

Cherwell



DISTRICT COUNCIL
NORTH OXFORDSHIRE

**Statement of Accounts for
the year 2016/17**

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Introduction

Welcome to Cherwell District Council's Statement of Accounts for the year ending 31 March 2017. The Statement of Accounts is a statutory document providing information on the cost of services provided by Cherwell District Council to the council tax payer and detailing how those services were financed. In addition, it provides information, within the Balance Sheet on the value of our assets (what we own), what we are owed and the value of our liabilities (what we owe).

Should you have any comments or wish to discuss this statement in further detail then please contact the finance team by email on finance@cherwell-dc.gov.uk

We hope you find the financial statements of interest and we look forward to hearing your views.

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Deputy S151 Officer

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Narrative Report

This document sets out the Council's statutory accounts for the financial year ended 31 March 2017. The format accords with statutory undertakings and the requirements for publication of financial information set out in the Code of Practice on Local Authority Accounting in the United Kingdom and complies with International Financial Reporting Standards (IFRS).

The narrative report gives readers a brief overview of the most significant matters reported in the accounts and an explanation in overall terms of the Council's financial position.

The Accounting Statements

Detailed below is an explanation of the Statements within these accounts and the relationship between them:

The Statement of Responsibilities for the Statement of Accounts - identifies the officer who is responsible for the proper administration of the Council's financial affairs.

The Accounting Statements:

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

Movement in Reserves Statement - This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves are undertaken by the Council.

Balance Sheet - The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, ie. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses

(for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

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

The Supplementary Financial Statements:

The Collection Fund - The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government to council tax and non-domestic rates. A Statement of Accounting Policies (Note 1 to the Financial Statements) supports these statements and details the general accounting conventions used in preparing the accounts. Where accounting policies do not adhere to recommended practice, this is disclosed.

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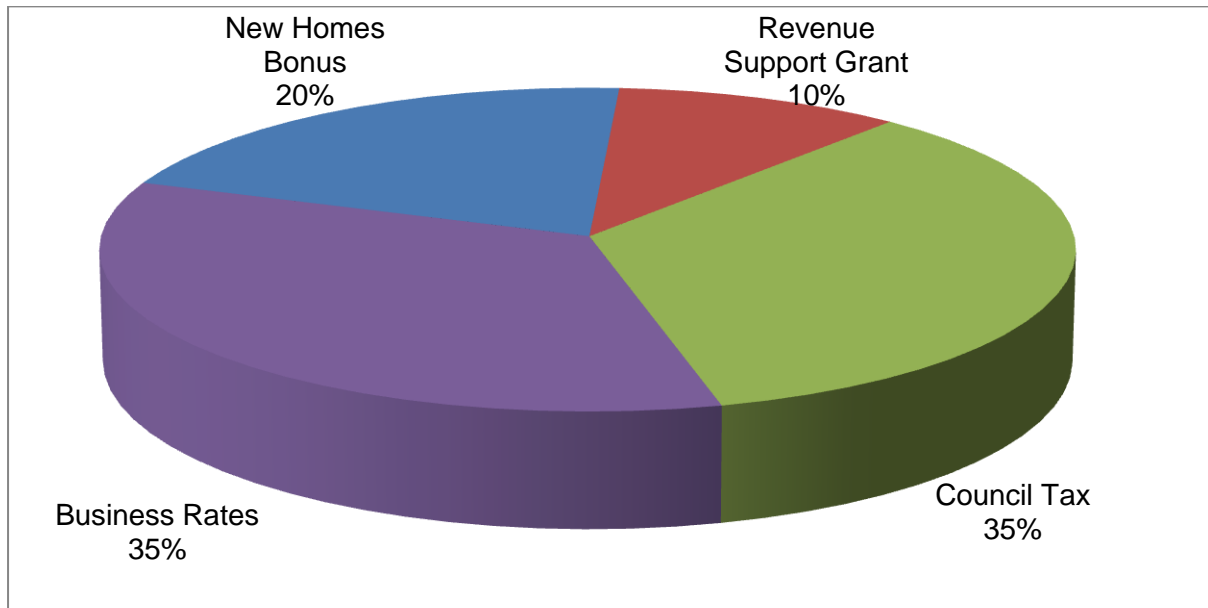
Accruals of Income and Expenditure -The de minimis level for manual accruals has been maintained at £20,000, which is reviewed annually. This removes small transactions at the end of the financial year that do not materially affect the accounts. The purchase orders processed automatically through the financial information system are all processed with no de minimis level for these transactions.

Revenue Expenditure

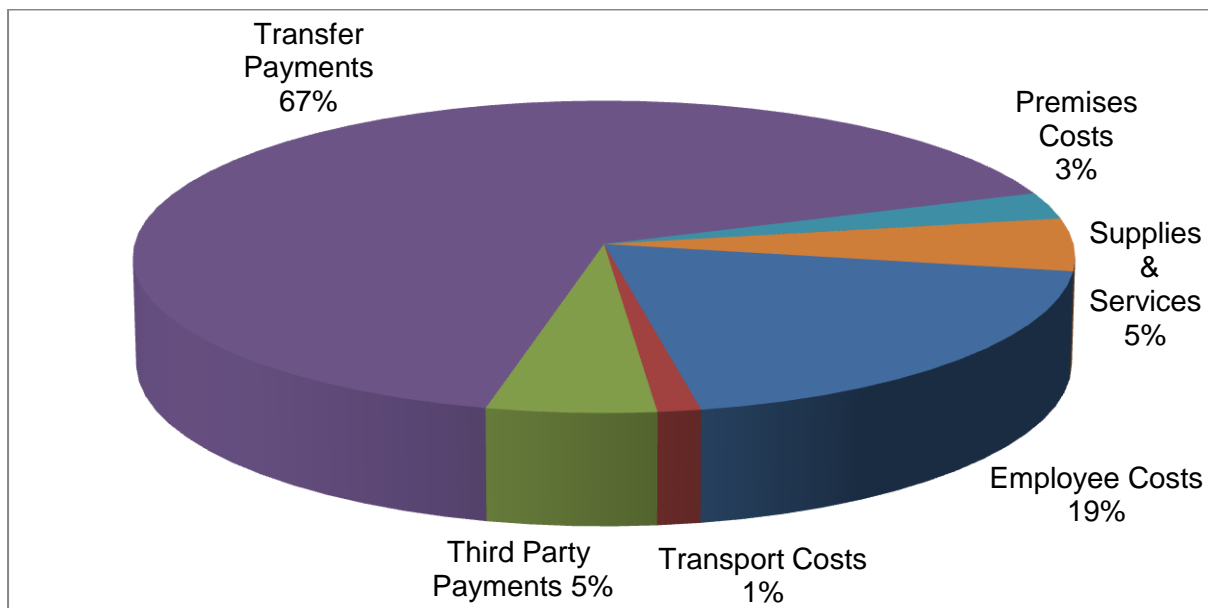
The charts below outline where the Council's revenue money came from, how it was spent and on which services. They show the overall position of the Council's revenue budgets for 2016/17.

The purpose of this Statement of Accounts is to present the financial results of the Council's activities for the year ended 31 March 2017, and to summarise the overall financial position of the Council as at this date.

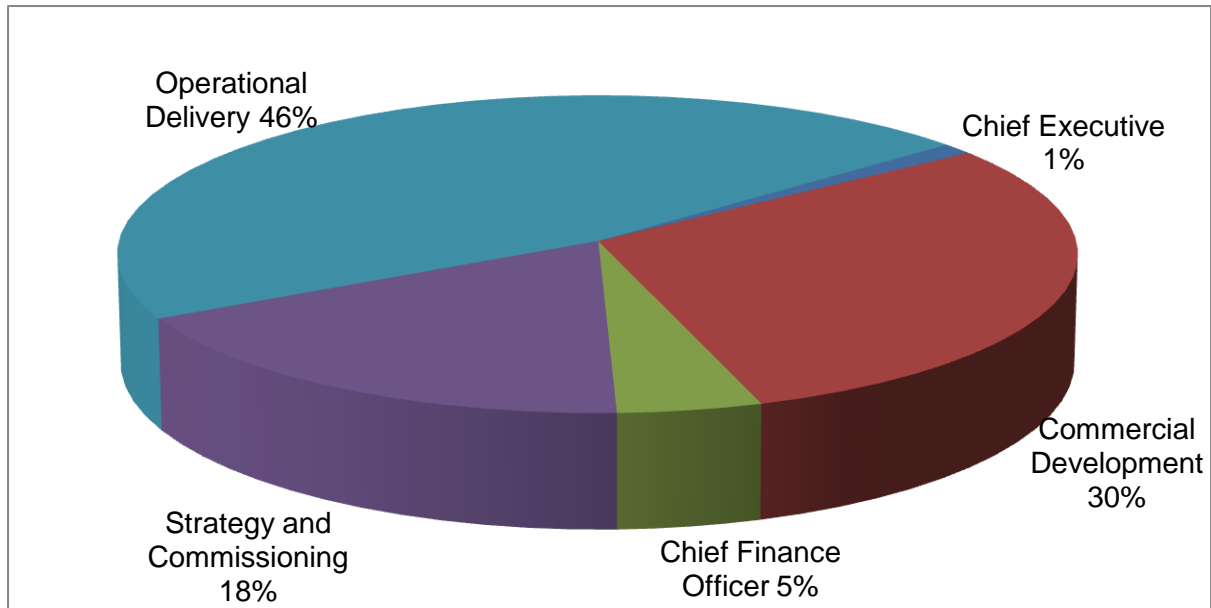
Where The Money Came From



What the Money Was Spent



What Services Have Been Provided



General Fund Revenue Account

The following table summarises the position for the General Fund for 2016/17.

	Adjusted Budget 2016-17 £000	Final Outturn 2016-17 £000	Variance 2016-17 £000
Expenditure			
Net Service Expenditure	22,560	23,190	630
Capital Financing Adjustments	(4,002)	(4,183)	(181)
Sub Total	18,558	19,008	450
Transfers To Reserves	(700)	(505)	195
Total Net Expenditure	17,858	18,503	645
Income			
Revenue Support Grant	(1,851)	(1,851)	(0)
Business Rates	(6,275)	(6,041)	234
Met by local council taxpayers	(6,219)	(6,219)	0
New Homes Bonus	(3,682)	(3,689)	(7)
Other Grants	169	169	0
Total Income	(17,858)	(17,631)	227
(Surplus)/Deficit for the year	0	872	872
Balance Brought Forward	(3,761)	(3,761)	0
Balance Carried Forward	(3,761)	(2,889)	872

Budget Variations

The outturn reflects a number of one off and ongoing savings. These have been achieved as a result of the significant work undertaken when preparing the 2016/17 budget. The total service underspend is (£872k).

It should be noted that due to the nature of the Council's budget, there are hundreds of individual budgets, many of which had some degree of variation. The items detailed above identify the significant areas only.

Capital Expenditure

Capital expenditure relates primarily to spending on Council assets (i.e. an item with an expected life of more than one year). Overall the expenditure during the year was £45.820m compared to the approved budget of £73.195m.

Directorate	BUDGET £000	ACTUAL £000	SLIPPAGE £000	VARIANCE £000
Chief Finance Officer	38	3	37	2
Commercial Development	67,111	42,714	24,688	182
Operations & Delivery	6,046	3,102	2,848	(97)
Total	73,195	45,820	27,573	88

Within the actual spend of £45.820m in 2016/17, £7.5m of this relates to the Build! Programme and £31.2m relates to the Graven Hill.

There has been slippage in the programme due to the many external factors. The projects with the largest slippage are shown below:

DESCRIPTION	SLIPPAGE £000	COMMENTS
HR / Payroll System replacement	37	Current supplier has agreed to continue provision until replacement system implemented. New system to be implemented for 1 March 2018
Bicester Community Building	94	Fit out for the 2nd floor remains unspent but plans are being drawn up to spend this in 16/17. The project as a whole is expected to be overspent by £80k due to construction delay.
Graven Hill	13,148	The company are currently preparing a revised forecast of spending and cashflow.
NW Bicester Eco Business Centre	3,726	Once the procurement exercise is complete in Sept the expected cash flow will become clearer. We should expect the majority of spend to be incurred in 2017/18. Funded from Eco Town Capital
East West Railways	580	Planned to spend in 2017/18 - there is a 5yr schedule of capital contributions to 2019/20
Build Programme	4,790	Project continues into 2017/18
Condition Survey Works	101	Work planned for completion in 2016/17. Planned to spend in 2016/17, has now been delayed. - Solihull Partnership
Bradley Arcade Roof Repairs	88	Order placed 11th May 16 for completion in 2016/17
Upgrade Uninterrupted Pwr Supp Back up	337	Work procured through Solihull Partnership. Work is urgent but has now been delayed.
Improvmts to Amenities Orchard Way	22	Work procured through Solihull Partnership. Likely to have a

		lengthy lead-in time and has now been delayed.
Woodgreen - Condition Survey Works	9	Project continues into 2017/18
Orchard Way Shopg Arcade Front Serv	288	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time and has now been delayed.
Thorpe Lane Depot - CCTV Replacement	25	Project to continue in 2017/18
Banbury Museum - Refurbishment Programme	38	Project completion due in 2017/18
Community Buildings - Remedial Works	150	Project to commence in 2017/18
Spiceball Riverbank Reinstatement	50	Due for completion in 2016/17, has now been delayed.
Bolton Road	74	Demolition and construction of surface car park, retention sums.
Bicester Cattle Market Car Park Phase 2	90	Project to commence in 2017/18
Disabled Facilities Grants	493	Grants awarded as required. Underspend in 2016/17 is requested to be slipped into 2017/18
Discretionary Grants Domestic Properties	340	Grants awarded as required. Underspend in 2016/17 is requested to be slipped into 2017/18
Empty Homes Work-in-Default Recoverable	100	Grants awarded as required. Anticipate all will be used in 2016/17. Underspend in 2016/17 is requested to be slipped into 2017/18
Land & Property Harmonisation	6	Slippage to 2017/18 pending new IT strategy
IT Strategy Review	139	for implementation in 17/18
Biomass Heating Bicester Leisure Centre	14	Project works completed, however additional safety works to undertaken circa £14K. £70K not required. Need to slip £14k to cover safety works once a new maintenance supplier is procured in July 2017
Customer Self-Service Portal CRM Solutn	80	Depends on completion of website redevelopment, will now be 17/18.
The Hill Youth Community Centre	849	The Hill won't be complete until December 2017 and The Hall's budget is being used predominantly to fit out the new facility
Whitelands Farm Sports ground	909	Project construction on going slip £909k into 2017/18.
Community Centre Refurbishments	84	see comment above for the Hill Youth Community centre

Solar Photovoltaics at Sports Centre	80	Needs to be slipped for inverter replacements in 2017-18
Football Development Plan in Banbury	20	Slip £20k to fund the set up of football partnerships in all urban areas during 2017/18.
North Oxfordshire Academy Astro turf	150	Initial project discussions commenced with ULT any potential works to commence 2017-18 - therefore need to slip £150k
Stratfield Brake Repair Works	22	To spend during early in 2017/18 to upgrade building maintenance - slip £22k
Sports Centre Modernisation Programme	86	Defect dispute on going, retain £239k as relates to retention accrual.
Bicester Leisure Centre Extension	149	Slip £149k into 2017/18 as the feasibility studies have just commenced.
Spiceball Leis Centre Bridge Resurfacing	30	Bridge works on hold as the CQ2 works require bridge closure. Slip £30k into 2017/18 for these works to progress once the bridge re opens.
Energy Efficiency Projects	20	Due to staff resources, remaining £20k to be slipped to 17/18
Glass Bank Recycling Scheme	8	No purchases - remaining £8k to be slipped in to 17/18
Off Road Parking Facilities	18	Work not commenced, full £18k to be slipped in to 17/18 (Country Park)
Vehicle Replacement Programme	128	Budget fully committed for 16/17, 2 vehicles slipped in to 16/17 - late delivery, remaining £128k to be slipped in to 17/18
Wheeled Bin Replacement Scheme	170	Budget not fully committed for 16/17, remaining £170k to be slipped in to 17/18
Urban Centre Electricity Installations	30	Due to increased workload - £30k slippage required in to 17/18, anticipating tender out in qtr 1/2 17/18
Capital Total	27,573	

Material Transactions

The following material transaction relates to 2016/17:

- **Pensions**

The value of the pension fund deficit for 2016/17 is £92.4m; this reflects an increase of £19.7m from the 2016/17 deficit position of £72.7m.

