



STATEMENT OF ACCOUNTS

2023/24

Statement of Accounts 2023/24

Contents

	Page
Narrative Statement	2
Statement of Responsibilities	8
 Financial Statements	
Comprehensive Income and Expenditure Statement.....	9
Balance Sheet.....	10
Movement in Reserves Statement.....	12
Cash Flow Statement.....	14
Accounting Policies	15
Notes to Financial Statements	22
 Supplementary Statements and Notes	
HRA Income and Expenditure Statement.....	57
Movement on the Housing Revenue Account Statement.....	58
Reconciling Items for the Statement of Movement on the HRA Balance.....	58
Notes to the Housing Revenue Account.....	59
Collection Fund Statement.....	64
Notes to the Collection Fund Statement.....	65
Glossary of Terms.....	70
Auditor's Report to Charnwood Borough Council.....	71

Narrative Statement

1. Context

The financial year 2023/24 continued the trend of recent years with a challenging macroeconomic background flavoured by the ongoing conflict in Ukraine, new conflict in the Middle-East, and political uncertainty within the UK. Inflation now seems to be reducing but the economic picture remains characterised by high interest rates and individual experiences of rising food, utility, and mortgage costs. As last year, the economic background had a mixed effect on the Council's finances with rapidly rising costs offset by significantly higher investment income arising from the increase in interest rates.

The General Fund budget for 2023/24 assumed a £1.3m use of reserves. In practice a combination of unbudgeted ad-hoc government grants, stronger income streams in some areas (such as planning fees) and higher levels of interest receivable resulted in the General Fund Working Balance decreasing by just £0.1m to £6.6m by the year end. The underlying structural issues with the Council's budget – uncertain and declining real-term government funding, increasing costs and potential regulatory challenges – remain, but the level of reserves provides an adequate buffer in line with the Council's objective of being financially sustainable in the medium term.

Operationally, the Council's Landlord Services function continues to face challenges associated with the backlog of work arising from the COVID-19 pandemic, the availability of contractors, and significant cost inflation within the construction industry. However, the associated Housing Revenue Account is in a robust position with reserves totalling £20.4m to cover future debt repayment and capital investment in the housing stock.

The current financial standing of the Council continues to be robust, with reserves held at a sufficient level to meet foreseeable future challenges and reductions in Government funding for local authorities in the medium term. There are good financial management and governance processes and procedures in place which are reviewed regularly by management and the internal audit team. Resources are allocated as part of the annual budget setting process, which considers service pressures and savings on a detailed basis. Overall, the Council's financial position provides a sound base that enables service delivery in forthcoming years.

Significant items within the Financial Statements

Details of such items are included in Section 5, Major Items included in the accounts 2023/24.

Financial Statements

The purpose of the published statement of accounts is to give electors, local taxpayers, members of the Council and other interested parties clear information about the Council's financial performance and economy, efficiency and effectiveness in its use of resources over the financial year. The aim is to provide users with information that is fair, balanced and understandable. A glossary of terms is included at the end of the document. The statements should inform readers of

- The cost of services provided by the Council in the year 2023/24.
- How services were paid for.
- The Council's assets and liabilities at the year-end and
- The financial performance of the Council.

The following Core Financial statements are also included: -

- The **Comprehensive Income and Expenditure Statement** which shows all of the Council's income and expenditure for the financial year. The top part of the statement shows a breakdown by service and the bottom part relates to transactions and funding at a corporate level, which links the statement to budget monitoring reports that are produced for management throughout the year and are subject to Member scrutiny.
- The **Balance Sheet** which sets out a 'snapshot' of the overall financial position of the Council at 31st March 2024 showing its assets, liabilities and reserves.
- The **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 or reduce local taxation) and 'unusable reserves' (i.e. those that arise out of interaction of legislation and proper accounting practice to store revaluation gains or as an adjustment).

- The **Cash Flow Statement** which summarises the movements of cash and cash equivalents into and out of the Council arising from transactions with third parties. This also shows whether movements are due to operating activities, new investment or financing activities.
- **Notes to the Core Financial Statements** which give an explanation of key figures within the statements and more detail on the Council's accounting policies and individual transactions.

The following Supplementary Financial Statements and supporting notes are included:-

- **Housing Revenue Account (HRA)** – separately identifies income and expenditure in respect of the Council's statutory landlord function as a provider of social housing.
- **Collection Fund Statement** - shows the transactions in relation to the collection and distribution of Council Tax and National Non-domestic Rates ('NNDR').

