & Expenditure Statement (CIES) when the Authority has an 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, these are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at each year-end and 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.

1.4 Overheads and Support Services

The cost of overheads and support services are managed separately, therefore these service segments are reported separately in accordance with the Council's arrangements for accountability and financial performance.

1.5 Employee Benefits (Benefits Payable during Employment)

Short-term employee benefits are settled in full within 12 months of the year-end. Benefits include wages and salaries, paid annual leave, paid sick leave bonuses and non-monetary benefits for current employees and are recognised as a service cost in the year in which employees render service. An accrual is made for the holiday entitlement cost (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 to the next financial year. The accrual is made at the wage and salary rates applicable in the following year as the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services but is then reversed out through the Movement in Reserves Statement (MiRS) so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.6 Employee Benefits (Termination)

Termination benefits are due following a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits, and are charged on an accruals basis to the relevant service expense line in the comprehensive income and expenditure statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises restructuring costs. When termination benefits involve pensions enhancement, the general fund balance is charged with the amount payable to the pension fund or pensioner in-year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to/from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and these are replaced with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at year-end.

1.7 Employee Benefits (Post-Employment Benefits-Local Government Pension Scheme)

Employees of the Council are members of three separate pension schemes:

- the Local Government Pensions Scheme (LGPS), administered by Buckinghamshire Council
- the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education
- the NHS scheme

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

For LGPS members' retirement benefits, statutory provisions require the General Fund to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year as distinct from the amount calculated according to the relevant accounting standards. In the MiRS there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits charged in the CIES and replace them with debits for the cash paid to the pension fund and pensioners

and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits as earned by employees.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the authority. 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 Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme administered by Buckinghamshire Council.

The liabilities of the Buckinghamshire Council 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 or projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate determined by the Actuary (based on the market yields on high quality corporate bonds).

The assets of Buckinghamshire Council pension fund attributable to the Council are included in the Balance Sheet at their fair value, using the following methods:

- Quoted Securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

The change in the net pension's 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 CIES to the services for which the employees worked.
- Past Service Cost – the increase in liabilities as a result of a scheme amendment or curtailment, whose effect relates to years of service earned in earlier years, debited or credited to the Surplus or Deficit on the Provision of Services in the CIES.
- Net Interest Cost – the expected change in the present value of net liabilities that arises from the passage of time, charged to the Financial and Investment Income and Expenditure line in the CIES.
- Return on Assets – excluding amounts included in net interest on the net defined benefit liability, charged to the Financial and Investment Income and Expenditure line in the CIES.
- 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 assumption, debited/credited to the Pensions Reserve.

- Contributions paid to Buckinghamshire Council 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 as distinct from the amount calculated according to the relevant accounting standards.

In the MiRS, there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits charged in the CIES and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits 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 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.

1.8 Employee Benefits (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 are accrued in the year of the decision to make the award and accounted for using the same policies that have been applied to the LGPS.

1.9 Property Plant and Equipment - Definition

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 PPE.

1.10 Property, Plant and Equipment (PPE) - Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure in excess of £10,000 on fixed assets is capitalised. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged direct to service revenue accounts.

1.11 Property, Plant and Equipment (PPE) - Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Council does not capitalise borrowing costs incurred whilst assets are under construction. Assets are then carried into the Balance Sheet using the following measurement basis:

- Infrastructure, community assets, plant, vehicles and equipment and assets under construction – historical cost
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (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 in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are booked within the Revaluation Reserve to recognise unrealised gains. In-year gains will be credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, they are accounted for as follows:

- Where there is an opening 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 gain);
- Where there is no balance or an insufficient balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line

Assets included in the balance sheet at current value below £10m are revalued on a rolling basis within a five-year time-frame. Assets with a current value over £10m are revalued annually. Increases in valuations are matched by credits in the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of an impairment loss previously charged to a service revenue account.

1.12 Property, Plant and Equipment (PPE) - Impairment

Material assets are assessed at each year-end for impairment. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

- Where there is a balance of revaluation gains for 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 on the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the relevant CIES line.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant CIES service line up to the amount of the original loss adjusted for depreciation that would have been charged if the loss had not been recognised.

1.13 Property, Plant and Equipment (PPE) - Depreciation

Depreciation is accounted for on all PPE assets by the systematic allocation of their depreciable amounts over the useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold and certain Community Assets), and assets that are not yet available for use (i.e. assets under construction). Newly acquired or completed assets are depreciated in the year following acquisition or completion.

Depreciation is calculated on the straight-line allocation over the useful life of the asset.

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.

1.14 Property, Plant and Equipment (PPE) – Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the comprehensive income and expenditure statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

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 (whether property, plant and equipment or assets held for sale) 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. Receipts from disposals (if any) are credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the government [England only]. The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment [or set aside to reduce the authority's underlying need to borrow (the capital financing requirement) (England and Wales)]. Receipts are appropriated to the reserve from the general fund balance in the movement in reserves statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the general fund balance in the movement in reserves statement

1.15 Investment Properties

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which an asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but properties with a carrying value over £250k are revalued as part of an annual programme while properties with a value less than £250k are revalued as part of a five-year rolling-programme, according to market conditions at the end of the year. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund. The gains and losses are therefore reversed out of the General Fund in the MiRS and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve. Rentals received in relation to investment properties are credited to Financial and Investment Income and result in a General Fund gain.

1.16 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 in-year:

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, impairment losses and amortisations are therefore replaced by the MRP in the MiRS on the general fund balance, by way of an adjusting transaction within the capital adjustment account for the difference between the two.

1.17 Intangible Assets

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. In practice, no intangible asset held meets this criterion, and they are therefore carried at amortised cost. Intangible assets are amortised over their useful lives to the relevant service line in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted to the relevant service line in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the net loss on disposal of non-current assets line in the CIES.

1.18 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred in-year that may be capitalised under statutory provisions that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in-year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MiRS from the general fund to the capital adjustment account then reverses the amounts charged to ensure no impact on the council tax level.

1.19 Heritage Assets

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, eg when an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

1.20 Valuation Techniques used to Determine Fair Values

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available are used so as to maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed 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/liability.

1.21 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.22 Inventories & Long Term Contracts

Inventories are included in the balance sheet at the lower of cost & 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 consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

1.23 Financial Assets

Assets are classified into three types –

1. Amortised Cost - valued at Amortised Cost in Balance Sheet, movements in Amortised Cost are debited/credited to the Surplus or Deficit on the Provision of Services,
2. Fair Value through Profit and Loss (FVTPL) - Fair Value in Balance Sheet, all gains and losses posted to Surplus or Deficit on the Provision of Services,
3. Fair Value through Other Comprehensive Income (FVOCI) - Fair Value in Balance Sheet, movements in amortised cost debited or credited to Surplus or Deficit on the Provision of Services with Fair Value movements debited or credited to Other Comprehensive Income and Expenditure

1.24 Financial assets measured at amortised cost

Financial assets at amortised cost are recognised in the balance sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at amortised cost. Annual credits to the financing and investment income and expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the balance sheet is the outstanding principal receivable plus accrued interest, and interest charged to the CIES is the amount receivable for the year.

1.25 Financial assets measured at fair value through profit and loss

Financial assets that are measured at FVPL are recognised on the balance sheet when the authority 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 arise in the surplus or deficit on the provision of services.

1.26 Financial Instruments – Expected credit loss model

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

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. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The authority has a portfolio of a significant number of loans to local businesses. It does not have reasonable and supportable information that is available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

1.27 Financial Liabilities

Financial liabilities are recognised in the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at amortised cost. Annual charges to Financing & Investment Income and Expenditure in the CIES for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument. For most of the Council's borrowings, this means that the Balance Sheet captures the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Premiums and discounts on the early redemption of loans are charged to the CIES when incurred but Regulations allow the impact on the General Fund to be spread over future years. The Council has a policy of spreading the gain/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 CIES to the net charge required against the General Fund is managed by a transfer to/from the Financial Instruments Adjustment Account in the MiRS.

1.28 Government Grants and Contributions

Amounts recognised are not credited to the CIES until the conditions attached to the grant/contribution have been satisfied. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Creditors or Capital Grants Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service segment line (revenue grants and contributions attributable to specific services) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES. Where revenue grants that have been credited to the CIES are intended to meet specific service expenditure that has not yet been incurred, an equivalent amount is transferred from the General Fund to an Earmarked Reserve in the MiRS. A transfer is made in future years to match expenditure as it is incurred.

Where capital grants are credited to the CIES, these are reversed out of the General Fund in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are then transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.29 Classification of 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 PPE 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 the 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. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

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 line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies generally applied to such assets, subject to depreciation being charged over the lease term if this is shorter

than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, Property, Plant and Equipment held under finance leases are funded in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore removed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from the use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

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 (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

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

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

Operating leases

Where the Council grants an operating lease over 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 CIES. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid or discount offered at the commencement of the lease). If material initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.30 VAT

VAT payable is included as an expense to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

1.31 Community Infrastructure Levy (CIL)

The levy is charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy. The income is used to fund a number of infrastructure projects (including transport, flood defences and schools) to support the development of the area. CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES 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 small proportion of the charges may be used to fund revenue expenditure

1.32 Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that have occurred between the balance sheet date and the date when the statement of accounts is authorised for issue. Two types of event can be identified:

- those that provide evidence of conditions that existed at the balance sheet date – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the balance sheet date – the statement of accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

1.33 Materiality and Exceptional Items

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

1.34 Contingent Assets

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.

1.35 Contingent Liabilities

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

1.36 Accounting for Council Tax and Non-Domestic Rates (NDR)

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 (ie the Collection Fund) for the collection/distribution of amounts due in respect of council tax and NDR. Under the legislative 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 less or more than predicted. The council tax and NDR included in the CIES is the Authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Authority's General Fund. Therefore, the difference between the income included in 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 MiRS. The Balance Sheet includes the Authority's share of the year-end balances for council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to Financing and Investment Income in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.37 Schools

The Code confirms that the balance of control for local authority maintained schools (ie those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the group accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

1.38 Interests in companies and other entities

The Council has material interests in Aylesbury Vale Estates, Consilio Property Ltd, Farnham Park Sports Fields Charity and Higginson Park Trust. In the Council's own single-entity accounts this interest is recorded as a financial asset at cost less any provision for losses.