- **Non-Current Asset Valuations**

The Council employed an external firm of valuers, Montagu Evans to provide an estimate of the value of its land and buildings, community assets and investment properties. For a number of non-current assets these estimates for 2016/17 are significantly lower than those obtained for 2015/16 and have resulted in the total value of non-current assets being revalued downwards by £34.7m at the 31 March 2017.

Reserves

The Council at 31 March 2017 has a General Fund balance of £2.9m, which is in line with the Council's Medium Term Financial Strategy. In addition, the Council has earmarked revenue reserves totalling £17.2m (details are included within Note 10).

Graven Hill

During 2014/15 the Council established two companies to deliver a self-build housing project at Graven Hill Bicester. Shares in Graven Hill Holding Company are 100% owned by the Council and Shares in Graven Hill Development Company are 99% owned by Graven Hill Holding Company and 1% by the Council.

The arrangements require the Council to prepare Group Accounts in 2016/17. The accounts for the company are prepared by the companies' accountants Clark Howes and are presented within Note for Group Accounts.

Investments in Iceland

Cherwell District Council was one of at least 123 local authorities that were affected by the collapse of Icelandic banking institutions in October 2008. The Council had £6.5m deposited with one of these institutions, Glitnir, with varying maturity dates and interest rates.

Following the Icelandic Supreme Court decision in March 2012 to grant UK local authorities priority status, the winding up board made a distribution to creditors in a basket of currencies. An element of the Council's distribution, £629,669, was in Icelandic Krona and placed in an escrow account in Iceland which earned interest at a blended rate of 3.97%. Since then interest has been accumulating and exchange rates have risen and dropped, with interest earned and exchange gains/losses being recognised in the Council's annual accounts.

The amount held on 31st March 2016 was ISK 310,416,820 (£1,741,371), converted from Icelandic Krona to Sterling with the 'sell' exchange rate as published on the Central Bank of Iceland website and in accordance with CIPFA LAAP Bulletin 82 Update 7

Following a decision by the Icelandic Parliament on 22nd May 2016, a further debt auction was held with the Central Bank of Iceland offering to settle the amounts on deposit by paying creditors in Euros between 65% and 75% of the official exchange rate. Cherwell District Council opted to place its entire deposit of ISK 313,703,286 into the auction held on 16th June 2016 and the auction rate was 73%. The final settlement, in Euros, was then subject to the rate of exchange between the Euro and Sterling on 29th June 2016, and the cash received on that date was £1,359,655.

Interest earned of £18,765 and an exchange rate loss of £400,481 have been recognised in the 2016/17 annual accounts .

National Non-Domestic Rates (NNDR) Mandy to update

National Non-Domestic Rates (NNDR) represents a major source of income for most local authorities. The total amount of NNDR due (less certain reliefs and deductions) is collected by the Council and a certain amount of the income collected is retained by the Council and the remainder paid to Department of Communities and Local Government and Oxfordshire County Council.

The Council currently receives approximately 34% of its annual revenue income from NNDR and during 2016/17 £6.0m of NNDR was used to support the Councils Net Expenditure requirement. From 2014/15 the Council has participated in a local "pooling arrangement" with Oxfordshire County Council and West Oxfordshire District Council to minimise the levy payment to Department of Communities and Local Government.

The calculation of reliefs and deductions applied to the calculation of NNDR is a complex and often fluid area that can evolve and change from year to year and also within year. During 2011/12 a decision was taken by Department of Communities and Local Government (DCLG), and reflected in national guidance that Ministry of Defence (MoD) properties would be exempt from paying NNDR. This change necessitated a recalculation of the Council's NNDR baseline, a reduction in the level of NNDR income and a £1.5m reduction in the amount paid to Department of Communities and Local Government.

During the course of the audit of the Council's 2014/15 Financial Statements it became clear that the £1.5m had been paid to Department of Communities and Local Government and the Council had over-paid its share of NNDR by £1.5m.

The regulations relating to NNDR changed in 2013, The Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452), state that the calculation of non-domestic rating income for 2013/14 and subsequent years is to be made on the basis of the amounts credited and charged to the Collection Fund.

As a result, changes to income in respect of previous years that were not recognised prior to 2013/14 now have to be treated in accordance with the rates retention scheme, and shared between central and local government in accordance with the relevant percentage shares under the scheme.

This debt has now been written off and incorporated in the Revised NNDR3 return 2015/16 in September 2016, where the following apportionment applies:

- £750k Department of Communities and Local Government incur
- £150k Oxfordshire County Council incur
- £600k Cherwell District Council

No entries relating to the £1.5m have been made in the accounts for 2016/17.

In 2017/18, the £1.5m will form part of the estimated Collection Fund deficit report in the NNDR1 return January 2017.

- £750k will be recovered from Department of Communities and Local Government
- £150k will be recovered from Oxfordshire County Council
- £600k relating to the Council will be charged to the Income & Expenditure account

Impact of the current economic climate

The Council's financial strategy and 2016/17 budget were approved in February 2016 at the meeting of Full Council. The key messages in relation to the budget were;

The current economic climate presents unprecedented challenges in meeting spending priorities without placing undue burden on local taxpayers. The Council's successful approach to improving value for money and securing efficiencies on an ongoing basis provides a solid foundation.

The strategy for generating resources at the same rate as grant is expected to reduce is predicated on a strategy that focusses on three areas:

- **Joint Working**

The Council's partnership with South Northants Council has delivered in excess of £3m pa savings. The potential for delivering further savings through not only joint working but the Council's plans to set up a confederation for commissioning services is significant.

- **Maximising Income**

The Council has identified that residential and commercial growth presents an opportunity to improve income streams (Business Rates, New Homes Bonus and Council Tax). We in partnership with South Northants Council have set up a team focussed on maximising income from these areas

- **Investment**

The Council has a significant role in creating prosperity in its area and is taking on ambitious regeneration projects, which will breathe new life into the areas targeted. Many of these projects will also deliver revenue and capital income streams over the medium term. This approach is expected to deliver significant community and financial benefits.

- **Financial Improvement Plan**

The Financial Improvement Plan was a core outcome from the KPMG report "Review of NNDR Overpayment" and was adopted by the Accounts Audit and Risk Committee on 20 January 2016. The progress of the financial improvements and issues arising are reported and tracked by the Accounts Audit and Risk Committee.

Performance Indicators

In 2016/17 the Council set itself challenging performance targets and is delighted to report that it has met, or made satisfactory progress on, 96% of all the performance targets set out in the Corporate Performance Management Framework including Equalities, Programmes and Partnership plans.

A general summary of our performance at year end, against each of our scorecards is outlined in the table below:-

END OF YEAR 2016/17 Summary Outturn					
No. of measures	Green *	Green	Amber	Red	Total 81
District of Opportunity	0	11	6	0	17 (21%)
Safe, Clean, Green	2	7	2	0	11 (13%)
A Thriving Community	8	25	3	1	37 (46%)
Sound budgets & Customer focused Council	0	10	4	2	16 (20%)
Corporate Business Plan Total	12%	65%	19%	4%	100%

Areas of performance strength relating to each of the 4 strategic priorities:-

District of Opportunity	
Implement The Cherwell Local Plan as the framework for sustainable housing	
✓	The Banbury and Kidlington masterplans have been successfully adopted as the supplementary planning documents.
Complete and implement the Masterplan for Bicester	
✓	Work continues to develop the design and cost plan for the Eco Business centre. A planning application has been submitted and is due to be considered by the planning committee in June 2017. Delivery of the demonstration project on the Graven Hill site is continuing, 3 of the self build homes are at roof level and the remaining 7 are at foundation stage. Occupations on site from summer 2017. Positive engagement with residents in Bicester in respect to the growth and also with the production company with programme due to air spring 2018 at the end of the final self build.

Complete and implement the Masterplan for Banbury

✓

Development steps in creating a Masterplan for Canalside in Banbury Town Centre redevelopment is progressing with the draft site assessment now completed.

The Mill has successfully developed a 5 year business plan and is positioning itself for some redevelopment in the longer term. The County Council have renewed their lease of The Mill building for a further year and will continue to support the Trust through this next phase. The OCC revenue grant has now ceased as per their agreement.

The Mill Arts Centre Trust has been funded by CDC with a special grant to purchase a new seating rake which is a critical element of their future development plans and should see increased repeat attendance.

Promote Inward Investment And Support Business Growth Within The District.

✓

Throughout 2016-17, the results of the 'development pipeline' actively supported by CDC were seen to have created many hundreds of jobs on business parks, notably in Banbury.

The Council's Banbury Town Centre Vitality programme completed its third year, contributing to a reduction of the number of vacant retail units from 54 to 35. In Bicester, 15 small retail businesses received expert mentoring and training over 6 months to develop their products and services, with advice also being provided to establish an independent traders association.

Following a request from businesses, CDC's economic growth service commissioned a study to examine the feasibility of creating a Business Improvement District (BID) in central Banbury. 74% of businesses supported this which in February 2017 led CDC to commission the preparation of a business plan to be consulted upon during the spring/summer 2017, leading to a ballot in October. Meanwhile, a Shadow BID Board has been created and public meetings held to enable all town centre businesses to get involved.

The tourism or 'visitor economy' sector in Cherwell is worth over £378m per annum and supports over 6,700 jobs. CDC has become an ambassador member of Experience Oxfordshire to ensure that local businesses have access to expert advice and opportunities to develop their businesses. CDC also invests in the visitor information centres in Banbury and Bicester with the aim of spreading the benefits of tourism throughout the district.

Deliver High Quality Regulatory Services

✓

Our unique Regulators Forum brings together all regulatory service managers and provides an opportunity for services to work together, share learning and improve our services. Approximately 75% of our regulatory staff and legal representatives have now undertaken a bespoke regulatory skills qualification which will support our Operational Excellence Strategy and establish baseline competency.

The final Organisational Awareness Day took place in February and feedback indicates that staff knowledge of business services was increased as a result of attending the event. Just under 70% of attendees felt that it made them think

	<p>about how we could operate in a more commercial way. Over 300 staff have attended the events.</p> <p>Our Regulatory Services teams ran a single point of contact project which demonstrated the benefits of working with businesses and providing signposting to businesses.</p> <p>We continue as members of the SEMLEP Better Business for All programmes and are currently developing a website through SEMLEP providing and signposting to regulatory advice for businesses.</p> <p>The new shared Public Protection Team will be implemented in 17-18 and the new structure has been developed to maximize support and advice to businesses and to add value to business interactions.</p>
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Complete and implement the Masterplan for Bicester

➤	<p>The application 14/02121/OUT has now been considered by the planning committee and it has a resolution to grant planning permission. In total there are now 5200 homes with resolutions to grant planning permission and work continues on the completion of legal agreements.</p>
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Safe, Green, Clean

Provide High Quality Street Cleansing Services, And Tackle Environmental Crime

✓	<p>The number of flytips has decreased by 75 this year, the team have been working to prevent people fly tipping and working with colleagues in identifying fly tips and prosecuting when possible. The team will continue to investigate fly tips and take appropriate action where the evidence supports it.</p>
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Work With Partners To Help Ensure The District Remains A Low Crime Area

✓	<p>Working with local police and licence holders to ensure town centres remain safe has included the Public Space Protection Order (PSPO). Working in partnership with Thames Valley Police to remove the anti-social begging, rough sleeping and street drinkers from the town centre environment.</p> <p>This has been positively received by traders and residents with many commenting how much safer the town centre feels.</p>
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Reduce our carbon footprint and protect the natural environment

✓	<p>Satisfactory year-end reports on the work of all biodiversity delivery partners as part of the Biodiversity Action Plan.</p> <p>The results from 2016/17 of the implementation of a new carbon management plan will be available from June 17 when the end of year greenhouse gas report is complete by NEF. Previous reports this year indicate we are on track.</p>
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Provide High Quality Street Cleansing Services, And Tackle Environmental

Crime	
➤	Whilst there has been a small increase in the number of fly tips, there has not been the evidence to support some form of enforcement/formal action to be taken. We will continue to visit as many fly tips as possible and glean as much evidence as possible.
A Thriving District	
Deliver Affordable Housing & Work With Private Sector Landlords	
✓	<p>The delivery of affordable units annual figure has exceeded the target of 190 affordable homes with 297 new affordable homes delivered in Cherwell at the end of March 2017.</p> <p>This has been through positive working with Registered Providers, delivery by the Build programme and negotiating successfully with developers to secure the Council's policy requirements. This work will be continuing in the next financial year, increasing investment into the district as well as providing affordable housing to meet the needs of those on Cherwell's Housing Register.</p>
Work with partners to support financial inclusion	
✓	<p>A new Debt and Money contract has successfully been procured this year and is due to start on 1st of April for two years. Cherwell has an option to extend the contract for an additional year at the end of the initial term if it wishes to continue with this new arrangement.</p> <p>The contract has been awarded to Citizens Advice North Oxfordshire and South Northants and includes additional service requirements on top of those provided in the previous contract and includes providing Personal Budgeting support for claimants of Universal Credit and promotion of Credit Union affordable loans and savings opportunities.</p> <p>Cherwell District will be going live with a full service for all new claims to Universal Credit from October 2017. To prepare residents and stakeholders for this change a project team has been established working very closely with DWP Job Centre Plus team. Work streams including digital inclusion and budgeting advice and there are plans to offer forums to customers and stakeholders.</p> <p>Performance is good and the project for Universal Credit is on track for successful implementation.</p> <p>Now in their 8th year, Cherwell Job Clubs and Fairs have proven themselves to be extremely popular with job seekers and employers alike. During 2016-17, 1,089 local residents attended the events alongside approximately 100 employers and their agents.</p> <p>The Banbury Job Fair on 2 March 2017 alone attracted 165 people seeking work or a change of career and feedback has been excellent. For the first time, Cherwell has a stand at the Milton Keynes Job Fair, drawing interest for Cherwell's employers from 202 job seekers over the weekend event in January.</p> <p>For Manor F1, proactive assistance was provided to management and to employees facing redundancy.</p> <p>Information on the new Apprenticeship Levy was provided to local employers in the Council's e-newsletter to businesses, with referrals being made to Oxfordshire</p>