2. Pension Fund Liability

Charnwood Borough Council participates in the Local Government Pension Scheme through which pension provision is made for those of its employees who wish to join the scheme. Under the Code, the Council must include its share of the net Pension Fund Liability as at 31st March 2024 and this amounted to a £778k deficit. This is a decrease in the liability of £8,278k at 31st March 2023. Although this liability appears in the Council's Balance Sheet it is offset by the Pensions Reserve and is not funded from Council Tax or Government Grants in the current year. However, it represents the amount that will need to be found from future budgets to pay for pension entitlements already incurred in delivering services. Actual employer's contributions to the pension scheme during the year are paid out of the Council's expenditure as funded by Government Grants, Council Tax and National Non-Domestic Rates (business rates)

3. Borrowing Facilities and Funding of Capital Expenditure

The Council has sufficient resources, through both the use of reserves and revenue, to fund General Fund and capital expenditure without needing to borrow. It is expected that this position may change in the short term and if the Council were to borrow then it would be able to obtain funds from the Public Works Loans Board (PWLB), which is part of Central Government, with relatively low rates. There is one old outstanding General Fund loan of £2m which due for repayment in June 2024.

The HRA has external loans of £79.19m which arose from the change in the Housing Subsidy system in 2012. These are all with the PWLB and are repayable from 2024 to 2062 with fixed annual interest rates. The annual interest is covered by the HRA's rental income. Both the General Fund and HRA work within treasury parameters agreed each year by Council.

4. General Fund Revenue Outturn Summary 2023/24

Restated Actual 2022/23 £000	GENERAL FUND OUTTURN 2023/24	Original Budget 2023/24 £000	Actual 2023/24 £000	Variance 2023/24 £000
18,829	Net Service Expenditure	20,986	20,677	309
85	Revenue Contribution to Capital	0	116	(116)
1,302	EZ LLEP Contribution	0	0	0
0	NDR LCC Pilot Gain/NDR Net additional Income	0	0	0
280	Interest Paid	230	353	(123)
(1,076)	Less: Interest on Balances	(1,500)	(1,725)	225
19,420	Total Borough Expenditure	19,716	19,421	295
5	Contribution to (from) Reinvestment Reserve	500	(136)	636
77	Contribution to/(from) Working Balance	(1,295)	(136)	(1,159)
122	Contribution to/(from) Working Balance (Collection Fund)	0	0	0
0	Contribution to/(from) NNDR S30 to Offset Future Deficit	0	866	(866)
200	Contribution to/(from) Commercialisation Reserve	324	324	0
0	NNDR MiRS Movement	0	(1,091)	1091
(142)	Contribution to/(from) Other Revenue Reserves	0	1,019	(1,019)
(35)	Contribution to/(from) Capital Plan Reserve	0	(84)	84
19,647	Precept Requirement	19,245	20,183	(938)
6,603	NNDR	6,400	6,947	(547)
174	RSG	329	329	0
7,981	Council Tax Receipts	8,314	8,314	0
1,346	Loughborough Special Levy	1,367	1,367	0
122	Collection Fund Surplus/(Deficit)	0	0	0
1,631	New Homes Bonus	373	373	0
1,322	Services Grant	167	174	(7)
0	Funding Guarantee Grant	2,295	2,289	6
468	Other Government Grants	0	390	(390)
19,647	Precept Income	19,245	20,183	(938)
	Revenue Reserves Balances			
6,568	Working Balance 1st April	6,211	6,767	(556)
199	Transfer from General Fund	(1,295)	(136)	(1,159)
0	Transfer to Reinvestment Reserve	(500)	0	(500)
6,767	Balance at 31 March	4,416	6,631	(2,215)
495	Reinvestment Reserve 1st April	328	500	(172)
(628)	Reinvestment Expenditure	(328)	(317)	(11)
633	Transfers From/(to) General Fund	500	181	319
500	Balance at 31 March	500	364	136
1,909	Capital Plan Reserve 1st April	1,695	1,874	(179)
(35)	Funding of Capital Expenditure	0	(84)	84
1,874	Balance at 31 March	1,695	1,790	(95)
3,050	NDR Deficit Reserve 1st April	3	1,477	(1,474)
(1,574)	Funding of NDR Covid Deficit	(3)	866	(869)
1,476	Balance at 31 March	0	2,343	(2,343)
0	Business Rates Pool Reserve 1st April	0	0	0
0	Transfers From/(to) General Fund	0	2,050	(2,050)
0	Balance at 31 March	0	2,050	(2,050)
3,343	Other Revenue Reserves 1st April	3,343	3,402	(59)
59	Transferred From/(to) General Fund	324	1,355	(1,031)
3,402	Balance at 31 March	3,667	4,757	(1,090)
14,019	TOTAL BALANCES	10,278	17,935	(7,657)

The main purpose of the General Fund Revenue Outturn Summary shown above is to compare the General Fund actual figures to the Original Budget set for 2023/24. This provides a summarised position of the Council's balances held. Please note that the table does not form part of the formal Statement of Accounts.

