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Report Title : 2020/21 Statement of Accounts (Final)

Report to: Audit, Risk and Standards Committee

Date of meeting : Audit, Risk & Standards Committee 15 April 2024

Responsible Director / Officer : Financial Services manager, Lorna Snow

Is this a Key decision ? No

EXECUTIVE SUMMARY

This report presents for approval the audited accounts for 2020/21.

RECOMMENDATIONS :

That Committee consider and approve the final audited statement of accounts for 2020/21.

1. Introduction and Background

1.1. This report provides Members with the final audited accounts for 2020/21 for approval following the completion of the external audit by EY.

1.2. The Audit and Risk committee received the Statement of Accountants for 2020/21 on 31 October 2022 for approval. At that meeting the committee also received the provisional 2020/21 Audit results report as presented by Ernst Young, the Council's External Auditors. The audit work at that time was substantially complete with a number of areas of testing still to be completed including the following:

1.2.1. Completion of testing on valuation of other land and buildings and investment property

1.2.2. Testing of additions to property plant and equipment to address our fraud risk

1.2.3. Cashflow statement

1.2.4. Going concern assessment and disclosure

1.2.5. Movement in reserves statement and corresponding notes –note 8 adjustments between accounting and funding basis and Capital Financing Requirement

1.2.6. Subsequent events

1.2.7. Management representation letter

1.2.8. Final manager and partner reviews

1.3. Since then work has been completed by both GYBC officers and EY to conclude the audit work and present the final accounts for 2020/21 for approval by the Audit and Risk Committee. A large part of the delay of the completion of the audit has been due to additional testing on the value for money part of the external audit required following the referral to the Regulator of Social Housing in August 2022, which was then lifted in January 2024, details of this are referenced in the accounts under the contingent liabilities note. The Council proactively developed a Compliance Improvement Plan to address the necessary changes required to ensure a return to full compliance with the Regulatory Standards. The actions of the improvement plan have been completed which led to the lifting of the formal notice.

1.4. This report along with the final External Audit Report 2020/21 (as included on this agenda) now present the conclusion of this work.

2. Changes From the Draft Accounts

2.1. The audit result report details the Audit differences from the audit review which were highlighted in the previous audit report, overall the changes from the accounts presented in October 2022, to the final version now presented for approval in terms of impact to the general fund balance is a net improvement on the general fund balance of £293k – this was largely as a result of an amendment to the bad debt provision. The final set of accounts are attached at Appendix A.

2.2. Further details on the results of the audit can be found in the EY Audit results Report for the Year ended 31 March 2021.

2.3. As part of the conclusion of the audit work for 2020/21 a revised Annual Governance Statement has been produced also to reflect the matters referred to above, this is included at Appendix B to the Report.

3. Conclusion

3.1. The audit of the accounts for 2020/21 represent a lot of work by both GYBC finance officers and EY colleagues. The team will be working with EY on plans and process for the forthcoming audit work for later years.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	**Comment**
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Report Author
Existing Council Policies:	
Financial Implications (including VAT and tax):	
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	

FINAL

STATEMENT OF ACCOUNTS

2020/2021

GREAT YARMOUTH
BOROUGH COUNCIL

CONTENTS

Great Yarmouth Borough Council

The borough of Great Yarmouth is a diverse coastal area, focused around two urban centres – Great Yarmouth and Gorleston – and surrounded by a rural hinterland of small villages represented by 21 parishes stretching from Winterton in the north to Hopton in the south. The borough sits on the edge of the Norfolk Broads, approximately 20 miles east of Norwich.

The borough has a growing population of 99,370 residents and is predicted to increase to 102,531 by 2041. The proportion of people aged over 65 is relatively high and is growing, with falling birth rates this means the borough has a population skewed towards older residents.

Although the inner town wards of Nelson and Northgate are amongst some of the most deprived neighbourhoods in the country, there has been a relative improvement in terms of the Indices of Multiple Deprivation. In 2019, this has seen the borough removed from the top 20 most deprived districts in 2015, to 25th in 2019.

Full time employment is lower in comparison to Norfolk and the UK as a whole, but part time employment is proportionally higher. Great Yarmouth has some of the highest paid jobs on offer in Norfolk, but residents earn less than regional and national averages, suggesting that many of the people in the highest paid jobs live outside the borough.

Great Yarmouth is at the centre of England's offshore energy sector. This is focused around its deep-water outer harbour and the businesses which make up the supply for the sector, in or close to, the borough's two enterprise zones.

It is recognised that for borough residents to take job opportunities arising from the energy sector, having the right skill set is essential. Of particular importance are the STEM (science, technology, engineering and mathematics) subjects. There have been marked improvements since 2008, when 24.6% of residents had no qualifications. Although this has reduced to 12% of residents by 2018, this is still higher than the national average and GCSE attainment similarly remains below the average for the rest of England.

In addition to the offshore sector, Great Yarmouth is still a well-known UK seaside resort, and, after Norwich, it has the largest visitor economy in Norfolk. The economic value of tourism is worth in the region of £635million each year to the borough. Tourist numbers remain buoyant, although many of these jobs are seasonal and the borough continues to explore ways to extend the season to attract more all year-round visitors.

This is a borough of significant contrasts and associated challenges. Although Norfolk as a whole is the safest county in England in terms of crime, Great Yarmouth is a generally safe borough when compared to many similar sized boroughs nationally. However, there are crime issues focused in the town centres, as there are across other parts of the UK. Great Yarmouth town centre is a safer place to visit than Norwich, based on the overall level of reported crime.

Across the borough 64% of local people own their own home, with the remaining people in rented accommodation. Again, there is substantial variation across the borough, with higher concentrations of rental property in the two town centres and a lack of sufficient good quality rental property particularly in Great Yarmouth town centre.

The borough has a high proportion of lower banded (for council tax purposes) properties compared to other areas in Norfolk and nationally, with 68% of properties being banded as A or B, compared to 54% for the rest of Norfolk and 44% for England.

The borough has some challenging health demographics. More than one in five local people have a long-term life limiting illness or a disability. Again, there is variation in location with 17.7% of local people in Fleggburgh having such a condition, increasing to 25.6% in Magdalen, which is 50% higher than the national average. This correlates strongly with a range of associated illnesses (for example hypertension, cardiovascular disease, diabetes and obesity), which are higher in the borough than the national average. Wards like Fleggburgh and Bradwell experience these illnesses at levels similar to the national average, but inner town wards like Nelson and Northgate, experience levels considerably above the national average.

Council Priorities and Corporate Plan

In February 2020 the Council approved the Corporate Plan. This sets out the strategic context and priorities for the organisation for the next five years.

<u>The Plan 2020-2025</u>

The five-year Plan is set in the context of a longer-term vision for our borough, which is supported by four key strategic priorities. Our vision is: to have a vibrant economy, capitalising on the investment in clean energy alongside further investment in our place and our visitor economy; creating a quality environment for all and improving the life chances of all those living and working in our borough.

We will achieve this by driving and facilitating change in four strategic priority areas:
- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council

The Plan is underpinned by detailed actions which are reviewed annually to ensure specific activities and projects remain on track to deliver.

The Council has been successful in applying for government funding which will support growth in the Borough. These two significant funding streams are from the Future High Streets programme and the Town Deal Proposals.

The Government's Future High Street funding offer of £13.77m was confirmed in May 2021 to be used towards its vision to revive Great Yarmouth's town centre as a vibrant economic, cultural and community hub is officially confirmed. The bid for funding began back in June 2020, when the investment of £19.9m sought from the Future High Streets Funding was submitted to Ministry of Housing, Communities and Local Government (MHCLG).

Following the submission, the MHCLG announced on Boxing Day 2020 that Great Yarmouth was one of just 57 locations awarded 69% of the funding sought, which amounted to £13.77m.

The funding will assist in relocating the towns already popular library to a larger, more central location, establishing a new heritage centre and support the town centres sustainability into the future, supporting footfall, further regeneration and investment.

In March 2021 it was announced that Great Yarmouth had secured a Town Deal of £20.1m Government investment to deliver an exciting £60m vision supporting economic regeneration, recovery, jobs and growth across the borough's main urban areas. More details can be found here https://www.futuregreatyarmouth.co.uk/

The major capital funding, confirmed in the Chancellor's Budget, follows submission in December 2020 of an ambitious Town Investment Plan for Great Yarmouth, Gorleston and Bradwell, focussing on attracting further investment, driving economic regeneration and recovery. Shaped through a Town Deal Board of local ambassadors, alongside significant public engagement, the ambition is to re-invent public places, to tap into and grow a thriving arts and cultural scene, to support new homes, nurture new jobs, businesses and new opportunities to learn and grow, to make residents, businesses and visitors proud.

More recently in July 2021 the National Lottery heritage Fund has announced funding of £9.98million of funding to the Great Yarmouth Winter Garden's. This along with funding allocated from the Town Deal will see total spend in the region of £16million to bring the iconic building that sits on the seafront town's 'Golden Mile' back into use.

The Town Deal, Future High Streets and Winter Garden projects continue to be a critical part of the Council's ambitious agenda that along with partners will continue to see investment delivered in the borough. Current investment is continuing to be delivered by Great Yarmouth Borough Council through the new Marina Centre on the Seafront in Great Yarmouth and also by partners including the £120million Third River Crossing now underway by Norfolk County Council along with the £18million Operations and Maintenance facility.

Financial Performance

The accounts demonstrate the results of the Member and management stewardship and accountability for the resources entrusted to them. A glossary of terms and acronyms used within the accounts is provided at the end of the document. While the financial position of the authority is regularly monitored and reviewed throughout the year, the Statements of Accounts bring together the financial results of all the authority's operations and the financial position as at 31st March 2021.

The Budget and Council tax is set annually. As the Billing authority, the Council collect the Council Tax for the Borough Council, Norfolk County Council and the Police and Crime Commissioner for Norfolk along with the parishes within the parished areas of the borough.

The following section compares the year end position on the general fund revenue account for the year. This is the main financial account that represents the day to day expenditure incurred in delivering services and income received from government grants, council tax, fees and charges in provision of local services.

The table below compares expenditure with the updated budget for the financial year. This position excludes notional charges, which do not impact on the amount to be funded by council tax but includes precepts by parish councils and levies by other bodies.

	Current Budget 2020/21 £000	**Outturn £000**	**Variance £000**
Net Cost of Services:			
Executive	4,691	(133)	(4,824)
Housing	758	1,176	419
Inward Investment	2,637	2,091	(546)
Planning and Growth	448	363	(85)
Customer Services	(785)	1	786
Property and Asset Management	200	690	489
Communications, Marketing and Events	735	604	(131)
Environmental Services	4,343	4,073	(270)
	13,026	**8,865**	**(4,161)**
Non-Service Expenditure/Income	**112**	**13,698**	**13,586**
Income	**(12,988)**	**(23,060)**	**(10,072)**
Net (Surplus)/Deficit	**149**	**(497)**	**(647)**

The outturn figures above represent those reported to the Policy and Resources Committee in July 2021. These figures differ from those included within the Comprehensive Income and Expenditure Statement within the financial statements for the following reasons:

- Adjusting for differences in recognising recharges;
- The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) defines proper accounting practices for local authorities and therefore some transactions have to be analysed differently in the financial statements than they are reported in the outturn.

The revenue activity is financed from government grants, including revenue support grant and new homes bonus, retained business rates and council tax.

It should be noted that the significant variance on the income for the year is due to the way that the government have compensated Councils through Section 31 grants for administering the national Covid support programme, primarily in the form of Business Rates Reliefs and Business Grants. In the year this is offset by a transfer to an earmarked reserve which will be fully utilized in the following year, thereby temporarily increasing the year end reserves balance. This is essentially a technical anomaly and relates to a timing issue.

Financial performance is monitored during the year through regular reports to officers and members of the Policy and Resources Committee and Housing and Neighbourhoods Committee in relation to the Housing Revenue Account. At the end of the year some unspent budgets which remain committed are transferred to earmarked reserves to be utilised in the following financial year.

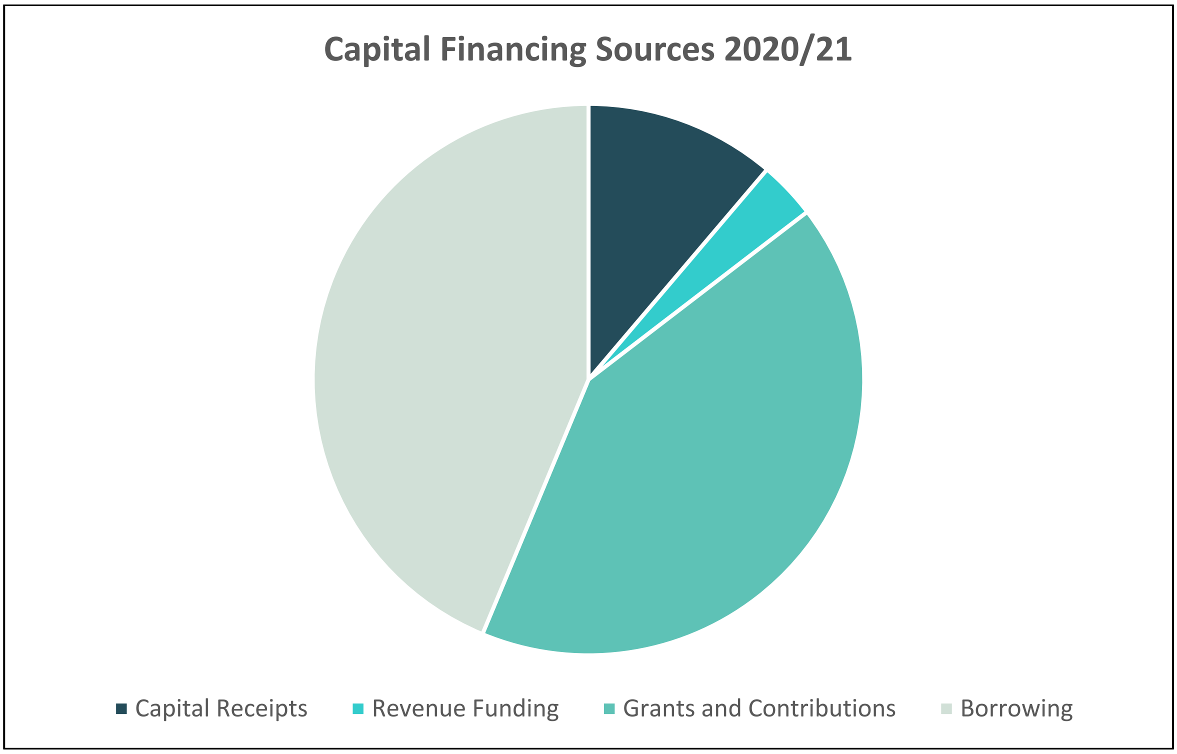
Capital Activity

Capital expenditure represents spend on acquiring assets or enhancements that will increase the asset life, for example improvements to the Council housing stock, and IT system acquisition and enhancements. Where capital project budgets remain unspent at the end of the year, the remaining budget has been carried forward to the next financial year. The following table shows the authority's general fund capital activity during the year. Capital spend on the Council housing stock is covered within the Housing Revenue Account section.

General Fund Capital Expenditure 2020/21 (£'000)

	Original Budget 2020/21 £000	Revised Budget 2020/21 £000	Outturn £000	Variance £000
Executive	533	214	214	0
Neighbourhood Management	200	200	96	(104)
Customer Services	574	614	31	(583)
Inward Investment	24,902	25,917	5,475	(20,442)
Housing (non HRA)	5180	7027	761	(6,266)
IT, Communications and Marketing	779	739	309	(430)
Property Asset and Management	11,078	11,777	900	(10,877)
Total	**43,245**	**46,488**	**7,786**	**(38,702)**

The capital expenditure above was financed in the following way:



Housing Revenue Account

The Housing Revenue Account (HRA) is the ring-fenced account that funds the Council's activity as a landlord. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the borough. This account funds a significant range of services to approximately 5,800 homes for Great Yarmouth Borough tenants and their families and to 360 homes for leaseholders. This includes housing management, repairs and improvements, welfare advice, supported housing services and capital investment on housing.

The HRA receives income from tenant rents and service charges levied on tenants and leaseholders. The self-financing HRA remains governed by guidelines on rent setting for tenants. Income from rents and service charges is a key driver of the total income available to the HRA, making up approximately 90% of the total income. The approach and policy for rent therefore affects the resources available to re-invest in expenditure plans across the HRA.

The Housing Revenue Accounts annual outturn in 2020/21 was a deficit of £1 m against a forecasted deficit of £1.5m, resulting in a variance of £0.5m. The underspend in the year was mainly due to savings on demand led repair works such as void repairs, gas servicing and maintenance. These revenue services have reflected a reduction in demand, as a result of increased capital improvements works in prior years.

The HRA had a final capital programme outturn of investment to its assets of £11.9 m in 2020/21 and has been financed in the main by borrowing and revenue contributions.

The HRA will carry forward £8.6m of reserves into 2021/22. The HRA currently holds a larger reserve balance than would normally be expected and this is partly due to adjustments in the scheduling of planned repairs, maintenance and capital programmes.

Reserves and Balances

The Authority has a policy to maintain the General Fund balance at a minimum of £3.5m. As at 31st March 2021, the General Fund balance stood at just over £4.5m. Earmarked reserves are also held to fund future one-off projects and where there is a need to hold a contingency to meet future liabilities. The Authority's earmarked reserves are detailed within note 9 to the financial statements.

The Council holds a number of earmarked reserves, which are held to support delivery of current and future projects. These include those that deliver business and housing growth within the Borough, such as the invest to save and special projects reserves. The actual timing of the use of some of these reserves is not yet known and significant calls on these reserves will be supported by business cases. The invest to save reserve, which as the name suggests has been earmarked for one-off funding that will deliver future savings and/or additional income, at 31st March 2021 this reserve balance was £1.6m. In addition, there is a special projects reserve which provides a source of funding that can be used for matched funding and support for projects. The special project reserve balance stood at £0.7m at the end of the financial year.

Other earmarked reserves hold balances of previous grants and other external funding which has not yet been matched by expenditure in the year but is committed in future years.

The Council holds a business rates reserve for which the balance at 31st March 2021 stood at £1.98m, this has been established from previous business rates income achieved above the budgeted position. This reserve can be utilised to smooth the fluctuations of funding from business rates between financial years, which is exacerbated by the timing of business rate appeals.

The useable reserves at the end of March 2021 are showing a significantly higher balance which relates to the way that government have compensated councils through Section 31 grants for administering its covid support programmes, primarily in the form of Business Rates Reliefs for retail, hospitality and leisure services. These reliefs must be shown as a deficit on the Council's share of income within the Collection Fund Adjustment Account reserve, while grant income must be shown in the Council's General Fund. This is a technical anomaly and is primarily a timing issue, as these payments were not anticipated when NNDR1 set business rates shares for 2020/21 and were instead paid to the General Fund later in the year as the government developed its pandemic response. The reliefs therefore sit in an earmarked reserves at the year end totalling £10.3m and will be utilised in 2021/22.

Borrowing and Investment

At the end of the financial year the Council had £134.5m of external borrowing of which £71.4m was Public Works Loan Board (this includes £58m attributable to the Housing Revenue Account self-financing). The other borrowing was made up of other borrowing in line with the treasury management strategy. The Council remained within its overall borrowing limits for the year and has managed its cash-flow to minimise the need to undertake new external borrowing.

Future Financial Position 2021/22 Onwards

The budget for 2021/22 was approved in February 2020. The budget for 2021/22 approved a number of ongoing and new savings and these continue to be monitored with services as part of the overall budget monitoring processes.

The forward financial projections from 2021/22 will be reviewed to take account of the continued financial pressures in response to the Covid 19 and also informed by changes to the funding for local government. In addition, they will be updated to take account of the outturn position and other spending/income pressures that have been identified outside of the budget process. These will be reported to Members as part of the Financial Strategy update. This will enable early preparation for the 2022/23 budget process, which will be informed by the outcomes of key pieces of national review work, namely the Spending Review and Business Rates Retention.

Covid-19 Pandemic

The outturn position reflects the funding received and financial impact of Covid in the year. There are a number of direct and in direct financial implications of the Covid pandemic on the Council's financial position and including reduction in income from sales, fees and charges, for example car parking income, additional spending pressures, including ICT solutions to facilitate home working and virtual meetings, re-directing staff resources at various stages of the pandemic to deliver support the residents and businesses alike including the administration of over £64m in business grants from April 2020 which are still being administered to date. Any funding not utilised from the business grants is repaid to the MHCLG.

The Council received the following funding directly allocated by central government in the year to fund the financial costs of the pandemic.

Financial Support (2020/21)	**£000**
Covid 19 Emergency funding (Tranches 2, 3 and 4)	2,118
Sales Fees and Charges Claims	931
New Burdens Funding	475
TOTAL	**3,524**

The Sales, Fees and Charges support scheme funds only 75% of the lost income (after a 5% allowance) compared to the 2020/21 base budget. There were income losses that were outside of the scope of the scheme, namely commercial income, rental income, compensation to third parties for their loss of income and income that could be recovered in a later year for example rental deferrals. This meant that any shortfall income outside the scope of the scheme along with the 25% not covered needed to be covered by the Council or from the covid emergency funding received. We have also seen increase in the debts outstanding at the end of the year which has led to an increased in the bad debt provision of £284k, which could be a result of the impact of Covid-19.

The impact of the pandemic on the Council's finances will continue to be monitored in the Council's budgets and reflected in the future Statement of Accounts and Financial Strategies.

Layout of the Financial Statements

The Council's accounts for 2020/21 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The annual Statement of Accounts for the Council provide interested parties including residents of the Borough Council, elected members, partners and stakeholders information about the Council's finances.

The accounts consist of the following statements:

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

- **Movement in Reserves Statement (MIRS) -** this statement shows the movement in the year on the different reserves held by the Council. The reserves are split between 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves, which are maintained for accounting purposes. This statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred, in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account movements in the year following those adjustments.

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

- **Balance Sheet** - this statement shows the value at assets and liabilities recognised by the Authority on the balance sheet date. It sets out the financial position of the Authority at the year-end, showing its balances, resources and long-term indebtedness, the net current assets employed in its operations, together with summarised information on the fixed assets held. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council, including both usable and unuseable reserves. Usable reserves are those that the Council may use to fund services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses, where amounts would only become available if the assets are sold; and reserves which hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'

- **Cash Flow Statement** – this statement provides a summary of all flows of cash arising from transactions with third parties for revenue and capital purposes. The statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement also shows how the Authority 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 Authority are funded by taxation and grant income or from receipts from the provision of services. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority'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 Authority.

- **Housing Revenue Account (HRA)** – shows the economic cost in the year of providing council housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

- **Collection Fund** – this statement shows the total income collected by the authority from Council Tax and National Non-Domestic Rates and how this has been distributed to all precepting organisations including the Government, Norfolk County Council (NCC), the Police and Crime Commissioner for Norfolk, and Parish Councils. There will be a debtor or creditor position between the billing authority (Great Yarmouth Borough Council), the Government and the major preceptors (NCC and the Police and Crime Commissioner for Norfolk) to be recognised at the end of each year. This is because the net cash paid to the government and the major preceptors during the year will not exactly match its share of the cash collected from local taxpayers.

- **Notes to the Financial Statements –** Each of the main financial statements are supported by notes that provide additional information to some of the more significant entries in the accounts.

- **Group Accounts -** The purpose of the Group Accounts is to provide a picture of Great Yarmouth Borough Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Great Yarmouth Borough Council's Group Accounts incorporate our 100% owned subsidiary company Equinox Enterprise Limited (Equinox/ EEL) whose main aim is to develop council housing and homes for outright sales. The social housing is built on behalf of GYBC or on Equinox land and sold to GYBC.

Statement of Responsibilities

<u>The Authority's Responsibilities</u>

The Authority 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 these affairs. In this authority, that officer is the Finance Director.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

<u>The Finance Director's Responsibilities</u>

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

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were responsible and prudent;
- Complied with the Local authority Code.

The Finance Director has also:

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

<u>Opinion:</u>

In my opinion the Statement of Accounts present a true and fair view of the financial position of Great Yarmouth Borough Council as at the reporting date and its income and expenditure for the year ended 31st March 2021.

Signed

Finance Director
Date: 12th April 2024

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Expenditure and Funding Analysis Note

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council’s services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The comparative figures (2019/20) are restated to reflect the change in the Council's organisational structure in April 2020 which changed the Council's service headings for decision making purposes.

	2019/20 Restated			2020/21		
	Net Expenditure Chargeable to the General Fund & HRA Balances	**Adjustments between Funding & Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure Statement**	**Net Expenditure Chargeable to the General Fund & HRA Balances**	**Adjustments between Funding & Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure Statement**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Executive	3,204	(481)	3,685	(1,432)	(407)	(1,025)
Inward Investment	1,174	(573)	1,747	1,900	(236)	2,135
Housing	1,014	(1,101)	2,115	949	(813)	1,762
Planning and Growth	243	(245)	488	346	(166)	512
Customer Services	(1,004)	(659)	(345)	(221)	(559)	338
Property and Asset Management	1,726	(997)	2,723	1,906	(1,171)	3,076
Communications, Marketing and Events	590	(83)	673	518	(81)	598
Environmental Services	3,682	(307)	3,989	3,930	(361)	4,291
Housing Revenue Account (HRA)	(872)	3,127	(3,999)	(1,609)	6,827	(8,436)
Corporate Service	1,759	1,818	(59)	2,052	1,904	148
Net Cost of services	**11,515**	**499**	**11,016**	**8,337**	**4,938**	**3,399**
Other income and expenditure	(10,222)	(12,520)	2,298	(21,130)	(8,351)	(12,780)
(Surplus) or deficit	**1,292**	**(12,022)**	**13,314**	**(12,793)**	**(3,413)**	**(9,380)**

Opening General Fund and HRA Balance at 1st April 2020	**24,058**
In year surplus or (deficit)	12,793
Closing General Fund and HRA Balance at 31st March 2021	**36,851**

For a split between the General Fund and Housing Revenue Account balances see the Movement in Reserves Statement.