	<p>Apprenticeships service.</p> <p>Work has commenced with SEMLEP on a survey of Cherwell's businesses which is expected to reveal any skills gaps and assistance required by local enterprises, along with other practical matters that the economic growth team can address.</p>
Provide High Quality & Accessible Leisure Opportunities	
✓	<p>Number of visits at Woodgreen Leisure Centre, North Oxfordshire Academy and Cooper Sports Facility has increased significantly this year and has contributed to the overall position of leisure facilities. The re-development of Woodgreen is also starting to take a positive step in terms of throughput.</p>
Work To Ensure Rural Areas Are Connected To Local Services	
✓	<p>As part of the work with BT/BDUK & Oxfordshire County Council to extend Superfast Broadband District wide so far (March 2016 to Dec 2016) 25 additional cabinets in Cherwell district were connected. This has meant that 1,932 business and residential premises have been enabled to receive superfast broadband speeds (Over 24mbps). This number is expected to reach 3,069 by Dec 2017. CDC is investing £545,000 to support OCC in phase two of the programme, bringing significant match-funding from BDUK, BT and SEMLEP.</p> <p>Meanwhile, the BDUK Better Basic Broadband Scheme continues to assist those premises that have less than 2mbs download speed and no prospect of being included within the BDUK or other provider schemes. In Cherwell, 25 applications have been approved (up to 6 April 2017).</p> <p>The Oxfordshire programme is benefitting from 'Gainshare' as a result of considerable take-up of Superfast Broadband where it is available. This investment is allowing the roll-out programme to be re-drawn and extended. Options for the final 3-5% of premises are being sought.</p>
Provide High Quality Housing Options Advice & Support To Prevent Homelessness	
➤	<p>We have exceeded the target of 41 households in Temporary Accommodation by 2 units at the end of the month. The current total is 43.</p> <p>Due to increasing demand we have now 44 commissioned units of temporary housing to try to ensure that the costs for Temporary accommodation are kept within reasonable levels. The rise in local house prices coupled with the changes in income for those claiming welfare benefits are an increasing pressure on low income households to maintain accommodation. We are therefore seeing a rise in the number of cases approaching in emergency situations that are previously unknown to us and are in situations which are becoming increasingly harder to prevent. This is resulting in higher numbers needing to be placed in TA. We also rely very much on new developments of affordable housing across the District to enable accepted cases to move on to settled accommodation and as the comments show in March 2017 there was less delivery although throughout the year the affordable housing target has been achieved. In view of the changing environment and also because of the new Homeless reduction Bill duties the Council may face there will be a full review of existing service delivery to inform a new Homelessness Strategy to be developed during 2017.</p>

Sound Budgets and Customer Focussed Council	
Reduce the cost of providing our services through partnerships	
✓	<p>Increasing the number of services that can be accessed and paid for online has made good progress; the website project is on track for the new sites to go live in September 2017.</p> <p>The new online bookings system project has also made good progress. 2017/18 Quarter 1 Launch new online bookings system 2017/18 Quarter 1 Launch Online Bookings for Banbury market stallholders.</p> <p>Maximising income coming into the authority to include NHB/NNDR/CTax/external funding has involved working to maximise all income coming into the authority. A further 1296 new properties have become subject to council tax in 2016-2017 which means additional income from council tax as well as New Homes Bonus.</p> <p>We are continuing to implement and deliver strategies for NNDR. The Rateable Value for the Council has been fairly constant this quarter, this is a variable we have little control over although we seek to mitigate this by having efficient processes in place to identify and monitor growth. We are still waiting for four significant assessments to come into the Rating List, but we have achieved our 'target' for retained business rates.</p> <p>With regard to external funding we have trialled the Grantfinder application, but have had limited success in departments securing funding which is becoming more scarce due to the economic climate.</p>
Continue To Communicate Effectively With Local Residents & Businesses	
✓	<p>Social media continues to develop with all releases and messages being included.</p> <p>Continued development throughout 2017/18</p> <p>Developing business relationships e.g. with Graven Hill partners, and continue to promote council services, both to businesses and residents.</p> <p>We are expecting this to develop and continue further in 2017/18.</p>
Deliver below inflation increases to the CDC element of Council Tax.	
✓	<p>Council Tax was frozen for 2016/17 and has now been frozen for 2017/18.</p> <p>The percentage of Council tax collection rates are 0.10% above target of 98.25%. Business collection rates have also exceeded target again this year.</p>
Reduce the cost of providing our services through partnerships	
➤	<p>Delivery of the Information communications Technology Strategy has been progressed where possible in parallel with other processes. We now have a plan to deliver significant elements of the transformation programme by January 2018.</p>

The Council has made strong progress towards delivering its ambitions to improve the services delivered to the public and against key projects and priorities, despite tough performance targets, a challenging economic environment, and on-going policy and organisational change.

With a 96% delivery rate against the key strategic priorities and the deliverables that sit underneath them, this clearly demonstrates that the council's performance is excellent, and that together we are making a significant and positive difference to the District, our residents, businesses and other key stakeholders.

Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Deputy S151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Deputy S151 Officer's responsibilities

The Deputy S151 Officer (151 Officer) is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices, as set out in the CIPFA/ LASAAC *Code of Practice on Local Council Accounting in the United Kingdom* (the Code of Practice).

In preparing this Statement of Accounts, the Deputy S151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code;

The Deputy S151 Officer has also:

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

Deputy S151 Officer's Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Council at the reporting date and of its expenditure and income for the year ended 31st March 2017.

Cecilie Booth CPFA CPFA
Deputy S151 Officer

Date:

Chairman of Accounts, Audit and Risk Committee Certificate

I certify that the Statement of Accounts has received the full approval of Members.

Councillor Ian Corkin
Chairman of Accounts, Audit and Risk Committee

Date:

Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the Comprehensive Income and Expenditure Statement and immediately precedes the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund Balance	2015/16		Net Expenditure in the Comprehensive Income and Expenditure Statement	2016/17		Net Expenditure in the Comprehensive Income and Expenditure Statement
	Net Expenditure Chargeable to the General Fund Balance	Adjustments		Net Expenditure Chargeable to the General Fund Balance	Adjustments	
£000	£000	£000	£000	£000	£000	£000
197	(1)	196	Chief Executive	245	(2)	243
3,495	1,363	4,858	Commercial Development	5,776	5,916	11,692
972	50	1,022	Deputy S151 Officer	1,336	26	1,362
2,832	53	2,885	Strategy and Commissioning	3,759	(8)	3,751
6,193	3,394	9,587	Operations and Delivery	7,017	11,203	18,220
1,627	(50)	1,577	Non Distributed Services	1,838	(190)	1,648
15,315	4,809	20,124	Net Cost of Services	19,971	16,945	36,916
(18,582)	(672)	(19,254)	Other (Income) and Expenditure	(18,048)	(7,000)	(25,048)
(3,267)	4,137	870	Surplus or Deficit on Provision of Services	1,922	9,946	11,868
(18,376)			Opening Combined General Fund Balance	(21,643)		
(3,267)			Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)	1,922		
(21,643)			Closing Combined General Fund Balance	(19,721)		

Expenditure and funding analysis adjustments are explained in Note 7a

Comprehensive Income and Expenditure Statement

2015/16 Restated			2016/17		
Expenditure	Income	Net	Expenditure	Income	Net
£000	£000	£000	£000	£000	£000
196	0	196	243	0	243
10,359	(5,501)	4,858	12,936	(1,244)	11,692
41,154	(40,132)	1,022	39,760	(38,397)	1,363
5,763	(2,878)	2,885	6,419	(2,668)	3,751
16,231	(6,644)	9,587	24,870	(6,650)	18,220
1,577	0	1,577	1,648	0	1,648
75,279	(55,155)	20,124	85,875	(48,959)	36,916
		Cost of Services			
4,084	(2,652)	1,432	4,805	(3,644)	1,160
6,465	(5,232)	1,233	8,797	(10,288)	(1,491)
0	(21,919)	(21,919)	0	(24,718)	(24,718)
85,828	(84,958)	870	99,477	(87,609)	11,868
		(Surplus) or Deficit on Provision of Services			
		1,307 (Surplus) or deficit on revaluation of Property, Plant and Equipment			15,556
		0 (Surplus) or deficit on revaluation of available for sale financial assets			41
		(8,598) Remeasurement of the net defined benefit liability / asset			17,520
		(7,291) Other Comprehensive Income and Expenditure			33,117
		(6,421) Total Comprehensive Income and Expenditure			44,985

Movement in Reserves Statement

	General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Un-applied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2016	(3,390)	(18,253)	(3,161)	(47)	(24,850)	(74,806)	(99,656)
Movement in reserves during 2016/17							
Surplus or deficit on the provision of services	11,868	0	0	0	11,868	0	11,868
Other Comprehensive Income / Expenditure						33,117	33,117
Total Comprehensive Income and Expenditure	11,868	0	0	0	11,868	33,117	44,985
Adjustments between accounting basis and funding basis under regulations	(9,946)	0	216	(118)	(9,848)	9,848	0
Net Increase or Decrease before Transfers to Earmarked Reserves	1,922	0	216	(118)	2,020	42,965	44,985
Transfers to / from Earmarked Reserves	(1,046)	1,046	0	0	0	0	0
Increase or Decrease in 2016/17	876	1,046	216	(118)	2,020	42,965	44,985
Balance at 31 March 2017	(2,514)	(17,207)	(2,945)	(165)	(22,831)	(31,841)	(54,672)

	General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Receipts Reserve £000	Capital Grants Un-applied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2015	(1,726)	(16,649)	(11,658)	(47)	(30,080)	(61,928)	(92,008)
Movement in reserves during 2015/16							
Surplus or deficit on the provision of services	870	0	0	0	870	0	870
Other Comprehensive Income / Expenditure						(8,517)	(8,517)
Total Comprehensive Income and Expenditure	870	0	0	0	870	(8,517)	(7,647)
Adjustments between accounting basis and funding basis under regulations	(4,137)	0	8,497	0	4,361	(4,361)	0
Net Increase or Decrease before Transfers to Earmarked Reserves	(3,267)	0	8,497	0	5,230	(12,878)	(7,647)
Transfers to / from Earmarked Reserves	1,604	(1,604)	0	0	0	0	0
Increase or Decrease in 2015/16	(1,663)	(1,604)	8,497	0	5,230	(12,878)	(7,647)

Balance at 31 March 2016	(3,389)	(18,253)	(3,161)	(47)	(24,850)	(74,806)	(99,655)
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Balance Sheet

31 March 2016		31 March 2017	
£000		£000	
124,156	Property, Plant and Equipment	108,340	
15,317	Investment Property	18,500	
576	Intangible Assets	821	
0	Assets Held for Sale	181	
5,855	Long Term Investments	12,852	
9,691	Long Term Debtors	23,172	
155,595	Long Term Assets	163,866	
25,779	Short-term Investments	11,519	
3,082	Inventories	134	
12,866	Short Term Debtors	9,868	
12,317	Cash and Cash Equivalents	6,077	
54,044	Current Assets	27,598	
(13,815)	Short-Term Creditors	(15,500)	
(1,269)	Provisions	(1,522)	
0	Grants Receipts in Advance - Revenue	(1,963)	
(15,084)	Current Liabilities	(18,985)	
(1,787)	Provisions	(906)	
(72,683)	Other Long-Term Liabilities	(94,043)	
(20,431)	Grants Receipts in Advance - Capital	(22,858)	
(94,901)	Long Term Liabilities	(117,807)	
99,655	Net Assets	54,672	
(24,850)	Usable Reserves	(22,831)	
(74,806)	Unusable Reserves	(31,841)	
(99,655)	Total Reserves	(54,672)	

Cecilie Booth CPFA
Deputy S151 Officer

Date:

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 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 and grant income or from the recipients of services provided by the authority. 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 (ie borrowing) to the authority.

2015/16		2016/17
£000		£000
870	Net (surplus) or deficit on the provision of services	11,868
(4,180)	Adjustment to surplus or deficit on the provision of services for noncash movements	(26,357)
(7,318)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	7,530
(10,628)	Net cash flows from operating activities	(6,959)
9,038	Net cash flows from investing activities	12,438
(2,512)	Net cash flows from financing activities	763
(4,102)	Net (increase) or decrease in cash and cash equivalents	6,242
8,215	Cash and cash equivalents at the beginning of the reporting period	12,317
12,317	Cash and cash equivalents at the end of the reporting period	6,077

Note 1 - Accounting Policies

General principles

The Statement of Accounts summarises the Council's transactions for the financial year 2016-17 and its position at the year end. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2016/17* and the *Service Reporting Code of Practice 2016/17*, supported by *International Financial Reporting Standards (IFRS)* and statutory guidance issued under section 12 of the 2003 Act and *Annual Improvements to IFRSs 2011-2013 Cycle applicable and adopted on 1 April 2015*

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.

Accruals of Income and Expenditure

The de minimis level for manual accruals has been maintained at £20,000, which is reviewed annually. This removes small transactions at the end of the financial year that do not materially affect the accounts. The purchase orders processed automatically through the financial information system are all processed with no de minimis level for these transactions.

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

Fees, charges and rents due are accounted for as income at the date the Council provides the relevant goods or services;

Supplies and services are recorded as expenditure when they are consumed (when supplies are held for future use they are carried as inventories on the Balance Sheet);

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;

An exception to this policy is housing benefit transactions which are accounted for on a cash basis, that is, when the payment is made.

Interest receivable on investments is accounted for respectively as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and

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.

For business rates, the levy or safety net payments owed to or from Central Government for the financial year are reported in the year they relate to on an accruals basis. Cherwell is the lead authority for the North Oxfordshire Pool and has accounted for the amounts owing to the Pool for levy payments and owed to the other pool members for the gain from the pool on an accruals basis.

Cash and Cash Equivalents

Cash and Cash Equivalents comprises of cash on hand and demand deposits which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. They must be held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

They must be repayable without penalty on notice of not more than 24 hours. Investments must mature in three months or less from the date of acquisition.

Collection Fund Income and Expenditure Account

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates.

- **Council Tax**

Collection Fund surpluses/deficits declared by the Billing Authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Cherwell District Council, the Council Tax precepting bodies are Oxfordshire County Council and Police and Crime Commissioner.

- **Council Tax Reduction scheme**

Prior to 2013/14 certain eligible taxpayers had some, or all, of their charge met by Council Tax Benefits. The amount of the benefit was credited to the Collection Fund and appeared as a charge in the billing authority's Central Services to the Public line in the Comprehensive Income and Expenditure Statement. This expenditure was financed by way of a Government grant. From 2013/14 Council Tax Benefits has been replaced by a Council Tax Reduction Scheme which is applied directly to the Council Tax base.

NNDR

In 2013/14, the Local Government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme is to give Councils a greater incentive to grow businesses in the district. It does, however, also increase the financial risk to the authority due to significant estimation uncertainties on non-collection and the volatility of the NNDR tax base.

The scheme allows the Council to retain a proportion of the total NNDR received. The initial Cherwell District Council share is 40% with the remainder paid to precepting bodies. For Cherwell District Council, the NNDR precepting bodies are Central Government (50% share) and Oxfordshire County Council (10% share). The Cherwell District Council share is then subject to a tariff payment to Government, which was £23,745,566 in 2015/16. The residual amount is then compared to the assessment in the Local Government Finance Settlement and any growth above the Settlement level is subject to a levy payment to Government

NNDR surpluses/deficits declared by the Billing Authority in relation to the Collection Fund are apportioned to the relevant precepting bodies and Government in the subsequent financial in their respective proportions.

Cherwell District Council participated in a pool with Oxfordshire County Council and West Oxfordshire District Council from 2015/16 to minimise the levy payment due and thereby maximise the retention of locally generated business rates.

Exceptional Items

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

The Council has no Exceptional Items in 2016-17.

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

Changes in accounting policy no longer need to be material to result in a Prior Period Adjustment.

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

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

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

No material errors have been made in prior year accounts that need to be amended in the 2016-17 accounts.

Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement but as CDC does not hold any debt this requirement is not applicable.

Depreciation, revaluation and impairment losses and amortisations are replaced by the 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.