The Council's General Fund, net outturn position was a deficit balance of £136k to reduce the working balance, compared to an Original deficit budget set at £1,295k, a favourable variance of £1,159k. The £136k deficit deducted from the working balance to give a working balance reserve of £6.6m at 31st March 2024. Overall the General Fund reserves including Earmarked Reserves which are held for specific purpose total balance of £17.9m. Further details of the Outturn Cabinet report for 2023/24 can be found on the Councils website.

5. Major Items in the 2023/24 Statement of Accounts

There are no major changes to the way the accounts have been compiled in 2023/24. The General Fund net controllable service expenditure is £20.6m in 2023/24 compared to £18.8m in 2022/23 an increase of £1.8m, 9.6%, the major differences in the Comprehensive Income and Expenditure Statement being: -

The General Fund Gross Expenditure is £4.8m higher in 2023/24 than 2022/23, due to

- Additional employee related costs £1.2m
- Additional building related costs including utilities £0.3m
- Increased supplies and services costs of £0.3m
- Inflation pressures on contracts £1.2m
- Additional grants received £0.6m
- Additional Section 106 contributions of £0.3m
- Additional income received from services £0.6m

- The HRA net cost of service is £1,089k lower in 2023/24 than 2022/23, Gross expenditure has increased by £2,306k. This primarily includes increases of £496k on Supervision and Management, £606k on Repairs and Maintenance, £152k on council tax on empty homes, and £636k increase in Depreciation and impairment of non-current assets. Gross income has increased by £1,280k primarily due to a rent increase of 7.1%, however there are higher void rentals of 7.4% in 2023/24 compared with 6.45% in 2022/23 by £342k have reduced the additional gross income levied.

- The Council holds two Property Funds being valued at 31 March 2024 of £3.934m, (£4.35m in 2022/23). Lothbury Property Trust £1.817m, (£2.067m in 2022/23) and Federated Hermes Property Unit Trust £2.117m (£2.287m in 2022/23). These are accounted for as a long-term investment on the Balance Sheet as a Financial Instrument Reserve and the revaluation loss £0.421m, (£1.043m loss in 2022/23) on the property funds has been accounted for under financing and Investment Income in the Comprehensive Income and Expenditure Statement.

- Interest Received has had a major favourable impact for both General Fund and HRA of £3.1m, this being an increase in the interest rates and the impact on Treasury Management Investments for 2023/24.

- Net gains on Revaluation of Fixed Assets were £0.725m in 2023/2 compared to £30.157m in 2022/23, a reduction of £29.432. There was a desktop revaluation of assets held by the Council at 31st March 2023 with an increase primarily due to an increase in valuation of HRA Housing Stock and other Land and Buildings.

- The Pension Liabilities on the Balance Sheet has decreased from £9m to £0.8m, primarily due to an actuarial gain in the pension fund of £10m.

6. Capital Expenditure

The Council's Capital spend for 2023/24 totalled £11,978k compared against the budget of £30,734k, an underspend of £18,756k, with carry forward budgets of £16,202 into 2024/25.

Actual 2022/23 £'000		Actual 2023/24 £'000	%
7,794	Capital Expenditure	11,978	100
	Financed by:-		
3,764	Major Repairs Reserve	6,474	54
85	Revenue Contributions - General Fund	116	1
1,187	Capital Receipts – General Fund	1,980	17
226	Capital Receipts – HRA	113	1
2,532	Capital Grants and Contributions – General Fund	3,295	27
7,794		11,978	100

7. Provisions

The NDR Provision for bad debt as at 31st March 2024 is £1,159k (£1,543k at 31st March 2023), a decrease of £384k using the same basis of 2022/23 and Council Tax Provision for bad debt 31st March 2024 is £1,244k (£1,240k at 31st March 2023), an increase of £4k.

8. The Council's Finances

The Council's budget for 2023/24 was approved with planned use of working balance reserves of £1,297k. The Medium Term Financial Outlook (MTFO) for 2024/25 estimates a use of reserves of £595k depending on Government Funding streams and this can be covered from the Council's reserves. Efficiencies will be refreshed to ensure long term financial sustainability as part of the next budget setting process and a revised MTFO taken to Cabinet at the same time as the budget. At the time of writing, the intentions of the new government regarding the fairer funding review of local authority are not clear, with significant items such as the retention of business rates and the New Homes Bonus Scheme still under consideration. Changes, will be taken into account, if known, when the 2024/25 MTFO covering the 3 year period will be reported to Cabinet in February 2024 and Council.