The Expenditure and Funding Analysis is a note to the Financial Statements, however it is positioned here as it provides a link between the Comprehensive Income & Expenditure Statement and the Movement in Reserves Statement that follow.

Movement in Reserves Statement

For the years ended 31 March 2020 and 2021

		General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Receipts in Advance	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31st March 2019		**3,219**	**10,557**	**11,399**	**185**	**1,851**	**0**	**0**	**4**	**27,216**	**160,822**	**188,038**
Movement in reserves during 2019/20												
(Surplus) or deficit on provision of services		14,934	0	(1,620)	0	0	0	0	0	**13,314**	0	**13,314**
Other Comprehensive Expenditure and Income		0	0	0	0	0	0	0	0	**0**	(11,787)	**(11,787)**
Total Comprehensive Expenditure and Income		**14,934**	**0**	**(1,620)**	**0**	**0**	**0**	**0**	**0**	**13,314**	**(11,787)**	**1,527**
Adjustments between accounting basis & funding basis under regulations	**(Note 8)**	**(15,502)**	**0**	**3,485**	**0**	**(182)**	**0**	**0**	**0**	**(12,198)**	**12,198**	**0**
Transfers to/from Earmarked Reserves	**(Note 9)**	**292**	**(293)**	**(24)**	**24**	**0**	**0**	**0**	**0**	**(1)**	**0**	**(1)**
(Increase)/Decrease in 2019/20		**(276)**	**(293)**	**1,841**	**24**	**(182)**	**0**	**0**	**0**	**1,115**	**411**	**1,526**
Balance at 31 March 2020		**3,494**	**10,850**	**9,558**	**161**	**2,032**	**0**	**0**	**4**	**26,101**	**160,411**	**186,512**
Movement in reserves during 2020/21												
(Surplus) or deficit on provision of services		(3,334)	0	(6,046)	0	0	0	0	0	**(9,380)**	**0**	**(9,380)**
Other Comprehensive Expenditure and Income		0	0	0	0	0	0	0	0	**0**	**4,964**	**4,964**
Total Comprehensive Expenditure and Income		**(3,334)**	**0**	**(6,046)**	**0**	**0**	**0**	**0**	**0**	**(9,380)**	**4,964**	**(4,416)**
Adjustments between accounting basis & funding basis under regulations	**(Note 8)**	**(10,517)**	**0**	**7,104**	**0**	**399**	**0**	**0**	**(202)**	**(3,216)**	**3,216**	**0**
Transfers to/from Earmarked Reserves	**(Note 9)**	**12,841**	**(12,841)**	**(32)**	**32**	**0**	**0**	**0**	**0**	**1**	**0**	**1**
(Increase)/Decrease 2020/21		**(1,010)**	**(12,841)**	**1,026**	**32**	**399**	**0**	**0**	**(202)**	**(12,596)**	**8,180**	**(4,416)**
Balance at 31 March 2021		**4,504**	**23,691**	**8,533**	**129**	**1,633**	**0**	**0**	**206**	**38,697**	**152,231**	**190,928**

The £12.8m transfer to Earmarked Reserves above includes £10.3m Section 31 grants received by the Council in 2020/21. The grants were given to compensate for the loss of business rates income as a result of the extended retail relief given to retail hospitality and leisure businesses, and nursery providers to support them through the pandemic in 2020/21. However, the legislation that governs collection fund accounting means the related deficit as a result of the loss of business rates income in-year will not be charged to the Council's General Fund until 2021/22. As a result, the grant has been transferred to the Earmarked Reserves to be released to offset the deficit that will occur in 2021/22.

Comprehensive Income and Expenditure Statement

The presentation of the Comprehensive Income and Expenditure Statement net cost of services analysis is based on the Council's organisational structure under which the authority operates and manages its services. The comparative figures (2019/20) net cost of services analysis has been restated to reflect the change in the Council's organisational structure in April 2020 to enable comparison between the financial years.

	2019/20 (Restated)			2020/21		
	Gross Expenditure	**Gross Income**	**Net**	**Gross Expenditure**	**Gross Income**	**Net**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Executive	4,977	(1,292)	3,685	9,649	(10,675)	(1,025)
Inward Investment	4,902	(3,155)	1,747	4,541	(2,406)	2,135
Housing	3,188	(1,073)	2,115	2,894	(1,132)	1,762
Planning and Growth	1,650	(1,162)	488	1,396	(884)	512
Customer Services	27,186	(27,531)	(345)	26,395	(26,057)	338
Property and Asset Management	3,181	(459)	2,723	3,352	(276)	3,076
Communications, Marketing and Events	856	(183)	673	612	(13)	598
Environmental Services	5,984	(1,995)	3,989	6,699	(2,408)	4,291
Local Authority housing (Housing Revenue Account)	19,319	(23,318)	(3,999)	14,902	(23,338)	(8,436)
Corporate Service	(59)	0	(59)	148	0	148
Cost of Services	**71,184**	**(60,168)**	**11,016**	**70,588**	**(67,189)**	**3,399**
Other Operating Expenditure (Note 10)			**15,294**			**513**
Financing and Investment Income and Expenditure (Note 11)			**22**			**3,063**
Taxation and Non-Specific Grant Income (Note 12)			**(13,019)**			**(16,356)**
(Surplus) or Deficit on Provision of Services			**13,314**			**(9,380)**
(Surplus) or Deficit on revaluation of Property, Plant and Equipment assets			1,044			(5,607)
(Surplus) or Deficit on revaluation of Elected FVOCI			111			6
Re-measurement of the net defined benefit (asset) / liability (note 37)			(12,942)			10,565
Other Comprehensive Income and Expenditure			**(11,787)**			**4,964**
Total Comprehensive Income and Expenditure			**1,527**			**(4,416)**

Balance Sheet

	Notes	31 March 2020 £'000	31 March 2021 £'000
Property, Plant & Equipment (PPE)	14		
Operational Assets PPE			
- Council Dwellings		234,872	254,168
- Other Land and Buildings		34,699	33,182
- Vehicles, Plant, Furniture and Equipment		2,172	2,661
- Infrastructure		14,884	14,042
- Community assets		6,788	6,786
Non Operational Assets			
- Assets Under Construction		10,538	11,670
Total PPE		**303,953**	**322,508**
Heritage Assets	14	0	2,272
Investment Property	15	51,946	50,139
Long Term Investments	20	3,122	3,115
Intangible Assets		309	307
Long Term Debtors	17	2,916	2,998
Long Term Assets		**362,245**	**381,340**
Inventories		50	49
Short Term Investment	20	6,200	6,000
Short Term Debtors	18	13,794	28,652
Cash and Cash Equivalents	19	11,309	26,757
Assets Held for Sale	16	1,850	1,850
Current Assets		**33,203**	**63,308**
Cash and Cash Equivalents		0	0
Short Term Borrowing	20	(32,646)	(51,856)
Short Term Creditors	21	(26,590)	(42,697)
Provisions	22	(1,295)	(1,415)
Current Liabilities		**(60,531)**	**(95,968)**
Long Term Creditors	20	(229)	(177)
Long Term Borrowing	20	(86,398)	(82,862)
Other Long Term Liabilities			
- Net Pensions Liability	37	(60,884)	(72,405)
- Deferred Liabilities		(448)	(372)
Grant Receipts in Advance - Revenue		(457)	(1,946)
Long Term Liabilities		**(148,416)**	**(157,764)**
Net Assets		**186,501**	**190,916**

Balance Sheet

	Notes	31 March 2020 £'000	31 March 2021 £'000
Usable Reserves			
- General Fund	8 & 23	3,490	4,499
- General Fund Earmarked Reserves	9	10,848	23,690
- Housing Revenue Account	8 & 23	9,559	8,533
- HRA Earmarked Reserves	9	161	129
- Capital Receipts Reserve	8	2,032	1,633
- Capital Grants Unapplied	8	4	206
Total Useable Reserves		**26,095**	**38,691**
Unusable Reserves	24		
- Revaluation Reserve		22,684	27,760
- Pensions Reserve		(60,884)	(72,405)
- Capital Adjustment Account		197,853	206,638
- Financial Instruments Adjustment Account		(632)	(629)
- Financial Instruments Revaluation Reserve		(111)	(118)
- Collection Fund Adjustment Account (England only)		1,698	(8,695)
- Short term Accumulating Compensated Absences Account		(200)	(325)
Total Unusable Reserves		**160,407**	**152,226**
Total Reserves		**186,502**	**190,916**

These financial statements are the audited financial statements certified by K Sly as the Finance Director on 12th April 2024.

Karen Sly, Finance Director Date 12/04/2024

Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash the reporting period. The statement shows how the authority 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 authority are funded by way of taxation, grant income or from recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been have been made for resources which are intended to contribute to the authority'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 authority.

2019/20 £'000	Note		2020/21 £'000
13,314		Net (surplus) or deficit on the provision of services	(9,380)
(25,105)	25	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(3,993)
3,013	26	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	4,731
(8,779)		Net cash flows from Operating Activities	(8,642)
14,610	28	Investing Activities	13,742
(1,670)	29	Financing Activities	(20,548)
4,161		Net (increase) or decrease in cash and cash equivalents	(15,448)
15,470	19	Cash and cash equivalents at the beginning of the reporting period	11,309
11,309	19	**Cash and cash equivalents at the end of the reporting period**	**26,757**

Note 1 - Expenditure and Funding Analysis - Adjustments between Funding and Accounting Basis

The comparative figures (2019/20) are restated to reflect the change in the Council's organisational structure in April 2020 which changed the Council's service headings for decision making purposes.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	2019/20 Restated Adjustments for Capital Purposes (Note 1a)	2019/20 Restated Net change for the Pensions Adjustments (Note 1b)	2019/20 Restated Other Differences (Note 1c)	2019/20 Restated Total Adjustments	2020/21 Adjustments for Capital Purposes (Note 1a)	2020/21 Net change for the Pensions Adjustments (Note 1b)	2020/21 Other Differences (Note 1c)	2020/21 Total Adjustments
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Executive	(51)	(435)	5	(481)	(73)	(316)	(17)	(407)
Inward Investment	(393)	(184)	4	(573)	(77)	(126)	(33)	(236)
Housing	(858)	(243)	0	(1,101)	(623)	(183)	(7)	(813)
Planning and Growth	(2)	(237)	(6)	(245)	(2)	(149)	(15)	(166)
Customer Services	(105)	(558)	4	(659)	(161)	(381)	(18)	(559)
Property and Asset Management	(815)	(183)	1	(997)	(1,043)	(124)	(3)	(1,171)
Communications, Marketing and Events	0	(88)	5	(83)	0	(72)	(8)	(81)
Environmental Services	(112)	(198)	3	(307)	(161)	(183)	(17)	(361)
Housing Revenue Account	3,170	(51)	8	3,127	6,755	80	(7)	6,827
Corporate Service	0	1,818	0	1,818	0	1,904	0	1,904
Net Cost of Services	**834**	**(359)**	**24**	**499**	**4,614**	**449**	**(125)**	**4,938**
Other income and expenditure from the funding analysis	(10,512)	(1,748)	(261)	(12,521)	3,445	(1,407)	(10,389)	(8,351)
Difference between General Fund surplus & deficit and expenditure st	**(9,678)**	**(2,107)**	**(237)**	**(12,022)**	**8,059**	**(957)**	**(10,514)**	**(3,413)**

Note 1a) Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

• Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

• Financing and Investment Income and Expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

• Taxation and Non-specific Grant Income and Expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 1b) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits Pension related expenditure and income:

• For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

• For Financing and Investment Income and Expenditure –- the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Note 1c) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

• For Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

• The charge under Taxation and Non-specific Grant Income and Expenditure represents the difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Note 2 - Accounting Policies

i. General Principles

The Statement of Accounts summarises the authority's transactions for the 2020/21 financial year and its position as at the year end of 31 March 2021. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require these to be prepared in accordance with proper accounting practices. Those 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 concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 2020/21) in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

The group statements for 2020/21 also include the financial performance and position of the Council's wholly owned company, Equinox Enterprises Limited (EEL).

EEL's ability to continue as a going concern is dependent on its ability to generate profit in the medium term and / or the continued support of the Council. Since 2020/21 EEL successfully completed its initial building development and is now in 2023/24 considering its next development. The Company is therefore reliant on the continued support of the Council. The Council intends to support EEL for the foreseeable future as it forms part of its strategic plans for housing within the borough.

It should be noted that in 2022/23 a new subsidiary was established, namely Equinox Property Holdings (EPH's) to provide good quality market rental housing within the borough. Like EEL, EPH's ability to continue as a going concern is dependent on its ability to generate profit in the medium term and / or the continued support of the Council. Purchasing of properties only commenced in 2023/24 and renting of these has just begun. At this stage the company is very much dependent on the Council's support but, like EEL, as the company has been established to support regeneration of housing within the borough the Council will support the company in its development for the foreseeable.

Further from 1st April 2023 Great Yarmouth Services Ltd (GYS) is a new subsidiary of the Council that was created to replace the services previously provided to the Council by Great Yarmouth Borough Service Ltd. GYBS was an associate of the Council in 2020/21 with disclosure included within the Related Party Note 35. GYS's ability to continue as a going concern is dependent on its ability to breakeven in the medium term but is currently dependent on the support of the Council.

Therefore, at a group level the Council and its subsidiaries continue to operate on a going concern basis and both the Council and Group Accounts for 2020/21 been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to April 2025, management of the Council and its subsidiaries have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

The Council's balances of useable reserves (in £millions) are as follows:

Balance Sheet Date 31st March	General Fund	Earmarked Reserves	Total General Fund Reserves	Housing Revenue Account	HRA Earmarked Reserves	Total Housing Revenue Account Reserves
2020	3.49	10.85	14.34	9.56	0.16	9.72
2021	4.50	23.69	28.19	8.53	0.13	8.66
2022	4.91	19.02	23.93	9.43	0.05	9.48
2023	5.44	13.01	18.55	11.36	0.05	11.41
2024 forecast	5.43	10.17	15.60	5.24	1.49	6.73
2025 forecast	5.43	7.31	12.74	2.36	0.05	2.41
2026 forecast	5.43	7.31	12.74	2.23	0.05	2.28

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances for the Council and its subsidiaries throughout the going concern period, and no expectation of external borrowing other than to support the capital programme which is consistent to our plans and normal practice.

The medium-term financial strategy approved in December 2023 for 2024/25 and future years has informed the forecasted balances above alongside current budget monitoring for 2023/24 and the budget now set for 2024/25.

The key assumptions within this forecast include the delivery of £1.7m savings/ income generation in 2024/25 as approved in February 2024. We have £1.4m in the Invest to Save earmarked reserves to support with funding to achieve these savings, as required.

We have considered a downside scenario's where the savings are not achieved, or income fails to be achieved, or expenditure is higher than budgeted for. In this instance the Council would look to review current committed earmarked reserves for reallocation as well as consider mitigating actions therefore it is considered that the above projections would not be significantly affected with both minimum levels of reserves and liquidity remaining through the same period.

In relation to our capital programmed we factored in a £2.5m capital contingency budget in 2022/23 to mitigate inflationary increases on capital projects to be allocated as required. This is to be funded from capital receipts. As at 2023/24 £1.9m of this capital contingency budget remains to be utilised.

Overall, the general reserves are projected to remain above the minimum level of £3.5 million required in the short-term. Further work will be conducted during the Winter/Autumn of 2024 on the current budget position and future funding gaps.

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

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.

ii. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when 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.

- Where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. 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 highly liquid investments that mature in (specified period, no more than 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.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

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

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

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

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

v. Charges to Revenue for Non-current Assets

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

- depreciation attributable to the assets used by the relevant services;

- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;

- amortisation of intangible fixed assets attributable to the service.

The authority is not required to raise the council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue to contribute towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by Minimum Revenue Provision (MRP) in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement of reserves statement for the difference between the two.

vi. Council Tax and Non-domestic Rates (England)

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 (i.e. the collection fund) for the collection and 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.

<u>Accounting for council tax and NDR</u>

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (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 movement in reserves statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments and appeals.

Where debtor balances for the above 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 the financing and investment income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end, and which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the movement in reserves statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the general fund balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

The Local Government Pension Scheme

The Local Government Scheme is administered by Norfolk County Council and is accounted for as a defined benefits scheme:

- The Liabilities of the Norfolk County Council pension fund attributable to the authority are included in the balance sheet on an actuarial basis using the projected unit method. This means 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 and projections of future earnings for current employees.

- Liabilities are discounted to their value at current prices using a discount rate of 2.00%. This rate was derived from a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index. The discount rate should reflect the 'term' of the benefit obligation. We have interpreted 'term' to be the weighted average duration of the benefit obligation. The shorter the duration, the more 'mature' the employer.

- The assets of the Norfolk County Council Pension Fund attributable to the authority are included in the balance sheet at their fair value:
- quoted securities – current bid price
- unquoted securities - professional estimate
- unitised securities – current bid price
- property - market value.

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

1. Service cost comprising:

i) Current Service Cost - the increase in liabilities as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement (CIES) to the revenue accounts of services for which the employees worked;

ii) Past Service Costs - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the surplus or deficit on the provision of services in the CIES as part of corporate services costs.

iii) Net interest on the net defined benefit liability (asset) i.e. net interest expense for the authority - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line in the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

2. Re-measurement comprising:

i) The return on plan assets - excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the pension reserve as other comprehensive income and expenditure.

ii) Actuarial gains and losses - changes in the net pension's 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 pension reserve as other comprehensive income and expenditure.

3. Contributions paid to the Norfolk County Council Pension Fund – cash paid by the authority 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 authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The authority 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.

viii. Events after the Reporting Period

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

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events

- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts 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 events and their estimated financial effect.

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

ix. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the balance sheet is 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.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the general fund balance to be spread over future years. The authority 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 balance is managed by a transfer to or from the financial instruments adjustment account in the movement in reserves statement.

Financial Assets

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

i) Amortised Cost

ii) Fair Value through profit or loss (FVPL)

iii) Fair value through other comprehensive income (FVOCI) - Although GYBC do not currently hold any such assets

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at Amortised Cost

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

However, the authority has made several interest-free home improvement loans to owner occupiers in the private sector (soft loans). When soft loans are made, the loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the financing and investment income line in the CIES at a marginally higher effective rate of interest than the interest free rate receivable from the owner occupiers, with the difference serving to increase the amortised cost of the loan in the balance sheet. Statutory provisions require that the impact of soft loans on the general fund balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the general fund balance is managed by a transfer to or from the financial instruments adjustment account in the movement in reserves statement.

Any gains and losses that arise on the de-recognition of the asset are credited/debited to the financing and investment income and expenditure line in the CIES. No gain or loss for de-recognition of assets has taken place.

Expected Credit Loss Model

The Authority recognises expected credit losses on all 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 receivable (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 based on 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

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

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The Fair value measurements of the financial assets are based on the following techniques:
- Instruments with quoted market prices – the market price;
- Other instruments with fixed and determinable payments – discounted cash flow analysis;

The inputs to the measurement techniques are categorised in accordance with the following three levels:
- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs - unobservable inputs for the asset.

Any gains or losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

x. Foreign Currency Translation

Where the authority has entered into a transaction denominated in a foreign currency the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year end they are reconverted at the spot exchange rate at 31st March. Resulting gains or losses are recognised in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

xi. Government Grants and Contributions

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

- The authority will comply with the conditions attached to the payments;
- The grants or contributions will be received.

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

Monies advanced as grants and contributions for which conditions have not yet been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or taxation and non-specific grant income (non-ring- fenced revenue grants and all capital grants) in the CIES.

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. Amounts in the capital grant unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

xii. Business Improvement Districts

Business Improvement Districts (BIDs) scheme apply across the whole of the authority. The scheme is funded by a BID levy paid by non-domestic ratepayers. The authority acts as principal under the schemes and accounts for income received and expenditure incurred (including contributions to the BIDs project) within the relevant services within the Comprehensive Income and Expenditure Statement.

xiii. Heritage Assets

Museum Collections

The museums are run by the Norfolk Museums & Archaeology Services 'NMAS' which is regarded as one of the leaders in the museum sector. Through a joint committee established under delegated powers by the county and district councils in Norfolk, the Service runs the museums throughout the county to preserve and interpret material evidence of the past with the aim of 'bringing history to life'.

The majority of collections and related buildings are owned by the relevant district council.

The only collection owned by this authority is at the Tollhouse Museum in Great Yarmouth. Insurance and curatorial valuations provided by county have identified that although the collection is significant, the valuation is not material to this authority and has, therefore, not been reported on balance sheet.

Heritage Assets - General

All assets in excess of £100k, maintained principally for their contribution to knowledge and culture will be recognised at valuation in the balance sheet. Valuations may be made by any method that is appropriate and relevant. This may include, for example, insurance valuations. Where it is not practicable to obtain a valuation the assets will be measured at historical cost. Where information on cost or value is not available, and the cost of obtaining the information outweighs the benefits to the users of the financial statements, the asset will not be recognised in the balance sheet but a disclosure will be made in the notes to the accounts. Acquisitions of heritage assets will initially be recognised at cost.

A full revaluation every five years is not required. However, the carrying amount of all heritage assets will be reviewed annually to ensure they remain current. An impairment review will only be undertaken where it is evident that the asset has suffered physical deterioration.

Where the asset has an indefinite life it will not be subject to a depreciation charge.

xiv. Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase. (research expenditure cannot be capitalised)

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the authority can be determined by reference to an active market. In practice, no intangible asset held by the authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement (CIES). An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service lines in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other operating expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sale proceeds greater than
£10,000) the capital receipts reserve.

xv. Interests in Companies and Other Entities

Whereby the Council had material interests in companies and other entities that had the nature of subsidiaries, associates and jointly controlled entities it would be required to prepare group accounts. In the Council's own single entity, the interests in such companies and other entities would be recorded as financial assets at cost less any provision for losses.

xvi. Inventories

Inventories are included in the balance sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year-end and recorded in the balance sheet at cost, which includes an element of the Council's cost of supervision and management.

xvii. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposals.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sales proceeds greater than £10,000) the capital receipts reserve.

xviii. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Authority as Lessee

<u>Finance Leases</u>

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 Authority 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 financing and investment Income and expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, 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 authority at the end of the lease period).

The authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement in reserves statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant and 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 (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the authority 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 or equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement (CIES) as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), 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 - applied to write down the lease debtor (together with any premiums received)

- finance income (credited to Financing and Investment Income and Expenditure line in the CIES).

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 authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. 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). 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.

xix. Overheads and Support Services

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

xx. Property, Plant and Equipment

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

Recognition

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

The de-minimis level for recognising expenditure as capital is £10,000. Assets costing less than this are treated as revenue rather than capital expenditure.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price

- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

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

- infrastructure assets, community assets and assets under construction - depreciated historical cost.

- dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH), based on vacant possession adjusted to reflect occupation by a secure tenant. This adjustment which is determined by the Ministry of Housing, Communities and Local Government at 38%.

- all other assets - current 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 current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the balance sheet at fair value are revalued regularly which is sufficient to ensure that their carrying amount is not materially different from their fair value at the year-end. The authority re-values each of its properties once every five years although all properties are reviewed for material changes to their valuation in the interim period. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement (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 a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the CIES.

The revaluation reserve contains the revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Impairment

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

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement (CIES).

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

Depreciation

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer;
- Vehicles, plant and equipment - straight line basis between 5 and 50 years, unless advised
- otherwise by a specialist;
- Infrastructure - straight line allocation between 5 and 50 years;
- Community assets - straight line allocation between 5 and 50 years.

Where an item of property, plant and equipment asset has major components, whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. 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 (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. 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 or equipment or assets held for sale) is written off to the other operating income and expenditure line in the CIES. Receipts from disposals are then credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings and 50% for land and other assets net of statutory deductions and allowances) is payable to the government. The balance of receipts is required to be credited to the usable 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), or to offset the costs of disposing of housing land. 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.

xxi. Fair Value Measurement

The Council measures some of its non-financial assets, liabilities and some of its financial instruments such as equity shareholdings at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses the valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy as follows:

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

xxii. Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year in which the authority becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

Contingent Liabilities

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

Contingent Assets

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

xxiii. Reserves

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the general fund balance in the movement in reserves statement. When expenditure to be financed is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the general fund balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirements and employee benefits and do not represent usable resources for the authority - these reserves are explained in the relevant policies.

xxiv. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer to the capital adjustment account then reverses out the amounts charged in the statement of movement on the general fund balance so there is no impact on the level of council tax.

xxv. Value Added Tax (VAT)

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

The Authority is able to reclaim VAT on the majority of its activities. Where VAT has been reclaimed the expenditure is shown net in the accounts. VAT on income is payable to H M Revenue & Customs and income is shown net within the accounts.

Note 3 - Accounting standards that have been issued but have not yet been adopted

The Code of Practice of Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. this applies to the adoption of the following new or amended standards within the 2020/21 Code:

- Definition of a Business: Amendments to IFRS 3 Business Combinations - Currently the Council has no Business Combinations or purchases such this standard does not impact on the Accounts.

- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7 - At current this is not applicable to us as a Council.

- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - At current this is not applicable to us as a Council.

Note 4 - Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 2, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government, however, The Council has determined that this uncertainty is not yet sufficient to provide an indication that the Council's assets might be impaired as a result of a need to close facilities and reduce levels of service provision.

- Property, Plant and Equipment other land and building and council dwellings are carried in the balance sheet at £287m (£270m 2019/20) and the valuations are based on a variety of judgments made by the Council's valuer. In determining the useful economic life of property, plant and equipment, judgement needs to be exercised in estimating the length of time that assets will be operational. Judgements are also required regarding the classification of specialist/non-specialist assets and in determining residual values.

- Investment Properties carried in the balance sheet at a fair value of £51m (£52m 2019/20) are determined by the Council’s valuer with gains or losses arising from the valuation recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure. The fair value measure is becoming more subjective with market transactions becoming less frequent and hence market prices being less readily available.

- Assets Held for Sale carried in the balance sheet at a fair value of £2m (£2m 2019/20). These assets are determined to be held for sale despite being held for longer than a year as the Council's strategic objective in their development of these assets was to sell them and this has not altered. The assets held are advertised for sale & are unoccupied which would mean that if a buyer was identified they could be sold immediately.