Employee Benefits

- **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu, flex-leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the service account, but then reversed out through the Movement in Reserves Statement so that holiday benefits accrual has no impact on Council Tax and holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

- **Termination Benefits**

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

- **Post Employment Benefits**

Employees of the Council are members of the Local Government Pension Scheme, administered by Oxfordshire County Council. The scheme provides

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

The Local Government scheme is accounted for as a defined benefit scheme.

The pension fund liability is calculated every three years by the funds actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 43. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

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

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high quality corporate bond. The discount rates are based on the annualised yield on the iBoxx over 15 year AA rated corporate bond index.

The assets of the Oxfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value and include quoted securities at current bid price and property at market value.

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

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- Net interest on the net defined benefit liability (asset) i.e. net interest expense for the Council – 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 of the Comprehensive Income and Expenditure Statement. 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.

Re-measurements comprising:

- The return on assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net 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 Pensions Reserve as Other Comprehensive Income and Expenditure

Contributions paid to the Oxfordshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

- **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff 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.

Events after the Balance Sheet Date

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; and

- 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 the events and their estimated financial effect.

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

Financial Instruments

- **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.

- **Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

The Council has financial assets comprising of long-term and short-term investments, long-term debtors, short-term debtors (excluding statutory debts such as Council Tax, Non-Domestic Rates, rent allowances, precepts, etc) and cash & cash equivalents. These are assets that have fixed or determinable payments but are not quoted in an active market. They are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

The Council had investments in the collapsed Icelandic bank Glitnir hf. The winding up board of Glitnir hf. made a first and final distribution in a basket of currencies including the Icelandic Krona (ISK). Due to the capital controls on the Icelandic Krona the part of the distribution in ISK is held in an escrow account in Iceland which is credited with interest. The balance in the escrow account at 31 March each year is converted into £ sterling using the 'sell' price exchange rate as published on the Central Bank of Iceland's website. Losses and Gains are taken to the Comprehensive Income and Expenditure account and recognised on the balance sheet.

The Council has available for sale financial assets in the form of a UK Gilt and short term Certificates of Deposit. Available-for-sale assets 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. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (eg dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values 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
- equity shares with no quoted market prices – independent appraisal of company valuations.
- 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 – 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.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/ loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written

down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and 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, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Area Based Grant

Area Based Grant (ABG) is a general grant allocated by central government directly to local Council's as additional revenue funding. ABG is non-ring fenced and is credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

Intangible Assets

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council 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 area in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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.

Interests in Companies and Other Entities

The Council has material interests in companies in 2015/16 for the first time. The companies are the Graven Hill Holding Company and the Graven Hill Development Company. The Council is therefore required to complete Group Accounts for the first time and these are set out in Section 11.

Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. 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 disposal.

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 sale proceeds greater than £10,000) the Capital Receipts Reserve.

Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

Leases

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

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

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

The Council as Lessee

- **Finance Leases**

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

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

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, 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 or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

- **Finance Leases**

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (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); and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement 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 noncurrent assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

- **Operating Leases**

Where the Council grants an operating lease over 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.

Property, Plant & Equipment

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

- **Recognition**

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

- **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; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located if the cost is above the £5,000 de minimis threshold.

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

- the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). 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 Council.

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

- infrastructure, community assets and assets under construction – (depreciated) historical cost
- dwellings – Current value, determined using the basis of existing use value for social housing (EUV-SH)
- other land and buildings – Current value based on existing use value (EUV)** for
- operational assets where there is an active market, or if there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (ie EUV cannot be determined), depreciated replacement cost (DRC) using the 'instant build' approach

- surplus assets – Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date
- 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 current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. At Cherwell District Council this applies to our sports centres.

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

Assets included in the Balance Sheet at current value are revalued regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits taken to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

At Cherwell District Council, all property valuations are carried out by John Slack MRICS, Head of Regeneration and Estates. The bases of valuations are undertaken in accordance with the Statement of Asset Valuation Practice and Guidance Notes, published by the Royal Institute of Chartered Surveyors (RICS).

Where decreases in value are identified, they are accounted for by:

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

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

- **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

- **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the 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, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer and/or Responsible Officer for that asset; and
- infrastructure – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer, and/or Responsible Officer and/or valuer for that asset.

Newly acquired assets and capital enhancements are depreciated from the year after acquisition, unless the variation in charge is considered material. In this respect only, the Council does not fully comply with the requirements of IAS16 Property, Plant & Equipment but this is not a material consideration for the Council.

Useful life of an asset is shown below for the relevant categories

- | | |
|--------------------------------|--------------------|
| • Infrastructure | 10, 20 or 40 years |
| • Buildings | 10 to 60 years |
| • Vehicles | 5, 6 or 7 years |
| • Computer Equipment / systems | 3, 5 or 10 years |
| • Other | 3, 5 or 7 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. All assets with a gross value over £50,000 are considered for componentisation. If on consideration a component is assessed to be greater than 20% of the total cost of the asset, it is componentised and the separate components depreciated using

appropriate useful lives. Components that are individually less than 20% of the total cost of the asset are not treated as separate components for accounting purposes. They are valued and depreciated as part of the building structure.

The Council has a de-minimis limit of £5,000 for capital expenditure purposes which results in the capitalisation of expenditure above that limit as an asset in the balance sheet. Items below this limit charged to revenue.

A materiality level of £50,000 for property assets has been determined by analysing the gross book values of building assets and assessing the impact of using different thresholds. Using a £50,000 limit means that 75% and £73.2m of the Councils £98.2m property portfolio will be assessed for componentisation (figures correct as at 31st March 2014).

- The following five components have been identified:
 - Land;
 - Structure of Building;
 - Roof;
 - Electrical & Mechanical (inc. Plant & Equipment); and
 - Other / specialist.

Each component is considered to depreciate on a straight line basis. The useful life of a component will vary according to the type of property in which it is located and the amount of use to which it is put. The useful life of a component will be determined by the valuer when a component part is identified.

Where a component is replaced or restored, the carrying amount of the old component shall be derecognised to avoid double counting and the new component reflected at the cost or new carrying value.

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. Gains in fair value are recognised only up to the amount of any previously 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, 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 and are kept under their original category.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (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, net of statutory deductions and allowances) are payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment. 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 fixed 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.

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.

Heritage Assets

- **Tangible and Intangible Heritage Assets**

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated on an annual basis. There is an annual programme of valuations and items are valued by an external valuer. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate insurance values and commercial markets using the most relevant and recent information from sales at auctions.

- **Heritage Assets – General**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. The trustees of the Council's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Provisions, Contingent Liabilities and Contingent Assets

- **Provisions**

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

Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

- **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the

occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is 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.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute REFCUS)

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

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 amount of VAT irrecoverable is negligible.

Note 2 - Accounting Standards Issued, Not Adopted

Authorities are required to disclose information relating to the probable impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code of Practice. The accounting changes introduced in the 2017/18 Code relate to an amendment to the reporting of pension fund scheme transaction costs, and an amendment to the reporting of investment concentration. Neither of these are expected to have a material impact on the authority and will not require a restatement of this year's financial statements in 2017/18.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the authority 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 as follows.

Future Funding of Local Government

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 assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. The Council prepares a detailed Medium Term Financial Plan, which models the risk and helps identify what needs to be done to manage the risks.

Note 4 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Depreciation of Property, Plant & Equipment	The Council assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.	Where the Council determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net book value in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an asset's life or residual value is reflected in the Council's accounts when the change in estimate is determined. The carrying value of assets in the balance sheet is £108,340k
Impairment of Property, Plant & Equipment & Intangible Assets	The Council assesses the impairment of property, plant and equipment and intangible assets (excluding goodwill) whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards Factors that are considered important and which could trigger an impairment review include the following: <ul style="list-style-type: none"> • obsolescence or physical damage; • significant changes in technology and regulatory environments; • significant underperformance relative to expected historical or projected future operating results; 	The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units requires significant judgement which is determined by a qualified valuer.

	<ul style="list-style-type: none"> • significant changes in the use of its assets or the strategy of the overall business; • significant negative industry or economic trends; and • significant decline in the market capitalisation relative to net book value for a sustained period. 	
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (ie Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for <i>similar</i> assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the authority's chief valuation officer and external valuer).</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 14, 15 and 16 below.</p>	<p>The authority uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets).</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.</p>
Impairment allowance for doubtful debt	<p>The Impairment allowance for doubtful debt reflects the Council's estimates of losses arising from the failure or inability of the Council's customers to make required payments. The allowance is based on the ageing of customer accounts, customer credit worthiness and the Council's historical write-off experience.</p>	<p>Changes to the allowance may be required if the financial condition of the Council's customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs.</p>

Pensions	<p>The Council provides one defined benefit pension scheme for its employees. The asset (or liability) recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as:</p> <ul style="list-style-type: none"> • the life expectancy of the Officers; • the length of service; • the rate of salary progression; • the rate of return earned on assets in the future; • the rate used to discount future pension liabilities; and • future inflation rates. 	<p>The assumptions used by the Council are set out in note 43 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice but have been comparable to the median estimates in this regard used by other Councils. Changes to these assumptions could materially affect the size of the defined benefit scheme's liabilities and assets disclosed in note 43.</p>
Provision for Business Rates Appeals	<p>Following the changes in accounting for Business Rates, the Council has set up a provision for Business Rates appeals. The provision has been calculated based upon the latest appeals list from the Valuation Office. Business Rates Pool have used their local knowledge to calculate their provisions, for Cherwell this equated to 6.4% of Net Rates Payable.</p>	<p>If the provision for appeals was increased by 1% the resulting increase would be £746,218 shared across Central Government (50%), the county council (10%) and Cherwell District Council (40%)</p>

Note 5 - Material Items of Income and Expense

Pensions

The actuary carried out a valuation as at 31 March 2016. This has resulted in pension assets increasing from £80.5m 31 March 16 to £97.9m 31 March 17. Liabilities have also increased from £153.2m 31 March 16 to £190.3m 31 March 17, which results in a net increased liability of £19.8m.

Note 6 - Events After the Balance Sheet Date

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, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The financial statements and notes have not been adjusted for the following events which took place after 31 March as they provide information that is relevant to an understanding of the authority's financial position but do not relate to conditions at that date.

Note 7a - Note to the Expenditure and Funding Analysis

	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
Chief Executive	0	(2)	0	(2)
Commercial Development	5,945	(29)	0	5,916
Deputy S151 Officer	37	(6)	(5)	26
Strategy and Commissioning	21	(29)	0	(8)
Operations and Delivery	11,255	(51)	0	11,204
Non Distributed Services	0	(190)	0	(190)
Net Cost of Services	17,258	(307)	(5)	16,946
Other Income and Expenditure	(9,405)	2,554	(149)	(7,000)
	7,853	2,247	(154)	9,946
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement				

	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	2015/16 Other Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000	£000
Chief Executive	0	(2)	1	0	(1)
Commercial Development	1,370	(13)	6	0	1,363
Deputy S151 Officer	52	(3)	1	0	50
Strategy and Commissioning	61	(13)	5	0	53
Operations and Delivery	3,408	(23)	9	0	3,394
Non Distributed Services	0	(50)	0	0	(50)
Net Cost of Services	4,891	(104)	22	0	4,809
Other Income and Expenditure	(2,659)	2,549	(562)	0	(672)
	2,232	2,445	(540)	0	4,137
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement					

Note 7b - Segmental Analysis of Income and Expenditure

	2016/17				
	Revenues from External Customers	Revenues from Other Segments	Interest Revenue	Interest Expense	Depreciation and Amortisation
	£000	£000	£000	£000	£000
Chief Executive	0	0	0	0	0
Commercial Development	(2,707)	(601)	0	0	791
Chief Financial Officer	(817)	(37,738)	0	0	25
Strategy and Commissioning	(2,349)	(595)	0	0	28
Operations and Delivery	(2,919)	(3,309)	0	0	3,158
Non Distributed Services	0	0	(690)	140	0
Total Managed by Segments	(8,792)	(42,243)	(690)	140	4,002

Note 7c - Expenditure and Income Analysed by Nature

2015/16		2016/17
£000	Nature of Expenditure or Income	£000
(20,233)	Fees, charges and other service income	(14,191)
(1,060)	Interest and investment income	(7,397)
(10,263)	Income from local taxation	(10,818)
(53,402)	Government grants and contributions	(55,204)
17,802	Employee benefits expenses	18,956
1,815	Depreciation, amortisation and impairment	12,199
2,549	Interest payments	2,694
4,084	Precepts and levies	4,805
(2,652)	Gain or loss on disposal of non-current assets	(3,644)
62,330	Other expenditure	64,468
870 Surplus or Deficit for Year		11,868

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 adjustments are made against.

2016/2017	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(2,247)			2,247
Council tax and NDR (transfers to or from the Collection Fund)	149			(149)
Holiday pay (transferred to the Accumulated Absences reserve)	5			(5)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(14,277)		(847)	15,124
Total Adjustments to Revenue Resources	(16,370)	0	(847)	17,217
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,578	(5,578)		
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	305			(305)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	541			(541)
Total Adjustments between Revenue and Capital Resources	6,424	(5,578)	0	(846)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		5,794		(5,794)
Application of capital grants to finance capital expenditure			729	(729)
Total Adjustments to Capital Resources	0	5,794	729	(6,523)
Total Adjustments	(9,946)	216	(118)	9,848

2015/2016	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(2,445)			2,445
Council tax and NDR (transfers to or from the Collection Fund)	562			(562)
Holiday pay (transferred to the Accumulated Absences reserve)	(22)			22
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(10,699)		0	10,699
Total Adjustments to Revenue Resources	(12,604)	0	0	12,604
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	8,465	(8,465)		
Total Adjustments between Revenue and Capital Resources	8,465	(8,465)	0	0
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		16,962		(16,962)
Total Adjustments to Capital Resources	0	16,962	0	(16,962)
Total Adjustments	(4,137)	8,497	0	(4,361)

Note 9 - Transfers to/from Earmarked Reserves

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

	Balance at 1 April 2015	Transfers In 2015/16	Transfers Out 2015/16	Balance at 31 March 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017
	£000	£000	£000	£000	£000	£000	£000
General Fund Reserves:							
General Fund Reserves - Other	(13,341)	(5,528)	4,436	(14,433)	0	548	(13,885)
Area Based Grant	(83)	0	0	(83)	0	0	(83)
Bicester Fields Main Park	(97)	0	0	(97)	0	0	(97)
Brighter Futures - Skills Reward Grant	(43)	(52)	0	(95)	0	29	(66)
Brighter Futures Reserve Account	(48)	0	48	0	0	0	0
Bicester Garden Town	0	(1,521)	0	(1,521)	(314)	638	(1,197)
Bicester Youth Bus	(65)	0	0	(65)	0	0	(65)
Courtyard Youth Arts	(39)	0	0	(39)	0	0	(39)
Dovecote Milcombe	(56)	0	0	(56)	0	0	(56)
Eco Town Revenue	(845)	(4)	257	(592)	(204)	324	(472)
Flood Recovery Grant	(94)	0	54	(40)	0	0	(40)
Government Grant LABGI	(25)	0	25	0	0	0	0
Green Deal Pioneer Places	(69)	0	0	(69)	0	2	(67)
Home Improvement Agency	0	(235)	1	(234)	0	0	(234)
homelessness Prevention	(70)	0	0	(70)	0	0	(70)
New Burdens Grant	(247)	(2)	1	(248)	0	0	(248)
New Homes Bonus	(834)	0	834	0	0	0	0
Planning Delivery Grant	(322)	0	0	(322)	0	0	(322)
Plannint Policy Statement Climate Change	(82)	0	82	0	0	0	0
Performance Reward Grant ABG	0	(21)	0	(21)	0	0	(21)
Police & Crime Commissioner	(64)	0	0	(64)	0	0	(64)
Thames Valley Police	(61)	21	0	(40)	(25)	0	(65)
Sportivate Grant	(33)	0	0	(33)	0	0	(33)
Active Women	(22)	0	0	(22)	0	0	(22)
Corporate Training	(48)	0	0	(48)	0	48	0
Credit Union Development Officer	(23)	0	0	(23)	0	0	(23)
Laburnham Cres Ambrosden	(38)	0	0	(38)	0	0	(38)
Total General Fund	(16,649)	(7,342)	5,738	(18,253)	(543)	1,589	(17,207)