9. Non-Financial Performance

The Council's objectives are set out in the Corporate Plan and this is reviewed through Cabinet and wider consultation with local partners and the community. The achievement of the plan is monitored through performance management and review processes carried out by Cabinet and Scrutiny Committees as well as officers. The Corporate Plan and associated quarterly performance monitors and annual performance report are available through the Council's website.

A rigorous and robust annual service delivery and team planning process is in place that includes consultation with service users, which ensures that resources and budgets are aligned to the corporate objectives set out in the Corporate Plan, as well as providing for a controlled and objective means of identifying efficiency savings and opportunities for investment to improve service delivery.

10. Outlook and Risk

Previous paragraphs have outlined the negative economic conditions which the Council is likely to face in the near future, in particular, those created by, the economic impacts of Brexit, War in Ukraine and the Middle-East, global inflation issues and the cost-of-living crisis. Another factor is the election of a new Labour government in the Summer of 2024, although it is too early to assess the precise impact of this event. These factors will impact government finances and resource allocation decisions (and hence the ability to fund public services), which in turn will influence the Council's funding settlements in future years.

This outlook combined with the MTFO structural budget deficit gives rise to further financial challenges with which the Council are already fully engaged in addressing and will be reviewed again as part of the budget setting process for 2025/26 and a revised MTFO for 2025 – 2028 once we have notification of the government settlement in the autumn of 2024.

Underpinning these plans are ongoing initiatives targeted at increasing efficiencies, developing commercial opportunities and looking to leverage existing asset and treasury resources.

As noted above, the Council has adequate levels of reserves for the next three years (and there is confidence that the Council can continue to provide services in a financially sustainable way).

In terms of managing risk, a risk management framework has been established under which strategic risks may cause the Council to be unable to operate or provide key services leading to a significant adverse effect on public wellbeing are identified on an annual basis, are approved as reasonable and complete by Cabinet, and are subsequently monitored on a quarterly basis by senior managers and by the Audit Committee. Lower level corporate and operational risks are identified by the annual service delivery planning process and are monitored on an ongoing quarterly basis, with any exceptions or significant concerns being escalated to senior managers and to the Audit Committee.

All Cabinet reports recommending decisions include details of any relevant financial and legal implications and contain a risk management section which sets out any identified risks together with their likelihood and impact, and actions planned to manage the risks.

11. Statement of Authorisation

The Statement of Accounts were authorised for presentation on 23rd July 2024 by Simon Jackson, Director Finance, Governance and Contracts and S.151 Officer. All financial events up to and including 23rd July 2024, have been considered in these accounts.

12. Preparation of Accounts

I would like to thank all staff who have been involved in the preparation of these accounts.

13. Further Information

Further information regarding the accounts may be obtained from:

The Head of Finance
Charnwood Borough Council,
Southfield Road,
Loughborough,
LE11 2TU.

Members of the public have a statutory right to inspect the accounts on deposit for audit purposes and the availability of the accounts for inspection is advertised on the Council's web site at www.charnwood.gov.uk and on public notices displayed in the Council Offices.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance, Governance and Contracts (Deputy Chief Executive and s151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Financial Officer has:

- Selected 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.
- Assessed the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Used the going concern basis of accounting on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future; and
- Maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Council at the reporting date and of its expenditure and income for the year ended 31st March 2024.

Certified by the S151 Officer:

SIMON JACKSON
Director of Finance, Governance and Contracts (Deputy Chief Executive and s151 Officer)

Date 31ST July 2024

In accordance with section 9 of the Accounts and Audit Regulations 2015 No 234, the Statement of Accounts shall be signed and dated by the Chairman of the Audit committee who presided at the meeting at which approval was given.