1.39 Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund in the MiRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in-year against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund in the MiRS so that there is no net charge against Council Tax for the expenditure. Unusable reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council.

1.40 Group Accounts

The boundary for Group Accounts is determined by the extent of the Councils control or influence over an entity, and the materiality of the relationship to users of the Councils 'accounts. Group accounts are prepared in accordance with IFRS3, IFRS10, IFRS11 and IFRS12 and with IAS 27, IAS28 and the Code where required and material

A Subsidiary is an entity which the Council controls though the power to govern its financial and operational activities, where it has exposure or rights to variable returns from its involvement in the entity, and where it has the ability to use its power to influence the level of those returns. Control will normally but not necessarily be presumed to exist where the Council is the majority shareholder.

An Associate is an entity where the Council has significant influence to participate in the financial and operational decision making of the entity but stopping short of control. It is normally, but not necessarily, presumed that significant influence exists where the Council owns 20% or more of the entity.

A Joint venture exists where the Council is party to the contractually and binding agreed shared control of an organisation, where strategic financial and operating decisions that significantly affect returns require the unanimous consent of the parties sharing control: and where the Council has rights to the net assets of the arrangements, but not the rights or obligations to particular assets or liabilities.

Joint Operations are activities undertaken by the Council in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. To meet the definition of Joint Venture Operation, the parties must have rights to particular assets or obligations for particular liabilities and there must be joint control, that is decisions on relevant activities require the unanimous agreements of all parties. Joint Operations are accounted for in the Councils single entity accounts rather than group accounts, and the Council recognises on the Balance Sheet the assets that it controls and the liabilities that it incurs and includes in the CIES the expenditure it incurs and the share of income it earns from the operations.

A Subsidiary is consolidated into Group Accounts by adding like items of income, expense, assets and liabilities, and eliminating transactions and balances between entities.

Associates and Joint Ventures are consolidated into Group Accounts by the equity method, adjusting the original investment for any post acquisition change in the Councils share of the assets of the entity and including in the Groups CIES the Councils share of the entity's profit and loss for the year.

Group Accounts have been prepared for Consilio Property Limited (100% owned subsidiary) and for Aylesbury Vale Estates Limited (AVE) (50% owned associate), to consolidate with the councils single entity accounts. The Group Accounts are shown in a separate section following the notes to the single entity accounts. Interest in other companies are account for primarily as expenditure or income through the CIES.



Notes to the Core Financial Statements

Buckinghamshire Council

1. Acquired Operations as a result of Local Government Reorganisation

As mentioned in the Narrative Report to the Statement of Accounts, as a result of Local Government Reorganisation (LGR) the new unitary council of Buckinghamshire was created on 1 April 2020. The Statement of Accounts for the legacy authorities of Buckinghamshire County Council, Aylesbury Vale District Council, Chiltern District Council, South Bucks District Council and Wycombe District Council can be found on their respective websites.

2. Opening Balance Sheet of BC Council

In order to arrive at the opening balance sheet for the new authority, the principles of absorption accounting have been applied.

The assets and liabilities of the former authorities have been disaggregated.

As at 1st April 2020
£'000

Property, Plant & Equipment	1,747,676
Heritage Assets	8,892
Investment Property	351,025
Intangible Assets	0
Long Term Investments	4,573
Long Term Receivables	102,548
Long Term Assets	2,214,715
Short Term Investments	122,485
Short Term Loans	6,571
Inventories	107
Assets Held for Sale	3,921
Short Term Receivables	77,988
Cash and Cash Equivalents	57,371
Current Assets	268,443
Short Term Borrowing	(57,295)
Short Term Payables	(194,745)
Current Liabilities	(252,040)
Long Term Borrowing	(319,310)
Provisions and Long Term Liabilities	(109,735)
Pension Liability	(811,286)
Long Term Liabilities	(1,240,331)
Net Assets	990,786
Usable Reserves	(267,601)
Unusable Reserves	(723,179)
Total Reserves	(990,780)

3. Accounting Standards That Have Been Issued But Not Yet Adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of new or amended standards within the 2021/22 Code. New standards that are expected to be introduced in the 2021/22 Code that apply from 1 April 2021 are:

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform – Phase 1: Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 Insurance Contracts and IFRS 16 Leases

4. Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Council has had to make certain critical judgements about complex transactions or those involving uncertainty about future events.

Pension Fund Liability

The Pension Fund liability is calculated triennially by the appointed actuary with annual updates in the intervening years. The methodology used in the intervening years follows generally agreed guidelines and is in accordance with IAS 19. These assumptions are summarised in Note 35. The estimates are sensitive to changes in the underlying assumptions underpinning the valuations

5. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge would increase by £56m for every year that useful lives had reduced.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	Assets are subject to a 5-year rolling valuation and assumptions are made by the specialist valuer regarding market indicators and other data available to assess an asset's value. Assets of high value are valued annually to reduce this risk.	A fall in value of the Council's Property, Plant and Equipment would impact on the net worth of the Council, however, would not impact on the Council's usable balances. Fluctuations in the value of assets will not correlate with normal market conditions; however, a 1% movement in asset values would move the Council's balance sheet position by £16.7m.
Fair Value Measurement	<p>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. 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 authority's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities are disclosed in the relevant sections within the accounts.</p>	Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the authority's financial assets and liabilities.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rates 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 fund with expert advice about the assumptions to be applied.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is represented in note 35 to the accounts. Any impact on the liabilities relating to COVID-19 will be reflected within the regular triennial valuation and the effect will be absorbed into the long-term funding strategy. This could mean either higher or lower pension contributions payable by the Council in the future.

6. Events after Balance Sheet Date

The financial statements were authorised for issue by the Section 151 Officer on the X 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

7. Note to the Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the Council has used available funding for the year (i.e. government grants, rents, council tax and business rates) in providing services, in comparison with those resources that the Council has consumed or earned in accordance with generally accepted accounting practices. It also shows how the Council has allocated this expenditure for decision making purposes between the Council's Corporate Management Teams. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	Capital Adjustments	Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Adults and Health	6,918	4,313	(15)	11,216
Children's Services	44,299	21,127	(6,762)	58,664
Communities	53,470	4,111	0	57,581
Deputy Chief Executive	50	3,151	(243)	2,958
Planning, Growth & Sustainability	32,941	5,779	0	38,720
Resources	2,785	8,070	(420)	10,434
Corporate costs	21	(452)	925	494
Net Cost of Services	140,483	46,100	(6,515)	180,068
Other Income and Expenditure in CIES	(76,366)	19,422	(22,364)	(79,308)
(Surplus) or Deficit on Provision of Services	64,117	65,522	(28,879)	100,761

8. Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

	2020/21
	£000
Fees, charges & service income	(149,276)
Interest and investment income	(5,265)
Income from Council Tax, NDR	(371,855)
Government Grants and contributions	(846,706)
Total Income	(1,373,102)
Employee benefit expenses	467,699
Other Service Expenses	819,251
Support Service recharges	(6,759)
Interest expenses	9,986
Depreciation, amortisation and impairment	111,601
Precepts & Levies	16,141
Gain & loss on disposal of non-current assets	7,954
Total Expenditure	1,425,873
Surplus or Deficit on Provision of Services	52,771

9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure statement 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.

Usable Reserves

	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Movement in Unusable Reserves £000
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Adjustments primarily involving the Capital Adjustment Account:

Reversal of items debited or credited to the CIES:

Charges for depreciation and impairment of non-current assets	(55,067)	-	-	55,067
Revaluation losses on Property, Plant and Equipment	(30,048)	-	-	30,048
Fair Value gains / losses on Investment Properties	2,970			(2,970)
Amortisation of Intangible Assets	(1,052)	-	-	1,052
Capital grants and contributions applied	81,549	-	-	(81,549)
Revenue Expenditure Funded from Capital Under Statute	(28,405)	-	-	28,405
Amounts of non-current assets written off on disposal as part of the (gain)/loss on disposal to the CIES	(22,813)	-	-	22,813

Insertion of items not debited or credited to the CIES:

Statutory provision for the financing of capital investment (minimum revenue provision)	10,054	-	-	(10,054)
Voluntary minimum revenue provision	1,961	-	-	(1,961)

Adjustments primarily involving the Capital Grants Unapplied Reserve:

Capital grants and contributions unapplied credited to the CIES	2,771	-	(2,771)	-
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Adjustments primarily involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the CIES	14,859		-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	34,557	-	(34,557)
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	(1,502)	-	
Write Down of deferred capital receipts	-			-
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	(7,664)	-	-

Adjustments primarily involving the Financial Instruments Adjustment Account:

Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	734	-	-	(734)
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Adjustments primarily involving the Pension Reserve:

Reversal of items relating to retirement benefits debited or credited to the CIES	(116,156)	-	-	116,156
Employer's pension contributions and direct payments to pensioners payable in the year	50,634	-	-	(50,634)

Adjustments primarily involving the Collection Fund Adjustment Account:

Amount by which Council Tax and NNDR income credited to the CIES is different from Council Tax and NNDR income calculated for the year in accordance with statutory requirements	(48,066)	-	-	48,066
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Adjustments primarily involving the Accumulated Absences Account:

Amount by which officer remuneration charged to the CIES on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,720)	-	-	1,720
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Total Adjustments	(137,795)	25,391	(2,771)	120,868
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General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. The General Fund Balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets. The reserve is restricted by statute from being used other than to fund new capital expenditure or to repay debt. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

	2020/21
	£000
Balance at 1 April	(37,113)
Proceeds from sale of non-current assets	(5,253)
Funding capital expenditure	34,557
To/from Deferred Capital Receipts Reserve	(1,502)
Balance at 31 March	(9,311)

Capital Grants Unapplied Reserve

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

10. Transfers to/from Earmarked Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from 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 in that year against the Surplus or Deficit on the Provision of Services in the CIES. 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.