Note 10 - Other Operating Expenditure

2015/16		2016/17
£000		£000
4,084	Precepts	4,805
(2,652)	Gains/losses on the Disposal of Non-Current Assets	(3,644)
1,432	Total Other Operating Expenditure	1,160

Note 11 - Financing and Investment Income and Expenditure

2015/16		2016/17
£000		£000
0	Interest payable and similar charges	140
2,549	Net interest on the net defined benefit liability (asset)	2,554
(1,460)	Interest receivable and similar income	(690)
270	Income and expenditure in relation to investment properties and changes in their fair value	(3,274)
(126)	Other investment income and expenditure	(222)
1,233	Total	(1,491)

Note 12 - Taxation and Non-Specific Grant Income

2015/16		2016/17
£000		£000
(10,263)	Council tax income	(10,818)
(11,540)	Non-ringfenced government grants	(11,956)
0	Capital grants and contributions	(1,943)
(116)	Other tax or non-specific grant income / expenditure	0
(21,919)	Total	(24,718)

Note 13 - Property, Plant and Equipment

Movements to 31 March 2017

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
at 1 April 2016 (Restated)	97,082	12,066	5,439	324	22,564	137,476
Adjustments to cost/value & depreciation/impairment	0	0	0	0	0	0
Additions	6,274	931	4	0	9,416	16,625
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(15,556)	0	0	0	0	(15,556)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(11,559)	0	0	0	0	(11,559)
Derecognition – disposals	(27)	(796)	0	(300)	(1,883)	(3,006)
Reclassifications and transfer	12,143	0	0	0	(11,963)	181
Assets reclassified (to)/from Held for Sale	(181)	0	0	0	0	(181)
Other movements in cost or valuation	(2,695)	0	0	0	0	(2,695)
at 31 March 2017	85,482	12,202	5,443	24	18,134	121,285
Accumulated Depreciation and Impairment						
at 1 April 2016 (Restated)	(2,694)	(8,449)	(2,176)	0	0	(13,319)
Depreciation charge	(2,111)	(802)	(175)	0	0	(3,087)
Derecognition – disposals	0	767	0	0	0	767
Other movements in depreciation and impairment	2,695	0	0	0	0	2,695
at 31 March 2017	(2,110)	(8,483)	(2,351)	0	0	(12,945)
Net Book Value						
at 31 March 2017	83,372	3,718	3,092	24	18,134	108,340
at 31 March 2016	94,388	3,617	3,263	324	22,564	124,157

**Movements to 31 March
2016**

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
at 1 April 2015	112,690	10,439	5,424	386	13,261	142,200
Additions	163	912	15	0	14,909	15,999
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(81)	0	0	0	0	(81)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	354	0	0	0	0	354
Derecognition – disposals	(208)	0	0	0	(5,607)	(5,815)
Reclassification	(156)	156	0	0	0	0
Other movements in cost or valuation	(1,837)	0	0	0	0	(1,837)
at 31 March 2016	110,925	11,507	5,439	386	22,563	150,820
Accumulated Depreciation and Impairment						
at 1 April 2015	(15,527)	(7,200)	(2,001)	(62)	0	(24,790)
Depreciation charge	(2,848)	(690)	(175)	0	0	(3,713)
Derecognition – disposals	2	0	0	0	0	2
Other movements in depreciation and impairment	1,837	0	0	0	0	1,837
at 31 March 2016	(16,536)	(7,890)	(2,176)	(62)	0	(26,664)
Net Book Value						
at 31 March 2016	94,389	3,617	3,263	324	22,563	124,156
at 31 March 2015	97,163	3,239	3,423	324	13,261	117,410

Property, Plant and Equipment Revaluations

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Total
	£000	£000	£000	£000
Carried at historical cost	15,644	16,699	13	32,356
Valued at current value as at:				
31/03/2017	64,492	0	0	64,492
31/03/2016	2,127	0	0	2,128
31/03/2015	0	0	0	0
31/03/2014	653	0	11	664
31/03/2013	1,307	0	0	1,307
Total Cost or Valuation	84,223	16,699	24	100,946

Note 14 - 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:

31 March 2016			31 March 2017
£000	Investment Property Income and Expenditure		£000
(977)	Rental income from investment property		(2,439)
736	Direct operating expenses from investment property		(995)
(241)	Net (gain)/loss		(3,434)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal.

Movement in the fair value of investment properties over the year:

31 March 2016			31 March 2017
Non-Current	Investment Property Movements in Year		Non-Current
£000			£000
15,701	Balance at start of year		15,317
	Additions:		
127	Purchases		90
0	Disposals		(146)
(511)	Net gains/losses from fair value adjustments		3,420
	Transfers:		
0	to/from Property Plant and Equipment		(181)
15,317	Balance at the end of the year		18,500

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2017 are as follows:

Fair Value Hierarchy

Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2017	
	£000	£000	£000	£000	£000
Residential (market rental) properties	0	0	0	0	0
Office Units	0	1,210	0	0	1,210
Commercial Units	0	17,290	0	0	17,290
	0	18,500	0	0	18,500

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2016 are as follows:

Fair Value Hierarchy

Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2016	
	£000	£000	£000	£000	£000
Residential (market rental) properties	0	0	0	0	0
Office Units	0	1,210	0	0	1,210
Commercial Units	0	14,107	0	0	14,107
	0	15,317	0	0	15,317

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during the year.

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

Significant Observable Inputs – Level 2

The fair value for the commercial properties (let at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Highest and Best Use of Investment Properties

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

Valuation Techniques

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

Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The authority's valuation experts work closely with finance officers reporting directly to the Deputy S151 Officer on a regular basis regarding all valuation matters.

Note 15 - Intangible Assets

The authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generally software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority. The useful lives assigned to the major software suites used by the authority are:

31st March 2016		31st March 2017	
Other Assets	Total	Other Assets	Total
£000	£000	£000	£000
Balance at start of year:			
4,451	4,451	4,563	4,563
(3,694)	(3,694)	(3,987)	(3,987)
757	757	576	576
Net carrying amount at start of year			
0	0	0	0
Adjustments between cost/value & amortisation/impairment			
Additions:			
112	112	492	492
(293)	(293)	(248)	(248)
576	576	821	821
Net carrying amount at end of year			
Comprising:			
4,563	4,563	5,055	5,055
(3,987)	(3,987)	(4,235)	(4,235)
576	576	821	821

Useful Life (Years)	Internally Generated Assets	Other Assets
1 Year	None	Software and Licences
3 Years	None	Software and Licences
4 Years	None	Software and Licences
5 Years	None	Software and Licences
7 Years	None	Software and Licences
10 Years	None	Software and Licences

Note 16 - Financial Instruments

Accounting regulations require the 'financial instruments' (investment, assets and liabilities of the Council) shown on the balance sheet to be further analysed into various defined categories. The investments, assets & liabilities disclosed in the balance sheet are made up of the following categories of 'financial instruments'

Financial Instruments

	Long-term 31 March 2016 £000	Long-term 31 March 2017 £000	Current 31 March 2016 £000	Current 31 March 2017 £000
Investments				
Loans and receivables	0	0	22,776	11,519
Available-for-sale financial assets	5,855	12,852	3,003	0
Total investments	5,855	12,852	25,779	11,519
Debtors				
Loans and receivables	9,691	23,172	0	0
Total included in Debtors	9,691	23,172	0	0

Analysis of Investments

Fixed-term loans and receivables

These investments are fixed term and fixed interest rate cash deposits with Banks and Building Societies. The carrying value includes the principal sum plus accrued interest.

Available for Sale Financial Assets

These current investments are Certificates of Deposit. These are valued at bid price and all material income, including gains and losses, is taken to the Comprehensive Income & Expenditure Account.

Income, Expense, Gains and Losses

	2017				Total
	Financial Liabilities: Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available-for-sale assets	Assets and Liabilities at Fair Value through Profit and Loss	
	£000	£000	£000	£000	
Interest expense	0	140	0	0	140
Total expense in Surplus or Deficit on the Provision of Services	0	140	0	0	140
Interest income	-	317	(1,007)	0	(690)
Total income in Surplus or Deficit on the Provision of Services	0	317	(1,007)	0	(690)
Net (gain)/loss for the year	0	457	(1,007)	0	(550)
	2016				Total
	Financial Liabilities: Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available-for-sale assets	Assets and Liabilities at Fair Value through Profit and Loss	
	£000	£000	£000	£000	
Interest expense	0	0	0	0	0
Total expense in Surplus or Deficit on the Provision of Services	0	0	0	0	0
Interest income	-	(574)	(3)	(1)	(578)
Total income in Surplus or Deficit on the Provision of Services	0	(574)	(3)	(1)	(578)
Net (gain)/loss for the year	0	(574)	(3)	(1)	(578)

Note 16a - Financial Instruments - Fair Value

Financial Assets Measured at Fair Value

Recurring Fair Value Measurements - Available for sale:

	31 March 2016	31 March 2017
	£'000	£'000
Graven Hill	4,072	12,852
UK Gilt	1,783	0
Balance 31 March	5,855	12,852

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Values Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

31 March 2017

	Unquoted Shares	Other	Total
	£'000	£'000	£'000
Opening Balance	4,072	0	4,072
Additions	8,780	0	8,780
Balance 31 March	12,852	0	12,852

31 March 2016

	Unquoted Shares	Other	Total
	£'000	£'000	£'000
Opening Balance	1,963	0	1,963
Additions	2,109	0	2,109
Balance 31 March	4,072	0	4,072

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are required)

Financial Liabilities

	31 March 2016		31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Long Term Creditors	(13,815)	(13,815)	(15,316)	(15,316)
PFI and finance lease liabilities	0	0	(1,593)	(1,593)
Total	(13,815)	(13,815)	(16,909)	(16,909)

Financial Assets

	31 March 2016		31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Loans and Receivables	31,634	31,634	24,371	24,371
Long-Term Debtors	9,691	9,691	22,866	22,866
Total	41,325	41,325	47,237	47,237

Note 17 - Inventories

	General Stocks		Build		Total	
	2015/16 £000	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000	2016/17 £000
Balance outstanding at start of year	148	123	0	2,959	148	3,082
Purchases	0	510	8,600	0	8,600	510
Transferred to PPE in the year	(25)	(498)	(5,641)	(2,959)	(5,666)	(3,458)
Balance Outstanding at Year End	123	134	2,959	0	3,082	134

Build inventory has been categorised as property plant and equipment assets.

Note 18 - Debtors

An analysis of the debtors balance is shown below

31 March 2016		31 March 2017	
	£000		£000
3,468	Central Government Bodies		2,441
6,212	Other Local Authorities		3,538
24	NHS Bodies		205
3,163	Other Entities and Individuals		3,684
12,866	Total Debtors		9,868

Note 19 - Cash and Cash Equivalents

Cash and cash equivalents include cash at bank, short-term bank deposits and money market investments of three months or less from the start of the investment.

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

31 March 2016		31 March 2017
£000		£000
14,036	Short Term Deposits	6,453
(1,719)	Bank Overdraft	(376)
12,317	Total Cash and Cash Equivalents	6,077

Note 20 - Assets Held for Sale

Current	Non-current		Current	Non-current
31 March 2016	31 March 2016		31 March 2017	31 March 2017
£000	£000		£000	£000
0	0	Balance outstanding at start of year	0	0
		Assets newly classified as held for sale:		
0	0	- Property Plant and Equipment	0	181
0	0	Balance Outstanding year end	0	181

Note 21 - Creditors

The table below provides details on the level of creditor balances set out in the Balance Sheet.

31 March 2016		31 March 2017
£000		£000
(4,657)	Central Government Bodies	(3,694)
(3,627)	Other Local Authorities	(5,385)
0	NHS Bodies	(20)
(5,531)	Other Entities and Individuals	(6,401)
(13,815)	Total Creditors	(15,500)

Note 22 - Provisions

Current Provisions

2016/17	Restructure Provision	Health Walks Training Provision	NNDR Appeals Provision	Total
	£000	£000	£000	£000
Opening Balance	0	(4)	(1,265)	(1,269)
Increase in provision during year	0	0	(253)	(253)
Closing Balance	0	(4)	(1,518)	(1,522)

2015/16	Restructure Provision	Health Walks Training Provision	NNDR Appeals Provision	Total
	£000	£000	£000	£000
Opening Balance	(25)	(4)	(2,681)	(2,710)
Utilised during year	25	0	1,416	1,441
Closing Balance	0	(4)	(1,265)	(1,269)

Long Term Provisions

2016/17	NNDR Appeals	Landlord Rent Guarantee	Resturcture	Landlord Rent Ex-Charter	Banbury Bowls Club	58 Bridge Street - Repair & Renewals	Housing Home Improvement Agency	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance	(1,268)	(115)	(275)	(18)	(47)	(63)	0	(1,787)
Increase in provision during year	(393)	0	0	0	0	0	0	(393)
Utilised during year	1,268	5	0	0	0	0	0	1,274
Closing Balance	(393)	(109)	(275)	(18)	(47)	(63)	0	(906)

2015/16	NNDR Appeals	Landlord Rent Guarantee	Resturcture	Landlord Rent Ex-Charter	Banbury Bowls Club	58 Bridge Street - Repair & Renewals	Housing Home Improvement Agency	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance	0	(113)	(275)	(18)	(39)	(53)	(211)	(709)
Increase in provision during year	(1,269)	(2)	0	0	(8)	(10)	0	(1,289)
Unused Amounts Reversed	0	0	0	0	0	0	211	211
Closing Balance	(1,269)	(115)	(275)	(18)	(47)	(63)	0	(1,787)

2015/16	Total Provisions	2016/17
£000		£000
(3,419)	Opening Balance	(3,056)
(1,289)	Increase in provision during year	(646)
1,441	Utilised during year	1,274
211	Unused Amounts Reversed	0
(3,056)	Closing Balance	(2,428)

Note 23 - Usable Reserves

The Council has a number of usable reserves in the balance sheet, those that can be applied to fund future expenditure or reduce local taxation. The purpose of each useable reserve is detailed in the table below or cross referenced to supporting notes.

Capital Receipts Reserve

31 March 2016		31 March 2017	
£000		£000	
(11,658)	Balance 1 April	(3,161)	
(8,465)	Capital Receipts in year	(5,578)	
16,962	Capital Receipts used for financing	5,794	
(3,161)	Balance 31 March	(2,945)	

Capital Grants Unapplied

31 March 2016		31 March 2017	
£000		£000	
(47)	Balance 1 April	(47)	
0	Capital grants recognised in year	(847)	
0	Capital grants and contributions applied	729	
(47)	Balance 31 March	(165)	

Note 24 - Unusable Reserves

The Council has a number of unusable reserves in the balance sheet, those that cannot be applied to fund future expenditure or reduce local taxation they are required to be held for statutory reasons and are needed to comply with proper accounting practice

The unusable reserves held by the Council are detailed in the below. The purpose of each usable reserve is cross referenced to supporting notes.