Certified by Chair of Audit Committee

JANE NELLIST
Chair of Audit Committee

Comprehensive Income and Expenditure Statement

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

Gross Controllable Expenditure 2022/23 £'000	Gross Controllable Income 2022/23 £'000	Net Controllable Costs 2022/23 £'000		Gross Controllable Expenditure 2023/24 £'000	Gross Controllable Income 2023/24 £'000	Net Controllable Costs 2023/24 £'000
287	0	287	Chief Executives Team	273	0	273
665	(76)	589	Head of Transformation and Strategy	1,090	0	1,090
952	(76)	876	Chief Executive	1,363	0	1,363
2,035	(1,174)	861	Head of Strategic Housing	1,882	(1,038)	845
870	(209)	661	Housing and Wellbeing	1,028	(173)	856
99	0	99	Director of Housing and Wellbeing	11	(239)	(228)
53	0	53	Head of Neighbourhood Services	0	0	0
3,057	(1,383)	1,674	Housing and Wellbeing	2,921	(1,450)	1,471
265	(1,566)	(1,302)	Director of Commercial and Economic Development	280	(1,636)	(1,356)
1,466	(1,250)	216	Head of Assets and Property Services	1,567	(1,304)	263
1,026	(613)	414	Head of Economic Development and Regeneration	1,186	(1,157)	29
77	0	77	Head of Leisure and Culture	0	0	0
2,834	(3,429)	(595)	Commercial and Economic Development	3,033	(4,097)	(1,064)
10,698	(4,373)	6,325	Head of Contracts, Leisure, Waste and Environment	12,193	(5,268)	6,925
126	0	126	Director of Finance, Governance and Contracts	139	0	139
2,100	(227)	1,873	Head of Governance	68	0	68
0	0	0	Head of Democracy and Monitoring Officer	873	(5)	868
0	0	0	Head of Legal and Electoral Services	1,254	(320)	934
1,498	(10)	1,488	Head of Finance	2,333	(33)	2,300
14,422	(4,610)	9,812	Finance, Governance and Contracts	16,860	(5,626)	11,234
100	0	100	Director of Customer Experience	113	0	113
28,460	(22,936)	5,524	Customer Experience	29,798	(23,429)	6,369
3,274	(1,513)	1,761	Head of Regulatory and Community Safety	3,470	(1,586)	1,884
3,666	(2,119)	1,547	Head of Planning and Growth	3,974	(2,268)	1,706
35,500	(26,568)	8,932	Customer Experience	37,355	(27,283)	10,071
56,764	(36,065)	20,699	Total General Fund	61,532	(38,456)	23,076
12,022	(22,414)	(10,392)	Housing Revenue Account	15,189	(23,694)	(8,505)
68,786	(58,479)	10,307	Cost of Service	76,721	(62,150)	14,571
		8,041	Net Recharges, REFUS & Capital charges			5,991
		4,250	Parish Precepts			4,566
		0	Contribution to Housing Pooled Capital Receipts			0
		(1,304)	(Gains)/Loss on Disposal Fixed Assets			(117)
		2,946	Other Operating Expenditure			4,449
		3,017	Interest Payable and similar charges			3,120
		1,647	Pensions Interest Costs and Returns on Assets			390
		(1,576)	Interest and Investment Income			(3,384)
		0	Business Rates Pool Increase/Decrease			(2,050)
		(93)	Investment Properties Change in Fair Value			(237)
		1,043	(Gains)/Losses Financial instruments Revaluation Property Funds			421
		4,038	Financing and Investment Income and Expenditure			1,740
		(3,674)	General Government Grant			(3,413)
		(1,154)	Capital Grants and Contributions			(2,028)
		(6,669)	Non Domestic Rates Distribution			(7,089)
		(13,577)	Council Tax Income			(14,247)
		(25)	Collection Fund			(30)
		(25,099)	Taxation and non-specific Grant Income			(26,807)
		233	(Surplus)/Deficit on provision of services			(3,536)
		(30,157)	(Gains)/Losses on revaluation of Fixed Assets			(725)
		(54,626)	Actuarial (Gains)/Losses on pension assets/liabilities			(6,990)
		(84,783)	Other comprehensive Income and Expenditure			(7,715)
		(84,550)	Total comprehensive Income & Expenditure			(11,251)

Balance Sheet as at 31st March 2024

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. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council are not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

Restated 31st March 2023 £'000		Note	31st March 2024 £'000	31st March 2024 £'000
362,191	Council Dwellings	10	364,375	
61,184	Other Land & Buildings	10	59,902	
4,590	Vehicles, Plant & Equipment	10	4,510	
23	Infrastructure Assets	10	22	
4,141	Community Assets	10	4,309	
0	Assets Under Construction	10	0	
33	Surplus Assets Not Held for Sale	10/11	103	
432,162	Property, Plant and Equipment Total			433,221
279	Heritage Assets	13		279
25,731	Investment Property	11		25,968
4,356	Long Term Investments	14		3,935
201	Intangible Assets	12		259
1,274	Long Term Debtors	15		5,262
464,003	Non-Current Assets (Sub-total)			468,924
20,000	Short -Term Investments	14		19,000
81	Inventories			57
17,115	Short -Term Debtors	15		19,428
(3,919)	Bad Debt Impairments	15		(5,033)
24,344	Cash and Cash Equivalents	16		23,411
57,621	Current Assets (Sub-Total)			56,863
(1,287)	Bank Overdraft	16		(1,291)
0	Short-term Borrowing, under 12 months	14		(4,000)
(23,678)	Short-Term Creditors	18		(19,888)
(919)	Provisions	19		(1,482)
(25,884)	Current Liabilities (Sub-Total)			(26,661)
(3,508)	Long-Term Creditors	18		(3,782)
(82,538)	Long-Term Borrowing, over 12 Months	14		(82,538)
(9,052)	Defined Benefit Pension Scheme Asset/(Liability)	33		(778)
(5,801)	Capital Grants Receipts in Advance	28		(5,936)
(100,899)	Long term Liabilities Total			(93,034)
394,840	Net Assets Total			406,092