- The assessment of group boundaries required of the Council as an investor in certain limited companies (the investees) with which it traded to establish whether it had control of the arrangements or exerted significant influence over these investees. The Council was satisfied from the outcome of the assessment that (a) the investees traded as limited companies in their own right under the immediate parent undertaking of Norse Commercial Services Limited with the ultimate parent undertaking being Norse Group Limited, wholly owned and controlled by Norfolk County Council and (b) it did not have the power to participate in the financial and operating policy decisions of these companies either directly or indirectly. Whilst the Council concluded that it had investees deemed associates, the magnitude of the financial transactions when assessed individually were immaterial for group accounting purposes. Nevertheless the Council has disclosed its interest in each of the investees at Note 35 to the accounts for the furtherance of transparency.

Note 5 - Assumptions made about the future and other major sources of estimation uncertainty

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

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

Property, Plant and Equipment and Investment Property

Property, Plant and Equipment of £311m (£293m 2019/20) are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council did not sustain its current spending on repairs and maintenance the useful lives currently assigned to assets may be reduced.

If the useful life of an asset is reduced, depreciation increases and the carrying value of the asset falls. It is estimated that if the useful lives of the assets were reduced by 5%, the annual value depreciation charge would increase by approximately £105k. If the useful lives of the assets were reduced by 10%, the annual charge would increase by approximately £201k.

Other land and building assets, Council Dwellings and Investment Property are valued at £338m (£322m in 2019/20) are carried at estimated values, with estimated useful lives which are produced by the Council's professional valuers in accordance with established practices as detailed in the Accounting Policies (Note 2). Current value may be either the Existing Use Value, Depreciated replacement Cost or Fair Value depending on the type of property and its and classification. A 1 % change in the estimation of the valuation of these assets would result in a £3.4m change in the valuation.

The value of land and building assets, council dwellings, investment property and assets held for sale are assessed by the Council’s valuers on a five-year rolling cycle, with annual reviews to check that values are not materially misstated.

The Council’s valuers have regularly considered the valuation of the Councils assets and at no stage has any evidence of any material change in the valuations undertaken during the five-year valuation cycle been identified, even when considering the potential impact of Covid-19. This is supported by external indices, such as the Office for National Statistics house price induces and BCIS indices which underpin the valuations of the Council’s land & building and council dwelling assets (as at 31st March 2021 valued at £33.2m and £254.2m respectively). The investment property and assets held for sale are at market value of £50.8m and £1.8m as at the 31st March 2021, and whilst there have been fluctuations in the market due to COVID-19 these have mainly in the retail and hospitality sectors which the Council has very limited exposure to.

RICS issued a statement following their initial statement concerning Covid-19 risks on valuations to state that “some property markets have started to function again, with transaction volumes and other evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value”, providing additional support that Covid-19 impact on valuation was not as significant as first anticipated. As a result of all these factors, the Council considers its 31st March 2021 property valuations remain materially accurate.

Pensions Liability

Estimation of the net liability of £72m (£61m 2019/20) to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.

The effect of the net pension liability of changes in principal assumptions can be measured as per the table below provided by the actuaries:

Change in assumptions at 31 March 2021:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	9%	16,154
0.5% increase in the Salary Increase Rate	1%	1,722
0.5% increase in the Pension Increase Rate (CPI)	8%	14,080

Non Domestic Rate Appeals

The sensitivities surrounding the forecasted amount of money that the Council would most likely be expected to repay non domestic rate payers following successful appeals are dependent upon a number of independent variables coming together in any given scenario; if under estimated there will be higher write off cost to the fund than previously provided and vice versa. The estimated provision for the fund was £3.5m for 2020/21 of which £1.4m related to the Council's share (£3.1m for 2019/20 of which £1.3m related to the Council).

Note 6 - Material items of income and expense

The Housing Revenue Account (HRA) expenditure has been decreased in 2020/21 due to a net revaluation gain on council dwellings of £2.7m recognised in the Comprehensive Income and Expenditure account.

The Housing Revenue Account (HRA) expenditure was increased in 2019/20 due to a net revaluation loss on council dwellings of £2.4m recognised in the Comprehensive Income and Expenditure account.

For full details reference should be made to the HRA Impairment & Revaluation Gains Note 10.

The Executive service income and expenditure for 2020/21 includes the transactions relating to the discretionary business grants administered by the Council. Further details are provided under Note 39.

The comprehensive income and expenditure statement for 2019/20, under Note 10 - Other Operating Expenditure, included the writing off of the value of the Marina Centre building under the (Gains)/Losses on the disposal of non-current assets heading. The Marina Centre building was demolished in early 2020 and was held within Property , Plant & Equipment Other Land & Buildings at a net book value of £14.8m. This did not impact on the General Fund balance as it was reversed out via the movement of the reserves statement to the capital adjustment account (Note 8 and Note 24) in 2019/20.

Note 7 - Events after the reporting period

The statement of accounts were authorised for issue by the Finance Director (S.151 Officer) on 12th April 2024. 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.

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations

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

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which, all liabilities of the authority are met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available to be applied towards funding Housing Revenue Account services.

Housing Revenue Account (HRA) Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

The Authority is required to maintain the Major Repairs Reserve. The MRR is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the MRR that has yet to be applied at the year-end.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

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

2020/21	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
- Reversal of items debited/ credited to the Comprehensive Income and Expenditure Statement (CIES):						
Charges for depreciation and impairment of non-current assets	(1,757)	(3,678)				5,436
Revaluation losses or gains reversing prior year losses on Property, Plant, and Equipment charged to the CIES	(93)	2,742				(2,649)
Movements in the market value of Investment Properties	(1,267)	0				1,267
Amortisation of Intangible Assets	(72)	0				72
Capital Grants & Contributions Applied	3,246	28				(3,274)
Revenue Expenditure Funded from Capital under Statute	(671)					671
Amounts of non-current assets written off on disposal or sale as part of the disposal gain/loss to the CIES	(708)	(436)				1,144
- Insertion of items not debited/ credited to the CIES:						
Statutory provision for the financing of capital investment (Minimum Revenue Provision)	1,413					(1,413)
Capital expenditure charged against the General Fund and HRA balances	263	4,013				(4,276)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital Grants and Contributions Unapplied credited to the CIES	202	0			(202)	
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0			0	0
Adjustments primarily involving this Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	773	696	(1,469)			
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposal	0	(12)	12			
Use of the Capital Receipts Reserve to finance new capital expenditure			1,768			(1,768)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(301)		301			
Transfer from Deferred Capital Receipts Reserve upon receipt of cash			(213)			213
Adjustment primarily involving the Major Repairs Reserve:						
Posting of HRA resources from revenue to the Major Repairs Reserve		3,678		(3,678)		
Use of the Major Repairs Reserve to finance capital expenditure				3,678		(3,678)
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the CIES Statement are different from finance costs chargeable in the year in accordance with statutory requirements	3					(3)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited/ credited to the CIES(see Note 37)	(4,247)	(604)				4,851
Employer's pensions contributions and direct payments to pensioners payable in the year	3,211	684				(3,895)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(10,392)					10,392
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remunerationcharged to the CIES on accruals basis is different from remuneration chargeable for the year in accordance with statutory requirements	(118)	(7)				125
Total Adjustments	**(10,517)**	**7,104**	**399**	**0**	**(202)**	**3,216**

2019/20	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
- Reversal of items debited/ credited to the Comprehensive Income and Expenditure Statement (CIES):						
Charges for depreciation and impairment of non-current assets	(1,839)	(3,615)				5,454
Revaluation losses or gains reversing prior year losses on Property, Plant, and Equipment charged to the CIES	286	(2,349)				2,063
Movements in the market value of Investment Properties	2,030	0				(2,030)
Amortisation of Intangible Assets	(83)	0				83
Capital Grants & Contributions Applied	1,259	12				(1,271)
Revenue Expenditure Funded from Capital under Statute	(1,121)					1,121
Amounts of non-current assets written off on disposal or sale as part of the disposal gain/loss to the CIES	(14,972)	(1,244)				16,216
- Insertion of items not debited/ credited to the CIES:						
Statutory provision for the financing of capital investment (Minimum Revenue Provision)	1,234					(1,234)
Capital expenditure charged against the General Fund and HRA balances	261	5,520				(5,781)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital Grants and Contributions Unapplied credited to the CIES	0	0			0	
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0			0	0
Adjustments primarily involving this Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	134	1,641	(1,775)			
Use of the Capital Receipts Reserve to finance new capital expenditure			1,293			(1,293)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposal	0	(35)	35			
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(365)		365			
Transfer from Deferred Capital Receipts Reserve upon receipt of cash			(100)			100
Adjustment primarily involving the Major Repairs Reserve:						
Posting of HRA resources from revenue to the Major Repairs Reserve		3,615		(3,615)		
Use of the Major Repairs Reserve to finance capital expenditure				3,615		(3,615)
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the CIES Statement are different from finance costs chargeable in the year in accordance with statutory requirements	3					(3)
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited/ credited to the CIES(see Note 37)	(4,888)	(678)				5,566
Employer's pensions contributions and direct payments to pensioners payable in the year	2,833	627				(3,460)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(259)					259
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which officer remunerationcharged to the CIES on accruals basis is different from remuneration chargeable for the year in accordance with statutory requirements	(15)	(8)				23
Total Adjustments	**(15,502)**	**3,486**	**(182)**	**0**	**0**	**12,198**

Note 9 - Transfer to/from Earmarked Reserves

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

Reserve	Balance at 31 March 2019 £'000	Transfer out 2019/20 £'000	Transfer in 2019/20 £'000	Balance at 31 March 2020 £'000	Transfer out 2020/21 £'000	Transfer in 2020/21 £'000	Balance at 31 March 2021 £'000
Planning Delivery Grant	62	0	0	62	0	0	62
Insurance Fund	216	0	96	312	0	13	325
DFG top-up capital loans & grant fund	351	0	0	351	0	50	401
Restricted Use Grant	940	(135)	130	935	(129)	1	807
Invest to Save	1,589	(186)	150	1,553	0	0	1,553
Specific Budget	103	0	90	193	(53)	0	140
LEGI	524	(400)	0	124	(50)	0	74
Repairs and Maintenance	353	(50)	0	303	0	0	303
Second Homes Council Tax	156	(156)	0	0	0	0	0
Waste Management	25	0	0	25	0	0	25
Collection Fund (Business Rates)	1,441	0	443	1,884	0	93	1,977
Community Housing Fund	574	(30)	0	544	(28)	0	516
Enforcement	46	(4)	0	42	0	0	42
Special Projects Reserve	743	(242)	52	553	(98)	233	688
Benefits/ Revenues Reserve	145	0	0	145	0	419	564
Homelessness	426	(146)	0	280	0	150	430
Treasury Management	200	0	0	200	0	0	200
Asset Management	1,900	(102)	0	1,798	0	0	1,798
Coast Protection	0	(35)	150	115	(41)	0	74
Empty Business Property Incentive Fund	0	0	100	100	0	0	100
COVID funding	0	0	0	0	0	1,030	1,030
Collection Fund Income Compensation	0	0	0	0	0	10,297	10,297
Other Reserves	763	(503)	1,070	1,330	(305)	1,259	2,284
General Fund Total	**10,556**	**(1,989)**	**2,281**	**10,848**	**(704)**	**13,545**	**23,689**
Middlegate Sustainability Project	185	(24)	0	161	(32)	0	129
Housing Revenue Account Total	**185**	**(24)**	**0**	**161**	**(32)**	**0**	**129**

Reserve	Purpose of Reserve
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.
Insurance Fund	The Council budgets for a level of excess being charged to the service accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.
DFG top-up capital loans & grant fund	This reserve holds funds to provide discretionary disabled facilities (DFG) grants top up grants and provide discretionary DFG top up loans to support the equity loan offer to residents in line with the Council's Private Sector Housing Adaptation and Improvement Policy
Restricted use grant	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.

Reserve	Purpose of Reserve
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including one-off costs associated with restructures.
Specific budget	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.
LEGI	As costs are incurred, these are offset by the Reserve.
Repairs and Maintenance	This reserve is utilised as expenditure is incurred for unanticipated repairs and maintenance for which there is no service budget.
Second Homes Council Tax	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.
Waste Management	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.
Commuity Housing Fund	This fund represents grants previously received to assist with the delivery of Community Housing.
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.
Special Projects Reserve	Earmarked for projects for use as matched funding, as appropriate, to access external funding.
Benefits/ Revenues Reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.
Homelessness	To be utilised for service expenditure for the reduction in homelessness
Treasury Management	Earmarked to mitigate fluctuations in investment income between financial years.
Asset Management	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use.
Collection fund income compensation	£10.3m Section 31 grants received by the Council to compensate for the loss of business rates income as a result of the extended retail relief given to retail hospitality and leisure businesses and nursery providers to support them through the pandemic. The legislation that governs collection fund accounting means the related deficit as a result of the loss of business rates income in-year will not be charged to the council's general fund until 2021-22. As a result the grant has been transferred to the collection fund and will be drawn down to offset the deficit in 2021/22; these resources are not available funds.
Covid funding	These Reserves are utilised as expenditure is incurred.
Other Reserves	These Reserves are utilised as expenditure is incurred and includes funding that is carried forward at the year end for current commitments. This includes budget carry forwards.
Housing Revenue Account Reserve - Middlegate Sustainability Project	Earmarking the Ministry of Housing, Communities and Local Government Section 31 grant for estate regeneration for planned feasibility studies to inform the potential Middlegate Estate Regeneration programme.

Note 10 - Other Operating Expenditure

	2019/20 £'000	2020/21 £'000
Parish Council Precepts	430	479
Payments to the Government Housing Capital Receipts Pool	365	301
(Gains)/Losses on the disposal of non-current assets	14,499	(268)
Total	**15,294**	**513**

Note 11 - Financing and Investment Income and Expenditure

	2019/20 £'000	2020/21 £'000
Interest payable and similar charges	3,495	3,309
Net interest on the net defined benefit liability (asset)	1,732	1,396
Interest receivable and similar income	(574)	(327)
Impairment losses	0	0
Investment Property changes in their fair value	(2,030)	1,267
(Gains)/Losses on the disposal of Investment Property	(23)	(45)
Investment Property Income & Expenditure	(2,577)	(2,537)
Total	**22**	**3,063**

Note 12 - Taxation and Non-specific Grant Incomes

	2019/20 £'000	2020/21 £'000
Council tax income	(5,037)	(5,290)
Non domestic rates income and expenditure	(4,196)	12,916
Non-ringfenced Government grants	(2,514)	(20,506)
Capital grants and contributions	(1,271)	(3,476)
Total	**(13,019)**	**(16,356)**

Note 13 - Expenditure and Income analysed by nature

The authority's expenditure and income is analysed as follows:	2019/20 £'000	2020/21 £'000
Income		
Fees, charges and other service income	(38,040)	(36,941)
Interest and investment income	(574)	(327)
Income from council tax, non-domestic rates, district rate income	(9,233)	7,627
Government grants and contributions	(29,841)	(58,193)
Gain on fair value change in Investment Property	(2,030)	0
Support service recharges	(24)	(33)
Gain on disposal of non-current assets	0	(312)
	(79,742)	(88,179)
Expenditure		
Employee benefits expenses	16,853	16,637
Other service expenses	48,698	53,259
Support service recharges	0	0
Depreciation, amortisation and impairment	8,739	3,546
Interest payments	3,495	3,310
Parish precepts and levies	430	479
Payments to Housing Capital Receipts Pool	365	301
Loss on fair value change in Investment Property	0	1,267
Loss on disposal of non-current assets	14,476	0
	93,056	78,799
Surplus or deficit on the Provision of services	**13,314**	**(9,380)**

Note 14 - Plant, Property and Equipment (PPE)

Movements in 2020/21	**Council Dwellings**	**Other Land & Buildings**	**Vehicles, Plant & Equipment**	**Infrastructure Assets**	**Community Assets**	**Surplus Assets**	**PP&E Under Construction**	**Total PP&E**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance as at 1 April 2020	234,872	36,066	7,798	27,196	7,331	0	10,540	**323,803**
Additions	11,544	0	510	172	0	0	5,815	**18,041**
Revaluation Increases to Revaluation Reserve	6,691	201	0	0	0	0	0	**6,892**
Revaluation (decreases) to Revaluation Reserve	(3,020)	(948)	0	0	0	0	0	**(3,968)**
Revaluation Increases to Surplus/Deficit on the Provision of Services	11,500	31	0	0	0	0	0	**11,531**
Revaluation (decreases) to Surplus/Deficit on the Provision of Services	(9,342)	(237)	0	0	0	0	0	**(9,579)**
Derecognition-Disposals	(443)	(280)	0	0	0	0	0	**(723)**
Derecognitions-Other	0	0	0	(734)	0	0	0	**(734)**
Reclassified (to)/from Investment Property	0	415	0	0	0	0	0	**415**
Other Reclassifications	2,367	0	510	13	31	0	(4,684)	**(1,763)**
At 31 March 2021	**254,169**	**35,248**	**8,818**	**26,647**	**7,362**	**0**	**11,671**	**343,915**
Depreciation and Impairment								
Balance as at 1 April 2020	(0)	(1,368)	(5,628)	(12,313)	(542)	0	0	**(19,851)**
Depreciation Charge	(3,523)	(562)	(530)	(786)	(34)	0	0	**(5,435)**
Depreciation written out on revaluation	2,932	40	0	0	0	0	0	**2,973**
Depreciation written out to Surplus/Deficit on the Provision of Services	584	0	0	0	0	0	0	**584**
Impairment losses written out on Revaluation/reversals to Revaluation Reserve	0	(290)	0	0	0	0	0	**(290)**
Impairment losses/reversals to Surplus/Deficit on the Provision of Services	0	112	0	0	0	0	0	**112**
Derecognition-Disposals	7	0	0	0	0	0	0	**7**
Derecognitions-Other	0	0	0	493	0	0	0	**493**
Eliminated on Investment Property	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	**0**
At 31 March 2021	**0**	**(2,068)**	**(6,158)**	**(12,605)**	**(576)**	**0**	**0**	**(21,407)**
Net Book Value:								
At 31 March 2021	**254,169**	**33,180**	**2,660**	**14,042**	**6,786**	**0**	**11,671**	**322,508**
At 31 March 2020	234,872	34,699	2,170	14,883	6,789	0	10,540	303,952

Note 14 - Plant, Property and Equipment (PPE)

Note 14 - Plant, Property and Equipment (PPE)								
Movements in 2019/20	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	PP&E Under Construction	**Total PP&E**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 1 April 2019	230,883	52,874	7,893	27,321	7,311	0	5,012	**331,294**
Additions	11,775	205	120	(37)	0	0	4,892	**16,955**
Revaluation Increases to Revaluation Reserve	1,515	16	0	0	0	0	0	**1,531**
Revaluation (decreases) to Revaluation Reserve	(2,470)	(208)	0	0	0	0	0	**(2,678)**
Revaluation Increases to Surplus/Deficit on the Provision of Services	3,860	291	0	0	0	0	0	**4,151**
Revaluation (decreases) to Surplus/Deficit on the Provision of Services	(9,655)	(5)	0	0	0	0	0	**(9,660)**
Derecognition-Disposals	(1,264)	0	0	0	0	0	0	**(1,264)**
Derecognitions-Other	0	(15,799)	(235)	(88)	0	0	0	**(16,122)**
Reclassified (to)/from Investment Property	0	0	0	0	0	0	0	**0**
Other Reclassifications	228	(1,308)	21	0	20	0	636	**(403)**
At 31 March 2020	**234,872**	**36,066**	**7,799**	**27,196**	**7,331**	**0**	**10,540**	**323,804**
Depreciation and Impairment								
Balance as at 1 April 2019	0	(1,656)	(5,379)	(11,612)	(509)	0	0	**(19,156)**
Depreciation Charge	(3,463)	(777)	(392)	(789)	(33)	0	0	**(5,454)**
Depreciation written out on revaluation	0	36	0	0	0	0	0	**36**
Depreciation written out to Surplus/Deficit on the Provision of Services	3,445	0	0	0	0	0	0	**3,445**
Impairment losses written out on Revaluation/reversals to Revaluation Reserve	0	67	0	0	0	0	0	**67**
Provision of Services	0	0	0	0	0	0	0	**0**
Derecognition-Disposals	18	0	0	0	0	0	0	**18**
Derecognitions-Other	0	962	143	88	0	0	0	**1,193**
Eliminated on Investment Property	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	**0**
At 31 March 2020	**(0)**	**(1,368)**	**(5,628)**	**(12,313)**	**(542)**	**0**	**0**	**(19,851)**
Net Book Value:								
At 31 March 2020	**234,872**	**34,699**	**2,170**	**14,883**	**6,789**	**0**	**10,540**	**303,953**
At 31 March 2019	230,883	51,218	2,514	15,709	6,802	0	5,012	312,138

NOTES TO THE BALANCE SHEET

Note 14 - Plant, Property and Equipment (cont)

Depreciation

Depreciation is calculated by writing off the value of the asset over its assessed useful life in line with the accounting policy as shown in the table below:

Council dwellings	50 years
Other Land & Buildings	10 - 55 years
Vehicles, Plant, Furniture & Equipment	5 - 50 years
Infrastructure Assets	5 - 50 years
Community Assets	5 - 50 years

Capital Commitments

As at 31 March 2021, the Council held two significant commitments under capital contracts. The first was a £22m contract for the main build works for the Health and Leisure Centre project of which £19m was still due at the year end. The second relates to the main works for the market place redevelopment project which was a contract of £4m with £3.8m outstanding at the 31st March 2021. There were no capital commitments at the end of 2019/20.

Effects of Changes in Estimates

In 2020/21 there were no key change to the Council's accounting estimates for Property, Plant and Equipment, with the regional adjustment factor for the calculation of the existing use value for social housing remaining at 38%.

Revaluations

The Council carries 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. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

For the valuation of vehicles, plant, furniture and equipment the Chartered Institute of Public Finance and Accountancy recommends that where there is an active second hand market valuations should be based on current prices or the latest price list with prices adjusted for the condition of the asset. At this Council these assets are not revalued and are held at depreciated historical cost. This treatment is considered justifiable on the grounds that these assets have short useful lives and/or low values. In recent years valuations have been carried out internally by the Council's Property Asset Manager, Stuart Dawson MRICS.

The authority's Council's dwellings (HRA tenants) are valued annually on the basis of Existing Use Value for Social Housing (EUV-SH). The Existing Use Value (essentially the sale value of a property assuming vacant possession) is adjusted by a factor to obtain EUV-SH which reflects the value of a property if it were sold with sitting tenants enjoying rent at less than in an open market and tenants' rights rent at less than in an open market and tenants' rights including Right to Buy. The adjustment factor is determined at regional level by the various Government offices. Beacon properties valuations are then adjusted and applied across the of the housing stock according to archetype groups. The regional adjustment factor for the East of England was 38% in 2020/21 (38% in 2019/20).

Properties regarded by the Authority as Operational Land & Buildings were valued on the basis of Fair Value based on existing use (EUV) or, where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost.

The following statement shows the progress of the Council's rolling programme for the revaluation of property, plant and equipment:

	Council Dwellings	Other Land and Buildings	Total
	£'000	**£'000**	**£'000**
Carried at Historical Cost	0	50	**50**
2016/17	0	5,415	**5,415**
2017/18	0	5,843	**5,843**
2018/19	0	11,081	**11,081**
2019/20	0	958	**958**
2020/21	254,171	9,835	**264,003**
Total Valuation	**254,171**	**33,182**	**287,350**

Other assets included within Note 14 are carried at historic cost and are therefore not revalued.

Impairment Losses
The Authority is required to disclose by class of asset the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Note 14 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances.

During 2020/21, the Authority had no impairment losses (none in 2019/20) in relation to Plant, property and Equipment.

Heritage Assets
The definition of 'Heritage Assets' is that they have , historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council undertook a review of assets that could be considered to be within this category, however, those meeting the definition were identified as being below the de Minimis level and as a result were not separately identified and accounted for within the financial statements. The originally identified assets and any subsequent additions are kept under review annually. Should any be valued above the de Minimis level, they would be included within future financial statements but as at 2020/21 no disclosure is required.

The Council has given consideration to heritage assets held in its museum collection at The Tollhouse, the Major's civic regalia which includes ceremonial maces, changes of office and other civic items and its community assets e.g. statues.

St. George's Theatre is classified as a heritage asset. The church, now theatre, was built in 1714, and has Grade 1 listed status. It was deconsecrated in 1959 and was restored in 1975 and opened as a theatre in 1979. The building is on a 25 year lease to St George's Trust on a peppercorn rent for them to operate as a theatre. The Council remain responsible for maintaining the premises in its original condition and all repairs and maintenance are subject to listed building consent which is overseen by Historic England. If a catastrophic event occurred, such as a fire, the Council would be required to reconstruct in its original form using the appropriate materials and techniques.

In light of all of these factors, in the Council's view, the cost of obtaining a valuation would outweigh the benefits to the reader of the Statement of Accounts, especially as establishing a reliable valuation when cost information is limited would be impossible.
The modern Pavilion building next to the theatre was built to house the required plant room & booking office for the main building as this could not be located in the theatre itself due to the extensive restrictions on alterations and limited space available. The Pavilion also houses a café the income is retained by the Trust but is nominal due to the location. The Pavilion is so intrinsically linked to the main building that it can not be valued as an asset in its own right and could not be sold separately, as it is intrinsically part of the main building, so there is no possible valuation for this building to enable it to be included in the balance sheet.

The venetian waterways and boating lake is classified as a heritage asset as it is held principally for its contribution to knowledge and culture that makes its preservation for future generations important. It is a seven acre park comprising of the Venetian Waterways, the Ornamental Gardens and Boating Lake, including a cafe, which is located at the northern end of the Great Yarmouth promenade. It is registered as grade II on the historic parks and gardens register.