31 March 2016		31 March 2017
£000		£000
(41,770)	Revaluation Reserve	(25,267)
(41)	Available for Sale Financial Instruments Reserve	0
(104,161)	Capital Adjustment Account	(97,048)
72,683	Pension Reserve	92,450
(3,291)	Deferred Capital Receipts Reserve	(3,596)
1,579	Collection Fund Adjustment Account	1,430
195	Accumulated Absences Account	190
(74,806)	Total	(31,841)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). 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 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.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2016 £000		31 March 2017 £000
(43,403)	Balance 1 April	(41,770)
(4,126)	Upward revaluation of assets	(10,750)
4,207	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	26,306
81	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	15,556
1,552	Difference between fair value depreciation and historical cost depreciation	931
0	Accumulated gains on assets sold or scrapped	16
1,552	Amount written off to the Capital Adjustment Account	947
(41,770)	Balance 31 March	(25,267)

Available for Sale Financial Instruments Reserve

31 March 2016 £000		31 March 2017 £000
(39)	Balance 1 April	(41)
0	Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income	41
(2)	Other movements	0
(41)	Balance 31 March	0

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations 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 Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and 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 13 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

The movements on the Capital Adjustment Account for the year are:

31 March 2016		31 March 2017
£000		£000
(96,345)	Balance 1 April	(104,161)
3,713	Charges for depreciation and impairment of non-current assets	3,087
(354)	Revaluation losses on non-current assets	11,559
293	Amortisation of intangible assets	248
1,185	Revenue expenditure funded from capital under statute	2,362
5,813	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	2,385
10,650	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	19,640
(1,552)	Adjusting Amounts written out of the Revaluation Reserve	(947)
9,098	Net written out amount of the cost of non-current assets consumed in the year	18,693
(16,962)	Use of Capital Receipts Reserve to finance new capital expenditure	(5,794)
(462)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,825)
0	Capital expenditure charged against the General Fund and HRA balances	(541)
(17,424)	Capital financing applied in year:	(8,160)
511	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(3,420)
(104,161)	Balance 31 March	(97,048)

Pension 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 Council 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 Council 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 Council 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.

31 March 2016		31 March 2017
£000		£000
78,836	Balance 1 April	72,683
(8,598)	Remeasurements of the net defined benefit (liability)/asset	17,520
5,709	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	5,761
(3,264)	Employer's pensions contributions and direct payments to pensioners payable in the year	(3,514)
72,683	Balance 31 March	92,450

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

31 March 2016		31 March 2017
£000		£000
(3,291)	Balance 1 April	(3,291)
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(305)
(3,291)	Balance 31 March	(3,596)

Collection Fund Adjustment Account

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

31 March 2016		31 March 2017
£000		£000
2,141	Balance 1 April	1,579
(562)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(149)
1,579	Balance 31 March	1,430

Accumulated Absences Account

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

31 March 2016		31 March 2017
£000		£000
173	Balance 1 April	195
(173)	Settlement or cancellation of accrual made at the end of the preceding year	(5)
195	Amounts accrued at the end of the current year	0
22	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	(5)
195	Balance 31 March	190

Note 25 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31 March 2016		31 March 2017
£000		£000
(589)	Interest received	(878)
0	Interest paid	140
(589)	Total	(738)

The cash flows for operating activities include the following items:

31 March 2016		31 March 2017
£000		£000
(3,713)	Depreciation	(3,087)
354	Impairment and downward valuations	(11,559)
(293)	Amortisation	(248)
7,426	(Increase)/decrease in creditors	(9,906)
(2,484)	Increase/(decrease) in debtors	1,975
2,935	Increase/(decrease) in inventories	(2,948)
(2,445)	Movement in pension liability	(2,247)
(5,813)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(2,385)
(148)	Other non-cash movements charged to the surplus or deficit on provision of services	4,049
(4,180)	Total	(26,356)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:

31 March 2016		31 March 2017
£000		£000
(16,245)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(297)
8,465	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,883
462	Any other items for which the cash effects are investing or financing cash flows	1,943
(7,318)	Total	7,529

Note 26 - Cash Flow from Investing Activities

31 March 2016		31 March 2017
£000		£000
15,537	Purchase of property, plant and equipment, investment property and intangible assets	16,307
2,114	Purchase of short-term and long-term investments	10,000
4,699	Other payments for investing activities	21,955
(8,465)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,578)
0	Proceeds from short-term and long-term investments	(23,878)
(4,847)	Other receipts from investing activities	(6,368)
9,038	Net cash flows from investing activities	12,438

Note 27 - Cash Flow from Financing Activities

31 March 2016		31 March 2017
£000		£000
0	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(5)
0	Repayments of short-term and long-term borrowing	7
(2,512)	Other payments for financing activities	760
(2,512)	Net cash flows from financing activities	762

Note 28 - Trading Operations

2015/16	Building Control		2016/17
£000			£000
(339)	Income		(332)
341	Expenditure		372
2	Net Surplus / Deficit for Year		40

2015/16	Corporate Properties & Industrial Estates		2016/17
£000			£000
(1,103)	Income		(2,064)
1,261	Expenditure		(1,405)
158	Net Surplus / Deficit for Year		(3,469)

2015/16	Markets		2016/17
£000			£000
(49)	Income		(43)
35	Expenditure		38
(14)	Net Surplus / Deficit for Year		(5)

2015/16	Trading Operations Total Income and Expenditure:		2016/17
£000			£000
(1,491)	Income		(2,439)
1,637	Expenditure		(995)
146	Net Surplus / Deficit for Year		(3,434)

2015/16	Analysis of Inclusion in The Comprehensive Income and Expenditure Statement:		2016/17
£000			£000
146	Net surplus on trading operations		(3,434)
146	Net surplus / deficit included in Financing and Investment Income and Expenditure		(3,434)

Note 29 - Agency Services

2015/16	Bicester Town Council		2016/17
£000			£000
(314)	Income		(321)
304	Expenditure		303
(10)	Net Surplus/Deficit on the Agency Arrangement		(18)

2015/16	Oxfordshire County Council		2016/17
£000			£000
(19)	Income		(62)
41	Expenditure		103
22	Net Surplus/Deficit on the Agency Arrangement		41

2015/16	Kidlington Parish Council		2016/17
£000			£000
(113)	Income		(76)
110	Expenditure		67
(3)	Net Surplus/Deficit on the Agency Arrangement		(9)

2015/16	South Northants Council		2016/17
£000			£000
(19)	Income		(41)
18	Expenditure		33
(1)	Net Surplus/Deficit on the Agency Arrangement		(8)

2015/16	Gosford & Water Eaton Parish Council		2016/17
£000			£000
(7)	Income		0
7	Expenditure		0
0	Net Surplus/Deficit on the Agency Arrangement		0

Note 30 - Members' Allowances

The total of Members' Allowances paid in the year amounted to £308,000. This compares to £309,000 in 2015-16. A detailed list of allowances paid to each member is available for examination on the Council's website under "Councillors – Members' Allowances"

The Local Councils (Members' Allowances) Regulations 2003 requires local Councils to publish the amounts paid to members under the members' allowances scheme. The allowances available in 2016-17 were as follows:

31 March 2016		31 March 2017	
£'000		£'000	
300	Allowances	303	
9	Expenses	6	
309	Total Members' Allowances	309	

Note 31 - Officers' Remuneration

The Council is required, under regulation 7(2) of the Accounts and Audit Regulations 2003, to include in the notes to the accounts the number of employees in the accounting period whose remuneration was in excess of £50,000 excluding pension contributions. This includes senior staff all accounted for in the table on the following page where they are employees of Cherwell District Council. Senior staff employed by South Northants Council are not included in the table below

Officer Remuneration

	2015/16	2016/17
£50,001 to £55,000	6	6
£55,001 to £60,000	1	2
£60,001 to £65,000	2	3
£65,001 to £70,000	0	1
Total	9	12

2016/17

Key	Post title	Basic Salary £s	Fees - Monitoring Officer, S151, Returning Officer Inc Elections Payments £s	Expenses Allowances £s	Total Remuneration excluding Pension Contribution £s	Pension Contributions £s	Total Remuneration including Pension costs £s	Cherwell District Council Total Remuneration including Pension Costs £s
7	Interim Chief Executive	96,188	677	1,388	98,252	13,178	111,429	55,715
1	Sue Smith - Chief Executive	167,926	22,204	1,705	191,835	5,480	197,315	98,657
6	Director of Strategy & Commissioning	93,927	225	319	94,471	12,868	107,339	53,670
3	Director of Commercial Development/Bicester	118,022	715	810	119,548	1,348	120,896	96,717
4	Chief Finance Officer	83,236	1,004	1,044	85,284	11,448	96,732	48,366
5	Head of Regeneration & Housing	109,090	526	991	110,607	0	110,607	55,303
2	Head of Law & Governance	79,218	918	661	80,796	10,140	90,936	45,468
2	Head of Strategic Planning & The Economy	76,718	655	2,772	80,145	0	80,145	40,072
2	Head of Environmental Services	76,718	480	1,908	79,105	10,510	89,616	44,808
2	Head of Development Management	76,718	373	502	77,593	12,982	90,575	45,287
2	Head of Transformation	71,463	734	373	72,570	9,147	81,717	40,859

1	Joint Management Team Post employed by CDC. (SNC bear 50% of costs from 1 October 2011). Post holder left
2	Joint Management Team Post employed by SNC. (CDC bear 50% of costs from 1 October 2011)
3	Joint Management Team Post employed by CDC only. Post started on 1 September 2013. Post holder took up new role as Commercial Director from 1 March 2016
4	Joint Management Team Post employed by CDC. Post holder started on the 15 September 2014. Post holder took up new role as Chief Finance Officer from 20 May 2016
5	Joint Management Team Post employed by SNC. (CDC bear 50% of costs from 1 October 2011). Post holder left
6	Joint Management Team Post employed by CDC. Post holder started on the 1 March 2016
7	Joint Management Team Post employed by CDC. Post holder started the role of Director of Operational Delivery on 1 January 2016. Post holder took up new role as Interim Chief Executive on 11 March 2017

2015/16

Key	Post title	Basic Salary	Fees - Monitoring Officer, S151, Returning Officer Inc Elections Payments	Expenses Allowances	Compensation for loss of office	Total Remuneration excluding Pension Contribution	Pension Contributions	Total Remuneration including Pension costs	Cherwell District Council Total Remuneration including Pension Costs
		£s	£s	£s	£s	£s	£s	£s	£s
1	Sue Smith - Chief Executive	129,744	18,542	2,586	0	150,872	20,302	171,174	85,587
7	Director of Community & Environment	68,505	325	942	0	69,772	9,385	79,157	39,579
8	Director of Operations & Delivery	23,750	0	437	0	24,187	3,254	27,441	13,720
5	Director of Resources	100,033	2,500	354	30,000	132,887	13,124	146,011	73,006
5	Director of Development	113,892	325	1,493	30,000	145,710	14,354	160,063	80,032
3	Director of Bicester	109,342	515	796	0	110,652	0	110,652	110,652
9	Director of Commercial Development	7,959	0	22	0	7,981	0	7,981	6,385
6	Director of Strategy & Commissioning	7,667	0	0	0	7,667	1,050	8,717	4,359
1	Head of Environmental Services	75,771	215	1,365	0	77,351	10,381	87,731	43,866
4	Head of Finance and Procurement	73,695	368	477	0	74,539	10,096	84,635	42,318
2	Head of Law and Governance	75,771	2,917	2,220	0	80,908	10,019	90,927	45,463
2	Head of Transformation	69,356	325	678	0	70,359	8,901	79,260	39,630
2	Head of Development Management	76,633	325	1,160	0	78,118	9,699	87,816	43,908
2	Head of Strategic Planning and the Economy	75,771	368	1,437	0	77,575	0	77,575	38,787
2	Head of Regeneration and Housing	75,975	0	893	0	76,868	0	76,868	38,434

1	Joint Management Team Post employed by CDC. (SNC bear 50% of costs from 1st October 2011)
2	Joint Management Team Post employed by SNC. (CDC bear 50% of costs from 1st October 2011)
3	Joint Management Team Post employed by CDC only. Post started on 1st September 2013. Post holder took up new role as Commercial Director
4	Joint Management Team Post employed by CDC. Post holder started on the 15th September 2014
5	Joint Management Team Post employed by SNC. Post holder left on the 31st March 2016
6	Joint Management Team Post employed by CDC. Post holder started on the 1st March 2016
7	Joint Management Team Post employed by CDC. Post holder ended this role on the 31st December 2015
8	Joint Management Team Post employed by CDC. Post holder started this role on the 1st January 2016
9	Joint Management Team post employed by CDC. Took up new role from 1 March 2016. (SNC Bear 20% of costs from 1 March 2016)

Note 32 - 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.

2015/16		2016/17
£000		£000
53	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	65
17	Fees payable in respect of other services provided by external auditors during the year	23
70	Total	88

Note 33 - Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2016/17:

Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

31 March 2016		31 March 2017
£000		£000
0	Revenue Support Grant	(1,851)
(2,712)	S106 Developer Contributions	0
(5,080)	NDR Section 31 Grant	(5,811)
(959)	Non Domestic Rates	(606)
(65)	Council Tax Freeze Grant	0
(2,723)	New Homes Bonus	(3,689)
0	New School Places Programme	(1,943)
(11,540)	Total	(13,900)

Credited to Services

31 March 2016		31 March 2017
£000		£000
(473)	Housing Benefit Administration Subsidy Grant	(449)
(37,949)	Rent Allowances	(36,666)
(40)	Credit Union	(18)
(8)	Area Based Grant	0
(39)	Individual Election Registration	(98)
(5)	Arts Grants	0
(370)	Developer contributions (S106)	(321)
(457)	Disabled Facilities Grant	(847)
(143)	Home Improvement Agency Grant	(73)
(1,670)	Homelessness Grant	(66)
(137)	Capacity Funding	0
(223)	Department of Communities and Local Government	0
(220)	NDR Cost of Collection Grant	(223)
(129)	New Burdens	(292)
0	Other Grants & Contributions	(334)
0	Universal Credit	(14)
0	Heat Network Delivery grant	(50)
0	Community Safety	(10)
0	European Election	(160)
0	Police and Crime Commissioner Election	(137)
0	Contributions for other Local Authorities	(1,546)
(41,862)	Total	(41,304)

Grants Receipts in Advance (Revenue Grants) - Current Liabilities

31 March 2016		31 March 2017
£000		£000
(1,543)	Section 106 developer contributions	(1,503)
(647)	Other Grants and contributions	(461)
(2,190)	Total	(1,963)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

Grants Receipts in Advance (Capital Grants) - Long Term Liabilities

31 March 2016		31 March 2017
£000		£000
(9,482)	Section 106 Developer Contributions - Capital	(12,159)
(46)	Other Contributions	(46)
(4)	DECC Green Deal	(4)
(8)	DEFRA Monitoring and Modelling	(8)
(10,886)	Eco Town Grant	(10,636)
(5)	Community Build Banbury	(5)
(20,431)	Total	(22,858)

Note 34 - Related Parties

The Council is required to disclose material transactions with 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 Council, it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

Members

Members of the Council have direct control over the Council's financial and operating policies. During 2016/17 works and services to the value of £328,676 (2015/16 £164,240) were made to parties where Members had declared an interest. Contracts were entered into in full compliance with the Council's Standing Orders. All transactions are recorded in the Register of Members' Interests, open to public inspection at Bodicote House, Bodicote, Banbury, OX15 4AA.