Balance Sheet as at 31st March 2024

31st March 2023 £'000		Note	31st March 2024 £'000	31st March 2024 £'000
(13,385)	Capital Receipts Reserve	20		(12,813)
(4,475)	HRA Major Repairs Reserve	7		(2,312)
(6,752)	Revenue Reserves	7		(10,939)
(500)	Reinvestment Reserve	7		(364)
(2,143)	Capital Grants Unapplied	20		(2,760)
(6,766)	General Fund Balance			(6,631)
(603)	HRA Fund Balance			(607)
(16,793)	HRA Financing Fund	7		(17,524)
(51,417)	Usable Reserves Total			(53,950)
(1,143)	Collection Fund Adjustment Account	21		(83)
(264,199)	Capital Adjustment Account	21		(265,803)
442	Financial Instruments Revaluation Reserve	21		863
9,052	Pension Reserve (Surplus)/Deficit	21		778
(88,144)	Revaluation Reserve	21		(88,495)
569	Accumulated Absences Account	21		598
(343,423)	Unusable Reserves Total			(352,142)
(394,840)	Total Reserves			(406,092)

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 or reduce local taxation) and other 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 Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease before Transfers to the Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance, before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Movement in Reserves Statement 2023/24									
	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at the beginning of the period	(6,767)	(7,253)	(603)	(21,267)	(13,385)	(2,143)	(51,418)	(343,423)	(394,840)
(Surplus)/Deficit on provision of Services (accounting basis) - from STRGL spreadsheet	(2,085)	0	(1,451)	0	0	0	(3,536)	0	(3,536)
Other comprehensive income and expenditure STRGL	0	0	0	0	0	0	0	(7,715)	(7,715)
Total comprehensive income and expenditure	(2,085)	0	(1,451)	0	0	0	(3,536)	(7,715)	(11,251)
Adjustments Primarily involving the Capital Receipts Reserve:									
Use of Capital Receipts Reserve to finance new Capital Expenditure	0	0	0	0	2,140	0	2,140	0	2,140
Cash Proceeds	0	0	0	0	(1,569)	0	(1,569)	0	(1,569)
Sub Total	0	0	0	0	572	0	572	0	572
Adjustments Primarily involving the Capital grants Unapplied Account:									
Application of Grants to Capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	1,399	1,399	0	1,399
Application of Grants to Capital financing transferred to the Capital Grants and Contributions Applied	0	0	0	0	0	(2,016)	(2,016)	0	(2,016)
Transfer to General Fund	0	0	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	(617)	(617)	0	(617)
Adjustments Primarily involving the Major Repairs Reserve:									
Reversal of Major Repairs allowance credited to the HRA	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	(4,312)	0	0	(4,312)	0	(4,312)
Use of the Major Repair Reserve to finance new capital Expenditure	0	0	0	6,474	0	0	6,474	0	6,474
Sub Total	0	0	0	2,162	0	0	2,162	0	2,162
Total - Adjustments	0	0	0	2,162	572	(617)	2,117	(2,117)	0
Adjustment between accounting basis and funding basis under regulations									
Pension Fund Reserve	590	0	694	0	0	0	1,284	0	0
Financial Instrument Reserve	(421)	0	0	0	0	0	(421)	0	0
Minimum Reserve Provision (MRP) Charge	601	0	0	0	0	0	601	0	0
Collection Fund Account	30	0	0	0	0	0	30	0	0
NNDR Account new & final renewable energy disregard	(1,091)	0	0	0	0	0	(1,091)	0	0
Accumulated Absences Account	(21)	0	(7)	0	0	0	(29)	0	0
Capital Adjustment Account		0	0	0	0	0	0	0	0
Upward revaluation	858	0	16	0	0	0	874	0	0
Downward Revaluation	(538)	0	0	0	0	0	(538)	0	0
GAIN on disposal of fixed assets	105	0	(1)	0	0	0	104	0	0
REFCUS	(4,213)	0	0	0	0	0	(4,213)	0	0
Depreciation	(1,709)	0	0	0	0	0	(1,709)	0	0
Capital Expenditure charged against general fund and HRA balances	116	0	0	0	0	0	116	0	0
Capital grants and contributions unapplied credits to the I&E	133	0	0	0	0	0	133	0	0
Application of Grants to Capital Adjustment Account	3,717	0	15	0	0	0	3,733	0	0
Capital Receipts Reserve	13	0	0	0	0	0	13	0	0
Sub Total Adjustments between accounting basis and funding basis under regulations	(1,829)	0	717	0	0	0	(1,113)	1,113	0
Net Increase/(Decrease) before transfers to earmarked	(3,914)	0	(734)	2,162	572	(617)	(2,532)	(8,719)	(11,251)
Transfers to/(from) earmarked reserves	4,050	(4,050)	731	(731)	0	0	0	0	0
Sub Total Increase/(decrease) in the year	136	(4,050)	(4)	1,431	572	(617)	(2,532)	(8,719)	(11,251)
Balance at the end of the period	(6,631)	(11,303)	(607)	(19,836)	(12,813)	(2,760)	(53,949)	(352,142)	(406,092)