The venetian waterways and boating lake was a result of a local relief committee, set up in 1919 by the Borough Council to relieve the distress caused by unemployment due to World War I. Priority for relief work on the site was given to the unemployed, who were married and had a least one child. By its completion in 1928 some 427 men had been employed and had produced a unique attraction benefiting local people and enhancing domestic tourism. The park enjoyed enormous success from it’s opening until the 1960s when a decline in tourism at British seaside resorts contributed to a lack of visitors in the latter half of the 20th century and beginning of the 21st century. Investment in, and maintenance of, the park, therefore declined leading to the eventual closure of the boating lake and the loss of historic features and planting in the venetian waterways.

In December 2016 the Council was awarded £1.8m grant funding from the National Heritage Lottery Fund to restore the site. The capital works on the site were completed from 2018 to 2021 at a total cost of £2.3m. The unique nature of many heritage assets makes reliable valuation complex. Therefore, where it is not practicable to obtain a valuation for an asset (at a cost which is commensurate with the benefits to users of financial statements) and cost information is available, the asset to be carried at historical cost. Therefore the waterways have been added to the balance sheet at the historic cost of the works undertaken to restore them.

Venetian waterways and boating lake - historic cost valuation:	**2019/20**	**2020/21**
	£'000	**£'000**
Balance at the start of the year	0	0
Recalssified from asset under construction	0	2,272
Balance at the end of the year	**0**	**2,272**

Note 15 - Investment Properties

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

2020/21	Rental Income	Direct operating expenses	Net
Seafront Concessions	(589)	119	(470)
Corporate Estates	(2,943)	850	(2,093)
Market	(283)	388	105
Factory Units	(138)	59	(79)
	(3,953)	**1,416**	**(2,537)**

2019/20	Rental Income	Direct operating expenses	Net
Seafront Concessions	(565)	88	(477)
Corporate Estates	(2,899)	822	(2,077)
Market	(280)	338	58
Factory Units	(145)	63	(82)
	(3,889)	**1,311**	**(2,578)**

The rental income included in the above table is charged at market rates.

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

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

	2019/20 £'000	2020/21 £'000
Balance at the start of the year	**45,433**	**50,712**
Additions:		
- Purchases	0	0
- Construction	0	0
- Subsequent Expenditure	(46)	3
Disposals	(41)	(187)
Net gains/(losses) from fair value adjustments	2,030	(1,267)
Transfers:		
- to/from Inventories	0	0
- (to)/from Property, Plant and Equipment	212	(333)
- (to)/from Assets Held for Sale	3,124	0
- to/(from) Investment Properties Assets Under Construction	0	1,205
Other Changes	0	0
Balance at the end of the year	**50,712**	**50,133**

Investment Properties Under Constructions

	2019/20 £'000	2020/21 £'000
Balance at the start of the year	**1,147**	**1,234**
Additions	87	625
Reclassified (to)/ from Investment Property	0	(1,205)
Other reclassifications to/(from)	0	(648)
Balance at the end of the year	**1,234**	**6**
Balance at the end of the year	**51,946**	**50,139**

Fair value Hierarchy for Investment Property

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

Current Year:	Quoted Prices in active markets for identical assets **Level 1** **£'000**	Other significant observable **Level 2** **£'000**	Significant unobservable inputs **Level 3** **£'000**	**Fair Value as at 31 March 2021 Total £'000**
Investment Property - Offices	0	5,720	0	5,720
Investment Property - Corporate Estates	0	39,459	279	39,738
Investment Property - Seafront Concessions	0	4,675	0	4,675
	0	49,854	279	50,133

The market including the car park was reclassified as other land and buildings under plant, property and equipment as at 31st March 2021.

2019/20 Comparative Figures:	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Fair Value as at 31 March 2020 Total £'000**
Investment Property - Offices	0	5,719	0	5,719
Investment Property - Corporate Estates	0	39,527	275	39,802
Investment Property - Seafront Concessions	0	4,628		4,628
Investment Property - Market	0	563	0	563
	0	50,437	275	50,712

There were no transfers between levels during the year. For further details on the measure of these valuations, please see Accounting Policies note 2 xx Fair Value Measurement.

Note 16 - Assets Held for Sale

	31 March 2020 £'000	**31 March 2021 £'000**
Balance outstanding at the start of the year	**5,034**	**1,850**
Assets newly qualified as held for sale:		
Property Plant & Equipment	0	0
Subsequent expenditure	(60)	0
Intangible Assets	0	0
Other assets/liabilities in disposal groups	0	0
Revaluation Losses	0	0
Revaluation Gains	0	0
Impairment Losses	0	0
Assets declassified as held for sale:	0	0
Property Plant & Equipment	0	0
Intangible Assets	0	0
Investment Properties	(3,124)	0
Other assets/liabilities in disposal groups	0	0
Assets Sold	0	0
Transfers from non current to current	0	0
Balance outstanding at year-end	**1,850**	**1,850**

Fair value Hierarchy for Assets Held for Sale assets

Details of the authority's assets held for sale assets fair value hierarchy as at 31 March 2021 and 2020 are as follows:

Current Year:	Quoted Prices in active markets for identical assets **Level 1** **£'000**	Other significant observable **Level 2** **£'000**	Significant unobservable inputs **Level 3** **£'000**	**Fair value as at 31 March 2021** **Total** **£'000**
Assets Held for Sale - Offices	0	0	0	0
Assets Held for Sale - Commercial	0	1,850	0	1,850
	0	1,850	0	1,850

2019/20 Comparative Figures:	**Restated**			**Fair value as at 31 March 2020**
	Level 1 **£'000**	**Level 2** **£'000**	**Level 3** **£'000**	**Total** **£'000**
Assets Held for Sale - Offices	0	-	0	-
Assets Held for Sale - Commercial	0	1,850	0	1,850
	0	1,850	0	1,850

There were no transfers between levels during the year.

Note 17 - Long Term Debtors

Amounts falling due in over one year:

	as at 31 March 2020	**Transfer to short-term**	**Loans Made**	**Fair Value Adjs**	**Loans Repaid**	**as at 31 March 2021**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Home Improvement Loans	2,486	0	0	0	(213)	2,273
Preservation Trust	397	(30)	340	0	(17)	690
Other	33	0	3	0	0	36
Total Long Term Debtors	**2,916**	**(30)**	**343**	**0**	**(230)**	**2,999**

	as at 31 March 2019	**Transfer to short-term**	**Loans Made**	**Fair Value Adjs**	**Loans Repaid**	**as at 31 March 2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Home Improvement Loans	2,532	0	53	0	(99)	2,486
Preservation Trust	402	0	0	0	(5)	397
Other	45	0	6	0	(18)	33
Total Long Term Debtors	**2,979**	**0**	**59**	**0**	**(122)**	**2,916**

Note 18 - Debtors

Amounts falling due in one year:	**31 March 2020**	**31 March 2021**
	£'000	**£'000**
Central Government Bodies	1,589	13,526
Other Local Authorities	3,030	7,370
Subsidiary	380	4
Associates	1,710	2,536
NHS Bodies	8	60
Other entities and individuals	7,077	5,156
	13,794	**28,652**

Note 19 - Cash and Cash Equivalents

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

	31 March 2020 £'000	31 March 2021 £'000
Cash held by the Authority	3	3
Bank current accounts	136	1,464
Government and Local Authorities	250	13,290
Building Societies	1,000	0
Money Market Funds	9,920	12,000
Total Cash and Cash Equivalents	**11,309**	**26,757**

Note 20 - Financial Instruments

	Long Term		Current	
	31 March 2020 £'000	31 March 2021 £'000	31 March 2020 £'000	31 March 2021 £'000
Financial Assets:				
At fair value through other cor At fair value through other comprehensive income:				
- Accrued interest	0	0	10	10
- Equity investments elected at FVOCI	889	882	0	0
At fair value through profit and loss				
- Principal	0	0	6,200	6,000
- Shares	2,233	2,233	0	0
Total Investments	**3,122**	**3,115**	**6,210**	**6,010**
At amortised cost:				
- Principal	0	0	1,389	14,757
At fair value through profit and loss				
- Money market funds	0	0	9,920	12,000
Total Cash and Cash Equivalents	**0**	**0**	**11,309**	**26,757**
At amortised cost:				
- Trade receivables	0	0	9,365	10,530
- Long Term Loans	2,881	2,963	0	0
Included in Debtors **	**2,881**	**2,963**	**9,365**	**10,530**
Total Financial Assets	**6,003**	**6,078**	**26,884**	**43,297**

** The Debtors line on the Balance Sheet includes £18,121k Short-Term (2019/20 £4,429k) debtors, and £36k Long-Term (2019/20 £35k) debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions.

Equity instruments elected to fair value through other comprehensive income
The Authority has elected to account for the following investments in equity instruments at fair value through other comprehensive income because long-term strategic holdings and changes in their value are not considered to be part of the Authority's annual financial performance.

	Fair Value		Dividends	
	31/03/2020	31/03/2021	31/03/2020	31/03/2021
CCLA Local Authorities Property Fund	889	882	10	39
	889	**882**	**10**	**39**

Financial Liabilities:	Long Term		Current	
	31 March 2020 £'000	31 March 2021 £'000	31 March 2020 £'000	31 March 2021 £'000
Loans at amortised cost:				
Borrowing	86,175	82,583	32,646	51,856
EIR adjustment	282	280	0	0
Total Borrowing *	**86,457**	**82,863**	**32,646**	**51,856**
Liabilities at amortised cost:				
Finance leases	229	177	0	0
Total Other Long-term Liabilities	**229**	**177**	**0**	**0**
Liabilities at amortised cost:				
- Trade payables	0	0	5,430	6,691
Included in Creditors	**0**	**0**	**5,430**	**6,691**
Total Financial Liabilities	**86,686**	**83,040**	**38,077**	**58,547**

* The total short-term borrowing includes £264k (2019/20 £145k) representing accrued interest (and principal repayments due within 12 months) on long-term borrowing.

** The Short Term Creditors line on the Balance Sheet includes £35,918k (2019/20 £21,160k) creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

The maturity of the long term loans principal, based upon the final maturity date, is analysed below:

Source of Loan	Range of Interest Rates Paid	31 March 2020	31 March 2021
	%	£'000	£'000
Public Works Loan Board	3.15 - 4.40	71,387	71,387
LOBO's	4.95	3,282	3,280
Other	0.90 - 3.98	11,788	8,196
		86,457	**82,862**

Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	Total 2019/20	Financial Liabilities at amorised cost	Financial Assets at amorised cost	Financial Assets at fair value through profit and loss	Total 2020/21
	£'000	£'000	£'000	£'000	£'000
Interest expense	3,495	3,309	0	0	3,309
Interest payable and similar charges	**3,495**	**3,309**	**0**	**0**	**3,309**
Interest income	(574)	0	(327)	0	(327)
Interest and investment income	**(574)**	**0**	**(327)**	**0**	**(327)**
Net impact on surplus/deficit on provison	**2,921**	**3,309**	**(327)**	**0**	**2,982**

Financial Instruments Fair value

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2021, using the following methods and assumptions:

Financial instruments are carried in the Balance Sheet at amortised cost, except for the Council's investment in it's subsidiaries, which are carried at cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2021, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for “Lender’s Option Borrower’s Option” (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software. Borrower’s contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

The values calculated and levels are as follows:

Financial Liabilities

	Level	Balance Sheet 31 March 2020 £000s	Fair Value 31 March 2020 £000s	Balance Sheet 31 March 2021 £000s	Fair Value 31 March 2021 £000s
Financial liabilities held at amortised cost:					
Long term loans from PWLB	2	71,387	111,483	71,387	101,087
Long term LOBO loans	2	3,282	5,433	3,280	5,770
Other long term loans	2	11,729	15,470	8,196	10,769
Lease payables and PFI liabilities	2	229	229	177	177
TOTAL		**86,627**	**132,615**	**83,039**	**117,803**
*Liabilities for which fair value is not disclosed **		38,077		58,547	
TOTAL FINANCIAL LIABILITIES		**124,704**		**141,586**	
Recorded on balance sheet as:					
Short term creditors		5,430		6,691	
Short term borrowing		32,646		51,856	
Long term creditors		229		177	
Long term borrowing		86,398		82,862	
TOTAL FINANCIAL LIABILITIES		**124,704**		**141,586**	

* The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

Financial Assets

	Level	Balance Sheet 31 March 2020 £000s	Fair Value 31 March 2020 £000s	Balance Sheet 31 March 2021 £000s	Fair Value 31 March 2021 £000s
Financial assets held at fair value:					
Money market funds	1	9,920	9,920	12,000	12,000
CCLA Pooled Property Funds **	2	889	889	882	882
Long term Investments	3	2,233	2,233	2,233	2,233
Short term Investments	3	6,200	6,200	6,000	6,000
Financial assets held at amortised cost:					
Cash and cash equivalents (excl MMF)	1	1,389	1,389	14,757	20,755
Long term loans	3	2,916	2,916	2,998	2,998
TOTAL		**23,547**	**23,547**	**38,870**	**44,868**
*Assets for which fair value is not disclosed **		9,365		10,530	
'TOTAL FINANCIAL ASSETS		**32,912**		**49,401**	
Recorded on balance sheet as:					
Long term debtors		2,916		2,998	
Long term investments		3,122		3,115	
Short term investments		6,200		6,000	
Short term debtors		9,365		10,530	
Cash and cash equivalents		11,309		26,757	
TOTAL FINANCIAL ASSETS		**32,912**		**49,401**	

* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

** Property funds totalling £1m have been moved from level 2 to level 1 of the hierarchy for 2020/21 reflecting the resumption of an active market in these instruments.

Soft loans given by the County Council are accounted for within the balances for long-term debtors, see Note 17. A reconciliation of the opening and closing balance for soft loans is as follows:

	Balance 31 March 2020 £000s	Balance 31 March 2021 £000s
Balance 1 April	**2,979**	**2,916**
Loans granted during year	59	343
Fair value adjustments	0	0
Loans repaid	(122)	(230)
Transfers to short-term debtors	0	(30)
Balance 31 March	**2,916**	**2,999**

The soft loans comprise equity loans under the Chronically Sick and Disabled Persons Act for adaptations to homes and equity loans to Great Yarmouth Preservation Trust, a charitable trust.

Fair value of Financial Assets at Level 3

The following assets are categorised as Level 3 Fair Value Hierarchy:

	Input level in fair value hierarchy	Fair Value 31 March 2020 £000s	Valuation technique used to measure fair value	Fair Value 31 March 2021 £000s
Long term loans - per previous table	3	2,916	valued at cost	2,999
Long term investments:				
Equity shareholding in Equinox Enterprises	3	2,233	valued at cost	2,233
		5,149		**5,232**

Disclosure Of Nature And Extent Of Risk Arising From Financial Instruments

Key Risks

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

- **Credit risk** - the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity risk** - the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Re-financing risk** - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- **Market risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rate movements.

Overall Procedures for Managing Risk

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

The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/ standing orders/ constitution;
- by approving annually in advance prudential and treasury indicators for the following three years limiting;
- the Council's overall borrowing;
  - its maximum and minimum exposures to fixed and variable rates;
  - its maximum and minimum exposures for the maturity structure of its debt;
  - its maximum annual exposures to investments maturing beyond a year;
  - by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government Guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy which incorporates the prudential indicators was approved by Policy and Resources Committee on 4th February 2020 and is available on the Council website at: Treasury Management Strategy 2020/21

The key issues within the strategy were:

- The Authorised Limit for 2020/21 was set at £181m. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £176m. This is the expected level of debt and other long term liabilities during the year.
- The maximum and minimum exposures to the maturity structure of debt are shown below.

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

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

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

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

- Credit ratings of Short Term of F1, P1 Long Term A, A3Support bb+ and Individual 3 (Fitch or equivalent rating), with the lowest available rating being applied to the criteria;
- UK institutions provided with support from the UK Government;

The full Investment Strategy for 2020/21 was approved by Full Council on 30th July 2020 and is available on the Council's website at
Investment Strategy 2020/21

Amounts Arising from Expected Credit Losses
We have assessed the Council's short and long term investments and concluded that the expected credit loss is not material therefore no allowances have been made. 'A summary of the credit quality of the Council's investments at 31 March 2021 is shown below, along with the potential maximum exposure to credit risk, based on experience of default and uncollectability.

The following table summarises the nominal value (excluding accrued interest) of the Council's investment portfolio at 31 March 2021, and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment.
The table includes money market funds and call accounts classed as cash & cash equivalents at the 31st March 2021.

		Balance Sheet 31 March 2021		
Counterparty	**Rating**	**Long-term £000s**	**Short-term £000s**	**Total £000s**
Money Market Funds	AAA	882	12,000	12,882
Debt management Office & Local Authorities	AAA	0	19,290	19,290
Building Society	F1	0	0	0
Barclays Bank - operational cash *	F1	0	1,465	1,465
Long-term Investment - Equinox Enterprises Limited share capital	N/A	2,233	0	2,233
Total Investments		**3,115**	**32,755**	**35,871**

The Authority's maximum exposure to credit risk in relation to its investments in Financial institutions of £33m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31st March 2021 that this was likely to crystallise.

The Council exceeded the investment limits set within the 2020/21 Treasury managment Strategy during the first month of 2020/21 as £2.6m was invested at one point in the Barclays FIBCA account where the maximum limit set was at £1.5m. The Money Market Fund (MMF) maximum limit of £12m was also breached as the Council had £18.8m invest at one point. The breaches were due to the Council having higher retained cash balances than anticipated due the timing of receipt of grant monies ahead of paying out. Whilst the Counci could have invested in the Debt Management Office (DMO) at these times the investment rate for the DMO during part of the year was at negative interest rates therefore the Council considered our strategic goals of security, liquidity and return and chose the Money Market Funds as the most appropriate to achieve the strategic goals at the expense of breaching the limits set. At the time of the breaches the risk to the Council's funds in investing in the Barclays FIBCA & MMF's was assessed as low risk due to both the diversification of the funds and as no security risks for the funds was flagged by the treasury advisors.

The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

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

The Council does not generally allow credit for its customers, but some of the current balance is past its due date for payment. The Council impairs its debts due according to the requirements of IFRS9, applying knowledge and experience of past debts. Having impaired the total debts due the remaining balance analysed by age is as follows:

	2019/20	2020/21
	£'000	£'000
Less than three months	1,678	3,970
Three to six months	204	364
Six months to one year	237	400
More than one year	2,314	2,588
	4,433	**7,322**

None of these past due debtors have been individually impaired, An impairment allowance of £1,519k (bad debt provision) has been provided for past due debtors that are financial instruments, based on past and current experience (£764k at 31 March 2020).

The Council also makes investments by providing discretionary loans to local charities and home improvement loans. Home Improvement loans made are equity loan agreements so the Council obtains a share of the equity of the borrower's home as collateral. This reduces the risk of the Council not recovering the loan amount from the borrower. Discretionary loans to charities are decided by the Policy and Resources Committee if the spend is below £100,000 or Council if over this amount. These loans incur interest charges which are set at a rate to generate a small surplus for the Council after costs. These loans are equity loans to again to reduce the risk of a borrower defaulting on payment in line with the loan agreement.

Liquidity risk

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

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

The maturity analysis of financial instruments is as follows:-

	31 March 2020 Restated			31 March 2021		
Time to maturity (years)	**Liabilities**	**Assets**	**Net**	**Liabilities**	**Assets**	**Net**
	£'000	£'000	£'000	£'000	£'000	£'000
Maturing in less than 1 year	38,128	(26,874)	11,254	58,579	(43,287)	15,292
Maturing in 1 - 2 years **	3,630	0	3,630	135	0	135
Maturing in 2 - 5 years	381	(889)	(508)	3,361	(882)	2,479
Maturing in 5 - 10 years	3,553	0	3,553	5,084	0	5,084
Maturing in 10 - 15 years	8,823	0	8,823	13,684	0	13,684
Maturing in 15 - 20 years	27,024	0	27,024	30,525	0	30,525
Maturing in 20 - 25 years	20,030	0	20,030	10,031	0	10,031
Maturing in 25 - 30 years	5,036	0	5,036	5,038	0	5,038
Maturing in 30 - 35 years	8,045	0	8,045	7,047	0	7,047
Maturing in 35 - 40 years	3,113	0	3,113	1,103	0	1,103
Maturing in 40 - 45 years	0	0	0	3,500	0	3,500
Maturing in over 45 years	7,000	0	7,000	3,500	0	3,500
Uncertain date *	0	(5,149)	(5,149)	0	(5,232)	(5,232)
	124,764	**(32,912)**	**91,852**	**141,586**	**(49,402)**	**92,184**

* Uncertain date relates to the Long Term Investment shareholding in Equinox Enterprises Limited, and the unknown dates of repayment of discretionary loans to local charities and home improvement loans, where repayment is linked to the sale of the property.
** 31st March 2020 restated to remove £2,223k removed from year 1 - 2 line as this was already included within the uncertain date lin following detection during the 20/21 audit. Adjustment made is per below:

31 March 2020	Figure Previously Reported £000's	Adjustment £000's	Restated Figure £000's
Assets - Maturing in 1 - 2 years	(2,233)	2,223	0

	31 March 2020	31 March 2021
	£'000	£'000
Equinox Enterprises Limited - shareholding	2,233	2,233
Home Improvement and Charitable Loans	2,916	2,999
	5,149	**5,232**

Refinancing and Maturity Risk

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

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

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt;

- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and

The maturity analysis of borrowings is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy):

	Approved Maximum Limits 2019/20	Approved Maximum Limits 2020/21	Approved Minimum Limits	Actual 31 March 2020 £'000	Actual 31 March 2021 £'000
Less than one year	30%	50%	0%	0	0
Between one and two years	40%	50%	0%	3,597	102
Between two and five years	60%	60%	0%	300	3,314
Between five and ten years	80%	80%	0%	3,489	5,020
More than ten years	100%	100%	0%	79,071	74,428
				86,457	82,862

Market risk

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

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

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

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

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

	31 March 2020 £'000	31 March 2021 £'000
Decrease in fair value of fixed rate borrowings *	69,990	36,877

* No impact on Comprehensive Income and Expenditure

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These'assumptions are based on the same methodology as used in the Note - Fair Value of Assets and Liabilities carried at Amortised Cost.

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

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

Note 21 - Creditors

Amounts fall due in one year:	31 March 2020 £'000	31 March 2021 £'000
Central Government Bodies	(8,997)	(26,317)
Other Local Authorities	(6,131)	(2,866)
Subsidiary	(29)	(42)
Associates	(5,808)	(5,493)
NHS Bodies	0	(3)
Other entities and individuals	(5,625)	(7,976)
Total	**(26,590)**	**(42,697)**

Note 22 - Provisions

The total provision balance on the balance sheet relates to Non-Domestic Rateable Value (NDR) Appeals.

	31 March 2020 £'000	31 March 2021 £'000
Balance at 1 April:	1,131	1,296
Norfolk Pilot Scheme	70	(70)
Additional NDR Provisions made in year	195	560
Amounts used in year	(100)	(371)
Balance at 31st March:	**1,296**	**1,415**

This provision represents the Council's share of provisions relating to NNDR appeals against the rateable value set by the Valuation Office for claims outstanding as at the 31st March 2021 (total provision £3.5m).

Note 23 - Usable Reserves

Movements in the Council's usable reserves as outlined in the Movement in Reserves Statement. Transfers to and from earmarked revenue reserves are detailed in note 9. The council is involved in deciding the level of usable reserves to be set aside and maintained for use in future years.

Note 24 - Unusable Reserves

Unusable reserves as outlined in the Movement Reserves Statement and detailed below cannot be used to deliver services and hence are not subject to member influence.

	31 March 2020 £'000	31 March 2021 £'000
Revaluation Reserve	22,684	27,760
Capital Adjustment Account	197,853	206,638
Financial Instruments Adjustment Account	(632)	(629)
Financial Instruments Revaluation Reserve	(111)	(118)
Pensions Reserve	(60,884)	(72,405)
Collection Fund Adjustment Account	1,698	(8,695)
Accumulated Absences Account	(200)	(325)
Total Unusable Reserves	**160,407**	**152,226**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority 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.

	2019/20 £'000	2020/21 £'000
Balance as at 1 April	**29,620**	**22,684**
Opening balance adjustment		
Upward revaluation of assets	1,628	6,949
Downward revaluation of assets and impairment losses not charged to the Surplus/ Deficit on the Provision of Services	(2,672)	(1,342)
Surplus or deficit on revaluation of non-current assets not posted to the	**(1,044)**	**5,607**
Difference between fair value depreciation and historical cost depreciation	(354)	(332)
Accumulated gains on assets sold or scrapped	(5,538)	(199)
Amount written off to the Capital Adjustment Account	**(5,892)**	**(531)**
Balance as at 31 March	**22,684**	**27,760**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancements of those assets under statutory provisions.
The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.
The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Authority.
The 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.

Note 8 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2019/20 £'000	2020/21 £'000
Balance as at 1 April	**201,773**	**197,852**
Opening Adjustment		
Reversal of items relating to capital assets debited or credited to the Comprehensive Income and Expenditure Statement:		
- Charges for depreciation and impairment of non-current assets	(5,454)	(5,436)
- Revaluation losses on Property, Plant and Equipment	(2,063)	2,649
- Amortisation of intangible assets	(83)	(72)
- Revenue expenditure funded from capital under statute	(1,121)	(671)
- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(16,216)	(1,144)
- Movements in the market value of Investment Properties	2,030	(1,267)
	178,866	**191,912**
Adjusting amounts written out of the Revaluation Reserve	5,892	531
Net written out amount of the cost of non-current assets consumed in the year	**184,758**	**192,443**
Capital financing applied in the year:		
- Use of the Capital Receipts Reserve to finance new capital expenditure	1,293	1,768
- Use of the Major Repairs Reserve to finance new capital expenditure	3,615	3,678
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,271	3,274
- Application of grants to capital financing from the Capital Grants Unapplied Account	0	0
- Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	1,234	1,413
- Home Improvement Loans Repaid	(100)	(213)
- Capital expenditure charged against the General Fund and HRA balances	5,781	4,276
	13,095	**14,195**
Balance as at 31 March	**197,852**	**206,638**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to manage the impairment of the Heritable Bank, neutralise the finance costs of home improvement loans and recognise EIR interest on LOBOs. The impairment and interest is debited/credited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense/income is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the council's case, this period is the unexpired term that was outstanding on the loans and repayment of the Heritable investment when they were redeemed.