Officers

Cherwell District Council shares a number of officers with South Northants Council under a joint working relationship. The senior officers working in a shared capacity as at 31st March were:

Shared Post	Officer Employed by
Chief Executive Officer	Cherwell District Council
Director of Operational Delivery	Cherwell District Council
Director of Commercial Development	Cherwell District Council
Director of Strategy & Commissioning	Cherwell District Council
Chief Finance Officer	Cherwell District Council
Head of Community Services	Vacant
Head of Environmental Services	Cherwell District Council
Head of ICT	Vacant
Head of Law & Governance	South Northamptonshire Council
Head of Transformation	South Northamptonshire Council
Head of Development Management	South Northamptonshire Council
Head of Strategic Planning & the Economy	South Northamptonshire Council
Head of Regeneration & Housing	Cherwell District Council

Officers of the Council made no other material disclosures.

The Council works closely with South Northamptonshire Council and the cost of the joint working arrangements in 2016/17 was £337k.

Other Public Bodies

Grants to Parish and Town Councils amounted to £181,098 in 2016/17 (2015/16 £179,366). The purpose of this disclosure is to provide assurance to readers of these statements that any material transaction between the organisation and those in a position to influence its decisions are properly disclosed.

Graven Hill

Graven Hill Holding Company and Graven Hill Development Company Accounts are set out in a separate section at the end of these Statements.

A number of Officers and Councillors are directors of these companies:

Graven Hill Village Holdings Ltd:

Ms S Smith	
Councillor LT Col T.T. Hallchurch ((Mbe)	
Mr N Morris	
Mr D L Hughes	
Miss K Curtin	Resigned 4 January 2016
Mr C Stratford	Appointed 4 January 2016

Graven Hill Village Development Company Ltd:

Ms S Smith	
Mr D Sames	
Mr N Morris	
Mr P D Singleton	Resigned 31 October 2016
Mr I Corkin	Appointed 30 September 2015
Miss K Curtin	Appointed 4 January 2016
Mr A Unitt	Appointed 27 September 2016
Mr S Barnes	Appointed 28 February 2017

Entities Controlled or Significantly Influenced by the Authority

During 2016/17 grant funding payments of £297,750 (2015/16 £386,000) were made to the Banbury Museum Trust and of £2,500 (2015/16 £32,588) to the Mill Arts Centre. These transactions represent a significant part of the funding for these organisations and are therefore disclosed as being material.

Note 35 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), 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 authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

Capital Expenditure and Capital Financing

31 March 2016		31 March 2017
£000		£000
(5,879)	Opening Capital Financing Requirement	(5,880)
	Capital Investment:	
15,999	Property Plant and Equipment	16,625
127	Investment Property	90
112	Intangible Assets	492
1,185	Revenue Expenditure Funded from Capital Under Statute	2,362
17,423	Total Capital Spending	19,568
	Sources of Finance:	
(16,962)	Capital receipts	(5,794)
(462)	Government Grants and other contributions	(1,825)
	Sums set aside from revenue:	
0	- Direct revenue contributions	(541)
(17,424)	Total Sources of Finance	(8,160)
(5,880)	Closing Capital Financing Requirement	5,528

Explanation of movements in year

31 March 2016		31 March 2017
£		£
0	Increase in underlying need to borrow (unsupported by government financial assistance)	15,623
0	Assets acquired under finance leases	1,600
0	Increase/(decrease) in Capital Financing Requirement	17,223

Note 36 - Leases

Authority as Lessee - Finance Leases

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

31 March 2016 £'000		31 March 2017 £'000	
0	Other Land and Buildings	2,287	
0	Vehicles, Plant, Furniture, Equipment and Other	0	
0	Total	2,287	

The minimum lease payments are made up of the following amounts:

31 March 2016 £'000		31 March 2017 £'000	
Finance lease liabilities (net present value of minimum lease payments):			
0	- current	4	
0	- non-current	1,593	
0	Finance costs payable in future years	0	
0	Minimum lease payments	1,597	

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments			Finance Lease Liabilities		
31 March 2016 £'000	31 March 2017 £'000		31 March 2016 £'000	31 March 2017 £'000	
0	3	Not later than one year	0	191	
0	21	Later than one year and not later than five years	0	765	
0	1,576	Later than five years	0	5,617	
0	1,600	Total	0	(6,573)	

Authority as Lessee - Operating Leases

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

31 March 2016 £'000		31 March 2017 £'000
14	Not later than one year	14
31	Later than one year and not later than five years	16
0	Later than five years	31
45	Total	61

The expenditure charged to services in the CIES during the year in relation to these leases was:

31 March 2016 £'000		31 March 2017 £'000
0	Minimum lease payments	14
0	Total	14

Authority as Lessor - Finance Leases

31 March 2016 £'000		31 March 2017 £'000
	Finance lease debtor (net present value of minimum lease payments):	
0	- current	0
3,276	- non-current	2,855
0	Unearned finance income	0
0	Unguaranteed residual value of property	0
3,276	Gross investment in the lease	2,855

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

Gross Investment in the Lease		Minimum Lease Payments		
31 March 2016 £'000	31 March 2017 £'000		31 March 2016	31 March 2017 £'000
0	0	Not later than one year	127	100
0	0	Later than one year and not later than five years	506	400
3,276	2,855	Later than five years	24,396	22,840
3,276	2,855	Total	25,029	23,340

Authority as Lessor - Operating Leases

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

31 March 2016 £'000		31 March 2017 £'000
938	Not later than one year	1,197
3,083	Later than one year and not later than five years	4,126
5,354	Later than five years	14,574
9,375	Total	19,897

Note 37 - Impairment Losses

The Code requires disclosure by class of assets of 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.

There are no impairment losses or impairment reversal in 2016/17.

Note 38 - Termination Benefits

The authority terminated the contracts of a number of employees in 2016/17, incurring liabilities of £96,391 (£156,751 in 2015/16).

CDC entirely responsible for these costs

[a] Exit package cost band (including special payments)	[b] Number of compulsory redundancies		[c] Number of other departures agreed		[d] total number of exit packages by cost band [(b) + (c)]		[e] Total cost of exit packages in each band	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
£0-£20,000	1	0	1	3	2	3	£3,736	£44,451
£20,001-£100,000	0	0	0	0	0	0	£0	£0
£100,001-£140,000	0	0	0	0	0	0	£0	£0
Total	1	0	1	3	2	3	£3,736	£44,451

CDC/SNC 50/50 responsible for these costs.

[a] Exit package cost band (including special payments)	[b] Number of compulsory redundancies		[c] Number of other departures agreed		[d] total number of exit packages by cost band [(b) + (c)]		[e] Total cost of exit packages in each band	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
£0-£20,000	0	0	2	0	2	0	£22,322	£0
£20,001-£100,000	0	0	2	2	2	2	£130,693	£69,087
£100,001-£140,000	0	0	0	0	0	0	£0	£0
Total	0	0	4	2	4	2	£153,015	£69,087

Note 39 - Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Cherwell District Council pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of Oxfordshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (ie largescale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund [and Housing Revenue Account] via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

General Fund Transactions

2015/16	2016/17
LGPS	LGPS
£000	£000
Comprehensive Income and Expenditure Statement	
Cost of Services	
Service cost comprising:	
3,111 Current service cost	3,110
0 Past service cost	44
49 Administration expenses	53
Financing and Investment Income and Expenditure	
2,549 Net interest expense	2,554
5,709 Total charged to Surplus and Deficit on Provision of Services	5,761

Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement

£000	£000
Remeasurement of the net defined benefit liability comprising:	
2,689 Return on plan assets (excluding the amount included in the net interest expense)	(14,955)
0 Actuarial gains and losses arising on changes in demographic assumptions	(1,425)
(11,287) Actuarial gains and losses arising on changes in financial assumptions	33,900
0 Other movements in the liability / (asset)	0
(8,598) Sub Total	17,520
(2,889) Total charged to the Comprehensive Income and Expenditure Statement	23,281

2015/16 LGPS	2016/17 LGPS
-------------------------	-------------------------

Movement in Reserves Statement

£000	£000
(5,709) Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(5,761)
Actual amount charged against the general fund balance for pensions in the year:	
3,264 Employers' contributions payable to scheme	3,514
Retirement benefits payable to pensioners	

2015/16	2016/17
LGPS	LGPS
£000	£000
(153,190) Present value of the defined obligation	(190,328)
80,507 Fair value of plan assets	97,878
(72,683) Value of Assets / (Liabilities)	(92,450)
(72,683) Net (liability) / asset arising from the defined benefit obligation	(92,450)

2015/16	Movement in the the Value of Scheme Assets	2016/17
LGPS		LGPS
£000		£000
81,207	Opening fair value of scheme assets	80,507
2,669	Interest income	2,891
	Remeasurement gain / (loss):	
(2,689)	- The return on plan assets, excluding the amount included in the net interest expense	14,955
3,264	Contributions from employer	3,514
741	Contributions from employees into the scheme	835
(4,636)	Benefits / transfers paid	(4,771)
(49)	Administration expenses	(53)
80,507	Closing value of scheme assets	97,878

2015/16	Movements in the Fair Value of Scheme Liabilities	2016/17
LGPS		LGPS
£000		£000
(160,043)	Opening balance at 1 April	(153,190)
(3,111)	Current service cost	(3,110)
(5,218)	Interest cost	(5,445)
(741)	Contributions from scheme participants	(835)
	Remeasurement gains and losses:	
0	- Actuarial gains / (losses) from changes in demographic assumptions	1,425
11,287	- Actuarial gains / (losses) from changes in financial assumptions	(33,900)
0	Past service cost	(44)
4,636	Benefits / transfers paid	4,771
(153,190)	Balance as at 31 March	(190,328)

Principal Actuarial Data Sources as at 31 March 2017

In completing our calculations for pension accounting purposes we have used the following items of data, which we received from Oxfordshire County Council:

- The results of the valuation as at 31 March 2016 which was carried out for funding purposes;
- Estimated whole Fund income and expenditure items for the period to 31 March 2017;
- Estimated Fund returns based on Fund asset statements provided (or estimated where necessary) as at 31 March 2016, 31 March 2016 and 28 February 2017, Fund income and expenditure as noted above, and estimated market returns thereafter for the period to 31 March 2017;
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2017; and
- Details of any new early retirements for the period to 31 March 2017 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data.

Employer membership statistics

The table below summarises the membership data, as at 31 March 2016 for members receiving funded benefits, and as at 31 March 2017 for any members receiving unfunded benefits.

Member Data Summary	Number	Salaries / Pensions £000	Average Age
Active members	402	11,185	45
Deferred pensioners	705	1,518	46
Pensioners	572	4,147	72
Unfunded Pensioners	86	233	78

The service cost for the year ending 31 March 2017 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £12,233,000, as advised by the Employer. The projected service cost for the year ending 31 March 2018 has been calculated assuming the payroll remains at this level over the year.

Scheduled contributions

The table below summarises the minimum employer contributions due from Cherwell District Council to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 14.9% of payroll p.a. The monetary amounts shown below are based on payments being made monthly over the period to 31 March 2020. However, we understand that Cherwell District Council have an agreement with the administering authority that they will prepay an element of their monetary contributions by making a single lump

sum payment in April 2017. This lump sum payment will receive an actuarially equivalent discount and the required amount is £4,707,000.

Minimum employer contributions due for the period beginning	1 April 2014	1 April 2015	1 April 2016
Percent of payroll	14.9%	14.9%	14.9%
Plus monetary amount £000	1,657	1,697	1,738

Cherwell District Council may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by us.

Early retirements

The actuary requested data on any early retirements in respect of the Employer from the administering authority for the year ending 31 March 2017.

We have been notified of one new early retirement during the year which was not allowed for at the previous accounting date. The total annual pension that came into payment was £5,900.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2017 is estimated to be 21%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for Cherwell District Council as at 31 March 2017 is as follows:

Employer Asset Share - Bid Value	31-Mar-15		31-Mar-16	
	£000	%	£000	%
Equities	65,629	68	51,497	64
Gilts	10,608	12	10,670	13
Other bonds	3,232	3	2,832	4
Property	6,352	6	6,396	8
Cash	4,370	4	2,408	3
LLPs	3,298	3	3,172	4
Diversified Growth Fund	4,389	4	3,532	4
Employer Asset Share Total	97,878	100	80,507	100

The actuary has estimated the bid values where necessary. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2017 is likely to be different from that shown due to estimation techniques.

Based on the above, the Employer's share of the assets of the Fund is approximately 4%.

The actuary received the following information from the administering authority regarding the detail of their assets as at 28 February 2017, representing the

percentages of the total Fund held in each asset class (split by those that have a quoted market price in an active market, and those that do not).

Employer asset share - Bid Value	29-Feb-17	
	% Quoted	% Unquoted
Fixed Interest Government Securities		
	UK	3.9%
	Overseas	2.3%
Index Linked Government Securities		
	UK	4.7%
	Overseas	-
Corporate Bonds		
	UK	3.2%
	Overseas	0.1%
Equities		
	UK	20.3%
	Overseas	11.3%
Property		
	All	-
Others		
	Limited Liability Partnerships	-
	Diversified Growth Fund	-
	Cash/Temporary Investments	3.9%
Net Current Assets		
	Debtors	0.8%
	Creditors	-0.2%
Total		50.2%
		49.8%

The actuary do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance. Please note that as above, no adjustments for presentational purposes have been made to the percentages shown.

Actuarial methods and assumptions

Valuation approach

To assess the value of the Employer's liabilities at 31 March 2017, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2016, using financial assumptions that comply with IAS19.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2017 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March

2017 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2016 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Demographic/Statistical assumptions

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2016. The post retirement mortality tables adopted are the S2PA tables with a multiplier of 90% for males and females. These base tables are then projected using the CMI 2015 Model, allowing for a long-term rate of improvement of 1.5% p.a.

The assumed life expectations from age 65 are:

Life expectancy from age 65	31 Mar 16	31 Mar 17
Retiring today		
Males	23.3	23.4
Females	25.8	25.5
Retiring in 20 years		
Males	25.6	25.6
Females	28.1	27.8

The actuary have also assumed that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Financial assumptions

The financial assumptions used to calculate the results are as follows:

	31 Mar 15	31 Mar 16	31 Mar 17
Assumptions as at	% pa	% pa	% pa
Discount rate	3.3%	3.6%	2.7%
Pension increases	2.4%	2.3%	2.7%
Salary increases	4.2%	4.1%	4.2%

These assumptions are set with reference to market conditions at 31 March 2017.

Our estimate of the duration of the Employer's liabilities is 19 years.

The discount rate is the annualised yield at the 19 year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date. The Retail Prices Index (RPI) increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England (BoE), specifically the 19 year point on the BoE market implied inflation curve. The RPI assumption is therefore 3.6% p.a. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, we have made a further assumption about CPI which is that it will be 0.9% p.a. below RPI i.e. 2.7% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts. This is consistent with the approach used at the last accounting date.

Salaries are assumed to increase at 1.5% p.a. above CPI in addition to a promotional scale. However, we have allowed for a short-term overlay from 31 March 2016 to 31 March 2020 for salaries to rise in line with CPI.

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

We are not aware of any additional benefits which were granted over the year ending 31 March 2017.

Curtailments

We have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The Employer may also have to

account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, we have only calculated the cost of curtailments which affect the Employer's LGPS pension liabilities.

We calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, we understand that one former employee became entitled to unreduced early retirement benefits.

The capitalised cost of the additional benefits on IAS19 compliant assumptions is calculated at £43,916. This figure has been included within the service cost in the statement of profit or loss.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

Note 40 - Contingent Liabilities

NHS Trust

An application for mandatory relief on business rates from an NHS trust has been received. A number of Councils have received similar applications. The application has initially been rejected but there may be scope for the application still to be pursued and for the purported grounds for relief to be the subject of a test case brought against one or more of the councils involved.