	Balance at 1/4/2020 £000	Transfers Out 2019/20 £000	Transfers In 2019/20 £000	Balance at 31 March 2021 £000
Earmarked General Fund Reserves				
Health & Wellbeing	(3,251)	2,433	(5,617)	(6,435)
Children's Services	(2,303)	2,423	(3,749)	(3,628)
Community	(18,668)	7,020	(7,211)	(18,859)
Deputy Chief Executive	(13,733)	11,828	(33,842)	(35,747)
Planning & Environment	(11,497)	8,384	(17,400)	(20,513)
Resources	(7,308)	991	(2,034)	(8,351)
Capital	(32,572)	15,353	(32,459)	(49,678)
Corporate Costs	(47,926)	83,728	(107,713)	(71,911)
Subtotal	(137,256)	132,160	(210,026)	(215,122)
Earmarked for Schools				
Earmarked Schools Revenue Balances	(11,752)	14,125	(18,956)	(16,584)
Earmarked Schools Devolved Formula Capital	(2,281)		(1,927)	(4,209)
Subtotal	(14,034)	14,125	(20,883)	(20,793)
Total	(151,290)	146,285	(230,909)	(235,915)

Adults and Health Reserves include the Public Health Reserve which holds grant funding of £4.0m that will be used in future years. It also includes £1.5m set aside for Adult Social Care Transformation and £1.0m for Block Contract Procurement.

Children's Services Reserves include the DSG reserve which is in deficit (£1.8m) but this is ring-fenced and cannot be set against General Fund. Other Children's Services Reserves include grant funding to be used in future years such as School Improvement Monitoring and Brokerage (£1.5m), Families First (£0.9m) and Troubled Families (£0.7m). It also includes the Assessed and Supported Year in Employment Academy reserve (£1.2m).

Communities Reserves include a Waste reserve of £5.0m to smooth the effect of volatility in third party income and selling electricity. Also included are the Crematorium reserve (£6.9m), the Country Parks Reserves (£1.5m), monies set aside for Adverse Weather (£2.3m), Repairs and Renewals (£2.0m), Highways and Transportation Procurement (£1.2m), Strategic Initiative reserve (£1.5m) and Capital reserves (£1.4m).

Deputy Chief Executive Reserves include Unitary Transformation (£16.0m), Unitary Transition (£5.5m), Contain Outbreak Management Fund (£7.3m) and Community Boards reserve (£3.4m).

Planning, Growth and Sustainability Reserves include Climate Change (£5m), Amenity Areas (£4.3m), Strategic Development (£3.5m), Asbestos warranty (£3.3m) and Capital Repairs & Renewals (£2.0m).

Resources Reserves include the Insurance Reserve (£6.3m) which relates to the estimated liabilities in respect of insurance claims not yet notified. Also included is the Finance System reserve (£1.0m).

Corporate Costs Reserves includes Budget Smoothing (£6.1m) to smooth the effect of budget changes over the forthcoming years, Uncommitted Legacy reserves (£6.8m) and the Corporate Covid reserve (£4.6m).

Capital Reserves include the Revenue Contribution to Capital Reserve (£22.2m) which is used for the financing of capital expenditure and receives appropriations from the revenue account; the balance largely represents slippage from prior year capital schemes. It also includes revenue contribution to East West Rail (£10.2m), Aylesbury Eastern Link Road (£10.0m) and Section 106 (£4.1m).

Earmarked for Schools Reserve contains the balances held by schools under delegated schemes that are ring-fenced (£20.8m).

11. Other Operating Expenditure

	2020/21
	£000
(Gain)/losses on the disposal of non-current assets	(2,069)
Loss on de-recognition of Academies non-current assets	10,023
Levies - Environment Agency	499
Parish Precepts	15,642
Total	24,095

12. Financing and Investment Income and Expenditure

	2020/21 £000
Interest payable and similar charges	10,045
Net interest on the defined pension liability	19,422
Interest receivable and similar income	(5,488)
Impairment Loss Allowance	(8,048)
Impairment of Financial Assets	(4,389)
Investment Properties Income and expenditure and changes in Fair Value	(19,115)
Total	(7,572)

13. Grant Income

Government grants and third-party contributions and donations are credited to the CIES where:

- The grant has been received (or there is reasonable assurance that the grant will be received) and no specific conditions or stipulations are attached ('Non-ringfenced grants'), or
- the Council has complied with the conditions attached to the payments

Conditions are stipulations that specify that the grant or contribution must be applied as specified or returned to the transferor. Monies advanced as grants and contributions for which conditions have not yet been satisfied are carried in the Balance Sheet as trade payables.

Where capital grants are credited to the CIES, 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.

	2020/21 £000
Grants Held Centrally	
Council Tax	(270,450)
Revenue Support Grant	(75)
Locally Retained Non Domestic Rates	(51,516)
Non-ringfenced Government Grants *	(175,266)
Capital Grants and Contributions	(84,320)
Total	(581,625)

	2020/21
Grants Credited to Services	£000
Dedicated Schools Grant	(292,424)
Housing benefit Subsidy	(95,994)
Public Health Grant	(21,364)
Test and Trace	(17,312)
Infection Control	(11,589)
Teachers Pay	(7,667)
Social Care	(4,893)
Education Funding Agency 16-19	(2,669)
Skills Funding Agency	(3,201)
PE and Sports Grant	(2,730)
Universal Free School Meals	(5,074)
Pupil Premium	(5,518)
Rapid Testing	(1,524)
Asylum seekers	(1,394)
Housing Payments Grant	(1,025)
Total of other grants below £1m each	(14,477)
Total	(488,855)

14. Property, Plant & Equipment

	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Cost or Valuation							
At 1 April 2020	1,735,803	146,292	578,917	22,645	39,572	27,561	2,550,789
Additions	24,695	11,046	44,870	272	544	44,269	125,696
Revaluation increases/decrease recognised in the Revaluation Reserve	99,452	11,995			3,009		114,456
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(33,237)				(7,100)	(17)	(40,353)
Disposals						(12,790)	(12,790)
Derecognition - Academies	(10,023)						(10,023)
At 31 March 2021	1,816,690	169,334	623,787	22,916	36,025	59,023	2,727,775
Accumulated Depreciation and Impairment							
At 1 April 2020	(636,590)	(22,151)	(126,285)	(6,039)	(18,053)	(331)	(809,448)
Depreciation charge	(30,991)	(8,010)	(16,066)				(55,066)
At 31 March 2021	(667,581)	(30,161)	(142,351)	(6,039)	(18,053)	(331)	(864,515)
Net Book Value							
as at 31 March 2021	1,149,109	139,173	481,436	16,878	17,973	58,692	1,863,260

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life and assets that are not yet available for use (i.e. assets under construction). No depreciation is charged in the year of acquisition however a full year's charge is made in the year of disposal.

Table shows range of assets' useful lives for valuation in years:

Land & Buildings	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Minimum	10	15	15	20	16	28
Maximum	60	55	55	51	51	72
Infrastructure Assets	2020/21					
Minimum	17					
Maximum	39					
Vehicles, Plant & Equipment	2020/21					
Minimum	1					
Maximum	32					

Revaluations

The Council will carry out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Carter Jonas undertook valuations on behalf of the Council in 2020/21 for operational property. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Information on Capital contracts which have been entered into by the Council and have outstanding payments of over £250K as at 31 March 2021:

Project	Type of Contract	Name of Contractor	Contract Value	Amount Outstanding at 31st March 2021
			£000	£000
Green Ridge Primary Academy	Construction	Kier Construction- Southern	11,190	3,688
Kingsbrook primary school	Construction	Morgan Sindall Construction Ltd	10,386	4,984
Chiltern Hills Academy Expansion	Construction	BAM Construction Ltd	10,140	9,696
Holmer Green School Expansion	Construction	Willmott Dixon Construction	9,984	7,679
The Amersham School	Construction	Morgan Sindall Construction Ltd	7,298	2,986
Misbourne School Expansion	Construction	Life Build Solutions Ltd	5,385	5,385
Buckingham Upper School Expansion	Construction	Borras Construction Ltd	1,961	1,157
St Michaels Aylesbury	Construction	BAM Construction Ltd	1,408	308
Maids Morton	Construction	Marlow Builders Ltd	862	754
Thomas Hickman Nursery	Construction	Alcema	746	351
			59,360	36,988

15. Heritage Assets

Heritage Assets are those assets (either tangible or intangible) with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

	Historic Sites and Monuments	Kedminster Library and Pew	Museum Collections and Paintings	Total
	£000	£000	£000	£000
Valuation				
1 April 2020	1,721	1,056	6,116	8,893
31 March 2021	1,721	1,056	6,116	8,893

16. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES:

	2020/21
	£000
Rental income from Investment Property	(17,135)
Direct operating expenses arising from Investment Property	990
Revaluation gains and losses	(2,970)
Charge for the year	(19,115)

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

	2020/21
	£000
Balance at start of the year	361,394
Additions	14,464
Net gains / losses from fair value adjustments	2,970
Transfers to / from Property, Plant and Equipment	(9,196)
Balance outstanding at year end	369,632

Valuation Process for Investment Properties

Investment properties were valued by Carter Jonas in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Properties over £250k are valued annually which covers 95% of the total value of Investment property portfolio and properties below £250k are valued on a rolling programme of 5 years.