	2019/20	2020/21
	£'000	£'000
Balance as at 1 April	**(635)**	**(632)**
- Neutralise Finance Costs-Soft Loans	0	0
- LOBO EIR Interest	3	3
Balance as at 31 March	**(632)**	**(629)**

Financial Instruments Revaluation Reserve

The financial instruments revaluation reserve contains the accumulated net gains or losses arising from increases/ decreases in the value of its strategic investments that it has elected to account for at fair value through other comprehensive income. The equity for the Council relates to the Council's investment made originally in 2019/20 in the CCLA Property Fund.

	2019/20	2020/21
	£'000	£'000
Balance as at 1 April	0	(111)
	(111)	(7)
Balance as at 31 March	**(111)**	**(118)**

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

	2019/20	2020/21
	£'000	£'000
Balance as at 1 April	**(71,720)**	**(60,884)**
Remeasurements of the net defined benefit liability/(asset)	12,942	(10,565)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(5,566)	(4,851)
Employer's pensions contributions and direct payments to pensioners payable in year	3,460	3,895
Balance as at 31 March	**(60,884)**	**(72,405)**

Collection Fund Adjustment Account

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

	2019/20	2020/21
	£'000	£'000
Balance as at 1 April	**1,954**	**1,695**
Amount by which the council tax and non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rate income calculated for the year in accordance with statutory requirements	(259)	(10,392)
Balance as at 31 March	**1,695**	**(8,697)**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing or 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.

	2019/20	2020/21
	£'000	£'000
Balance as at 1 April	**(177)**	**(200)**
Settlement or cancellation of accrual made at the end of the preceding year	177	200
Amounts accrued at the end of the current year	0	0
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(200)	(325)
Balance as at 31 March	**(200)**	**(325)**

Note 25 - Adjust net surplus or deficit on the provision of services for non-cash movements

	2019/20	2020/21
	£'000	£'000
Depreciation	(5,454)	(5,435)
Impairment and downward valuations	(9,660)	(6,545)
Revaluation gains offset against previous revaluation losses	7,596	9,192
Amortisation	(83)	(72)
Carrying amount of short and long term investments sold	0	0
Adjustments for effective interest rates	147	(59)
Increase/Decrease in Interest Creditors on short term borrowing	111	190
(Increase)/Decrease in Creditors	(4,659)	(16,601)
Increase/(Decrease) in Debtors	3,346	18,827
Increase/(Decrease) in Inventories	4	(1)
Contributions to/(from) Provisions	(163)	(121)
Pension Liability	(2,104)	(956)
Carrying amount of non-current assets sold	(16,216)	(1,145)
Movement in Investment Property and Asset Held for Sale Values	2,030	(1,267)
	(25,105)	**(3,993)**

Note 26 - Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities

	2019/20	2020/21
	£'000	£'000
Capital Grants credited to surplus or deficit on the provision of services	1,273	3,274
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	1,740	1,457
	3,013	**4,731**

Note 27 - Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2019/20	2020/21
	£'000	£'000
Interest received	(574)	(392)
Interest paid	3,495	3,001
Dividends received	0	0
	2,921	**2,609**

Note 28 - Cash Flow Statement - Investing Activities

	2019/20	2020/21
	£'000	£'000
Purchase of Property, Plant and Equipment, Investment	14,277	18,900
Capital grants and contributions received	(2,597)	(3,615)
Other receipts & payments for investing activities	(63)	(86)
Proceeds from the sale of Property, Plant and Equipment	(1,740)	(1,457)
Purchase of Subsidiary Share Capital	1,058	0
Purchase of short term investments	2,675	0
Purchase of long term investments	1,000	0
Net cash flows from investing activities	**14,610**	**13,742**

Note 29 - Cash Flow Statement - Financing Activities

	2019/20 £'000	2020/21 £'000
Cash receipts of short-term and long-term borrowing	(15,000)	(61,000)
Other receipts from financing activities		
Cashflow adjustments relating to council tax & business rates	(4,806)	(5,147)
Repayments of short-term and long-term borrowing	18,017	45,577
Other payments for financing activities	119	22
Net cash flows from financing activities	**(1,670)**	**(20,548)**

Note 30 - Operating Lease Rentals

Leased Assets - Rentals Receivable

The Council acts as a lessor for a number of properties. The income derived from these operating leases is set out in the table below:

	Income £'000	Asset Value £'000	Depreciation £'000	Net Book Value £'000
Coach Station	(7)	867	(28)	839
Corporate Estates incl. Seafront Concessions	(2,223)	32,203	(24)	32,179
Nursery Units	(131)	1,009	0	1,009
Market	(208)	415	0	415
Other	(1,124)	16,839	0	16,839
	(3,693)	51,333	(52)	51,281

	2019/20	2020/21
Leases Expiring:	£'000	£'000
Within 1 Year	3,232	3,134
2-5 Years	11,524	10,907
Over 5 Years	78,464	77,019
	93,220	91,060

Note 31 - Members' Allowances

The total Members' Allowances for 2020/21 were £250,949 and expenses totalled £1,551 (2019/20 £245,170 member allowances,£3,425 expenses).

Information regarding Members' Allowances is published on the Council's website at:
https://great-yarmouth.cmis.uk.com/great-yarmouth/Documents/PublicDocuments.aspx

Note 32 - Officers' Remuneration

As a requirement of The Accounts and Audit Regulations 2015, the remuneration of Senior Officers is disclosed in the table below:

2020/21						
Post Title	**Salary Fees and Allowances**	**Expenses Allowances**	**Compensation for Loss of Office**	**Total Remuneration Excluding Pension Contributions**	**Employer Pension Contributions**	**Total Remuneration Including Pension Contributions**
1st April 2020 to 31st March 2021	**£**	**£**	**£**	**£**	**£**	**£**
Chief Executive	131,847	963	-	**132,810**	20,436	**153,246**
Finance Director (S151 Officer)	77,859	963	-	**78,822**	12,068	**90,890**
Strategic Director (1)	51,429	963	-	**52,392**	12,166	**64,558**
Strategic Director (Maternity Cover) (2)	76,980	963	-	**77,943**	-	**77,943**
Strategic Director	84,452	963	-	**85,415**	13,090	**98,505**
Development Director (3)	21,277	403	-	**21,681**	3,185	**24,866**

Notes:
(*1*) Returning from Maternity Leave
(*2*) Overlapping Maternity Leave return until June 2021
(*3*) April 2020 to June 2020

2019/20						
Post Title	**Salary Fees and Allowances**	**Expenses Allowances**	**Compensation for Loss of Office**	**Total Remuneration Excluding Pension Contributions**	**Employer Pension Contributions**	**Total Remuneration Including Pension Contributions**
	£	**£**	**£**	**£**	**£**	**£**
Chief Executive	136,464	2,174	0	**138,638**	21,152	**159,790**
Finance Director (S151 Officer)	76,200	1,159	0	**77,359**	11,811	**89,170**
Strategic Director **(*1*)**	63,914	1,616	0	**65,530**	9,823	**75,353**
Strategic Director **(2)**	64,701	1,400	0	**66,101**	12,489	**78,590**
Strategic Director (Maternity Cover) **(*3*)**	40,970	599	0	**41,569**	0	**41,569**
Strategic Director **(4)**	20,548	481	0	**21,029**	3,185	**24,214**
Development Director	80,111	1,618	0	**81,729**	12,417	**94,146**

Notes:
(*1*) April 2019 to 31 December 2019
(*2*) Maternity Leave from October 2019
(*3*) October 2019 to March 2020
(*4*) January 2020 to March 2020

As a requirement of the Accounts and Audit Regulations 2015, the number of employees whose remuneration, including the Senior Officers above, and excluding employer's pension contributions, was £50,000 or more in bands of £5,000 was:

	2019/20 Number of Employees	**2020/21 Number of Employees**
Remuneration Band		
£50,000 - £54,999	9	6
£55,000 - £59,999	0	1
£60,000 - £64,999	4	6
£65,000 - £69,999	4	2
£70,000 - £74,999	2	1
£75,000 - £79,999	1	2
£80,000 - £84,999	1	1
£85,000 - £89,999	0	1
£130,000 - £134,999	0	1
£135,000 - £139,999	1	0

The remuneration above includes all salary costs which may include redundancy payments and for 2019/20 includes remuneration from election duties.

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

Exit package cost band (including special payments)	Number of compulsory departures agreed		Number of non -compulsory departures agreed		Total cost of exit packages	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
£0 - £20,000	0	1	4	1	42,951	8,612
£20,001 - £40,000	0	0	0	0	-	-
£40,001 - £60,000	1	0	0	0	54,966	-
£60,001 - £80,000	0	0	0	0	-	-
Total Cost included in the bandings and in the CIES	1	1	4	1	97,917	8,612

Note 33 - External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

	2019/20 £'000	**2020/21 £'000**
Services carried out by the Appointed Auditor for the year	63	51
Services carried out by the Appointed Auditor for the prior year	22	7
Other	(5)	2
Fees Payable for the certification of grant claims and returns for the year	37	31
	117	**91**

Note 34 - Grant Income

The Authority credited the following grants to the Comprehensive Income and Expenditure Statement:

Credited to Taxation and Non - specific Grant Income and	**2019/20 £'000**	**2020/21 £'000**
Non-ringfenced Government Grants		
Revenue Support Grant	0	(2,062)
Business Rates - Section 31 Grants	(1,968)	(18,034)
Second Homes Council Tax	0	0
New Homes Bonus Scheme	(427)	(373)
Other Various Grants	(119)	(37)
	(2,514)	**(20,506)**
Capital Grants		
Disabled Facilities Grant	(1,120)	(580)
Townscape Heritage Initiative Grants	0	(43)
New Anglia Getting Building Fund	0	(1,898)
Office of the Police and Crime Commissioner Norfolk - CCTV funding	0	(140)
COVID funding allocated to capital projects	0	(286)
Ministry of Housing, Communities & Local Government - Winter Programme project	0	(200)
National Lottery Heritage Fund	(66)	0
Other Capital Grants & Contributions	(85)	(329)
	(1,271)	**(3,476)**

Specific Grant Income included in Net Cost Of Services:	**2019/20 £'000**	**2020/21 £'000**
Inward Investment		
- Conservation	(36)	(70)
- Go Trade	(42)	(75)
- Ministry of Housing, Communities & Local Government	(19)	0
- National Lottery Heritage Fund	(235)	(47)
- Great Places	(12)	0
- European Social Fund	(46)	(53)
- Future High Street Fund	(322)	(5)
- Sports England	0	(72)
- Other	(118)	(89)
Housing		
- Housing Services	(915)	(820)
Better Care Fund Social Services		
- Other	(128)	(145)
Planning & Growth		
- New Burdens	(48)	(1)
Customer Services		
- Housing Benefit Subsidy (DWP)	(22,558)	(21,752)
- Discretionary Housing Payment (DHP)	(236)	(300)
- Local Council Tax Support Administration	(171)	(170)
- NNDR/ Business Rates Administration Grant	(180)	(181)
Housing Revenue Account		
- Other	(30)	(30)
COVID funding		
- Discretionary Business Grant funding	0	(1,710)
- Business Additional Restriction Grant funding	0	(1,508)
- Tranche	0	(2,118)
- Contain Outbreak Management Fund	0	(849)
- Council Tax Hardship Grant	0	(1,306)
- Local Outbreak Control Plan funding	0	(100)
- New Burdens Funding	0	(475)
- sales, fees & charges compensation	0	(931)
- Tourism Re-opening	0	(410)
- Other	0	(430)
	(25,096)	**(33,648)**

Note 35 - Related Party Transactions

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

Central Government

Central government has significant influence over the general operations of the Authority, it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bill, housing of the transactions that the Council has with other parties (e.g. council tax bill, housing benefits).

Details of transactions arising from funding arrangements with Central Government are detailed in Note 34 and 39, and with Precepting authorities on the face of the Collection Fund. Grants receipts outstanding at 31 March 2021 are included in Note 18. Transactions with the Pension Fund administered by Norfolk County Council are covered in Note 37 to the accounts.

Members

Members of the Council have direct control over the Council's financial and operational policies. The total of Members' allowances paid in 2020/21 is shown in Note 31. During 2020/21, there were no significant contracts commissioned from companies in which Members had an interest.
Grants and other material transactions totalling £2,158k (£1,044k 2019/20) were paid to organisations in which 34 Members had an interest, including £364k to Great Yarmouth Preservation Trust, £387k to Sentinel Leisure Trust, £300k to New Anglia Local Enterprise, Partnership and £332k to Community Safety (GY) Ltd. Also payments of £293k of Covid-19 business grants were made to various businesses that 13 Member's had interests in.
The grants were made with proper consideration of declarations of interest and the relevant Members did not take part in any decision relating to the grants. Details of all businesses and organisations with which Members have connections are recorded in the Register of Members Interests.

Officers

Senior Officers of the Council have control over the day to day management of the Council and are therefore required to declare any related party transactions. No Senior Officers have any related party transactions with the Council.

Entities Controlled or Significantly Influenced by the Authority

The Council has a 19% share in Great Yarmouth Racing Ltd, the lessees of the racecourse. The Council received income of £130k (£104k 2019/20) from that interest in 2020/21, this related to lease income & media advertising.

Whilst the Council does have Board participation and some influence over the Company, if consolidated with the Council's accounts the transactions would be non-material, therefore, these have not been included in the Group Accounts.

Great Yarmouth Borough Services Limited

In July 2013 the authority set up a company with Norse Commercial Services Limited to provide a range of facilities management services to the Council and other customers in the Great Yarmouth and surrounding areas. Services include building cleaning, environmental services including refuse collection, grounds maintenance and pest control.

GYBC holds a 40% share in the equity of the company, with the remaining share of the company belonging to Norse Commercial Services, part of the Norse Group of companies owned by Norfolk County Council.
Any surplus generated through ordinary activities of the company entitles the authority to a discount on the services it has used, equivalent to 50% of that surplus. In 2020/21 the discount resulted in £4k being paid over to GYBC (this payment forms part of the expense of GYB Services).
The authority views its share of the interest in the company as an 'Associate' for group accounts purposes, as it has no overall control of the entity, although it does have significant influence, with representation on the board of directors and on the Partnership Liaison Board.
The authority has considered the materiality of its financial transactions with the company, as well as other qualitative considerations, and forms the view that to consolidate the transactions in Group Accounts would not assist the average reader's understanding of the authority's financial statements, because its investment in the company forms a very small proportion of the authority's balance sheet, and, after eliminating inter-group transactions, the share of surplus that it would be required to show in the Comprehensive Income and Expenditure Statement would also be not material.

During 2020/21 the Council incurred revenue expenditure with GYBS of £5.6m (2019/20 £5.4m) and no capital expenditure (2019/20 £110k). At the end of the financial year GYBC owed GYBS £203k (2019/20 £108k).

The figures in the table represent GYBC's 40% share of its interest in the company for their accounting period 30th March 2020 to 28th March 2021.

Value of shares owned (purchase price): 4 Ordinary B shares of £1 each

	GYB services	GYBC Share @40%	GYB services	GYBC Share @40%
	Period Ended 29/03/2020	Period Ended 29/03/2020	Period Ended 28/03/2021	Period Ended 28/03/2021
	£	£	£	£
Loss For Financial Period	**(271,947)**	**(108,779)**	**(124,410)**	**(49,764)**
Net Assets (including Pension Scheme restated 19/20)	**1,422,042**	**568,817**	**1,297,642**	**519,057**

Great Yarmouth Norse Limited

GYN's main aim is to deliver services relating to council housing asset management. This comprises of planned and cyclical maintenance, capital Improvements ,responsive repairs and voids maintenance. One of the key objectives is to deliver Great Yarmouth Borough Council's (GYBC) investment in its housing stock in the most effective, efficient and economical way.

GYBC holds a 20% share in the equity of the company, with the remainder belonging to Norse Commercial Services, part of the Norse Group of companies owned by Norfolk County Council.
Any surplus generated through ordinary activities of the company entitles the authority to a discount on the services it has used, equivalent to 50% of that surplus. Based on the 2020/21 figures the discount due to the authority was £159k (£233k in 2019/20).

The authority views its interest in the company as an 'Associate' for group accounting purposes, as it has no overall control of the entity, although it does have significant influence, with representation on the board of directors and on the Partnership Liaison Board. However it has considered the materiality of its financial transactions with the company, as well as qualitative considerations, and forms the view that to consolidate the transactions in group accounts would not assist the average reader's understanding of the authority's financial statements, because its investment in the company forms a very small proportion of the authority's balance sheet, and, after eliminating inter group transactions, the share of surplus that it would be required to show in the Comprehensive Income and Expenditure Statement would also be not material.

During 2020/21 the Council incurred revenue expenditure with GYN of £9m (2019/20 £8m) and capital expenditure of £9m (2019/20 £10m). At the end of the financial year GYBC owed GYN £5.3m (2019/20 £5.7m) and £2.4m was owed from GYN to GYBC (2019/20 £1.7m).

The figures in the table represent the authority's 20% share of its interest in the company for their accounting period 30th March 2020 to 28th March 2021, based on management accounts.

Value of shares owned (purchase price): 2 Ordinary B shares of £1 each

	GY Norse	GYBC Share @20%	GY Norse	GYBC Share @20%
	Period Ended 31/03/2020	Period Ended 31/03/2020	Period Ended 31/03/2021	Period Ended 31/03/2021
	£	£	£	£
Profit For Financial Period	**191,271**	**38,254**	**159,046**	**31,809**
Net Assets	**962,183**	**192,437**	**1,121,229**	**224,246**

Equinox Enterprises Limited (EEL)

Equinox Enterprise Limited (Equinox/ EEL) main aim is to develop council housing and homes for outright sales. The social housing is built on behalf of GYBC or on Equinox land and sold to GYBC.
GYBC holds a 100% share in the equity of the company.
The authority views its interest in the company as an 'Subsidiary' for group accounting purposes, and is deemed to be the controlling party as it has the right to appoint the board of directors. Group Accounts are included iwthin these Statement of Accounts to cover the consolidation of Equinox Enterprises Limited.

The summary figures in the table represent the authority's 100% share of its interest in EEL for the accounting periods ending 31st March 2021 and 31st March 2020.

Value of shares owned (purchase price): £2,233,100 being 2,233,100 ordinary shares of £1

		31/03/2020	31/03/2021
		£'000	£'000
Statement of Comprehensive Income			
	Turnover	1,952	9,912
	Cost of Sales	(1,722)	(8,669)
	Administration Expenses	(67)	(103)
	Interest Payable	(337)	(224)
	Tax on Loss	39	(174)
	Loss For Financial Period	**(135)**	**742**
Balance Sheet			
	Inventories	7,312	753
	Short Term Debtors	693	47
	Cash at bank and in hand	1,214	2,080
	Short Term Creditors	(7,352)	(271)
	Long Term Creditors	0	0
	Net Assets/Liabilities / Capital	**1,867**	**2,609**

Sentinel Leisure Trust

The Council owns the Phoenix Pool & Gym, and recognises this asset on its balance sheet. Following procurement this asset is managed by Sentinel Leisure Trust, on behalf of the Council, under terms of a 15 year contract.
As a significant customer of Sentinel we have significant influence over them and therefore have included them with our related party disclosure. The arrangement cost in 2020/21 was £387k compared to £376k in 2019/20.

There are no other material party transactions in 2020/21 which are not disclosed elsewhere in the statement of accounts.

Note 36 - Capital expenditure and 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.

a) Capital Expenditure analysis	**2019/20 £'000**	**2020/21 £'000**
Council Dwellings Improvements & Other HRA Capital Expenditure	13,278	11,906
Beacon Park / South Gorleston Development Area	(236)	(93)
South Denes Energy Park	64	-
Waterways	504	29
Crematorium improvement works / Tea rooms	2	11
Health & leisure facility	1,721	4,861
CCTV Upgrade works	-	180
Empty Homes	207	-
Private Sector Improvement Grants (incl. DFG's) & Loans	1,175	671
Footway Lighting	73	172
Parks, Recreation and Playgrounds Improvements	36	96
Public Toilet improvement works	220	0
Beach Huts	127	68
Replacement P&D Machines	83	0
ICT including Digital By Design	236	309
Cemetery Walls Works	22	20
HMOs /Guesthouse Purchase & Repair Scheme	88	173
Transitional Housing	0	6
COVID Equipment	0	34
Winter Programme Decorative Lights	0	200
Council Chamber relocation	8	4
Claydon Pavilion	-	21
Phoenix Pool	50	-
Market Place Redevelopment	23	625
North Quay Redevelopment	139	10
Winter Gardens	193	43
South Yarmouth Area Office Improvement Works	65	-
Equinox Enterprise Limited Share Capital	1,058	0
Other smaller projects	52	6
	19,187	**19,352**

b) Capital Financing Requirement	**2019/20 £'000**	**2020/21 £'000**
Opening Capital Financing Requirement	**136,188**	**142,162**
Opening adjustment		36
Capital Investment:		
Property, Plant & Equipment and Investment Property	16,955	18,681
Home Improvement Loans	53	0
Share Capital	1,058	0
Revenue Expenditure Financed from Capital under Statute	1,121	671
	19,187	**19,352**
Sources of Finance:		
Capital receipts	(1,295)	(1,768)
Government Grants and other Contributions	(1,270)	(3,274)
Sums set aside from revenue:		
Direct Revenue Contributions	(9,395)	(7,953)
Minimum Revenue Provision	(1,253)	(1,413)
Closing Capital Financing Requirement	**142,162**	**147,142**
Explanation of Movement in Year		
Increase in Underlying Need to Borrow (Unsupported Borrowing)	5,975	4,944
Increase/decrease in Capital Financing Requirement	**5,975**	**4,944**

Note 37 - Defined Benefit Pension Scheme

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

The Council participates in the Local Government Pension Scheme, administered by Norfolk County Council. This is a funded defined benefit scheme, which means that the Council and employees pay contributions into the Fund, calculated at a level intended to balance pension liabilities with investment assets.

The Norfolk Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions' committee of Norfolk County Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the committee and consist of the Director of Finance and Resources of Norfolk County Council and the Sector investment fund managers.

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

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

Transactions Relating to Post- employment Benefits
The cost of retirement benefits are recognised in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. The charge, however, that we are required to make against council tax is based on the amount payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund and Housing Housing Revenue Account via the movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

	2019/20 **£'000**	**2020/21** **£'000**
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
- current service cost	3,973	3,373
- past service cost	(139)	0
Financing and Investment Income and Expenditure:		
Net Interest Expense	1,732	1,396
Total Post-employment Benefits charged to the Surplus or Deficit on the	5,566	4,769
Other Post-employment Benefits charged to the Comprehensive Income and		
Remeasurement of the net defined benefit liability comprising:		
- Return on plan assets (excluding the amount included in the net interest expense)	5,256	(23,350)
- Actuarial gains and losses arising on changes in demographic assumptions	(4,137)	1,961
- Actuarial gains and losses arising on changes in financial assumptions	(11,394)	33,518
- Other experience.	(2,667)	(1,564)
Income and Expenditure Statement	(12,942)	10,565
Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement.	(7,376)	15,334
Movement in Reserves' Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	5,566	4,769
Amount charged against the General Fund for pensions in year:		
Retirement benefits payable to pensioners (discretionary)	(172)	(168)
Employers' contributions payable to the scheme	(3,335)	(3,721)
Effect of business combinations and disposals	0	82
Cash difference between Actuary estimate & actuals - in year	(47)	(27)

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2019/20	2020/21
	£'000	£'000
Cash difference between Actuary estimate & actuals	(21)	(27)
Present Value of unfunded liabilities	1,826	1,848
Present Value of the defined benefit obligation	149,449	185,168
Fair value of plan assets	(90,370)	(114,584)
sub total	60,884	72,405
Net liability arising from the defined benefit obligation	**60,884**	**72,405**

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	**2019/20**	**2020/21**
	£'000	**£'000**
Opening fair value of scheme assets	**95,484**	**90,391**
Interest Income	2,270	2,065
Remeasurement gain/(loss):		
- The return on plan assets, excluding the amount included in net interest expense	(5,256)	23,350
- Contributions from Employer	3,335	3,721
- Cash difference between Actuary estimate & actuals	(47)	6
- GF backfunded pension strain	0	0
- GF backfunded pension strain paid	0	0
- Plan participants contributions	620	661
- Contributions in respect of unfunded benefits	172	168
- Unfunded benefits paid	(172)	(168)
- Benefits paid	(6,015)	(5,769)
- Effect of business combinations and disposals	0	186
Closing fair value of the scheme assets	**90,391**	**114,611**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)	**2019/20**	**2020/21**
	£'000	**£'000**
Opening balances at 1 April (funded £165,046; unfunded £2,158)	**167,204**	**151,275**
- Current service cost	3,834	3,373
- Interest cost	4,002	3,461
- Contributions from scheme participants	620	661
Remeasurement (gains) and losses:		
- Actuarial Gains/losses arising from changes in demographic assumptions	(4,137)	1,961
- Actuarial Gains/losses arising from changes in financial assumptions	(11,394)	33,518
- Other experience gains	(2,667)	(1,564)
Past service costs		
- Losses/(gains) on curtailments	0	0
- Benefits Paid	(6,015)	(5,769)
- Unfunded Benefits Paid	(172)	(168)
- Effect of business combinations and disposals	0	268
Closing balances at 31 March	**151,275**	**187,016**

Local Government Pension Scheme Assets Comprised of:

Asset Category	**£'000**	**% of Total Assets**
Cash and cash equivalents:		
All	1,507	1.3%
Debt Securities:		
Corporate Bonds (investment grade)	0	0.0%
Corporate Bonds (non-investment grade)	0	0.0%
UK Government	1,037	0.9%
Private Equity:		
All	9,347	8.2%
Real Estate:		
UK Property	6,274	5.5%
Overseas Property	1,596	1.4%

Investment Funds and Unit Trusts:		
Equities	65,653	57.3%
Bonds	23,865	20.8%
Infrastructure	4,990	4.4%
Other	290	0.3%
Derivatives:		
Foreign Exchange	52	0.0%
Other	0	0.0%
Total assets at quoted prices in active markets	**114,611**	**100.00%**

The above asset values are at bid value as required under IAS19. Where an asset split was not available at the year end, the actuaries used the nearest IAS19 asset split prior to this date. The previous period's asset split can be found in the Employer's IAS19 report for the previous accounting period (where available).