Movement in Reserves Statement 2022/23	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at the beginning of the period	(6,567)	(8,798)	(606)	(18,823)	(10,382)	(1,081)	(46,258)	(264,033)	(310,290)
(Surplus)/Deficit on provision of Services (accounting basis)	2,046	0	(1,813)	0	0	0	233	0	233
Other comprehensive income and expenditure	0	0	0	0	0	0	0	(84,783)	(84,783)
Total comprehensive income and expenditure	2,046	0	(1,813)	0	0	0	233	(84,783)	(84,550)
Adjustments Primarily involving the Capital Receipts Reserve:-									
Use of Capital Receipts Reserve to finance new Capital Expenditure	0	0	0	0	1,413	0	1,413	0	1,413
Cash Proceeds	0	0	0	0	(4,416)	0	(4,416)	0	(4,416)
Sub-Total - Adjustments Primarily involving the Capital Receipts Reserve	0	0	0	0	(3,003)	0	(3,003)	0	(3,003)
Adjustments Primarily involving the Capital grants Unapplied Account:-									
Application of Grants to Capital financing transferred to the Capital Adjustment Account	0	0	0	0	0	459	459	0	459
Application of Grants to Capital financing transferred to the Capital Grants and Contributions Applied	0	0	0	0	0	(1,521)	(1,521)	0	(1,521)
Transfer to General Fund	0	0	0	0	0	0	0	0	0
Sub-Total - Adjustments Primarily involving the Capital grants Unapplied Account	0	0	0	0	0	(1,062)	(1,062)	0	(1,062)
Adjustments Primarily involving the Major Repairs Reserve:-									
Depreciation	0	0	0	(3,991)	0	0	(3,991)	0	(3,991)
Use of the Major Repair Reserve to finance new capital Expenditure	0	0	0	3,764	0	0	3,764	0	3,764
Sub-Total - Adjustments Primarily involving the Major Repairs Reserve	0	0	0	(227)	0	0	(227)	0	(227)
Total Adjustments	0	0	0	(227)	(3,003)	(1,062)	(4,291)	4,291	0
Adjustment between accounting basis and funding basis under regulations:-									
Pension Fund Reserve	(2,703)	0	(605)	0	0	0	(3,308)		
Financial Instrument Reserve	(1,043)						(1,043)		
Minimum Reserve Provision (MRP) Charge	592	0	0	0	0	0	592		
Collection Fund Account	(98)	0	0	0	0	0	(98)		
NNDR Account new & final renewable energy disregard	3,026	0	0	0	0	0	3,026		
Accumulated Absences Account	56	0	18	0	0	0	74		
Capital Adjustment Account									
Upward revaluation	924	0	56	0	0	0	980		
Downward Revaluation	(1,594)	0	275	0	0	0	(1,318)		
GAIN on disposal of fixed assets	1,427	0	(146)	0	0	0	1,281		
REFCUS	(3,087)	0	0	0	0	0	(3,087)		
Depreciation	(1,626)	0	0	0	0	0	(1,626)		
Capital Expenditure charged against general fund and HRA balances	86	0	0	0	0	0	86		
Capital grants and contributions unapplied credits to the I&E	785	0	0	0	0	0	785		
Application of Grants to Capital Adjustment Account	2,532	0	0	0	0	0	2,532		
Capital Receipts Reserve	23	0	0	0	0	0	23		
Sub Total Adjustments between accounting basis and funding basis under regulations	(700)	0	(402)	0	0	0	(1,102)	1,102	0
Net Increase/(Decrease) before transfers to earmarked reserves	1,345	0	(2,214)	(227)	(3,003)	(1,062)	(5,160)	(79,390)	(84,550)
Transfers to/(from) earmarked reserves	(1,545)	1,545	2,217	(2,217)	0	0	0	-	-
Sub Total Increase/(decrease) in the year	(200)	1,545	3	(2,444)	(3,003)	(1,062)	(5,160)	(79,390)	(84,550)
Balance at the end of the period	(6,767)	(7,253)	(603)	(21,267)	(13,385)	(2,143)	(51,417)	(343,423)	(394,840)