Fair Value Hierarchy

The Council uses valuation techniques that are appropriate for investment property and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value for the investment properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

	Other Significant Observable Inputs (Level 2)	Fair Value as at 31 March 2021
Agricultural estate	54,655	54,655
Commercial Units	310,491	310,491
Total	369,632	369,632

17. Financial Instruments

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

	31-Mar-21	31-Mar-21
	Long Term	Short Term
Fair Value Through Profit or Loss		
Investments*		137,177
Financial Assets at Amortised Cost		
Investments-money market investments	4,352	
Temporary Loans		1,336
Loans and Receivables		103,454
Loan to Local Authority company and other entities	170	
Cash and Cash Equivalents		
Total of Assets	4,522	241,967
Less items to be excluded		
Payments in Advance		(10,778)
Collection Fund Adjustment		(2,854)
Her Majesty's Revenue and Customs		(11,832)
Total to be Deducted from Assets		(25,464)
Total Financial Assets	4,522	216,503
Financial Liabilities at Amortised Cost		
Borrowing	(312,698)	(15,851)
Cash and Cash Equivalents	-	15,698
Trade and other payables		(178,806)
Total Financial Liabilities	(312,698)	(210,355)
Less items to be excluded		
Receipts in advance and deferred income		37,573
Collection fund adjustment		6,694
Her majesty's revenue and customs		118
Total to be Deducted from Liabilities		44,385
Total Financial Liabilities at Amortised Cost	(312,698)	(165,970)

	31-Mar-21	31-Mar-21
	Carrying Amount	Fair Value
	£000	£000
Fair Value Through Profit or Loss		
Investments	137,177	137,177
Financial Assets at Amortised Cost		
Investments	4,352	4,352
Temporary Loans	1,336	1,336
Loans and Receivables	103,454	103,454
Loan to Local Authority company and other entities	170	170
Cash and Cash Equivalents	-	-
Total to be Deducted from Assets	(25,464)	(25,464)
Total Financial Assets	221,025	221,025

Financial Liabilities at Amortised Cost

Borrowing	(328,549)	(385,144)
Cash and Cash Equivalents	(15,698)	(15,698)
Trade and other payables	(178,806)	(178,806)
Total to be Deducted from Liabilities	44,385	44,385
Total Financial Liabilities	(478,668)	(535,263)

Income, Expenditure, Gains and Losses

	2020/21			
	Financial Liabilities measured at amortised cost £000	Financial Assets: Assets at amortised cost £000	Financial Assets: Assets at fair value through other comprehensive income £000	Total £000
Interest Expense	10,045			10,045
Fee expense				-
Total expense in Surplus or Deficit on the Provision of Services	10,045	-	-	10,045
Interest Income		(4,303)		(4,303)
Total income in Surplus or Deficit on the Provision of Services	-	(4,303)	-	(4,303)
Gains on revaluation			140	140
Surplus / Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	140	140
Net loss/(gain) for the year	10,045	(4,303)	140	5,882

Fair Value of Financial Assets

Investment Assets are measured at fair value on a recurring basis. The valuation techniques used to measure them maximise the use of relevant observable inputs and minimise the use of unobservable inputs and are categorised as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability.

Recurring fair value measurements using:

2020/21			
	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2020 £000
Investments	29,036	-	48,672
Total	29,036	-	48,672

18. Debtors

	31 March 2021
	£000
Central Government bodies	7,128
HM Revenue and Customs	11,832
Other local authorities and NHS	487
Collection Fund adjustment	2,854
Sundry Trade and Other Receivables	109,799
Payments in advance	10,778
Total	142,878
Impairment Loss Allowance	(39,423)
Total Short Term Trade and Other Receivables	103,455

	31 March 2021
	£000
Reprovisioning of Adult Social Care	10,494
Finance lease	19,371
Other Long Term Trade and Other Receivables	70,595
Total Long Term Trade and Other Receivables	100,460

19. Cash & 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

	31 March 2021
	£000
Bank current accounts	(15,698)
Total Cash and Cash Equivalents	(15,698)

20. Assets Held for Sale

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

	2020/21
	£000
Balance at start of the year:	6,071
Assets newly classified as held for sale:	
Property, Plant and Equipment	208
Balance outstanding at year end	<u>6,279</u>

21. Creditors

	31 March 2021
	£000
HM Revenue and Customs	(118)
Central Government bodies	(7,524)
Other local authorities and NHS	(1,259)
Collection Fund adjustment	(6,694)
Deposits from contractors and others	(4,375)
Other sundry creditors	(68,188)
Receipts in advance and deferred income	(60,187)
Capital expenditure	<u>(30,461)</u>
Total	<u>(178,806)</u>

	31 March 2021
	£000
Deposits from Contractors and Others	(55,757)
Long Term Trade and Other Payables	<u>(9,020)</u>
	<u>(64,777)</u>

22. 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. Provisions are charged as an expense to the appropriate service line in the CIES 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.

	Insurance	National Non-Domestic Rates	Asbestos	Other	Total
	£000	£000	£000	£000	£000
1 April 2020	(6,113)	(4,841)	(2,773)	(1,170)	(14,897)
Additional provisions made	(150)	(8,066)		(170)	(8,386)
Amounts used	399	5603	329	2,323	8,654
Unused amounts reversed	-			579	579
Balance at 31 March 2021	(5,864)	(7,304)	(2,444)	1,562	(14,050)

The following provisions have been made as at 31 March 2021:

- Insurance - these exist for meeting claims under a self-insurance scheme. There are cumulative limits to these, above which claims will be met by the Council's insurers. These cover areas of insurance such as motor, fire, maternity cover and employees. In addition, a provision is maintained for probable liabilities following the Municipal Mutual Insurance ceasing to undertake new business.
- The Local Government Finance Act 2012 introduced a business rates retention scheme which came into effect in 2013/14. The Council is responsible for collecting business rates and is required to make provision for amounts that are likely to be repaid to ratepayers following successful appeals.

23. Unusable Reserves

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

March 31 2021

£000

Revaluation Reserve	(104,150)
Capital Adjustment Account	(1,578,631)
Financial Instruments Adjustment Account	30,364
Deferred Capital Receipts Reserve	(68,042)
Pensions Reserve	1,069,555
Collection Fund Adjustment Account	49,785
Accumulated Absences Account	6,701
Financial Instruments Revaluation Reserve	499
Total Unusable Reserves	(593,919)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve

2020/21

£000

Balance at 1 April	-
Upward revaluation of assets	(104,150)
Balance at 31 March	(104,150)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Capital Adjustment Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Capital Adjustment Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

	2020/21
	£000
Balance as at 1 April	(1,578,506)
Reversal of items relating to capital expenditure debited or credited to the CIES:	
- Charges for depreciation and impairment of non-current assets	55,067
- Revaluation losses on Property, Plant and Equipment	40,353
- Movements in the market value of Investment Properties	(2,970)
- Amortisation of intangible assets	1,052
- Revenue Expenditure Funded from Capital Under Statute	28,405
- Amounts on non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	22,813
	(1,433,786)
Adjusting amounts written out of the Revaluation Reserve:	
Capital financing applied in the year:	
- Use of the Capital Receipts Reserve to finance new capital expenditure	(34,557)
- Capital grants and contributions credited to the CIES that have been applied to capital financing	(88,260)
- Statutory provision for the financing of capital investment charged against the General Fund balance	(10,054)
- Voluntary provision for the financing of capital investment charged against the General Fund balance	(1,961)
- Capital expenditure financed from the General Fund	
	(134,832)
Balance at 31 March	(1,568,618)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for premiums and discounts on the early repayment of loans per statutory provisions. The premium or discount is spread over the unexpired term of the loan when it was redeemed. The premium incurred in 2020/21 will be charged over 60 years.

	2020/21
	£000
Balance at 1 April	31,098
Proportion of premiums incurred in previous financial years to be charged against the General Fund balance in accordance with statutory requirements	(734)
	(734)
Balance at 31 March	30,364

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2020/21
	£000
Balance at 1 April	(64,338)
Write-down / impairment of benefit	(10,582)
Impairment	5,376
Transfer to the Capital Receipts Reserve upon receipt of cash	1,502
Balance at 31 March	(68,042)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The debit balance on the Pensions Reserve indicates a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them.

	2020/21
	£000
Balance at 1 April	811,286
Actuarial gains and losses on pensions assets and liabilities	192,747
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	116,156
Employer's pension contributions and direct payments to pensioners payable in the year	(50,634)
Balance at 31 March	1,069,555

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and National Non-Domestic Rates income in the CIES as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2020/21
	£000
Balance at 1 April	
Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	3,905
Amount by which National Non-Domestic Rates income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	45,880
Balance at 31 March	49,785

Accumulated Absences Account

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

	2020/21
	£000
Balance at 1 April	4,980
Settlement or cancellation of accrual made at the end of the preceding year	(4,980)
Amounts accrued at the end of the current year	6,700
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,720
Balance at 31 March	6,700

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains arising from increases in the fair value of investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are either revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

	2020/21
	£000
Balance at 1 April	359
Movements in reserve	139
Balance at 31 March	498

24. Notes to the Cash Flow Statement

24.1 - Cash Flow from Operating Activities

	2020/21
	£000
Net (surplus) or deficit on the provision of services	52,771
Adjustments for non-cash movements	
? Depreciation, impairment and downward valuations	(85,115)
? Changes in fair value of Investment Properties	2,970
? Amortisations	(1,052)
? Increase in impairment for provision of bad debts	(37,689)
? Increase / decrease in creditors	(18,377)
? Increase / decrease in debtors	93,609
? Increase / decrease in inventories	(851)
? Movement in Pension liability	(65,522)
? Carrying amount of non-current assets sold or derecognised	(22,813)
? Other non-cash items charged to the net Surplus or Deficit on the provision of services	67,279
	<hr/>
	(67,560)
Adjustment for items that are Investing and Financing activities	
? Proceeds from the sale of property, plant and equipment, investment property and intangible assets	14,661
? Any other items for which the cash effects are investing or financing activities	84,320
	<hr/>
	98,981
	<hr/>
Net cash flows from Operating Activities	84,191

24.2 - Cash Flow from Investing Activities

	2020/21
	£000
Purchase of property, plant and equipment, investment property and intangible assets	111,848
Purchase of short-term and long-term investments	4,933,982
Proceeds from short-term and long-term investments	(4,924,576)
Other receipts from investing activities	(84,320)
	<hr/>
Net cash flows from investing activities	36,933

24.3 - Cash Flow from Financing Activities

2020/21
£000

Cash receipts of short and long-term borrowing	138,420
Repayments of short-term and long-term borrowing	(186,475)
Net Cash flows from financing activities	(48,056)

25. Agency Services

The Council acts as an Agent on behalf of Buckinghamshire CCG for a number of Adult Social Care responsibilities. The agreements include Integrated Commissioning service and the processing of Continuing Health Care (CHC) and Deprivation of Liberties (DoLS).

Buckinghamshire CCG reimburses the Council for the cost of employees that provide the Integrated Commissioning service on their behalf. During 2020/21 £869k was received from Buckinghamshire CCG towards expenditure of £3,665k. £2,795k is the Buckinghamshire Council contribution.