Further information can be found in Norfolk County Council's Pension Fund's Annual Report which is available upon request from Norfolk Pension Fund, County Hall, Martineau Lane, Norwich, NR1 2DW.

Basis of Estimating Assets and Liabilities

Both the local Government pension scheme and discretionary benefits' liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the County Council Fund having been based on the latest triennial full valuation of the scheme as at 31st March 2019.

As required under accounting standards the actuaries have used the projected unit credit method of valuation, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates and salary levels etc.

The value of the GYBC's liabilities, calculated at the latest formal valuation date, were rolled forward and adjusted or the different financial assumptions required under the accounting standards at the accounting date. In calculating the current service cost the actuaries have allowed for changes in GYBC's pensionable payroll as estimated from contribution and payroll information provided to them. GYBC's share of assets allocated as at the latest valuation has been rolled forward, and adjusted for investment returns, the effect of contributions paid into and estimated benefits paid out of the fund by GYBC and its employees.

In preparing the balance sheet at 31st March and the defined benefit cost to 31st March no allowance was made for the effect of and changes in the membership profile since the latest formal valuation date. The estimated liability reflect differences in demographic experience from that assumed (e.g. pensioner longevity) or the impact of differences between aggregate changes in salary and pension and changes for specific individuals. Any differences that may arise between valuation dates as a result of using estimation techniques are deemed to be immaterial in actuarial terms.

The significant assumptions used by the actuary are as follows:

Long term expected rate of return on assets in the scheme:

	2019/20 £'000	**2019/20 discount rate**	**2020/21 £'000**	**2020/21 discount rate**
Equities	56,393	2.30%	75,000	2.00%
Bonds	22,749	2.30%	24,902	2.00%
other	11,228	2.30%	14,709	2.00%

Mortality assumptions:

Life expectancy based on the Fund's Vita Curves with improvements in line with the CMI 2020 model, an allowance for smoothing of recent mortality experience, an initial adjustment of 0.50% and a long term rate of improvement of 1.50% pa for women and men.

	Males	**Females**
Longevity at 65 for current pensioners	21.9 years	24.3 years
Longevity at 65 for future* pensioners	23.2 years	26.2 years

* Figures assume members aged 45 as at last formal valuation dated.

Commutation Assumptions:
An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Price Indices	**2020**	**2021**
	%	**%**
Rate of inflation	1.9	2.9
Rate of increase in salaries	2.6	3.6
Rate for discounting scheme liabilities	2.3	2.0

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

Impact on the defined benefit obligation in the scheme:

	% Increase/Decrease to GYBC Liability	Monetary Value
		£'000
Longevity (increase or decrease in 1 year)	0%	0
Rate of inflation/deflation (increase or decrease 0.5%)	8%	14,080
Rate of increase or decrease in pensions by 0.5%	1%	1,722
Rate for discounting scheme liabilities (increase or decrease 0.5%)	9%	16,154
All happening together		31,956

This sensitivity approach is consistent with that taken in previous year.

The fund sets a long term investment strategy to balance investment risk with the cost of providing pension benefits. This strategy is set in consultation with the actuary and the liability profile of the fund. The adoption of an asset allocation benchmark and the explicit monitoring of performance relative to a performance target, constrains the investment managers from deviating significantly from the intended approach, while permitting flexibility to manage the fund in such a way as to enhance returns.

The appointment of more than one investment manager introduces a meaningful level of diversification of managing risk. Each manager is expected to maintain a diversified portfolio of investments, within the constraints of their mandate.

The funding strategy statement is reviewed in detail at least every three years as part of the triennial valuation process to ensure that it remains appropriate for the changing liability and cash flow profile of the fund. The next full review is due to be completed as part of the valuation process at 31 March 2022.

Impact on the council's cash flows:
Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2022.

The Council has anticipated to pay £3.888m expected contributions to the scheme in 2021/22.

Early Retirements during 2020/21 are detailed below:

	Number	**Total Pension Accrued £'000**	**Total Pension Actual £'000**
Redundancy	0	0	0
Efficiency	0	0	0
Total	**0**	**0**	**0**

Unfunded benefits
These benefits relate to discretionary awards made by the council. Discretionary benefits do not form part of the pension fund and are paid direct from the council's General Fund. A summary of the membership data in respect of these is shown below.

Unfunded Pension Benefits (met direct from General Fund)	Numbers at 31st March 2021	*Annual Amount £'000
Male	46	118
Female	10	14
Dependants	36	37
Total	**92**	**169**

* The annual unfunded pensions include the 2021 pension increase.

Note 38 - Prior Period Adjustment

In 2020/21 the Council undertook a restructure to reorganise the service responsibilities to better align with the managment and director lines. Longer term priority setting, underpinned by a robust rationale, and coupled with a more co-ordinated approach was required to maximise the capacity of the organisation and others to deliver effective services and enable better outcomes for the people of Great Yarmouth. As a result of the reorganisation of the service responsibilities the analysis lines within the Cost of Services in the Comprehensive Income and Expenditure Statement have been amended to reflect the new internal structure of the Council. The 2019/20 comparatives values in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis have been restated under the new service analysis lines. There is no impact on the bottom line of the Council's core financial statements for 2019/20 as the adjustments made are reclassification only amendments.

Note 39 - COVID Business Grants

The Council administered a number of business grants during 2020/21 as part of the COVID-19 response.

In some cases the Council operated as an agent administering business grants on behalf of the Government. In these cases the income (Government funding) and of the Government in admistering these grants and the funding and expenditure are processed via the balance sheet and resulted in a £11.8m creditor at the end of 2020/21. Business grants continued to be paid from these fund balances in 2021/22.

	Income £'000	Expenditure £'000	Net £'000
Retail, Hospitality and Leisure and Small Business Grants Fund	(31,570)	31,570	0
Local Restriction Support Grants:			
- Closed *	(1,286)	62	(1,225)
- Open *	(1,517)	381	(1,135)
- Closed (Addendum)	(14,260)	9,122	(5,138)
- Christmas support payment (Wet-led pubs) Grants	(77)	77	0
- Business Support Package Lockdown	(10,503)	6,209	(4,294)
	(59,213)	**47,420**	**(11,792)**

* The closed and open local restriction support grants were provided for the period between the 2nd and 25th December 2020. As Great Yarmouth borough was in Tier 2 in this period fewer business were impacted by the restrictions. Therefore the amount of eligible grants to be paid was lower than anticipated when the funding was issued.

Further business grant funding was provided by the Government for Council's to use their own discretion on which businesses to support in their area. The income and expenditure for these were processed via the Comprehensive Income and Expenditure account, under the Executive service heading. The yearend balance of £1.4m funding for the additional restriction grants was carried forward at the end of the financial year as a receipt in advance on the balance sheet, as any amount remaining had to be returned to the Government. The additional restriction grant funding carried forward at the end of 2020/21 has been fully utilised in 2021/22.

	Income £'000	Expenditure £'000	Net £'000
Local Authority Discretionary Grants	(1,710)	1,710	0
Additional Restictions Grants	(2,869)	1,508	(1,361)
	(4,579)	**3,218**	**(1,361)**

Note 40 - Contingent Liability

The Council made a self-referral to the regulator in August 2022 as it had identified a potential failure to meet statutory health and safety requirements in some of its homes. The Council identified that its Fire Risk Assessments (FRAs) were not suitable or sufficient, and several fire risk actions were overdue. Further, internal audit had also reported no assurance across a range of areas namely fire, gas, electrical, asbestos and water safety.

Pending a decision by the regulator the Council developed a Compliance Improvement Plan to address the necessary changes required to ensure a return to full compliance with the Regulatory Standards. In October 2022 the Regulator served a formal notice confirming a regulatory breach. The Regulator has since lifted the formal notice in January 2024 following the completion of the actions set out in the compliance improvement plan.

The value of the works outstanding at the end of the 2020/21 financial year in relation to the works required to address the compliance issues identified cannot be reliable quantified or allocated to a financial year therefore a liability cannot be disclosed within the balance sheet and hence a contingent liability is recognised.

Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account (HRA) is a record of revenue income and expenditure relating to the Council's own housing stock. Income and expenditure relating to other housing services is charged to the General Fund.
The Housing Revenue Account is ring-fenced within the Council's overall accounts. This means that the Council has no general discretion to transfer sums into or out of the HRA. The items that can be charged against the HRA are prescribed by Statute.

2019/20 £'000		Note	2020/21 £'000
	Expenditure		
8,089	Repairs and Maintenance		8,419
4,985	Supervision and Management	3	5,231
281	Rents, Rates, Taxes and other Charges	4	315
3,463	Dwelling Depreciation	9	3,523
2,349	Dwellings revaluation losses/(gains) reversing prior year losses charged	10	(2,742)
152	Non - Dwellings Depreciation	9	155
0	Debt Management Costs		0
19,319	**Total Expenditure**		**14,902**
	Income		
(21,736)	Dwelling Rents	1	(21,903)
(240)	Non-Dwelling Rents		(239)
(1,340)	Charges for Services and Facilities	2	(1,195)
(2)	Contributions towards Expenditure		(1)
(23,318)	**Total Income**		**(23,338)**
(3,999)	**Net Cost/(Income) of HRA Services as included in the Comprehensive Income and Expenditure Statement**		**(8,436)**
12	HRA Services Share of Corporate and Democratic Core		(8)
0	HRA Share of other amounts included in the Whole Authority Net Cost of Services but not allocated to Specific Services		0
(3,987)	**Net Expenditure/(income) for HRA Services**		**(8,445)**
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(362)	(Gain) / Loss on Sale of HRA non-current Assets		(248)
0	(Gain)/loss on disposal of investment properties		0
0	Changes in fair value of HRA investment properties		0
2,781	Interest Payable and Similar Charges		2,691
(40)	Interest and Investment Income		(16)
0	Pension Interest Cost and Expected Return on Pensions Assets		0
0	Revenue grants and contributions receivable		0
(12)	Capital grants and contributions receivable		(28)
(1,620)	**Deficit / (Surplus) for the year on HRA Services**		**(6,046)**

Movement on the HRA Statement

2019/20 £'000		2020/21 £'000
(11,399)	**Balance on the HRA at the end of the previous year**	**(9,558)**
(1,620)	(Surplus) / Deficit for the Year on the HRA Income and Expenditure Statement	**(6,046)**
	Adjustments between accounting basis and funding under statute:	
(5,965)	Revaluation/ impairments of Fixed Assets	(936)
362	Gain or Loss on Sale of HRA Fixed Assets	248
(678)	Net Charges made for Retirement Benefits in accordance with IAS19	(604)
627	Employer's Contributions Payable from the Norfolk County Council Pension Fund and Retirement Benefits payable Direct to Pensioners	684
(8)	Accumulated Absences	(7)
0	Capital Grants & Contributions applied	28
0	Changes in fair value of HRA investment properties	0
9,148	Capital Expenditure funded by the HRA	7,691
3,485	Net Additional Amount Required by Statute to be Debited / (Credited) to the HRA Balance for the Year	7,104
(24)	Transfer to/(from) HRA Earmarked Reserves	(32)
1,841	**Net (Increase) / Decrease in year on the HRA**	**1,026**
(9,558)	**Balance on the HRA at the end of the current year**	**(8,533)**

Notes to the Housing Revenue Account

Note 1 - Dwelling rents

This item comprises the amount of income due for the year from rents and charges in respect of houses and other property within the HRA. It includes rent remitted by way of housing benefit rebate that is met by a transfer from the the General Fund rather than subsidy income. This account shows the rent due in the year after allowing for voids and other losses on collection.

	2019/20 £'000	2020/21 £'000
Gross Arrears as at 31 March:		
- Current Tenants	386	435
- Former Tenants	441	517
	827	**952**
Bad Debt Provision	475	587
Average Weekly Rent	£71.41	£73.41

Note 2 - Charges for services and facilities

This represents the Council’s income for the year in respect of services or facilities provided by it in connection with its provision of houses and other property in the HRA.

Note 3 - Supervision and management

Supervision and management expenditure on functions relating to all HRA properties expenditure on HRA policy and management, tenancy management and rent collection and accounting. Special Services are the running costs of those services that benefit specific groups of tenants. These include communal heating and lighting, lifts, caretaking and cleaning, grounds maintenance and non-essential care welfare services. Sheltered Housing provision comes under the heading of Special Services.

Note 4 - Rents, rates, taxes and other charges.

This includes all items that the Council is liable to pay in respect of HRA property. It includes Council Tax on empty properties, lease rental on properties, rates and water charges payable on non-dwellings and landlord insurance costs.

Note 5 - HRA Pension Fund

As part of the terms and conditions of employment of its employees, the Council offers members a defined benefits final salary pension scheme. Although benefits will not actually be payable until employees retire, the Council has a commitment to make payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Norfolk County Council. This is a funded defined benefit scheme, which means that the Council and employees pay contributions into the Fund, calculated at a level intended to balance pension liabilities with investment assets.

The Housing Revenue Account is charged with an attributable share of current service costs in line with IAS19. The difference between this cost and employers’ contributions payable is then appropriated from the pensions reserve so that the overall amount to be met from rent and Government subsidy reflects employers’ contributions payable by the Council.

Note 6 - Housing stock

The Council was responsible for managing a stock of 5,787 dwellings as at 31 March 2021 (5,766 2019/20). This stock was made up as follows:

	2019/2020	2020/2021
Houses	2,240	2,249
Flats and Maisonettes	2,631	2,639
Bungalows	895	899
	5,766	**5,787**

The movement in the Council's housing stock can be summarised as follows:

	2019/2020	2020/2021
Stock as at 1 April	**5,783**	**5,766**
Less:		
- Sales	(27)	(9)
- Conversions	0	(1)
- Demolished	0	0
Add:		
- New Dwellings	0	31
- Repurchase	10	0
Stock as at 31 March	**5,766**	**5,787**

Note 7 - Balance sheet values of HRA property

The Balance Sheet Values of the HRA operational and non - operational assets are valued on the basis of Existing Use as Social Housing with secure tenancies. These are summarised below:

	2019/2020 £'000	2020/2021 £'000
Operational Assets:		
- Dwellings	234,872	254,169
- Other land and Buildings	5,897	5,793
- Plant & Equipment	235	208
- Community Assets	280	280
- Infrastructure	322	298
Non – Operational Assets		
- HRA Assets Under Construction	2,603	599
- HRA Investment Properties	32	34
	244,241	**261,381**
Dwellings – Vacant Possession Value	618,090	668,870

The difference between the Balance Sheet valuation and the higher valuation on the basis of Vacant Possession shows the economic cost of providing council housing at less than open market rents.

Note 8 - Capital expenditure and financing

Capital expenditure on HRA property amounted to £11,906k in 2020/21 (£13,278k 2019/20). This was financed by:

	2019/2020	2020/2021
	£'000	£'000
Borrowing	2,890	3,293
Usable Capital Receipts	1,241	895
Major Repairs Reserve	3,601	3,685
Government Grants	0	0
Other Contributions	12	28
Revenue	5,534	4,005
	13,278	**11,906**

Note 9 - Depreciation of fixed assets

Authorities are required to charge depreciation on all HRA properties calculated in accordance with proper practices, including non-dwelling properties. The Section 151 Officer is responsible for deciding the most appropriate method of estimating depreciation for the Council’s assets and must have regard to provisions in the CIPFA Code of Practice when determining the method to be used in the estimation of depreciation for HRA properties. HRA dwelling depreciation has been calculated on an individual dwelling basis, using a 50 year useful life.

The total charge made for depreciation of land, houses and other property within the HRA is as follows:

	2019/2020	2020/2021
	£'000	£'000
Dwellings	3,463	3,523
Other HRA Property	152	155
	3,615	**3,678**

Note 10 - Impairment and revaluation

A Revaluation Loss of £8,846k (£12,125k in 2019/20), was applied to the value of the council dwellings in 2020/21.

£8,758k was charged in full to the HRA income & expenditure account (£9,655k in 2019/20) and £88k was offset against the balance on the revaluation reserve in 2020/21 (£2,470k in 2019/20).

A revaluation gain of £18,191k was applied to the value of the council dwellings in 2020/21 (£8,820k in 2019/20). This gain increased the balance on the Revaluation Reserve for the dwellings by £6,691k (£1,515k in 2019/20). The remaining £11,500k was credited to the HRA Income & Expenditure Account to offset losses relating to dwellings that had been charged there in previous years (£7,305k in 2019/20).

The dwelling revaluation loss of £8,758k and the dwelling revaluation gain of £11,500k, which were included in the HRA Income & Expenditure account were all reversed out in the Statement of Movement on the HRA Balance (£9,655k in 2019/20 & £7,305k in 2019/20) so that these transactions had no impact on the HRA balance.

For HRA Investment Property assets there were no revaluation movements in 2020/21 (nil in 2019/20) to be taken to the HRA Income & Expenditure account and reversed out in the Statement of Movement on the HRA Balance so that this transaction had no impact on the HRA balance (nil in 2019/20).

There was no revaluations of HRA other land & building assets in 2020/21 (nil in 2019/20).

This information can be summarised in the table below:

2019/20	Totals £'000	Taken to the Revaluation Reserve £'000	Taken to the CIES £'000
Revaluation Gains:			
Council Dwellings	8,820	(1,515)	(7,305)
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0
Revaluation Losses & impairments:			
Council Dwellings	(12,125)	2,470	9,655
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0
Net Impact:			
Council Dwellings	(3,305)	955	2,350
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0

2020/2021	Totals £'000	Taken to the Revaluation Reserve £'000	Taken to the CIES £'000
Revaluation Gains:			
Council Dwellings	18,191	(6,691)	(11,500)
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0
Revaluation Losses & impairments:			
Council Dwellings	(8,846)	88	8,758
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0
Net Impact:			
Council Dwellings	9,345	(6,603)	(2,742)
HRA Other Land & Building Assets	0	0	0
HRA Investment Properties	0	0	0

Note 11 - Major Repairs Reserve

The Accounts and Audit Regulations require the Council to maintain a Major Repairs Reserve (MRR). The main credit to the MRR is an amount equivalent to the total depreciation charge for all HRA assets.

The Council can spend the money held within the MRR without this being charged to the HRA. Statute effectively requires that the MRR be used only for capital expenditure on HRA assets.

	2019/2020	2020/2021
	£'000	£'000
Balance as at 1 April	0	0
Transfers to MRR:		
- Amount equivalent to Depreciation - Dwellings	(3,464)	(3,523)
- Amount equivalent to Depreciation - Other	(152)	(155)
Transfers from MRR:		
- HRA Capital Expenditure financed by MRA	3,464	3,523
- Transfer to the HRA – Depreciation Other Assets	152	155
Balance as at 31 March	**0**	**0**

Note 12 - Capital receipts

Capital Receipt transactions can be summarised as follows:

	2019/2020	2020/2021
	£'000	£'000
Dwellings	1,602	696
Other HRA Property	0	0
	1,602	**696**
Number of Disposals	27	9

THE COLLECTION FUND

Great Yarmouth Borough Council has a statutory obligation as a billing authority to maintain an agent's financial statement showing the transactions for the collection of council tax and non-domestic rates from tax and rate payers and its distribution for Great Yarmouth Borough Council, Norfolk County Council, Norfolk Police & Crime Commissioner and Central Government.

2019/20				2020/21		
Council Tax £'000	Non Domestic Rates £'000	Total £'000		Council Tax £'000	Non Domestic Rates £'000	Total £'000
			Income			
(51,933)	(30,112)	(82,045)	Amounts Receivable (net of mandatory and discretionary reliefs)	(53,266)	(12,961)	(66,227)
	0	0	Transitional Relief , S13A (1) (C) Reliefs - Council Tax only	(881)	0	(881)
(51,933)	**(30,112)**	**(82,045)**	**Total Income**	**(54,147)**	**(12,961)**	**(67,108)**
			Expenditure			
			Council tax demands and shares of non-domestic rates as estimated at the start of the year:			
38,906	9,313	48,219	- Norfolk County Council	41,147	3,010	44,157
7,228		7,228	- Norfolk Police and Crime Commissioner	7,642		7,642
5,042	12,178	17,220	- Great Yarmouth Borough Council	5,311	12,041	17,352
	7,164	7,164	- Central Government (net of allowable deductions)		15,052	15,052
	3,513	3,513	Transitional Protection payments non-domestic rates		721	721
			Impairment of debts/appeals:			
749	224	973	- change in allowance for impairment doubtful debt	263	263	526
	223	223	- change in allowance for impairment arising from appeals		492	492
	180	180	Charge to Collection Fund for Allowable Collection Costs		181	181
	973	973	Other transfers to GF in accordance with NDR Regs reported separately where material.		661	661
			Contribution towards previous year's estimated surplus/(deficit):			
619	(272)	347	- Norfolk County Council	215	(158)	57
107		107	- Norfolk Police and Crime Commissioner	40		40
73	(1,012)	(939)	- Great Yarmouth Borough Council	25	1,827	1,852
	(1,266)	(1,266)	- Central Government		3,075	3,075
52,724	**31,218**	**83,942**	**Total Expenditure**	**54,643**	**37,165**	**91,808**
791	**1,106**	**1,897**	**(Surplus)/Deficit for the year**	**496**	**24,204**	**24,700**
(269)	(5,026)	(5,295)	**Fund Balance at 1st April**	522	(3,920)	(3,398)
522	**(3,920)**	**(3,398)**	**Fund Balance at 31 March**	**1,018**	**20,284**	**21,302**

Notes to the Collection Fund

Note 1 - Demands on the Collection Fund

The total balances attributed as follows:

2019/20				2020/21		
Council Tax £'000	Non Domestic Rates £'000	Total £'000	Contribution towards (surplus)/deficit on the Collection Fund as at 31st March:	Council Tax £'000	Non Domestic Rates £'000	Total £'000
397	431	828	- Norfolk County Council	775	2,218	2,993
74	0	74	- Norfolk Police and Crime Commissioner	143	0	143
51	(1,476)	(1,425)	- Great Yarmouth Borough Council	100	8,135	8,235
0	(2,875)	(2,875)	- Central Government	0	9,931	9,931
522	**(3,920)**	**(3,398)**	**Total**	**1,018**	**20,284**	**21,302**

Note 2 - Council Tax

Council Tax derives from charges raised according to the value of residential properties, for the this purpose. Individual charges are calculated by aggregating the requirements of Norfolk County Council, Norfolk Police & Crime Commissioner and Great Yarmouth Borough Council. The basic amount for a 2020/21 Band D property was £1,846.06 (2019/20 £1,776.80), is multiplied by the proportion specified for the particular band to give an individual amount due, to which must be added any Parish precept.

Note 3 - Council Tax Base

When setting the 2020/21 Council Tax a gross tax base of 29,565 (29,069 in 2019/20) properties was estimated. An allowance of 1.75% to cover losses on collection and adjustments was applied, thus reducing the tax base to 29,048 (28,560 in 2019/20) Band D equivalent properties.

Analysis of Properties - Estimated Council Tax Base 2020/21:

	A - Disabled Relief	A	B	C	D	E	F	G	H	Total
Total equivalent no. of properties (after discounts adjustment)	31.0	17,340.0	11,318.0	7,904.0	3,921.0	1,831.0	565.0	229.0	10.0	43,149.00
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D Equivalents	17.22	11,560.00	8,802.89	7,025.78	3,921.00	2,237.89	816.11	381.67	20.00	34,782.56
Additions (Net of Discounts / Exemptions, incl. Local Council Tax Support)										-5,217.00
Total Band D Equivalents										29,565.56
Estimated Collection Rate for 2020/21 - 98.25%										29,048.16

Note 4 - Non-Domestic Rates

Since the introduction of the Business Rates' Retention Scheme on1st April 2013, the Council collects Non-Domestic Rate (NDR) for its area which are based on local rateable values controlled by the Valuation Office multiplied by a uniform rate controlled by Central Government. The total amount less certain reliefs and other deductions is paid to Central Government, Great Yarmouth Borough Council and Norfolk County Council in accordance with legislated percentages of 50%, 40% and 10% respectively.

The Government specifies a multiplier which was 51.2p for 2020/21 (50.4p for 2019/20) and subject to the effects of transitionary arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

The rateable value for the Council's areas as at 31st March 2021 was £79,345,925 (£80,043,855 as at 31st March 2020).

Great Yarmouth Borough Council Group Accounts

The Group Accounts are presented on the following pages and include:

Great Yarmouth Borough Council Group Accounts

Overview and Group Accounting Policies

The Group Accounts have been prepared in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Supporting notes have only been included where the group outcome is significantly different to the disclosures in the Council's single entity accounts. The index to the Notes on the Single Entity Accounts is provided on page 2 and Note 35 discloses the Council's interest in other companies and entities including whether these have been consolidated into the group.

The accounting policies used in preparing the group accounts are generally those used by Great Yarmouth Borough Council in their single entity financial statements. To align group entities accounting policies to those used by the Council and ensure consistency of accounting treatment across the group, the following principles have been adopted:

<u>Consolidation of Subsidiaries</u>

Subsidiaries are consolidated using the acquisition accounting basis. This is a full, line by line consolidation of the financial transactions and balances of the Council and any subsidiaries. To avoid overstating the figures within the group financial statements, all transactions and balances between members of the group (the Council and its subsidiary) have been eliminated. The Group Accounts include Great Yarmouth Borough Council, and its wholly owned subsidiary Equinox Enterprises Limited. Associate companies, Great Yarmouth Borough Services Limited, and Great Yarmouth Norse Limited are excluded from the Group Accounts on the grounds of materiality.

<u>Alignment of accounting framework and policies</u>

The accounting framework used by the subsidiary company differs from that of the Council (FRS102 rather than the CIPFA Code of Practice) although there are no significant differences in the accounting policies of the company and the Council that would cause a material adjustment in the consolidation of the Group Accounts.