Cash Flow Statement

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

2022/23 £'000		2023/24 £'000
233	Net (Surplus)/Deficit on the provision of services	(3,536)
(6,048)	Depreciation, Impairment, Amortisation of Non-current Assets	(5,922)
(3,308)	Net Charges made for Retirement Benefit Scheme	(1,284)
(47)	Increase/(Decrease) in Inventories	(27)
4,057	Increase/(Decrease) in Debtors	(858)
16,726	(Increase)/Decrease in Creditors	(2,903)
(3,086)	Carrying Amount of non-current Assets and non-current Assets held for sale, sold or derecognised	1,452
(5,013)	Other non-cash items charged to the net Surplus or Deficit on Provision of Services	1,440
3,291	Adjustments to net Surplus/Deficit for non-cash movements	(4,561)
4,416	Adjustments for items that are Investing or Financing Activities	569
0	Other Capital Receipts and (Gains)/Loss on Sale non-current Assets	3,170
	Other items for which the cash effects are investing or financing cash flows	
7,940	SubTotal Net Cash outflows/(inflows) from Operating Activities	(4,358)
(195)	Net Capital Activities	10,368
(5,690)	Net Change in Investments	(4,536)
(5,886)	Net Cash outflows/(inflows) from Investing Activities (Note 23)	5,832
7,612	Net Cash outflows/(inflows) from Financing Activities (Note 24)	(537)
9,667	Net (Increase)/Decrease in Cash and Cash Equivalents	937
32,723	Cash and Cash Equivalents at the beginning of the period	23,057
23,057	Cash and Cash Equivalents at the end of the period (Note 16)	22,120
9,667	(Increase)/Decrease in Cash and Cash Equivalents	937

Accounting Policies

1. General Principles

This Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at 31st March 2024 year end. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audits Regulations 2015. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). 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.

2. Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Debtors and Creditors

The Council's revenue accounts are maintained on an accrual's basis in accordance with the Code. That this relates to sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to repayments of NNDR which are made on a cash basis in the year that the Council is notified of the necessity to refund and, although the amount is outside of the Council's control, a provision has been established to cover the Council's share of such possible refunds.

Interest on balances

General Fund interest for the year is accrued and accounted for in the accounts in the relevant period to which it relates. Interest is credited to the Housing Revenue Account based on an average rate of interest earned on the Council's investments during the year.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash Equivalents are investments that mature in no more than 3 months from the Balance Sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow, cash and cash equivalents are shown net of debit amounts with banks that are repayable on demand and form an integral part of the Council's cash management.

4. Provisions and Contingent Liabilities

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by transfer of economic benefits and where a reliable estimate can be made of the amount of the obligation.

Provisions are charged to the appropriate service revenue account 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, considering relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

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

The gross tax base, 64,192.6 as per the council tax resolution is adjusted for the Band D equivalent of dwellings receiving Council Tax Support to give an adjusted tax base of 60,087.6. Finally, an estimated collection rate of 98.5% for 2023/24 is then applied to the adjusted Band D figure producing a Council Tax Base of 59,186.3 which equates to £2,118.70 for a Band D property. This provides a total requirement of £125.4m.

The actual position is as follows:

2022/23 £'000		2023/24 £'000
136,140	Gross Council Tax due	144,666
(17,057)	Relief, Exemptions and Transitional Relief Granted	(18,888)
119,083	Council Tax	125,778

Note 3 National Non-Domestic Rates (NNDR)

NNDR is organised on a local basis. The Council is responsible for collecting rates due from ratepayers within the Borough and the total amounts billed to business ratepayers are included within the Collection Fund, less the various relief and exemptions granted. This amount is paid, during the year, to the other precepting authorities and to central government based on their proportionate shares. The amounts paid over form part of the financing of the billing and precepting authorities General Fund.

2022/23 £'000		2023/24 £'000
66,054	Gross Non-Domestic Rates due	68,332
(20,127)	Reliefs and Exemptions	(21,428)
0	Transitional Protection Payment due to/(from) the Council	0
45,927	Net Business Rates Receivable	46,904

The Government specifies an amount (51.2 p in 2023/24 and same in 2022/23) and, subject to the effects of transition arrangements and rate relief schemes, local businesses pay rates calculated by multiplying their rateable value by that amount. The Rateable Value for the Council's area at 31st March 2024 was £143.28m (£133.29m at 31st March 2023).

Independent auditor's report to the members of Charnwood Borough Council