2020/21
£000

Integrated Commissioning

Expenditure	3,665
Income	(869)
(Surplus)/Deficit	2,796

Continuing Health Care (CHC)

Expenditure	124
Income	(124)
(Surplus)/Deficit	-

Deprivation of Liberties (DoLS)

Expenditure	74
Income	(74)
(Surplus)/Deficit	-

26. Pooled Budgets

Better Care Fund

Since its launch in 2015, the Better Care Fund (BCF) established pooled budgets between the NHS and local authorities which can be used to commission health or social care related services out of a single pot. The BCF is made up of Clinical Commissioning Groups (CCG) funding as well as local government grants (Disabled Facilities Grant & iBCF). Buckinghamshire Council is the host for the pooled fund on behalf of Milton Keynes and Buckinghamshire CCG.

The aim for the BCF in Buckinghamshire is for people to be healthier and to have a higher quality of life for longer. This centres on care provided for people over the age of 65 and people with long term health conditions. Such care will be provided proactively (provided in people's homes) rather than reactively (provided in institutional settings).

	2020/21
	£000
Expenditure	
Expenditure met by Buckinghamshire Council	18,529
Expenditure met by Buckinghamshire CCG	21,133
Total Expenditure	39,662
Income	
Contribution from Buckinghamshire Council	(7,880)
Contribution from NHS Milton Keynes CCG	(386)
Contribution from Buckinghamshire Clinical Commissioning Group	(31,396)
Total Income	(39,662)
Balance	-

Child and Adolescence Mental Health Services (CAMHS)

Partnership with NHS Buckinghamshire CCG for the provision of Children and Adolescence Mental Health Services. Buckinghamshire Council is the host authority for the pooled fund arrangement. The service provider is Oxford Health NHS Foundation Trust.

	2020/21
	£000
Expenditure	
Expenditure met by Buckinghamshire Council	8,495
Total Expenditure	8,495
Income	
Contribution from Buckinghamshire Council	(1,645)
Contribution from Buckinghamshire Clinical Commissioning Group	(6,850)
Total Income	(8,495)
Balance	-

Community Equipment Loan Service

Buckinghamshire Council are the hosts for the Joint Integrated Pooled Community Equipment Service on behalf of NHS Buckinghamshire Commissioning and Buckinghamshire Council (including Adult Social Care, Telecare and Children & Young People's Service) by way of a S75. The Joint Pooled Fund supports the procurement, storage, delivery, installation and technical demonstration and subsequent collection, cleaning, recycling, maintenance and repair of equipment for eligible client's use.

2020/21

£000

Expenditure

Expenditure met by Buckinghamshire Council	7,952
--	-------

Total Expenditure	7,952
--------------------------	--------------

Income

Contribution from Buckinghamshire Council	(1,444)
---	---------

Contribution from Buckinghamshire Clinical Commissioning Group	(6,508)
--	---------

Total Income	(7,952)
---------------------	----------------

Balance	-
----------------	----------

Section 117 Aftercare

This is a partnership between the Council and Buckinghamshire Clinical Commissioning Group. The Council is the host authority for the pooled fund arrangement.

£000

Expenditure

Expenditure met by Buckinghamshire Council	17,460
--	--------

Total Expenditure	17,460
--------------------------	---------------

Income

Contribution from Buckinghamshire Council	(8,730)
---	---------

Contribution from Buckinghamshire Clinical Commissioning Group	(8,730)
--	---------

Total Income	(17,460)
---------------------	-----------------

Balance	-
----------------	----------

Integrated Therapies Contract (SALT, OT and Physiotherapy)

This is a partnership between the Council and Chiltern Clinical Commissioning Group. The Council is the host authority for the pooled fund arrangement.

2020/21

£000

Expenditure

Expenditure met by Buckinghamshire County Council	3,764
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Total Expenditure	3,764
--------------------------	--------------

Income

Contribution from Buckinghamshire County Council	(1,717)
--	---------

Contribution from Buckinghamshire Clinical Commissioning Group	(2,047)
--	---------

Total Income	(3,764)
---------------------	----------------

Balance	-
----------------	----------

The Council has a number of other Pooled Budget arrangements; those with expenditure over £1m are listed below:

	2020/21
Other Pooled Budget Arrangements	£000
Integrated Mental Health Provision for Older People Agreement	3,792
Residential Respite Short Breaks Pooled Fund	2,931

27. Members Allowances

	2020/21
	£000
Salaries	2,521
Employer Contributions	188
Allowances	553
Total	3,262

28. Officers Remuneration

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 for current employees and are recognised as an expense in the year in which employees render service to the Council.

The remuneration paid to the Council's senior employees during 2020/21 was as follows:

Post	Employee Name	Total Remuneration (excluding pension contributions)	Pension Contributions	Total 2020/21
		£	£	£
Chief Executive Officer	Ms RA Shimmin	231,916.50	58,981.50	290,898.00
Deputy Chief Executive	Ms SJ Ashmead	179,732.96	43,927.32	223,660.28
Corporate Director Children's Services(DCS)	Mr A Vouyioukas	177,300.04	45,488.96	222,789.00
Corporate Director Adults and Health	Ms G Quinton	177,208.67	42,971.74	220,180.41
Corporate Director Planning, Growth&Sustainability	Mr IJ Thompson	159,999.95	41,119.92	201,119.87
Corporate Director Resources	Mrs SL Murphy-Brookman	154,999.96	39,834.92	194,834.88
Corporate Director Communities	Mr R Barker	150,000.00	38,550.00	188,550.00
Service Director Corporate Finance & S151 Officer	Mr RA Ambrose	127,512.04	32,744.84	160,256.88
		1,358,670	343,619	1,702,289

The Council's employees (not including those listed above) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2020/21	
	Non Schools	Schools
		Total
£50,000 - £54,999	125	72
£55,000 - £59,999	95	58
£60,000 - £64,999	55	38
£65,000 - £69,999	31	35
£70,000 - £74,999	26	19
£75,000 - £79,999	9	13
£80,000 - £84,999	20	3
£85,000 - £89,999	5	5
£90,000 - £94,999	11	3
£95,000 - £99,999	2	1
£100,000 - £104,999	5	2
£105,000 - £109,999	1	-
£110,000 - £114,999	2	-
£115,000 - £119,999	1	-
£120,000 - £124,999	2	-
£125,000 - £129,999	1	-
£130,000 - £134,999	-	-
£135,000 - £139,999	1	-
	392	249
		641

29. Termination Benefits

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

The Council terminated the contracts of a number of employees in 2020/21 and the table below details the total number of exit packages and total cost per band.

	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band	Total cost of exit packages in each band
	2020/21	2020/21	2020/21	2020/21
				£000
£0 - £19,999	4	15	19	226
£20,000 - £39,999		4	4	119
£40,000 - £59,999	1	5	6	298
£60,000 - £79,999				
£80,000 - £99,999		1	1	86
£100,000-£149,999				
£150,000-£199,999				
£200,001-£249,999	1	1	2	482
£250,000-£299,999				
£300,000-£349,999		1	1	332
	6	27	33	1,543

30. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims:

	2020/21
	£000
Fees payable with regard to external audit services carried out by the appointed auditor for the year for Buckinghamshire Council	300
Fees Payable in respect of other services provided by the External Auditors during the year	20
Fees payable for the certification of grant claims and returns for the year	8
Total	328

31. Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG). An element of DSG is recouped by the DfE to fund academy schools in the Council's area.

DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2017.

The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2020/21:

	Central Expenditure £000	Individual Schools Budgets £000	Total £000
Final DSG for 2020/21 before Academy recoupment			472,648
Academy figure recouped for 2020/21			(180,505)
Total DSG after Academy recoupment for 2020/21			292,143
Opening Balance at 1st April 2020			(1,153)
Carry-forward to 2020/21 agreed in advance			1,318
Agreed initial budgeted distribution in 2020/21	80,254	211,889	289,672
In year adjustments	281		281
Final budgeted distribution for 2020/21	80,535	211,889	289,953
Less Actual central expenditure	(82,669)		(82,669)
Less Actual ISB deployed to schools		(210,396)	(210,396)
Plus agreed carry-forward for 2021/22			
Carry Forward to 2021/22	(2,134)	1,493	(1,794)

32. Related Parties

This disclosure note has been prepared using the Council's Register of Members' Declarations of Interest in addition to a specific declaration obtained in respect of related party transactions from members and senior officers. The Council is required to disclose material transactions with related parties - bodies and individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Central Government

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates. It 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). Grants received from Government departments are set out in the analysis in Note 13.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2020/21 is shown in Note 27. Details of all these transactions are recorded in the Register of Members' Interest, which are available online.

The following Members held positions of control or significant influence in related parties to the Council during 2020/21:

Councillor Raj Khan is the Director and majority shareholder of TWK Transit, a specialist transport management company that has both private and public sector contracts providing transport services. TWK Transit is part of the Khattak Group of companies including Redline Buses Ltd, Red Eagle Buses Ltd and Red Rose Travel Ltd. During 2020/21 TWK Transit provided the Council with transport services to the value of £2.78m. Collectively the Khattak Group have provided services to the value of £6.04m.

Buckinghamshire Pension Fund

The Buckinghamshire Pension Fund is administered by the Council. The council incurred costs of £2.49 million in relation to the administration of the fund and was subsequently reimbursed by the fund for these expenses. The council is also the single largest employer of the members of the pension fund and contributed £56.8 million to the fund in 2020/21.

Local enterprise partnerships

The Council is a member of South East Midlands LEP (SEMLEP) and the Buckinghamshire Thames Valley LEP (BTVLEP). This puts the Council in a strong position to influence economic growth and ensures the activities of the LEP benefits the.

Aylesbury Vale Estates LLP

The Council has a 50% interest in Aylesbury Vale Estates LLP. Relevant transactions are disclosed within Note 12 Financing and Investment Income and Expenditure and Note 19 (Debtors). Group accounts have not been prepared on the basis of materiality.