Should the application be approved and mandatory charitable relief be granted then the impact on Cherwell would be a backdated cost of 40% of £1.2m which equates to £480,000 and an on-going reduction in business rates of 40% of £219,000 which equates to £88,000.

Note 41 - Contingent Assets

VAT Share

When the Council sold their housing stock an agreement was put in place so that they would be party to any input VAT refund received by the third party responsible for repairs and maintenance work. These amounts relate to the refurbishment of the properties sold to bring them up to the required standard. It is expected that a flow of economic benefit will occur in the future, however the value and timing is less certain.

Note 42 - Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- 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
- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements

The Council does not require debt financing and currently does not have any debt exposure. As such the key risks are in relation to financial assets.

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy (TMS) . These include commercial entities with a minimum long-term credit rating of A-, the UK government and other local authorities. The TMS also restricts lending to a prudent maximum amount for each institution.

The table below summarises the credit risk exposures of the Council's investment portfolio:

Bank/Institution	Country	Long Term Credit Rating (Fitch)	Principal Amount 31 March 2017	Historical experience of default (adjusted to reflect market conditions)	Estimated maximum exposure to default 31 March 2017
			£000	%	£000
Goldman Sachs Asset Management	UK	AAA	2,457	0%	0
Federated Investors UK	UK	AAA	1,736	0%	0
Svenska Handelsbanken	Sweden	AA	2,259	0%	0
Lloyds Bank plc	UK	A+	4,500	0%	0
Lloyds Bank plc	UK	A+	4,000	0%	0
Lloyds Bank plc	UK	A+	3,000	0%	0
			17,952		0

Credit Risk: Debtors

The Council generally allows 30 days credit for its trade debtors. Outstanding debt overdue for payment can be analysed by age as follows:

Duration outstanding	31 March 2016	31 March 2017
	£000	£000
One months	77	69
Two months	105	484
Three months	20	18
More than three months	490	584
	<u>692</u>	<u>1,155</u>

Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual TMS and Prudential Indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

In the event of an unexpected cash requirement, the Council has ready access to borrowing at favourable rates from the Public Works Loan Board, other local authorities, and at higher rates from banks and building societies to cover any short term cash flow need. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient funds are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments.

Market Risk: Interest Rates

The Council maintains a significant investment portfolio, and has no borrowing. Whilst the cash flow procedures above are considered against prevailing market conditions, a longer term risk to the Council relates to managing the exposure to replacing financial instruments, such as longer term financial assets, as they mature.

An assessment of interest rate exposure is fed into the setting of the annual budget (and on-going monitoring), as well as the Medium Term Financial Strategy.

The Council is exposed to risk in terms of interest rate movements on its investments. Movements in interest rates have an impact on the Council as investments at fixed rates will result in the Fair Value of the assets to fall.

Also, at times of low interest rates, the Council will only be able to obtain low percentages of return on its investments at fixed rates in any new investments placed. Other than short term fund held for liquidity purpose e.g. money market

funds and call accounts, the Council currently does not have any investments at variable rates.

The Council currently does not have any borrowing, and it has a number of strategies for managing interest rate risk. The Treasury Management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the forecasted out-turn during the year. This allows for any adverse changes to be accommodated.

Market Risk: Other

Price Risk - The Council holds shares in Graven Hill Village Holdings Ltd, but these are not listed and are valued at cost price. The Council therefore has no exposure to loss arising from movement in the prices of shares.

Foreign Exchange Risk - The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Collection Fund

31 March 2016			31 March 2017			
Business Rates	Council Tax	Total	Collection Fund	Business Rates	Council Tax	Total
£000	£000	£000		£000	£000	£000
			INCOME:			
	(79,806)	(79,806)	Council Tax Receivable		(85,162)	(85,162)
(75,491)		(75,491)	Business Rates Receivable	(74,622)		(74,622)
97	(1)	96	Transitional Protection Payments Receivable	188	(1)	187
(75,394)	(79,807)	(155,201)	Total amounts to be credited	(74,434)	(85,163)	(159,597)
			EXPENDITURE:			
			Apportionment of Previous Year Surplus/Deficit:			
(529)		(529)	Central Government	(1,945)		(1,945)
(424)	233	(191)	Cherwell District Council	(1,556)	180	(1,376)
(106)	1,365	1,259	Oxfordshire County Council	(389)	1,064	675
0	181	181	Thames Valley Police & Crime Commissioners	0	141	141
			Precepts, demands and shares:			
36,660		36,660	Central Government	38,994		38,994
29,328	10,043	39,371	Cherwell District Council	31,195	10,674	41,869
7,332	59,470	66,802	Oxfordshire County Council	7,799	64,540	72,339
0	7,899	7,899	Thames Valley Police & Crime Commissioners	0	8,408	8,408
			Charges to Collection Fund:			
1,773	164	1,937	Write-offs of uncollectable amounts	343	175	518
27	14	41	Increase/(decrease) in allowance for impairment	(23)	240	217
(369)		(369)	Increase/(decrease) in allowance for appeals	(1,555)		(1,555)
223		223	Charge to General Fund for allowable collection costs for non-domestic rates	223		223
			Other transfers to General Fund in accordance with non-domestic rates regulations [report separately for each major Scheme where transfers are material]			
556		556	Renewable Energy	589		589
74,471	79,369	153,840	Total amounts to be debited	73,675	85,422	159,097
(923)	(438)	(1,361)	(Surplus)/Deficit arising during the year	(759)	259	(500)
6,065	(1,791)	4,274	(Surplus)/Deficit b/f at 1 April 2016	5,142	(2,229)	2,913
5,142	(2,229)	2,913	(Surplus)/Deficit c/f at 31 March 2017	4,383	(1,970)	2,413

Notes to the Collection Fund

Council Tax income derives from charges raised according to the value of residential properties that have been classified into eight valuation bands (A to H). Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Oxfordshire County Council, Thames Valley Police and Crime Commissioner and Cherwell District Council together with each parish requirement and dividing this by the Council Tax base i.e. the number of properties in each valuation band converted to an equivalent number of band D dwellings and adjusted for discounts.

Note 1 - Council Tax Income

2016/17

Band	Valuation band limits £	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	
		No		No	
A	Upto and including - 40,000	3,995	6/9	2,663	
B	40,001 - 52,000	12,376	7/9	9,626	
C	52,001 - 68,000	14,485	8/9	12,876	
D	68,001 - 88,000	9,232	9/9	9,232	
E	88,001 - 120,000	6,652	11/9	8,130	
F	120,001 - 160,000	3,124	13/9	4,512	
G	160,001 - 320,000	2,225	15/9	3,708	
H	More than - 320,001	193	18/9	386	
				Adjustment	(777)
				Council tax base	<u>50,357</u>

2015/16

Band	Valuation band limits £	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	
		No		No	
A	Upto and including - 40,000	3,704	6/9	2,469	
B	40,001 - 52,000	11,788	7/9	9,168	
C	52,001 - 68,000	13,872	8/9	12,331	
D	68,001 - 88,000	8,828	9/9	8,828	
E	88,001 - 120,000	6,453	11/9	7,887	
F	120,001 - 160,000	2,999	13/9	4,332	
G	160,001 - 320,000	2,164	15/9	3,607	
H	More than - 320,001	183	18/9	366	
				Adjustment	(735)
				Council tax base	<u>48,253</u>

Group Accounts

Under the terms of the Code where the Council has an interest in any other entity, it is required to prepare a Group Income and Expenditure and Group Balance Sheet. On 25 June 2014 the company Graven Hill Village Holding Ltd and Graven Hill Village Development Company Ltd were created. Graven Hill Village Holding Ltd is a subsidiary of the council which holds 100% interest in this company. Graven Hill Village Development Ltd is a subsidiary of Graven Hill Village Holding Ltd which holds 99% and the council holds 1%. Cherwell District Council is the ultimate controlling party of Graven Hill Village Development Ltd

Group Accounts have been prepared as the Council has the 'control' as 100% shareholder of Graven Hill Village Holding Ltd. Per IFRS10, An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group accounts incorporate the Council's share of the net assets of Graven Hill Village Holding Ltd as a subsidiary and Graven Hill Village Development Co Ltd as the ultimate parent company, using the equity method.

The financial statements of Graven Hill Village Holding Ltd and Graven Hill Village Development Ltd are for the period ended 31 March 2016. This matches the financial statements period of the council and enables consolidation of the statements.

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). The Group Accounts are included in this document as separate Primary Statements, showing the extent of the Council's interest.

In addition to the Group Accounts the following significant judgements and assumptions have been disclosed to aid an understanding of the nature of the group relationship.

The registered name of the companies are	Graven Hill Village Holding Ltd	Graven Hill Village Development Co Ltd
Nature of the business	The company is a holding company and does not trade. It is intended that the company will continue as a holding company for the foreseeable future. The company borrows and lends funds from its parent company to its subsidiary company	The principal activity of the company during the period was that of a property development company
Undertaking	Subsidiary of Cherwell District Council	Subsidiary of Graven Hill Village Development Ltd

Controlling party	Cherwell District Council 100%	Graven Hill Village Holding Ltd 99% Cherwell District Council 1%
Ultimate parent	Cherwell District Council	Cherwell District Council
Deficit on provision of services (before consolidation)	£13,616	£924,066
Net Assets (before consolidation)	£12,828,500	£11,037,425

GROUP COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

This statement includes the combined income and expenditure of the Council, its wholly owned subsidiary Graven Hill Village Holding Ltd and its subsidiary Graven Hill Village Development Ltd

Group Accounts Net Expenditure		Cherwell District Council Net Expenditure	Total Group Accounts movements	Group Accounts Net Expenditure
31-Mar-16		31-Mar-17	31-Mar-17	31-Mar-17
£000		£000	£000	£000
196	Chief Executive	243	0	243
6,001	Commercial Development	11,692	135	11,827
1,022	Deputy S151 Officer	942	109	1,472
2,885	Strategy and Commissioning	3,770	33	3,784
9,587	Operations and Delivery	10,327	(202)	18,018
1,577	Non Distributed Services	1,595	0	1,648
21,268	Net Cost of Services	36,917	75	36,992
1,432	Other Operating Expenditure	1,160	1,321	2,481
1,457	Financing and Investment Income & Expenditure	(1,491)	914	(577)
(21,919)	Taxation and Non-Specific Grant Income	(24,718)	(427)	(25,145)
2,238	(Surplus) / deficit on Provision of Service	11,868	1,884	13,752
81	(Surplus) / deficit on the revaluation of non-current assets	15,556	0	15,556
(8,598)	Actuarial (gains) / losses on pension assets & liabilities	17,520	0	17,520
0	(Surplus)/Deficit on Other items	41	0	41
(8,517)	Other Comprehensive Income & Expenditure	33,117	0	33,117
(6,279)	(Surplus)/ deficit on Total Comprehensive Income & Expenditure	44,985	1,884	46,869

GROUP BALANCE SHEET

This statement includes the combined income and expenditure of the Council, its wholly owned subsidiary Graven Hill Village Holding Ltd and its subsidiary Graven Hill Village Development Ltd

Group Accounts 31-Mar-16 £000		Cherwell District Council 31-Mar-17 £000	Total Group Accounts movements 31-Mar-17 £000	Group Accounts 31-Mar-17 £000
124,158	Property, Plant & Equipment	108,340	2	108,342
15,317	Investment Property	18,500	0	18,500
576	Intangible Assets	821	0	821
0	Assets held for sale	181	0	181
1,783	Long Term Investments	12,852	(12,852)	0
3,536	Long Term Debtors	23,172	(19,342)	3,830
145,370	Long Term Assets	163,866	(32,192)	131,674
25,779	Short Term Investments	11,519	0	11,519
36,147	Inventories	134	40,455	40,589
12,862	Short Term Debtors	9,868	578	10,446
12,485	Cash and Cash Equivalents	6,077	3,172	9,249
87,273	Current Assets	27,598	44,205	71,803
(24,151)	Short Term Creditors	(15,500)	(2,523)	(18,023)
(2,353)	Receipts in Advance	(1,963)	0	(1,963)
(1,269)	Provisions	(1,522)	0	(1,522)
(27,773)	Current Liabilities	(18,985)	(2,523)	(21,508)
(72,683)	Other Long Term Liabilities	(94,043)	0	(94,043)
(12,500)	Long Term Creditors	0	(13,571)	(13,571)
(1,787)	Provisions	(906)	0	(906)
(20,430)	Capital Grants Receipts in Advance	(22,858)	0	(22,858)
(107,400)	Long Term Liabilities	(117,807)	(13,571)	(131,378)
97,470	Net Assets	54,672	(4,081)	50,591
(22,666)	Useable Reserves	(22,831)	4,081	(18,750)
(74,804)	Unusable Reserves	(31,841)	0	(31,841)
(97,470)	Total Reserves	(54,672)	4,081	(50,591)

GROUP MOVEMENT IN RESERVES STATEMENT

This statement includes the combined income and expenditure of the Council, its wholly owned subsidiary Graven Hill Village Holding Ltd and its subsidiary Graven Hill Village Development Ltd

Group Accounts 31/03/2017	General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Receipts Reserve £000	Capital Receipts Un-applied Account	Total Usable Reserves £000	Unusable Reserves	Total Reserves £000
Balance at 31 March 2016	(3,390)	(18,253)	(3,161)	(47)	(24,850)	(74,806)	(99,656)
Movement in Reserves during 2016/17							
Surplus or deficit on the provision of services	13,752	0	0	0	13,752	0	13,752
Other Comprehensive Income / Expenditure	0	0	0	0	0	33,117	33,117
Total Comprehensive Income and Expenditure	13,752	0	0	0	13,752	33,117	46,869
Adjustments between accounting basis and funding basis under regulations	(9,045)	0	216	(118)	(8,947)	9,848	901
Net Increase or Decrease before Transfers to Earmarked Reserves	4,707	0	216	(118)	4,805	42,965	47,770
Transfers to / from Earmarked Reserves	(1,046)	2,342	0	0	1,296		1,296
Increase or Decrease in 2016/17	3,661	2,342	216	(118)	6,101	42,965	49,066
Balance at 31 March 2017	271	(15,911)	(2,945)	(165)	(18,750)	(31,841)	(50,591)

GROUP CASHFLOW

This statement includes the combined income and expenditure of the Council, its wholly owned subsidiary Graven Hill Village Holding Ltd and its subsidiary Graven Hill Village Development Ltd

Group Accounts Cashflow	Cherwell District Council	Group Accounts Movements	Group Accounts
	2016/17 £000	2016/17 £000	2016/17 £000
Net (surplus) or deficit on the provision of services	11,868	1,884	13,752
Adjustment to surplus or deficit on the provision of services for noncash movements	(26,357)	17,077	(9,280)
Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	7,530	0	7,530
Net cash flows from operating activities	(6,959)	18,961	12,002
Net cash flows from investing activities	12,438	(21,964)	(9,526)
Net cash flows from financing activities	763	0	763
Net (increase) or decrease in cash and cash equivalents	6,242	-3,004	3,239
Cash and cash equivalents at the beginning of the reporting period	12,317	168	12,485
Cash and cash equivalents at the end of the reporting period	6,077	3,172	9,249

Notes to Group Accounts

Long Term Investments (12,852) represents Cherwell District Council holding in Graven Hill Village Holding Ltd.

Long Term Debtors (19,342) represents loans and rolled up interest & fees owed to Cherwell District Council.

Inventories 40,455 represents work in progress for building works.

Cash and Cash Equivalents 3,172 represents short term investments.

Short and long term Creditors (16,094) comprise of loans from parent company, Cherwell District Council.

Useable Reserves 4,081 represents fully paid share capital.