<u>Unrealised profits from intra-group transactions</u>

Any unrealised profit reflected in the carrying amount of property, plant and equipment and inventory arising from trading between the Council and its group companies will be eliminated to avoid the double counting of gains.

<u>Company losses Accounting Treatment</u>

The Group Comprehensive Income and Expenditure Account includes the profits / losses arising in each of the wholly owned subsidiary companies. Profits / losses from wholly owned subsidiaries are included in the Group Surplus or Deficit on Provision of Services from ordinary trading activities.

This schedule shows the movement during the years ended 31 March 2020 and 31 March 2021 of the Council's single entity usable and unusable reserves, as well as the Council's share of the Group reserves.

	General Fund Balance	Earmarked GF Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Receipts in Advance	Capital Grants Unapplied Account	Council's share of reserves of subsidiary company	Total Usable Group Reserves	Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2019	**3,220**	**10,557**	**11,400**	**185**	**1,851**	**0**	**0**	**4**	**(257)**	**26,960**	**160,822**	**187,782**
Movement in reserves during 2019/20												
(Surplus) or deficit on provision of services	14,934	0	(1,620)	0	0	0	0	0	141	13,455	0	13,455
Other Comprehensive Expenditure and Income											(11,787)	(11,787)
Total Comprehensive Expenditure and Income	14,934	0	(1,620)	0	0	0	0	0	141	13,455	(11,787)	1,668
Adjustments between accounting basis and funding basis under regulations	(15,502)	0	3,485	0	(182)	0	0	0	0	(12,198)	12,198	(0)
Transfers to/from Earmarked Reserves	292	(293)	(24)	24	0	0	0	0	0	(1)	0	(1)
(Increase)/Decrease 2019/20	(276)	(293)	1,841	24	(182)	0	0	0	141	1,255	411	1,666
Balance 31 March 2020	**3,496**	**10,850**	**9,559**	**161**	**2,032**	**0**	**0**	**4**	**(398)**	**25,705**	**160,411**	**186,116**
Movement in reserves during 2020/21												
(Surplus) or deficit on provision of services	(3,334)	0	(6,046)	0	0	0	0	0	(748)	(10,128)	0	(10,128)
Other Comprehensive Expenditure and Income											4,964	4,964
Total Comprehensive Expenditure and Income	(3,334)	0	(6,046)	0	0	0	0	0	(748)	(10,128)	4,964	(5,164)
Adjustments between accounting basis and funding basis under regulations	(10,517)	0	7,104	0	399	0	0	(202)	0	(3,216)	3,216	0
Transfers to/from Earmarked Reserves	12,841	(12,841)	(32)	32	0	0	0	0	0	1	0	1
(Increase)/Decrease 2020/21	(1,010)	(12,841)	1,026	32	399	0	0	(202)	(748)	(13,344)	8,180	(5,164)
Balance 31 March 2021	**4,506**	**23,691**	**8,534**	**129**	**1,633**	**0**	**0**	**206**	**350**	**39,048**	**152,231**	**191,280**

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This account summarises the resources generated and consumed in providing services and managing the Group during the year

	2019/20 Gross Expenditure	2019/20 Gross Income	2019/20 Net	Group Accounts Note	2020/21 Gross Expenditure	2020/21 Gross Income	2020/21 Net
	£'000	£'000	£'000		£'000	£'000	£'000
Executive	5,007	(1,292)	3,715		9,720	(10,675)	(954)
Inward Investment	4,902	(3,155)	1,747		4,541	(2,406)	2,135
Housing	3,188	(1,073)	2,115		2,894	(1,132)	1,762
Planning and Growth	1,650	(1,162)	488		1,396	(884)	512
Customer Services	27,186	(27,531)	(345)		26,395	(26,057)	338
Property and Asset Management	3,181	(459)	2,723		3,352	(276)	3,076
Communications, Marketing and Events	856	(183)	673		612	(13)	598
Environmental Services	5,984	(1,995)	3,989		6,699	(2,408)	4,291
Local Authority housing (Housing Revenue Account)	19,319	(23,318)	(3,999)		14,902	(23,338)	(8,436)
Corporate Service	(59)	0	(59)		148	0	148
Cost of Services	**71,214**	**(60,168)**	**11,046**		**70,659**	**(67,189)**	**3,470**
Other Operating Expenditure			**15,294**				**513**
Financing and Investment Income and Expenditure			**190**	**1**			**2,078**
Taxation and Non Specific Grant Income			**(13,019)**				**(16,356)**
(Surplus) or Deficit on Provision of Services			**13,512**				**(10,294)**
Tax expenses of subsidiary			(39)				**174**
Group (surplus) or deficit			**13,473**				**(10,120)**
(Surplus) or Deficit on revaluation of PPE			1,044				(5,607)
(Surplus) or Deficit on revaluation of Elected FVOCI			111				6
Re-measurement of the net defined benefit (asset) / liability			(12,942)				10,565
Other Comprehensive Income and Expenditure			**(11,787)**				**4,964**
Total Comprehensive Income and Expenditure			**1,686**				**(5,156)**

GROUP BALANCE SHEET 31 MARCH 2021

This statement shows the value at the Balance Sheet date of the assets and liabilities recognised by the Group

	31 March 2020	Group Accounts Note	31 March 2021
	£'000		£'000
Property, Plant & Equipment (PPE)			
Operational Assets PPE			
Council Dwellings	234,874	**2**	254,142
Other Land and Buildings	34,699		33,182
Vehicles, Plant, Furniture and Equipment	2,172		2,661
Infrastructure	14,884		14,042
Community assets	6,788		6,786
Non Operational Assets	0		
Assets Under Construction	10,501		11,670
Total PPE	**303,918**		**322,481**
Heritage Assets	0		2,272
Investment Property	51,946		50,139
Long Term Investments	889		882
Intangible Assets	309		307
Long Term Debtors	2,916		2,998
Long Term Assets	**359,977**		**379,080**
Inventories	7,362	**3**	802
Short Term Investments	0		6,000
Short Term Debtors	13,431	**4**	28,682
Deferred tax	86		0
Cash and Cash Equivalents	12,523	**5**	28,837
Assets Held for Sale	1,850		1,850
Current Assets	**35,252**		**66,171**
Short Term Borrowing	(32,646)		(51,856)
Short Term Creditors	(26,772)	**6**	(42,953)
Provisions	(1,295)		(1,415)
Current Liabilities	**(60,713)**		**(96,224)**
Long Term Creditors	(229)		(177)
Long Term Borrowing	(86,398)		(82,862)
Other Long Term Liabilities			
Net Pensions Liability	(60,884)		(72,405)
Deferred Liabilities	(448)		(372)
Grant Receipts in Advance	(457)		(1,946)
Long Term Liabilities	**(148,416)**		**(157,764)**
Net Assets	**186,100**		**191,264**

GROUP BALANCE SHEET 31 MARCH 2021

	31 March 2020 £'000	31 March 2021 £'000
Usable Reserves		
General Fund	3,490	4,499
Council's share of reserves of subsidiary company	(400)	350
General Fund Earmarked Reserves	10,848	23,690
Housing Revenue Account	9,559	8,533
HRA Earmarked Reserves	161	129
Capital Receipts Reserve	2,032	1,633
Capital Grants Unapplied	4	206
Total Useable Reserves	**25,694**	**39,040**
Unusable Reserves		
Revaluation Reserve	22,684	27,760
Pensions Reserve	(60,884)	(72,405)
Capital Adjustment Account	197,853	206,638
Financial Instruments Adjustment Account	(632)	(629)
- Financial Instruments Revaluation Reserve	(111)	(118)
Collection Fund Adjustment Account	1,698	(8,695)
Short term Accumulating Compensated Absences A/C	(200)	(325)
	160,407	**152,226**
Total Reserves	**186,101**	**191,266**

GROUP CASHFLOW STATEMENT

The cash flow statement shows the changes in cash and cash equivalents in the group during the reporting period. The statement shows how the Group generates and uses cash by classifying cash flows as operating, investing, and financing activities.

31 March 2020 £'000		Group Accounts Note	31 March 2021 £'000
13,314	Net (surplus) or deficit on the provision of services		**(10,122)**
(25,105)	Adjust net surplus or deficit on the provision of services for non-cash movements	**8**	**(10,540)**
3,013	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		**4,731**
(8,779)	**Net cash flows from Operating Activities**		**(15,932)**
14,610	Investing activities	**7**	20,166
(1,670)	Financing activities		(20,548)
4,161	**Net (increase) or decrease in cash and cash equivalents**		**(16,314)**
16,831	Cash and cash equivalents at the beginning of the reporting period		**12,525**
12,525	**Cash and cash equivalents at the end of the reporting period**		**28,837**

NOTES TO THE GROUP ACCOUNTS

The following notes are specific to the Group Accounts. Additional notes to the Council Single Entity Accounts are provided on pages 19 to 79.

Note 1 - Financing and Investment Income and Expenditure

The accounts for Equinox Enterprises Limited are consolidated on this line on the Group Comprehensive Income and Expenditure Statement.

Total Group 31 March 2020		Total Group 31 March 2021 £'000
3,158	Interest payable and similar charges	3,085
1,732	Net interest on the net defined benefit liability / (asset)	1,396
(237)	Interest receivable and similar income	(104)
0	Investment Property changes in their fair value	1,267
(2,030)	(Gains)/Losses on the disposal of Investment Property	(45)
(2,432)	Investment Property Income & Expenditure	(3,522)
190		**2,078**

Note 2 - Council Dwellings

Total Group 31 March 2020		Total Group 31 March 2021 £'000
234,872	Council Dwellings	254,168
3	Equinox consolidation adjustment; GY Assets to Equinox Turnover & Cost of Sales	(26)
234,874		**254,142**

Council Dwelllings adjustment relates to Equinox Enterprises Limited sales of housing to Great Yarmouth Borough Council during the year.

Note 3 - Inventories

Total Group 31 March 2020		Total Group 31 March 2021 £'000
50	Stocks	49
6,311	Work in Progress - Development Properties	0
1,001	Finished goods and goods for resale	753
7,362		**802**

Equinox Enterprises Limited finished goods for resale relate to Equinox Enterprises Limited completed market sale properties available for sale.

Note 4 - Short Term Debtors

Total Group 31 March 2020		Total Group 31 March 2021 £'000
1,589	Central Government Bodies	13,526
3,030	Other Local Authorities	7,370
0	Subsidiary	0
1,710	Associates	2,536
8	NHS Bodies	60
7,094	Other entities and individuals	5,191
13,431		**28,683**

Note 5 - Cash and Cash Equivalents

Total Group 31 March 2020		Total Group 31 March 2021 £'000
3	Cash held by the Authority	3
1,350	Bank current accounts	3,544
250	Government and Local Authorities	13,290
1,000	Building Societies	0
9,920	Money Market Funds	12,000
12,523		**28,837**

Note 6 - Short Term Creditors

Total Group 31 March 2020		Total Group 31 March 2021 £'000
(8,997)	Central Government Bodies	(26,317)
(6,131)	Other Local Authorities	(2,866)
(0)	Subsidiary	0
(5,808)	Associates	(5,493)
0	NHS Bodies	(3)
(5,836)	Other entities and individuals	(8,274)
(26,772)		**(42,953)**

Note 7 - Investing Activities

Total Group 31 March 2020		Total Group 31 March 2021 £'000
14,277	Purchase of PPE, Investment Property, and Intangible Assets	18,900
(2,597)	Capital grants & Contributions received	(3,615)
(2,738)	Other receipts and payments from investing activities	6,337
(1,740)	Proceeds from sale of PPE	(1,457)
0	Purchase of Subsidiary Share Capital	0
1,058	Purchase of short term investments	0
2,617	Purchase of long term investments	0
10,877		**20,165**

Note 8 - Adjust net surplus or deficit on the provision of services for non-cash movements

Total Group 31 March 2020		Total Group 31 March 2021 £'000
(5,454)	Depreciation	(5,435)
(9,660)	Impairment and downward valuations	(6,545)
7,596	Revaluation gains offset against previous revaluation losses	9,192
(83)	Amortisation	(72)
0	Impairment losses on loans & advances debited to surplus or deficit on the provision of services in year	0
147	Adjustments for effective interest rates	(59)
111	Increase/Decrease in Interest Creditors on short term borrowing	190
(5,247)	(Increase)/Decrease in Creditors	(16,055)
3,653	Increase/(Decrease) in Debtors	18,293
4,030	Increase/(Decrease) in Inventories	(6,560)
(163)	Contributions to/(from) Provisions	(121)
(2,104)	Pension Liability	(956)
(16,216)	Carrying amount of non-current assets sold	(1,145)
2,030	Movement in Investment Property and Asset Held for Sale Values	(1,267)
(21,361)		**(10,540)**

GLOSSARY OF TERMS

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

ACCRUALS ACCOUNTING

The inclusion of income and expenditure in the accounts for the period in which they are earned or incurred, rather than the period in which the income is received or expenditure is paid.

AGENCY SERVICES

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

AMORTISED COST

The accumulated portion of the recorded cost of a fixed asset that has been charged to expense through either depreciation or amortisation.

AMORTISATION

The process of spreading a cost to revenue over several years. i.e. Intangible Assets are amortised to revenue over their useful life.

ASSET

An item owned by the Council which has a monetary value i.e. vehicles, buildings, cash, equipment etc.

AUDITORS REPORT

This is the independent opinion of the External Auditor as to whether the accounts present a 'true and fair' view of the financial position of the Council.

BALANCE SHEET

This sets out the financial position of the Council as at the end of the accounting period.

BUDGET

The statement of the Council's policy expressed in financial terms usually for the current and forthcoming financial year. The revenue budget covers running expenses (see revenue expenditure), and the capital budget plans for asset acquisitions and replacements (see capital expenditure).

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset which lasts for more than 1 year, or expenditure which adds to the life of an existing fixed asset.

CAPITAL RECEIPTS

Monies received from the sale of assets, some of which may be used to finance new capital expenditure or to repay outstanding loan debt as stated within the rules set by Central Government.

CASH FLOW STATEMENT

This summarises all the Council's inflows and outflows of cash.

COLLECTION FUND

The Council's estimate of the extent to which they will be able to successfully collect Council Tax and Non-domestic Rates in their area. Any surplus or deficit is carried forward to the next financial year.

COMMUNITY ASSETS

Assets that the local authority intends to hold in perpetuity, that have no determinable value are parks and community centres.

CONTINGENCY

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

COUNCIL TAX

This is a banded property tax set by local authorities in order to meet their budget requirements.

CREDITORS

Amounts owed by the Council for goods and services received but for which payment has not been made at the end of the financial year.

DEBTORS

Sums of money due to the Council but not received at the end of the financial year.

DE MINIMIS

The level, set by the authority, below which capital expenditure and receipts will be treated as revenue.

DEPRECIATION

The measure of wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

DIRECT REVENUE FINANCING

A charge to revenue accounts for the direct financing of fixed assets and other capital expenditure.

EARMARKED RESERVES

Revenue reserves within the General Fund which are set aside to finance specific future services.

EVENTS AFTER THE REPORTING PERIOD

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Financial Statements are authorised for issue.

FAIR VALUE

The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

FINANCING AND OPERATING LEASES

A finance lease transfers all of the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired have to be included within the fixed assets in the balance sheet. With an operating lease the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service within the revenue account. At the end of the lease the asset returns to the leasing company.

GENERAL FUND

The Council's main revenue account, covering income and expenditure on all services other than council housing.

GOVERNMENT GRANTS

Grants paid by the government. These can be for general expenditure or a specific service or initiative, for example Planning Delivery Grant.

HOUSING REVENUE ACCOUNT (HRA)

The statutory account to which are charged the revenue costs of providing, maintaining and managing Council dwellings. These are financed by rents charged to tenants and subsidies received from the government.

IMPAIRMENT

A material reduction in the carrying value of a fixed asset during the accounting period. This can be caused by a clear consumption of economic benefits (such as physical damage or deterioration) or a general fall in prices.

INFRASTRUCTURE ASSETS

These are non-current assets that have no realistic expectation of being sold, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INTANGIBLE ASSETS

Intangible assets are non-financial Long Term assets that do not have physical substance but are identifiable and are controlled by the Council, i.e. computer software licenses.

INVESTMENT PROPERTIES

Assets which the authority owns but are used solely to earn rentals and/or for capital appreciation, not for the delivery of services.

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

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the Council's revenue account each year to provide for the repayment of external loans. This ensures that the Council makes a satisfactory annual provision for loan repayments.

NATIONAL NON DOMESTIC RATE (NNDR)

National Non-Domestic Rate (NNDR) is set by the Government and collected by each authority and nationally determined proportionate shares are paid to the Government and Norfolk County Council with a share retained by the authority.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet i.e. their historic cost or current value less the cumulative amounts provided for depreciation.

NON CURRENT ASSETS

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

NON OPERATIONAL ASSETS

Non operational assets are held by the Authority but not directly occupied or used in the delivery of services. They include investment properties, surplus properties awaiting disposal and assets which are under construction.

OPERATIONAL ASSETS

Operational assets are Long Term assets such as building premises held and occupied, used or consumed by the Council in the direct delivery of services.

OUTTURN

The actual amount spent in the year.

PENSION FUND

A fund which makes pension payments on retirement to its participants.

PRECEPTS

The net expenditure of non-billing authorities which are comprised of the County Council, Parish Councils and Police Authority, which the billing authority (Great Yarmouth Borough Council) must include when setting its Council Tax and then pay over to those authorities in agreed instalments.

PROVISIONS

An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise is uncertain.

PRUDENTIAL CODE

The Government removed the extensive capital controls on borrowing and credit arrangements from 2004/05 and replaced them with a Prudential Code under which each Council determines its own affordable level of borrowing. The Prudential Code requires authorities to set specific prudential indicators i.e. affordable borrowing limit on an annual basis.

PUBLIC WORKS LOANS BOARD

A government agency which provides longer term loans to local authorities at interest rates slightly higher than those at which the Government itself can borrow. Local authorities are able to borrow from this source to finance capital expenditure.

RATEABLE VALUE

A value assessed by H.M Revenue and Customs for all properties subject to non domestic rates / business rates.

RELATED PARTY TRANSACTION

The transfer of assets or liabilities or the performance of services by, to or for a related party.

RESERVES

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years i.e. general reserves are available to meet future revenue and capital expenditure.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Capital expenditure which does not create a tangible asset for the Council, for example improvement grants to households within the Borough.

REVENUE INCOME AND EXPENDITURE

Day to day expenses, mainly salaries, general running expenses, charges for goods and services and the Minimum Revenue Provision cost. Revenue income includes charges made for goods and services.

REVENUE SUPPORT GRANT (RSG)

The Revenue Support Grant is paid by government to the Council in respect of local authority expenditure generally.

STATEMENT OF ACCOUNTING POLICIES

This sets out the accounting policies which the Council applies to the various items of income and expenditure when preparing the Statement of Accounts.

USABLE CAPITAL RECEIPTS

Monies received from the sale of Council property and dwellings which remain available to meet the cost of future capital expenditure.

VALUE ADDED TAX (VAT).

A tax on consumer expenditure, which is collected on business transactions at each stage in the supply, but which is ultimately borne by the final customer.

Further Information

If further information on any aspect of these accounts is required, please contact:
Karen Sly (S151), Director of Finance,
Town Hall, Hall Plain, Great Yarmouth, NR30 2QG.

This document is available on the Council's website www.great-yarmouth.gov.uk

Author	**Corporate Risk Officer**
Date	**March 2024**
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ANNUAL GOVERNANCE STATEMENT 2020/2021

1. Scope of responsibility

Great Yarmouth Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must ensure that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Great Yarmouth Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Great Yarmouth Borough Council is responsible for putting in place proper arrangements for the governance of the Council's affairs and facilitating the effective exercise of its functions including arrangements for the management of risk and for dealing with issues which arise.

Great Yarmouth Borough Council has approved and adopted a Code of Corporate Governance which is consistent with the principles and recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 2016 Framework ' Delivering Good Governance in Local Government'.

A copy of the code can be obtained from the Corporate Risk Officer, Greyfriars House, Greyfriars Way, Great Yarmouth, NR30 2QE. This statement explains how Great Yarmouth Borough Council has complied with the code and also meets the requirement of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement of internal control and accompanies the 2020/2021 Statement of Accounts of the Council. The Annual Governance Statement is subject to detailed annual review and approved by the Audit and Risk Committee.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, which direct and control Council's activities and through which we account to, engage with and lead the community. It enables the Council to monitor the achievement of its strategic priorities and objectives set out in the Corporate Plan and to consider whether those priorities and objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal controls cannot eliminate all risk of failure to achieve strategic priorities and objectives but can provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Great Yarmouth Borough Council's priorities and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

All subsidiary companies have a system of governance which is the responsibility of the Board of Directors and designed to give the Directors adequate information to review the activities of the Group and review and control the business risks

The governance framework has been in place at Great Yarmouth Borough Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

3. The governance framework

An annual review of the Code of Corporate Governance framework at Great Yarmouth Borough Council was completed prior to the preparation of the Annual Governance Statement. A new code of corporate governance has been developed to cover the coming financial year 2021/2022 and was approved by the Audit and Risk Committee in June 2021.

The Code of Corporate Governance derives from seven core principles identified in a 2016 publication entitled Delivering Good Governance in Local Government (CIPFA/SOLACAE 2007). This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA / SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The seven core principles are:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
B. Ensuring openness and comprehensive stakeholder engagement
C. Defining outcomes in terms of sustainable economic, social and environmental benefits
D. Determining the interventions necessary to optimise the achievement of intended outcomes
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management
G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

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

GYBC has adopted a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes. The constitution was reviewed during 2020/21.

Roles and responsibilities of members and officers are set out clearly in the constitution. The Council has adopted a number of codes and protocols that govern both Member and officer activities. These are:

- Members Code of Conduct and guidance
- Officers Code of conduct
- Member / officer protocol
- Members' declarations of interest
- Register of Gifts and Hospitality

The Officer Register of Gifts and Hospitality process is currently being reviewed and further work is to be undertaken to raise awareness and ensure compliance.

Additionally, the Council appoints a number of committees to discharge the Council's regulatory and scrutiny responsibilities. These leadership roles, and the delegated responsibilities of officers, are set out in the Constitution.

The Council's Scheme of Delegation designates the Chief Executive as the Council's Head of Paid Service. The Scheme of Delegation sets out the extent of delegations made to Committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The Council also has Financial Regulations, Standing Orders and Contract Procurement Protocol relating to contracts in place and all of these procedural documents are regularly reviewed.

It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting the Chief Executive and Finance Director, she will report to the full Council if she considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Monitoring Officer is employed via a secondment agreement with Norfolk County Council with the provision of legal services being via an agreement with nplaw.

All decisions made by Members via the appropriate Committees are on the basis of reports, including assessments of the legal and financial implications, and consideration of the risks involved and how these will be managed. The financial and legal assessments are considered by the S151 Officer and the Monitoring Officer respectively.

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes.

The Council has an Agreed Behaviours Framework which confirms the way we behave at work, and what behaviour is supportive, appropriate and welcome and what is not. All officers are expected to adhere to the Agreed Behaviours Framework, and these have been incorporated in the recruitment / induction process and will continue to be embedded through the Performance Development Review process.

A Members development group has been set up and a training program developed, agreed and shared with existing members and prospective candidates.

All relevant policies are held on The Loop and where required published on the Council's website.

The Council takes fraud, corruption and maladministration very seriously and has the following policies which aim to prevent or deal with such occurrences:

- Anti-Fraud, Corruption and Bribery Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- HR policies regarding disciplinary of staff involved in such incidents

The Anti-Fraud, Corruption and Bribery, Whistleblowing and Anti-Money Laundering Policies were reviewed during 2020/2021 and are published on The Loop and the Council's website. An annual email reminder is sent to all staff and members.

Policies and procedures governing the Council's operation include Financial Regulations, Contract Procedure Rules and a Risk Management Framework. Ensuring compliance with these policies is the responsibility of managers across the Council. The Internal Audit function, Finance and Legal Services ensure that policies are complied with. Where incidents of non-compliance are identified, appropriate action is taken.

B. Ensuring openness and comprehensive stakeholder engagement

The Corporate Plan - 'The Plan' is a five-year plan for the borough which is supported by four key strategic priorities:

- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council

Our priorities are strongly focused on outcomes and ‘The Plan’ includes information regarding what we will achieve for our residents, visitors and business communities.

The Annual Action Plan details key projects to be delivered and aligns with the ‘The Plan’ and the Councils Business Strategy and incorporates Performance Indicators. The Annual Action Plan is reviewed to ensure specific activities and projects remain on track to deliver and published on an annual basis.

The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear.

The council operates a committee system of governance and each committee has clear responsibilities requiring them to work closely with senior and other employees so as to achieve the Council’s ambitions. Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior and other officers of the Council can make decisions under delegated authority – again the extent of these delegations is set out in the Constitution.

The Constitution also includes a Member / Officer protocol which describes and regulates the way in which Members and Officers should interact to work effectively together.

The report template ensures consultation is undertaken with S151 Officer and Monitoring Officer before the report is considered by members.

The Council works in partnership with other organisations to deliver the Council’s aims, policies and objectives. Partnerships are regulated by partnership agreements and service level agreements. The Partnership Governance Framework and Partnership Register were reviewed in 2020/2021 and submitted to ELT and Audit and Risk Committee for approval. Work will continue to raise the profile and ensure that all applicable governance and risk management arrangements are applied and consistently used across the organisation and the Partnership Register will be reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

Outside Bodies membership roles and responsibilities is to be reviewed prior to Council in May 2021 with the aim to have terms of reference for all Outside Bodies and a potential training session for Members to understand their responsibilities.

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council’s equality objectives will take place in 2021/2022.

The Council aims to ensure that the work of the council is open, honest and transparent, and to enhance inclusion by building on our understanding of all resident’s needs and perceptions, through improved customer service and community engagement. A fresh set of standards of what customers can expect in service delivery and a set of principles for staff to work to both external and internal have been created.

Awareness sessions of the Customer Service Charter are to be held with teams across the organisation through 2021/2022. The customer services reception and face to face facilitates operating model is to be reviewed during 2021/2022.