Consilio Property Limited

Consilio Property Limited was set up in September 2017 by South Bucks District Council as a property investment company with the primary aim of generating long term income by investing directly in UK property. Investments include residential markets and commercial properties withing Buckinghamshire and the surrounding area. The assets transferred to the new unitary Buckinghamshire Council in April 2020 and the Council is the sole shareholder.

33. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21
	£000
Opening Capital Financing Requirement	567,747
Capital Investment	
Property, plant and equipment	127,272
Investment properties	13,393
Intangible assets	208
Revenue Expenditure Funded from Capital Under Statute	28,405
Source of Finance	
Capital receipts	(34,557)
Government grants and other contributions	(81,549)
Direct revenue contributions	
Minimum revenue provision	(10,054)
Closing Capital Financing Requirement	610,865
Explanation of movements in year	
Increase/(decrease) in underlying need to borrowing (unsupported by government financial assistance)	43,118
Increase/(decrease) in Capital Financing Requirement	43,118

34. 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.

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 fair value measured at the lease's inception and is subject to depreciation being charged over the shorter of the lease term and the asset's estimated useful life.

Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the asset. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease). The future minimum lease payments due under operating leases are:

	31 March 2021
	£000
Amounts paid during the year	716
Not later than one year	593
Later than one year and not later than five years	1,345
Later than five years	427
Total Estimated Future Payments	2,365

	31 March 2021
	£000
Minimum lease payments	716
Total Amounts Paid In Year	716

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; a gain or loss on disposal is credited to the CIES and matched by a lease (long-term trade receivables) asset in the Balance Sheet. Any consideration is treated as a capital receipt.

The minimum lease payments are apportioned between:

- settlement of the long-term trade receivables for the interest in the property acquired by the lessee; and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the CIES).

The gross investment is made up of the following amounts:

31 March 2021

£000

Finance lease debtor (net present value of minimum lease payments):

? current	1,280
? non-current	20,562
Unearned finance income	12,077
Unguaranteed residual value of property	200
Gross investment in the lease	34,119

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

	Gross Investment in the Lease	Minimum Lease Payments
	31 March 2021	31 March 2021
	£000	£000
Not later than one year	1,902	1,297
Later than one year and not later than five years	7,738	4,153
Later than five years	23,572	15,495
	33,212	20,945

The Council has granted a number finance leases to schools on obtaining Academy status for nil rentals. The value of buildings derecognised totals £10m in 2021/2. Land is held at notional value only; no residual values are held in respect of buildings.

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. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

The Council leases some of its property and vehicles for a variety of purposes including agricultural tenancies, service tenancies, provision of community services, roundabout sponsorship and commercial lets. The future minimum lease payments receivable under these leases in future years are:

	31 March 2021
	£000
Not later than one year	23,029
Later than one year and not later than five years	79,525
Later than five years	60,685
	163,239

35. Pension Schemes Accounted for as Defined Contribution Schemes

The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme administered by NHS Pensions. In 2020/21 the Council paid an estimated £64k to NHS Pensions in respect of public health staff retirement benefits and has been charged to Adults & Health services line in the CIES. The expected contribution to be paid by the Council in relation to the NHS Pension Scheme for 2021/22 is estimated around £41k.

The arrangements for the NHS scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if they were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

The Teachers' Pension Scheme is an unfunded multi-employer defined benefit scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The DfE uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. In 2020/21, the Council paid £21.7m to Teachers' Pensions in respect of teachers' retirement benefits. This is charged to Children's services line in the CIES. The estimated contribution to be paid by the Council in 2021/22 is £22.4m. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme.

36. Defined Benefit Pension Schemes

Participation in Pension Schemes

The Council participates in the Local Government Pension Scheme (LGPS) which the Council administers - this is a funded defined benefit pension scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets.

As part of the terms and conditions of the employment of its Officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

Under IAS 19 and Code requirements, the Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions.

The liabilities of the Buckinghamshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis. The basis of calculation is 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, including assumptions about mortality rates, employee turnover rates and projections of projected earnings for current employees. This future liability is then discounted using annualised Merrill Lynch AA rated corporate bond yield curve. The assets of the Pension Fund attributable to the Council are included in the Balance Sheet at their fair value.

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

- **Service cost comprising:**
 - current service cost – allocated in the Comprehensive Income and Expenditure Statement (CIES) to the services for which the employees worked
 - past service cost – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs
 - any gain or loss on settlement

- **Remeasurements comprising:**

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Discretionary Benefits

The Council provides discretionary post-employment benefits which arise from additional service and are awarded on a discretionary basis. These benefits are unfunded with costs met directly from the Council's revenue account.

Transactions relating to Post-Employment Benefits

Following transactions have been made in the CIES and the General Fund Balance via the MIRS during the year:

	2020/21
Comprehensive Income & Expenditure Statement	£000
Cost of Services	
Service Cost (comprising)	95,566
- current service cost	96,018
- past service costs	1,896
- settlements and curtailments	(2,348)
Administration expenses	1,168
Financing and Investment Income and Expenditure	
Net interest on the defined liability	19,422
Total Post Employment Benefit Charged to the Surplus/Deficit on the Provision of Services	116,156
Remeasurement of the defined benefit liability, comprising:	
Return on plan assets in excess of interest	277,491
Actuarial gains and losses:	
Change in Financial assumptions	(522,099)
Change in demographic assumptions	23,077
Experience gain/loss on defined benefit obligation	28,784
Other Post Employment Benefit Charged to other CIES	(192,747)
	2020/21
Movement in Reserves Statement	£000
Reversal of net charges made to the Surplus/Deficit for the Provision of Services	(116,156)

Actual amount charged against the General Fund balance employers' contributions payable in year to the scheme

50,634

Pension Assets and Liabilities

	2020/21 £000
Present value of the defined benefit obligation	(2,542,843)
Fair value of plan assets	1,543,294
Net liability on Fund	(999,549)
Present value of unfunded obligation in respect of discretionary benefits	(70,006)
Net liability in Balance Sheet	(1,069,555)

Reconciliation of present value of the scheme liabilities

	2020/21 £000
Opening balance at 1 April	(2,061,352)
Current service cost	(96,018)
Past service costs, including curtailments	(1,896)
Interest cost	(38,290)
Contributions by scheme participants	(11,812)
Remeasurement gains and losses:	
- change in financial assumptions	(522,099)
- change in demographic assumptions	23,077
- experience loss/(gain) on defined benefit obligation	28,784
Liabilities extinguished on settlements	2,359
Estimated benefits paid net of transfers in	59,856
Unfunded pension payments	4,542
Closing balance at 31 March	(2,612,849)

Reconciliation of fair value of the scheme assets

	2020/21 £000
Opening balance at 1 April	1,250,066
Expected return on scheme assets	
Interest on assets	18,868
Remeasurement gains and losses:	
- return on plan assets less the amount included in net interest expense	277,491
- other actuarial gains/(losses)	
Administration expenses	(1,168)
Employer contributions	50,634
Contributions by scheme participants	11,812
Estimated benefits paid plus unfunded net of transfers in	(64,398)
Settlement prices received/(paid)	(11)
Closing balance at 31 March	1,543,294

The Scheme Assets comprise:

The Scheme Assets comprise:

	2020/21	2020/21
	%	£000
Gilts	9	139,658
Equities	59	906,056
Other bonds	15	225,093
Property	6	90,611
Cash	1	21,957
Alternative Assets	1	19,069
Hedge Funds	5	72,757
Absolute Return Portfolio	4	68,093
Total	100	1,543,294

Actuarial methods and assumptions

Mortality assumptions:

Longevity at 65 for current pensioners:

■ Men	21.6
■ Women	25

Longevity at 65 for future pensioners:

■ Men	22.9
■ Women	26.4

Other assumptions:

RPI Increases	3.20%
CPI Increases	2.80%
Rate of increase in salaries*	3.80%
Rate of increase in pensions	2.80%
Rate for discounting scheme liabilities	2.00%

		Present value of total obligation £000	Projected service cost £000
Sensitivity analysis			
Current assumption	0.0%	2,612,849	94,780
Adjustment to discount rate	+0.1%	2,562,033	91,509
	-0.1%	2,664,725	98,158
Adjustment to long term salary increase	+0.1%	2,616,309	94,831
	-0.1%	2,609,418	94,728
Adjustment to pension increases and deferred revaluation	+0.1%	2,660,806	98,124
	-0.1%	2,565,807	91,538
Adjustment to mortality age rating assumption	+ 1 year	2,742,605	98,986
	- 1 year	2,489,566	90,733

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary, Barnett Waddingham, to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed for 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014. The Act provides 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. The Council anticipated paying £45.175m (main scheme) employer contributions in 2021/22.

The weighted average duration of the defined benefit obligation for the scheme members is 20 years. In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk: The Fund holds investment in asset classes such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- Inflation risk: All the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk: In the event that the members live longer than assumed, a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Buckinghamshire Pension Fund, there is an orphan liability risk, where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

37. Nature and Extent of Risks Arising from Financial Instruments

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

Treasury risk management is carried out by a central 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.

Credit Risk

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Sector	Time limit	Counterparty limit	Sector Limit
The UK Government	50 years	Unlimited	n/a
Local authorities and other government entities	25 years	£10m	Unlimited
Secured investments ³	25 years	£10m	Unlimited
Banks (unsecured) ³	13 months	£5m	Unlimited
Building societies (unsecured) ³	13 months	£5m	£10m
Registered providers (unsecured) ³	5 years	£5m	£25m
Money market funds	n/a	£30m	Unlimited
Strategic pooled funds	n/a	£30m	£60m
Other investments ³	5 years	£5m	£10m

Creditworthiness

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Cash Limits (per counterparty)			
Credit Rating	Banks Unsecured	Banks Secured	Government
UK Govt	n/a	n/a	£ Unlimited 50 years
AAA	£5m 5 years	£10m 20 years	£10m 50 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years
AA	£5m 4 years	£10m 5 years	£10m 15 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years
A+	£5m 2 years	£10m 3 years	£5m 5 years
A	£5m 13 months	£10m 2 years	£5m 5 years
A-	£5m 6 months	£10m 13 months	£5m 5 years
BBB+	£3m 100 days	£3m 6 months	£3m 2 years
BBB	£3m next day only	£3m 100 days	n/a
None	£3m 6 months	n/a	£10m 25 years
Pooled Funds	£25m per fund		

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are

never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment Limits	Cash Limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	Unlimited
Any group or organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£25m per manager
AAA sovereign rated foreign countries	£20m per country
AA+ sovereign rated foreign countries	£10m per country
Money Market Funds	£75m in total

Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Default

The Council defines default as a customer or borrower's failure to pay amounts owed to it. Counterparty is likely to be considered in default if:

- a) it is in administration, insolvency or winding up proceedings
- b) it has entered into a scheme of arrangement with its creditors
- c) it is in default on similar financial assets.