The Council engages with local people and stakeholders in the following ways on a range of issues:

- Surveys
- On Line feedback
- Public Meetings / consultation
- Interviews

Various media methods have been used during the COVID 19 pandemic to engage with and ensure that the community / residents are fully informed.

The Council has also undertaken work with key stakeholders such as parish councillors to try to ensure enhance participation through these types of established forums.

A Resident Engagement Strategy is to be developed in 2021/2022 with residents of the Council's estates and homes. The development of the strategy was delayed due to the national lockdowns and COVID 19 pandemic in 2020/2021.

A Corporate Complaints and Compliments policy is available which provides a framework on the council's approach to complaints, compliments and comments received from customers.

The Freedom of Information policy is designed to ensure that there are clear internal arrangements for effective management and release of information and ensure that the Councils complies with the FOI act. Data champions have been appointed and are provided with regular training. As required by the FOIA, the Council has adopted and maintains a Publication Scheme as a guide to the information that it holds which is publicly available.

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

The Corporate Plan - 'The Plan' is a five-year plan for the borough which is supported by four key strategic priorities:

- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council

Our priorities are strongly focused on outcomes and 'The Plan' includes information regarding what we will achieve for our residents, visitors and business communities.

The Annual Action Plan details key projects to be delivered and aligns with the 'The Plan' and the Councils Business Strategy and incorporates Performance Indicators. The Annual Action Plan is reviewed to ensure specific activities and projects remain on track to deliver and published on an annual basis.

The Council's Executive Leadership Team, consisting of the Chief Executive, Directors and the Head of Legal and Governance (Monitoring Officer) met on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meets monthly and, also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Council's Risk Management Framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working.

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork & guidance is to be review and work on the Council's equality objectives will take place in 2021/2022.

The financial management of the Council is conducted in accordance with the financial rules set out in the Constitution and with Financial Regulations. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan. The Policy and Resources Committee monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary, on a quarterly basis. Regular reports are taken to the Policy and Resources Committee and Service Committee to monitor progress against budget for the General Fund, Capital Programmes and the Housing Revenue Account. The reporting processes are under constant review in order to develop their maximum potential.

The report template requires that consultation with S151 Officer and Monitoring Officer is undertaken before a report is considered by Members.

D. Determining the interventions necessary to optimise the achievement of intended outcomes

The Council's Executive Leadership Team, consisting of the Chief Executive and Directors meet on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meet monthly and also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Project Management Office (PMO) co-ordinates and delivers corporate priority projects across the Borough. The team also offers help, support and advice in project management across the Council, encouraging a corporate approach to project management. The Project Management Framework and accompanying templates are available to assist with the delivery of small, medium and capital projects.

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working.

The Partnership Governance Framework complies with good practice and aims to ensure that the Council maintains a structured approach to entering into new partnerships. The purpose of the framework is to assist managers to ensure that the purpose, objectives and intended outcomes are clear, achievable and sustainable including an exit plan when the partnership is no longer effective. A Partnership Register is also maintained and reviewed to ensure it correctly reflects the Partnerships that the council are involved in.

The financial management of the Council is conducted in accordance with the financial rules set out in the Constitution and with Financial Regulations. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan.

A Procurement Strategy is available and will deliver a sound structure and framework to support ongoing procurement activity. This will enable the Council to maximise opportunities, minimise risks and support several of its Corporate Objectives through good procurement practice. The Council has adopted the Chartered Institute of Procurement and Supply Code of Ethics.

The Policy and Resources Committee monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary, on a quarterly basis. Regular reports are taken to Policy and Resources Committee and Service Committee to monitor progress against budget for the General Fund and Capital Programmes. The Housing and Neighbourhood Committee receives monitoring information for the Housing Revenue Account. The reporting processes are under constant review in order to develop their maximum potential.

All budget heads are allocated to a named budget officer who is responsible for controlling spend against a budget, and who is also responsible for assets used in the provision of their service. Containing spending within budget is given a high priority in performance management for individual managers

The Council's system of internal financial control throughout the financial year 2020/21 is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:

- Comprehensive budgeting systems;
- Measurement of financial and other performance against targets;
- Regular reviews of periodic and annual financial reports, which indicate financial performance against the forecasts and targets;
- Clearly defined capital expenditure guidelines;
- Formal project management disciplines, as appropriate

Financial management processes and procedures are set out in the Council's Financial Regulations and include:

- Financial management processes and procedures
- Financial planning including budgeting and budget monitoring
- Risk Management and Control, including asset management and treasury management
- Systems and procedures
- External arrangements including partnerships

Impact on equality are required for all reports and Equality Impact Assessments are considered and completed on a risk-based approach where required. The Equality Impact Assessment paperwork and guidance is to be review and work on the Council's equality objectives will take place in 2021/2022.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council aims to ensure that Members and managers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. The Corporate Induction course which is available for all new Members and staff to familiarise themselves with protocols, procedures, values and aims of the Council was reviewed and launched in May 2017 and is under regular review.

An E-learning system is in place and a process setup for all staff to undertake the e-learning annually.

The Council has an established Member training and development programme, including an induction process and regular updates throughout the year. Specific training is also provided to Members who sit on regulatory committees, and they are unable to take up a position on these committees without having first received the relevant training.

All Council services are delivered by trained and experienced people. All posts have a detailed post profile and person specification.

The Digital Strategy was agreed by ELT and Policy and Resources Committee. Implementation is now commencing supported by an action plan with an expected completion date of 2022. Regular updates on the delivery of the action plan are reported to the IT Investment Group (ITIG).

The Performance Review (PDR) process and a Workforce Development Plan and Workforce and Development Strategy have been developed. Learning and development needs will be identified through the performance review process and regular 1:1's.

Agreed behaviours have been incorporated into the recruitment / induction process and will continue to be embedded through the PDR process.

The Council's Chief Executive (and Head of Paid Service) leads the Council's officers and chairs the Executive Leadership Team. All staff, including senior management, have clear conditions of employment and job descriptions which set out their roles and responsibilities.

F. Managing risks and performance through robust internal control and strong public financial management

The Council's Executive Leadership Team, consisting of the Chief Executive and Directors met on a weekly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. Management Team meet monthly and also considers internal control issues, including risk management, performance management, compliances, value for money and financial management.

The Council has an effective Performance Management Framework, which is driven by the Corporate Priorities, which are cascaded through team / departmental meetings and 1:1s.

The Council's risk management framework requires that consideration of risk is embedded in all key management processes undertaken. These include policy and decision making, service delivery planning, project and change management, revenue and capital budget management and partnership working. In addition, a corporate risk register is maintained, and the Audit and Risk committee meets to review the extent to which the risks included are being effectively managed and reviews progress towards achieving the action plan. Risk Management arrangements for the year ended 31 March 2021 were considered adequate.

The Project Management Framework and accompanying templates include Risk Management templates to assist with the delivery of small, medium and capital projects.

The Partnership Governance Framework complies with good practice and aims to ensure that the Council maintains a structured approach to entering into new partnerships. The purpose of the framework is to assist managers to ensure that the financial arrangements in the partnership do not conflict with the Council's own financial regulations, ensuring risks are identified and managed and support good governance.

All Committees have clear terms of reference and work programmes to set out their roles and responsibilities The Audit and Risk committee meet throughout the year to provide independent assurance to the Council and considers the reports and recommendations of internal and external audit and inspection agencies and their implications for governance, and risk management or control. The Committee supports effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourages the active promotion of the value of the audit process and review the financial statements. The committee considers the internal and external auditor's opinion and reports to members, and monitors management action in response to the issues raised by internal and external audit. These arrangements ensure that the Council has processes and procedures in place to ensure that an it fulfils its overall purpose, achieves its intended outcomes for service users and operates in an economical, effective, efficient and ethical manner, as prescribed in the CIPFA/the role of the head of internal audit statement.

Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management and the Audit and Risk Committee by the Head of Internal Audit as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings, and issues with addressing the urgent recommendations are also discussed at Executive Leadership Team. Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.

The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.

The Business Continuity function is a managed service supplied by Norfolk County Council who provide a Resilience Officer based in Great Yarmouth and out-of-hours support by the Norfolk County Council Resilience Duty Officer.

All committee and council reports require review by S151 Officer and Monitoring Officer.

A manager's health and safety handbook has been developed for new managers which will enable them to build competence in managing health and safety risks in their workplace. The Corporate Health and Safety Group meet on a quarterly basis to monitor progress with health and safety priorities and processes. The annual cycle plan assists Heads of Service to identify the areas of Health and Safety that require monitoring and is supplemented with a monthly newsletter for managers dealing with topical issues including targeted reminders about the annual cycle checks due. The Health and Safety co-ordinators assist Heads of Service to complete the monthly Health and Safety tasks.

GYBC have signed up to the NCC Fraud HUB Initiative. Officers have been provided with access to website and work is progressing but activity to develop further has been slow.

The Warning Marker System has been reviewed and regular training provided. The ICT Team are to complete reworking of the system to allow this to be implemented.

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management and the Audit and Risk Committee by the Head of Internal Audit as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings, and issues with addressing the urgent recommendations are also discussed at Executive Leadership Team. Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.

The overall opinion of the Internal Auditor in relation to the framework of governance, risk management and control at GYBC has been assessed as reasonable. 6 assurance audits were completed during the year and a total of 6 resulted in a positive assurance grading being given.

Meetings are open to the public except where personal or confidential matters are being discussed. All reports are available for the public to review on the Councils website, unless of a confidential nature, with contact details of the key officers prominently placed.

The Publication Scheme processes and procedures were reviewed in 2020/21 in line with Transparency Data.

The Council has established two wholly owned companies:

Equinox Enterprises Limited

Equinox Property Holdings (dormant but expected to start trading in 2021/22)

Equinox Enterprise Ltd	Equinox Enterprise Ltd main aim is to develop good quality housing for outright sales. The Council owns 100% of the company shares Representative of the council sit on the board. Regular management meetings and quarterly board meetings are used to monitor the revenue and capital expenditure. Performance measuring systems both financial and non-financial are in place with management meetings and the Board providing a platform of discussion. Risk management arrangements are reviewed and discussed at the Board and management meetings.

The Annual Review of effectiveness

The Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- the work of senior managers within the Council who have responsibility for the development and maintenances of the governance environment.
- the work of TIAA Ltd, as reported by the Head of Internal Audit
- the signed Self Assessment Assurance Statements completed by Directors and Heads of Service
- comments made by the external auditors and other review agencies and inspectorates.
- Systems and control of Great Yarmouth Borough Council as outlined in paragraph 1 above.

Both in year and year-end review processes have taken place. In year review mechanisms include:

- the Policy and Resources Committee is responsible for considering overall financial performance and receives reports on a regular basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
- The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes
- The Standards committee will meet when required to consider and review issues relating to the conduct of Members including referrals from the Standards Board.

- The Audit and Risk committee meet throughout the year to provide independent assurance to the Council in relation to the effectiveness of the governance, risk management and control framework.

- Internal audit is an independent and objective service to the management of the Council who complete a programme of reviews throughout the year to provide an annual opinion on the framework of governance, risk management and control. Significant weaknesses in the control environment identified by TIAA Ltd - Internal Audit are reported to Senior Management, the Audit and Risk Committee and Policy and Resources by the Head of Internal Audit as part of the regular reporting process.

- The Corporate Risk Officer reviews and monitors the risk registers, and in addition undertakes fraud investigation and proactive fraud detection work.

- The External Auditors (EY) produce an Annual Audit letter upon the completion of their audit for the financial year. The External Auditors also provide a value for money conclusion which considers whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness on its use of resources. Due to the delays in External Audit resourcing and the impact of Covid the Annual Audit letter for 2019/20 has not yet been produced.

The year-end review of the governance arrangements and the control environment included:

- Heads of Services and Executive Leadership Team complete a Self Assessment Assurance statement relating to the effectiveness of the governance arrangements and systems of internal control in their service area.

- An annual report and opinion by the Head of Internal Audit on the framework of governance, risk management and control accompanied by a conclusion on the effectiveness of Internal Audit.

- A review of external inspection reports received by the Council during the year.

During 2020/2021, Great Yarmouth Borough Council continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice. Specifically, the Council's governance arrangements have been reviewed and tested against the requirements of the CIPFA/SOLACE Framework. Whilst this process of review is co-ordinated corporately and approved by the Executive Leadership Team, Directors and Heads of Service have a responsibility to ensure that their own governance arrangements are adequate and operating effectively. In line with the CIPFA/SOLACE Framework, each Director and Head of Service is required to make an annual statement confirming that this is the case.

Governance Issues

The review process has highlighted the following issues regarding the governance, risk management and internal control environment and these are described briefly in the table below. However, a number of recommendations / issues have been implemented or addressed during the course of the year to strengthen or further enhance these governance arrangements.

Annual Report and Opinion by the Head of Internal Audit

Issue	Action proposed / being taken
The Head of Internal Audit Annual Report and Opinion 2020/2021, considered by the Audit and Risk Committee in June 2021, highlights a reasonable audit opinion in relation to the framework of governance, risk management and standards of internal control for the year ended 31 March 2021.	That all recommendations are resolved by the due dates and that the Council's Executive Management Team and Audit and Risk Committee receive regular update reports.

The position at year end is that of the 19 recommendations raised and agreed by management so far; 17 have been implemented by the agreed date and 2 needs attention are outstanding. 6 important and 11 needs attention recommendations are outstanding from the 2019/20 year, 100 were raised in total. 4 important and 10 needs attention recommendations remain outstanding from the 2018/19 year, 113 were raised in total. Two important recommendations outstanding from the 2017/18 financial year. Internal Audit has issued six assurance reports, with all of these assurances being positive (two substantial assurance and four reasonable assurance). Internal Audit has also completed three position statements in the year for; (i) Coronavirus Response and Recovery, (ii) Procurement and Contract Management and (iii) Housing Needs. **Issued raised by Internal Audit Manager:** The outstanding recommendations from historical limited assurance reviews are as follows:	In order to ensure responsibility and accountability is appropriately assigned all recommendations will be the responsibility of Heads of Service or Directors to ensure that the appropriate action is taken and where there are resource issues these will be discussed at Executive Leadership Team.
An important priority recommendation remains outstanding from the Corporate Health and Safety review relating to the GY Norse Contract. Management are required to initiate a variation to the contract reflecting Health & Safety contract responsibilities. NP Law were instructed to add this clause to the contract by October 2017.	Elements of the Asset management Service has returned to GYBC therefore a complete review of the Joint Venture Agreement is required.
The 2018/19 Corporate Governance report concluded in a limited assurance grading. This review evaluated the controls in place to ensure compliance with the GDPR legislation. One important recommendation remains outstanding in relation to reviewing off site paper storage arrangements. The latest management response indicates that Covid-19 has impacted on the team's ability to carry out this work.	This recommendation is due for completion by 31 July 2021.

The 2018/19 Procurement and Contract Management audit resulted in a Limited assurance grading and one important recommendation now remains outstanding. This relates to the update of the Procurement Strategy.	This recommendation is due for completion by 31 October 2021.

Annual Audit Letter - The annual Audit Letter for 2019/20 is yet to be completed at the time of production for the Annual Governance Statement dated June 2021.

Self Assessment Assurance Statement
Directors and Heads of Service completed an Assurance Statement relating to their service area. The Assurance Statement asked specific questions about; policy and procedure, effectiveness of key controls, alignment of services within the service improvement plan, human resources, finance, risks and controls, health and safety, procurement, insurance, information technology, data protection, freedom of information, business continuity, partnerships and equalities. A yes / partial / no response was required and where partial responses have been provided actions have been identified to address these areas. This Assurance Statements have highlighted the following areas of development or risk.

Issue	**Action proposed / being taken**
From the responses received to the self-assessment assurance statement sent to Chief Executive Officer, Directors and Heads of Service a number of areas have been highlighted:	The Executive Leadership Team is developing methodologies to gain assurance in the highlighted areas.
Procedural notes are available for major/business critical system procedural notes which will be reviewed and updated as and when required.	Further work is being undertaken to ensure that processes and procedures are documented or communicated to staff e.g. due to a restructure or due to the business needs e.g. COVID 19.
Audit recommendations are usually implemented by agreed date but occasionally there is some slippage or recommendations are overtaken by other events or revised dates submitted.	This is a standing item at management team meetings and is being given high profile and management attention. COVID 19 has prevented the implementation of some recommendations.
Job descriptions to be reviewed in some service areas due to service reviews / re-structures and inconsistency.	Job descriptions and person specifications are available for all staff. These will be reviewed during service reviews / restructures, when a post becomes vacant or via the regrading applications process.
Service Improvement Plans were not completed for 2020/21 due to the COVID 19 pandemic.	Performance was still measured in line with Corporate Plan and Annual Action Plan. Risks continue to be monitored and escalated to Corporate Risk Register
GDPR work is largely complete with the exception of archive storage facilities.	Further work will be undertaken in 2021/2022 once current restrictions have been lifted.

Issue	Action proposed / being taken
Audit & Risk Committee Self Assessment Assurance Statement The Audit and Risk Committee self-assessment exercise has resulted in most areas being scored as in conformance with CIPFA recommended best practice in relation to the role and effectiveness of an Audit Committee. The following questions were scored by the Audit and Risk Committee as partial compliance: • Is the role and purpose of the audit committee understood and accepted across the authority? • Are the arrangements to hold the committee to account for its performance operating satisfactorily? The following question was scored by the Audit and Risk Committee as not in conformance: • Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas? The following questions were scored by the Audit and Risk Committee as not in conformance: • Has the audit committee considered the wider areas identified in CIPFA's position statement and whether it would be appropriate for the committee to undertake them? • Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	For those areas where partial or non-compliance have been identified, actions to address gaps in best practice have been identified and agreed by the Audit and Risk Committee. Progress against completing these actions will be discussed and the self-assessment checklist updated. A self-assessment will be carried out by the Audit and Risk Committee on an annual basis. An Annual Report of the Audit and Risk Committee is to be produced and presented to Full Council. This report will provide details of work carried out throughout the year and any significant relevant information regarding the risk, control and governance framework. The report will be used to seek feedback from members of the Council on the performance of the Audit and Risk Committee

4. Further work / areas to be addressed

The following corporate governance areas were identified in the action plan for 2020/21 and progress to address the areas that have highlighted improvements are:

	Further work / areas to be addressed	Responsible Officer	Review update
1	Internal Audit recommendations should be implemented within	**Management Team**	31/03/2021

	Further work / areas to be addressed	Responsible Officer	Review update
	the agreed timeframe and adequately actioned by management to ensure we have robust internal controls environment to safeguard the council's assets in all service areas. COVID 19 may impact on the delivery of recommendations by the agreed implementation date		Work continuing to implement audit recommendations by the due date and progress is being made for those recommendations with future dates. Progress being made to implement outstanding recommendations and at an acceptable level. ELT and Audit and Risk Committee receive regular update reports. To ensure responsibility and accountability all recommendations are assigned to Heads of Service or Directors to ensure that the appropriate action is taken and where there are resource issues these will be discussed at ELT. COVID19 has had an impact on the delivery of some recommendations by the due date. **Work in Progress**
2	Further work will be undertaken to raise the profile to ensure compliance with Partnership Governance Framework and so all applicable governance and risk management arrangements are applied and consistently used across the organisation.	**Corporate Risk Officer**	31/03/2021 Partnership Governance Framework and Partnership Register has been approved by ELT and Audit & Risk. The Corporate Risk Officer will update in accordance with the review process documented in the Partnership Governance Framework. **Action Completed**
3	The Officer Register of Gifts and Hospitality process is to be reviewed during 2021/2021 and further work is to be undertaken to raise awareness and ensure compliance.	**Corporate & Democratic Services Manager**	31/03/2021 Work on the review of Gifts and Hospitality has not yet commenced due to staff within Corporate Services being redeployed to help during the COVID 19 pandemic. Staff are now back within Corporate Services so work on this can now be progressed. **Work in Progress**
4	Procurement and Contract Management Audit Report 2018/2019 – The four outstanding important recommendations relating to updating the Procurement Strategy and Standing Orders, regular review of the Contracts Register and analysis of spend and finalising the arrangements for the Kerbside Green Waste Collection Service are to be implemented.	**Finance Director**	31/03/2020 The updated Contract Standing Orders (CSOs) were approved in February 2021 A review of the associated procurement templates and guidance are underway and will form part of the procurement strategy work to be completed in early 2021/22. **Work in Progress** **Revised Date: 31 July 2021**

	Further work / areas to be addressed	Responsible Officer	Review update
5	Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements to be reviewed to ensure compliance with GDPR regulations is to be implemented.	**Corporate & Democratic Services Manager**	31/08/2020 A Methodical review of offsite records has commenced, this is being carried out in a controlled manner with the support and oversight of the Data Protection Officer. Work in this area has had to be paused due to the COVID-19 pandemic, which has led to a 1/3 of the Council's staff including the Data Protection Officer being redeployed to work as part of a coordinated response assisting the most vulnerable residents of the Borough. It was hoped that work could recommence from September 2020 however with current social distancing guidelines and protecting the health of Council staff being paramount this will not be possible. A review of the situation was undertaken in March 2021, as the national vaccine rollout is still in progress work is not yet able to recommence, a further review will be conducted in July 2021. **Work in Progress**
6	Corporate Health and Safety Review - Recommendations made in the Internal Audit report regarding a variation to the GY Norse Contract to reflect Health and Safety contract responsibilities to be implemented.	**Head of Environmental Services**	31/03/2020 GY1902 – Corporate health and Safety – Internal audit update all completed. **Action Completed**
7	A review of the impact of the coronavirus will be undertaken to ensure that applicable governance and control measures were in place and the impact on the delivery of the usual services and to assess the longer term disruption and consequences arising from the pandemic in particular the impact on the Medium term Financial Strategy.	**Finance Director**	31/12/2020 Internal Audit requested to undertake a review to ensure that applicable governance and control measures were in place during the COVID 19 pandemic. GY2102 – Corporate Governance - 3 recommendation made (1 – Important and 2 Needs Attention). All recommendations to be actioned by 31 May 2021. **Action completed**

The following corporate governance areas have been identified to form an action plan for 2021/22 (from the review of the code of corporate governance and self assessment assurance statements for 2020/21).

	Further work / areas to be addressed	Responsible Officer	Due Date
1	Internal Audit recommendations should be implemented within the agreed timeframe and adequately actioned by management to ensure we have robust internal controls	**Management Team**	31/03/2022

	Further work / areas to be addressed	Responsible Officer	Due Date
	environment to safeguard the council's assets in all service areas. COVID 19 has impacted on the delivery of recommendations by the agreed implementation date, although it is hoped that this work will start to be prioritised.		
2	The Officer Register of Gifts and Hospitality process is to be reviewed during 2021/2022 and further work is to be undertaken to raise awareness and ensure compliance.	**Corporate & Democratic Services Manager**	31/03/2022
3	Procurement and Contract Management - The procurement strategy will be updated and presented for approval. The process for the review and publication of the contracts register is to be finalised. The contract management arrangements are to be reviewed by the Monitoring Officer to strengthen this area of governance.	**Finance Director and Monitoring Officer**	31/10/2021
4	Corporate Governance Internal Audit Report 2018/19 – The outstanding recommendation for site paper storage arrangements to be reviewed to ensure compliance with GDOR regulations is to be implemented.	**Corporate & Democratic Services Manager**	31/07/2021
5	Corporate Health and Safety Report 2017/18 – a variation to the GY Norse contract is to be raised to ensure that reference to responsibilities of GY Norse under the Health and Safety act 1974 are clearly outlined.	**Head of Property and Asset Management**	31/10/2021
6	The Equality and Diversity Strategy and Action Plan are to be reviewed and presented for approval.	**Head of Organisational Development**	31/07/2021

Following from the work undertaken on corporate governance and risk in 2020/21 a significant governance issue was identified in 2022/23 that was relevant to 2020/21 and details of which are set out below including the work that has been completed to rectify this issue.

Issue & Action	Responsible Officer	Due Date/Achieved
The Council made a self-referral to the Housing Regulator in August 2022 as it had identified a potential failure to meet statutory health and safety requirements in some of its homes. The Council identified that its Fire Risk Assessments (FRAs) were not suitable or sufficient, and several fire risk actions were overdue. Further, internal audit had also reported no assurance across a range of areas namely fire, gas, electrical, asbestos and water safety. Pending a decision by the regulator the Council developed a Compliance Improvement Plan to	Management Team	Housing Regulator self-referral - concluded - January 2024 Insourcing of council housing maintenance and capital works – September 2024

address the necessary changes required to ensure a return to full compliance with the Regulatory Standards. In October 2022 the Regulator served a formal notice confirming a regulatory breach. The Regulator has since lifted the formal notice in January 2024 following the completion of the actions set out in the compliance improvement plan. The issue around compliance relates to wider concerns with the Great Yarmouth Norse governance arrangements around the delivery of the housing maintenance service and the joint venture parentship delivery model. The Council has undertaken significant work to address these concerns that ultimately led to the decision to insource of the service when the current arrangement ends in September 2024.		

5. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified above.

Systems are in place for regular review and improvement of the governance and internal control environment. The Council will continue to review its corporate governance arrangements and take any additional steps as are required to further enhance these arrangements and will review their implementation and operation as part of the next annual review.

It should be recognised that whilst this AGS makes an assessment of the governance in place during 2020/21, the Coronavirus pandemic (COVID-19) has impacted the financial, operational performance and workforce of the Council at the end of the 2019/2020 financial year and more so in 2020/21.

Work is continuing to ensure that there are robust governance arrangements, risk management and internal control measures in place within the Council. Policies and procedures are being reviewed and implemented throughout the Council to ensure the safety and wellbeing of officers, members and customers during the pandemic and preparation for returning to the office environment. Systems of internal control were required to be reviewed which resulted in revised working practices and processes at the start of the lockdown and the requirement to introduce alternative / additional control measures.

At the start of the pandemic Officers were re-deployed to assist with the delivery of the service offered by the new Community Team and COVID 19 business grants. Whilst some of this work has continued during the year, the management team along with their services have continued to deliver on a number of the Councils priorities and provide a response to the pandemic.

Leader of the Council

Cllr Carl Smith: Date

Chief Executive Officer

Sheila Oxtoby: Date