Exposure to Credit Risk

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default and collectability over the last three financial years, adjusted to reflect current market conditions.

Credit Risk	Amount at 31 March 2021 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2021 %	Estimated maximum exposure to default and collectability at 31 March 2021 £000
	A	B	C	(A x C)
Deposits with banks and financial institutions	29,171	1.628%	1.990%	580.50
	29,171.00			580.50

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.

The credit quality of debtors is reflected in the level of the impairment allowance for trade debtors shown In Note 18. The Council does not allow credit for customers, as such, all unpaid balances are past due date for payment. The gross past due sundry debtor amount can be analysed by age as follows:

	31 March 2021 £000
Less than three months	60,064
Three to six months	2,109
Six months to one year	7,534
More than one year	17,777
	87,483

Liquidity Risk

As the Council has ready access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The profile of debt falling due is shown below

	31 March 2021 £000
Less than one year	6,820
Between one and two years	16,910
Between two and five years	21,286
More than five years	271,442
	316,458

Market Risk

Interest Rate Risk

The Council is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the CIES will rise
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Investments at variable rates – the interest income credited to the CIES will rise
- Investments at fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value, so notional gains and losses on fixed rate borrowings would not impact on the CIES. However, changes in interest payable and receivable on variable rate borrowings and investments would be posted to the CIES and affect the General Fund pound for pound.

The Council has a number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs. If interest rates had been 1% higher with all other variables held constant, the financial effect in 2020/21 would have been:

	31 March 2021
	£000
Increase in interest payable on variable rate borrowings	-
Increase in interest receivable on variable rate investments	41
Impact on Surplus/Deficit on the Provision of Services	41

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk

The Council has £20m invested in the CCLA pooled property fund. This element of the Council's portfolio is exposed to the risk of rising and falling commercial property prices. A 5% fall in commercial property prices would result in a £1m fall in the Council's investment value. The Council intends to hold this pooled property fund for the long term to minimise the risk of volatility in commercial property prices resulting in a capital loss.



Collection Fund

Buckinghamshire Council

Collection Fund Statement

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

	2020/21		
	Business Rates	Council Tax	Total
	£'000	£'000	£'000
Income			
Council Tax	-	(426,320)	(426,320)
Non-Domestic Rates	(108,041)	-	(108,041)
Transitional protection payments	-	-	-
Contributions towards previous year's Collection Fund deficit:			
Buckinghamshire Council	-	-	-
Buckinghamshire & Milton Keynes Fire Authority	-	-	-
Central Government	-	-	-
Parish Councils	-	-	-
Thames Valley Policy Authority	-	-	-
Ex County Council	-	-	-
Ex District Councils	-	-	-
Total Income	(108,041)	(426,320)	(534,361)
Expenditure			
Transitional protection payments	188	-	188
Precepts, demands and shares			
*Buckinghamshire Council	91,216	363,022	454,238
Buckinghamshire & Milton Keynes Fire Authority	1,862	14,750	16,612
Central Government	93,078	-	93,078
Thames Valley Policy Authority	-	48,445	48,445
Ex County Council	-	-	-
*Ex District Councils	-	-	-
Charges to Collection Fund			
Charge to the General fund for allowable collection costs for non-domestic rates	655	-	655
Renewable Energy Scheme	236	-	236
Designated Area Growth	817	-	817
Write-offs / (on) of uncollectable amounts	-	-	-
Increase / (decrease) in allowance for impairment	2,951	4,293	7,244
Increase / (decrease) in provision for appeals	5,205	-	5,205
Apportionment of previous year's Collection Fund surplus			

Buckinghamshire Council	5,156	3,677	8,833
Buckinghamshire & Milton Keynes Fire Authority	56	152	208
Central Government	413	-	413
Thames Valley Policy Authority	-	486	486
Ex County Council	-	-	-
Ex District Councils	-	-	-
Total Expenditure	201,833	434,825	636,658
(Surplus) / deficit arising during the year	93,792	8,505	102,297
(Surplus) / deficit brought forward at 1 April	(1,526)	(3,912)	(5,438)
(Surplus) / deficit carried forward at 31 March	92,266	4,593	96,859

*Includes Council Tax amounts collected on behalf of parish councils

CF1 – Council Tax

Council tax is chargeable on residential properties is based on valuations bandings arising from the introduction of the system in 1993. The number of properties in each band and calculation of the tax base that was approved by Shadow Council in December 2019 is summarised in the table (below/ to right/ to left)

Band	Multiplier	2020/21		D
		Number chargeable	of Dwellings	
A (Disabled Relief)	5/9	0.37		0.21
A	6/9	4,909.77		3,273.18
B	7/9	20,124.04		15,652.03
C	8/9	45,016.88		40,015.01
D	9/9	43,715.32		43,715.32
E	11/9	32,129.44		39,269.31
F	13/9	25,662.36		37,067.85
G	15/9	28,118.11		46,863.52
H	18/9	5,377.06		10,754.12
Adjustment for Council Tax Reduction Scheme				(12,620.53)
Council Tax Base for the year				223,990.02

CF2 – Business Rates

The Council collects business rates for its area based on rateable values as determined by the Valuation Office Agency and multipliers set by central government as follows:

	2020/21
	£000
Total rateable value for business premises as at the end of March 2020	465,628
Standard Multiplier	51.2p / £
Small Business Multiplier	49.9p / £



Group Accounts

Buckinghamshire Council

Group Accounts

Introduction

To provide a full picture of the economic and financial activities of the Council and its exposure to risk, the account statements of material subsidiary and associate companies are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. They include the core accounting statements, similar in presentation and purpose to the Council's accounts and any explanatory notes considered necessary to explain material movements from the single entity accounts. Where no notes are given, users of the accounts should refer to the notes of the single entity accounts.

Group accounts have been prepared under the requirements of the Code of Practice on Local Authority Accounting, consolidating any material subsidiary, associate, or joint venture entities over which the Council exercises control or significant influences. The basis for determining the Group Boundary is as set out in the Council's Accounting Policies.

Consilio Property Limited is 100% owned by the Council and has therefore been consolidated as a subsidiary. There are no minority shareholders and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group.

Aylesbury Vale Estates Limited (AVE) has been consolidated as an associate as the Council owns 50% of shares

Accounting Policies

Consilio and AVE have prepared 2020/21 accounts using accounting policies consistent with those applied by the Council, and no adjustments have been required to align accounting policies. All three entities have a financial year end of the 31 March

As a subsidiary, the accounts of Consilio have been consolidated with those of the Council on a line by line basis and any balances and transactions between the parties have been eliminated in full. The expenditure and income is included in the relevant service lines in the CIES, and Balance sheet values are incorporated into the relevant headings of the Balance Sheet, removing balances owed between the two parties.

AVE is consolidated as an associate, using the equity basis as required by IAS 28. The Council's share of AVE's profits is shown below the (Surplus)/Deficit on Provision of Services.

Group Accounts

Group Comprehensive Income & Expenditure Statement

	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000
Adults and Health	274,646	(120,700)	153,946
Children's Services	523,311	(352,863)	170,448
Communities	159,017	(22,995)	136,022
Deputy Chief Executive	31,380	(6,654)	24,726
Planning, Growth & Sustainability	83,243	(18,689)	64,553
Resources	172,771	(112,205)	60,567
Corporate Costs	8,592	(1,108)	7,484
Cost of Services	1,252,961	(635,214)	617,747
Other Operating Expenditure (Note 11)	24,095	-	24,095
Financing and Investment Income and Expenditure (Note 12)	15,029	(22,601)	(7,572)
Taxation and Non-Specific Grant Income (Note 13)	133,788	(715,414)	(581,625)
(Surplus) or Deficit on Provision of Services	1,425,873	(1,373,103)	52,645
Share of Suplus on the Provision of Services by Associates			(314)
Group (Surplus) or Deficit on Provision of Services			52,331
(Surplus) or Deficit on Revaluation of Non-Current Assets (Note 23)			(104,150)
Surplus or deficit on revaluation of financial assets (Note 23)			139
Remeasurement of the defined benefit liability / (asset) (Note 36)			192,747
Other Comprehensive Income and Expenditure			88,736
Total Comprehensive Income and Expenditure			141,067

Group Accounts

Group Balance Sheet

	31 March 2021 £000
Property, Plant & Equipment	1,863,261
Heritage Assets	8,892
Investment Property	404,506
Intangible Assets	2,464
Long Term Investments	4,522
Long Term Trade and Other Receivables	64,965
Long Term Assets	2,371,967
Short Term Investments	137,177
Temporary Loans	1,336
Assets Held for Sale	6,279
Inventories	228
Short Term Trade and Other Receivables	103,454
Current Assets	248,474
Cash and Cash Equivalents	(15,698)
Short Term Borrowing	(15,851)
Short Term Trade and Other Payables	(178,806)
Current Provisions	(7,804)
Current Liabilities	(218,160)
Long Term Trade and Other Payables	(29,282)
Provisions and Long Term Liabilities	(6,245)
Long Term Borrowing	(312,698)
Pension Liability	(1,069,555)
Long Term Liabilities	(1,417,780)
Net Assets	984,502
Usable Reserves	(355,704)
Unusable Reserves	(628,797)
Total Reserves	(984,502)

Group Accounts

Notes to the Group Accounts

1. Long Term Trade and other Receivables and Long Term Trade and other Payables

With the elimination of the transactions between the Council and Consilio as its subsidiary, Long Term Receivables and Payables between these parties are excluded. Group Receivables and Payables include balances owed between the Council and AVE as associate and between Consilio and AVE.

Group Long Term Trade and other Receivables

	31 March 2021	Elimination of Group Receivables	Group '31 March 2021
	£000	£000	£000
Reprovisioning of Adult Social Care	10,494		10,494
Finance lease	19,371		19,371
Other Long Term Trade and Other Receivables	70,595	(35,495)	35,100
Total Long Term Trade and Other Receivables	100,460	(35,495)	64,965

Group Long Term Trade and other Payables

	31 March 2021	Elimination of Group Receivables	Group '31 March 2021
	£000	£000	£000
Deposits from Contractors and Others	(55,757)	35,495 -	20,262
Long Term Trade and Other Payables	(9,020)	-	9,020
	(64,777)	35,495	(29,282)

2. Investment Assets

	2020/21
	£000
Balance at start of the year	361,394
Additions	14,464
Net gains / losses from fair value adjustments	2,970
Transfers to / from Property, Plant and Equipment	(9,196)
Consilion Investment Assets	34,874
Balance outstanding at year end	404,506

3. Summary Financial Position of Subsidiary

Consilio has been consolidated in the group accounts as a 100% owned subsidiary. The summary financial position of the company is shown below, for information (taken from the 20/21 accounts).

Consilio Profit and Loss Account

	Notes	2021 £
Turnover		1,238,531
Administrative expenses		(284,066)
Operating profit		954,465
Interest payable and similar expenses		(828,398)
Amounts written off investments	3	-
Profit before taxation		126,067
Tax on profit		-
Profit for the financial year		126,067

Consilio Balance Sheet

	Notes	2021 £	£
Fixed assets			
Investment properties	4	34,874,080	
Current assets			
Debtors	5	1,510,728	
Cash at bank and in hand		228,409	
		1,739,137	
Creditors: amounts falling due within one year	6	(537,371)	
Net current assets		1,201,766	
Total assets less current liabilities		36,075,846	
Creditors: amounts falling due after more than one year	7	(35,494,987)	
Provisions for liabilities		(55,664)	
Net assets		525,195	
Capital and reserves			
Called up share capital			1
Non-distributable profits reserve	8	271,568	
Distributable profit and loss reserves		253,626	
Total equity		525,195	

4. Summary Financial Position of Associate

AVE has been consolidated as an associate on an equity basis, showing the Council's proportionate share of the surplus/deficit on the provision of services and of reserves. The full financial position for AVE is summarised below.

AVE Profit and Loss Account

	2021 £
Turnover	3,142,392
Administrative expenses	(1,271,632)
Other operating income	953,975
Impairment of investment property	(2,334,010)
Profit on sale of investment property	1,907,179
	<hr/>
Operating profit	2,397,904
Interest payable and expenses	(1,769,744)
	<hr/>
Profit before members' remuneration and profit shares available for discretionary division among members	628,160
	<hr/> <hr/>
Profit/(loss) for the year attributable to:	
Owners of the parent LLP	628,160
	<hr/> <hr/>

AVE Balance Sheet

	Note	2021 £
Fixed assets		
Investment property	6	34,943,000
Current assets		
Stocks	7	7,647,187
Debtors: amounts falling due within one year	8	721,052
Cash at bank and in hand	9	4,195,784
		<u>12,564,023</u>
Creditors: amounts falling due within one year	10	(794,464)
Net current assets		<u>11,769,559</u>
Net assets		<u><u>46,712,559</u></u>
Capital and reserves		
Loans and other debts due to members within one year		
Other amounts	11	35,489,162
Members' other interests		
Members' capital classified as equity		2,564,646
Revaluation reserve classified as equity		17,148,028
Other reserves classified as equity		(8,489,277)
		<u>11,223,397</u>
		<u><u>46,712,559</u></u>
Total members' interests		
Amounts due from members (included in debtors)	8	(600)
Loans and other debts due to members	11	35,489,162
Members' other interests		11,223,397
		<u><u>46,711,959</u></u>

Independent Auditors Report to Members

Buckinghamshire Council

Glossary

Buckinghamshire Council

Accounting Period

This is the length of time covered by the accounts. It is normally a period of twelve months commencing on 1 April. The end of the accounting period is the balance sheet date.

Accrual

Accrual accounting is one of the main accounting concepts. It ensures that income / expenditure is shown in the accounting period that it is earned / incurred, and not as money is received or paid.

Actuary

A suitably qualified independent person who advises on the financial position of the Pension Fund.

Actuarial Gains and Losses

Actuarial gains and losses represent 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.

Amortisation

A measure of the cost or amount of benefit of an intangible asset that has been consumed during the period.

Appropriation

The transfer of resources between reserves.

Asset

An asset is something that the Authority owns that has a monetary value.

A current asset is one that will be used or cease to have material value by the end of the next financial year e.g. stock or debtors

A non-current asset provides benefits for a period of more than one year e.g. Council Offices

Balance Sheet

A financial statement summarising the financial position of the Authority, in particular its assets, liabilities and other balances at the end of each accounting period.

Billing Authority

A local authority charged by statute with responsibility for the collection of, and accounting for, Council Tax and Non-Domestic Rates.

Budget

A budget is a financial statement that expresses the Authority's service delivery plans and capital programme in monetary terms.

Capital Adjustment Account

This account represents amounts set aside from revenue resources or capital receipts to finance expenditure on non-current assets.

Capital Expenditure

Expenditure on the acquisition or refurbishment of a non-current asset and other eligible items that will be of benefit to the Authority in providing its services for more than one year.

Capital Financing

This term describes the various sources of money used to pay for capital expenditure.

Capital Programme

This is a plan for capital spending in future years. It shows the capital schemes that the Authority intends to carry out.

Capital Receipt

The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure, but they cannot be used to finance revenue expenditure.

Collection Fund

A statutory fund maintained by the Authority, which is used to record council tax and non-domestic rates collected by the Authority, along with payments to central Government, precepting authorities and its own general fund.

Community Assets

This is the land and property that the Authority intends to hold forever. They generally have no determinable useful life and there are often restrictions regarding their sale. Examples include open spaces.

Council Tax

Council tax is levied on households and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

Creditor

This term applies to money the Authority owes to others for work done or goods and services it has received during the financial year but not paid for at the end of the accounting period.

Current Asset

An asset which is easily convertible to cash or expected to become cash within the next year.

Current Liability

An amount which will become payable within the next financial year.

Debtor

This term applies to money that others owe to the Authority for work done or goods and services that have been provided to them by the Authority during the financial year but have not been paid for by the end of the accounting period.

Depreciation

A measure of the cost or amount of benefit of a non-current asset that has been consumed during the period.

Events after the Reporting Period

These are events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed.

External Audit

The independent examination of the activities and accounts of the Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Fair Value

The amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Fees and Charges

Income raised by charging users of services for the facilities. For example, planning applications fees, charges for the use of leisure facilities etc.

Finance Lease

A lease that transfers all the risks and rewards of ownership of an asset to the lessee. Such assets are included within the lessee's balance sheet.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

General Fund

The main fund of the Authority from which payments are made to meet the costs of providing services.

Government Grants

Grants made by Central Government towards either revenue or capital expenditure to help with the cost of providing services and capital projects. Some government grants have restrictions on how they may be used whilst others are general purpose.

Gross Expenditure

The total cost of providing the Authority's services before taking into account income from fees and charges for services, and grants.

Heritage Assets

Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (e.g. antique furniture, paintings, books and manuscripts).

Housing benefit

An allowance provided by the Authority to persons on low income to meet, in whole or part, their rent. The cost of housing benefit is largely met by a central Government grant.

Impairment

This is a reduction in the value of a non-current asset as shown in the balance sheet to reflect its current value.

Intangible Assets

Assets that do not have physical substance but are identifiable and are controlled by the Authority and bring benefits to the Authority for more than one financial year e.g. software licences.

International Financial Reporting Standards (IFRS)

IFRSs are set by the International Accounting Standards Board, the independent standard setting body of the International Accounting Standards Committee Foundation.

Inventories

These are items of stores that the Authority has bought to use on a continuing basis but has not yet used.

Liability

A liability arises when the Authority owes money or other assets to others.

Materiality

This is one of the main accounting concepts. It ensures that the statement of accounts includes all the transactions that, if omitted, would lead to a significant distortion of the financial position at the end of the accounting period.

Non-Current Asset

An asset which is not easily convertible to cash or not expected to become cash within the next year.

Non-Domestic Rates (NDR)

A levy on businesses, based on a national rate in the pound set by the Government multiplied by the 'rateable value' of the premises they occupy.

NDR Levy

A levy is payable to DCLG for any growth on NDR income above the amount deemed to be able to collectable.

Operating Lease

This is an agreement for rental of assets where the risks and rewards of ownership of the asset remain with the lessor. Annual rentals are charged to revenue.

Outturn

The actual results for the financial year

Precept

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf. Precepts are paid from the Collection Fund.

Provisions

Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Rateable Value

The annual assumed rental value of a property that is used for business purposes.

Related Parties

Bodies or individuals that have the potential to control or influence the Authority, or to be controlled or influenced by the Authority.

Remuneration

All amounts paid to or receivable by an employee including sums due by way of expenses, allowances and the estimated money value of any other benefits received by an employee otherwise than in cash.

Reserves

Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or 'balances'), which every authority must maintain as a matter of prudence. A reserve results from an accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the Authority's discretion.

Residual Value

This is the net realisable value of an asset at the end of its useful life.

Retirement Benefits

Retirement benefits comprise all forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. They do not include termination benefits payable as a result of either an employer's decision to terminate an employee's employment before normal retirement age or an employee's decision to accept voluntary redundancy.

Revaluation Reserve

An account containing any unrealised surpluses arising from the revaluation of non-current assets.

Revenue Expenditure

The day to day expenses associated with the provision of services.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

An example of this type of expenditure is where a capital grant is made by the Authority to another organisation. This counts as capital expenditure but does not create an asset that belongs to the Authority.

Revenue Support Grant (RSG)

A general grant paid by Central Government to local authorities as a contribution towards the cost of their services.

Section 106 Agreements

Section 106 receipts are monies paid to the Authority by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission. The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

Useful Life

This is the period over which the Authority will derive benefits from the use of a non-current asset.