

*Cherwell*

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**DRAFT**

**Statement of Accounts  
2020/21**

# CONTENTS

Introduction	3
Narrative Statement – Overview of 2020/21	5
Director of Finance’s Narrative	7
Financial Overview	12
The Financial Statements	21
Statement of Responsibilities for the Statement of Accounts	<b>Error! Bookmark not defined.</b>
Expenditure and Funding Analysis	24
Comprehensive (Income) and Expenditure Statement	25
Movement in Reserves Statement	26
Balance Sheet	27
Cash Flow Statement	28
Note 1 – Accounting Policies	<b>Error! Bookmark not defined.</b>
Note 2 – Accounting Standards Issued, Not Adopted	29
Note 3 – Critical Judgements in Applying Accounting Policies	29
Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	30
Note 5 - Material Items of Income and Expense	34
Note 6 – Events after the Balance Sheet Date	37
Note 7a – Note to the Expenditure and Funding Analysis	38
Note 7b – Segmental Analysis of Income and Expenditure	40
Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations	41
Note 8 Continued...	42
Note 9 - Transfers to/from Earmarked Reserves	43
Note 10 - Other Operating Expenditure	44
Note 11 - Financing and Investment Income and Expenditure	45
Note 12 - Taxation and Non-Specific Grant Income	45
Note 13 – Expenditure and Income Analysed by Nature	45
Note 14 – Property, Plant and Equipment	47
Note 15 – Investment Properties	49
Note 16 – Intangible Assets	52
Note 17 – Financial Instruments	54
Note 18 – Inventories	60
Note 19a – Debtors	61
Note 19b Debtors for Local Taxation	61
Note 20 – Cash and Cash Equivalents	61
Note 21– Assets Held for Sale	62
Note 22 – Creditors	62

Note 23 - Provisions .....	63
Note 24 – Usable Reserves .....	65
Note 25 - Unusable Reserves .....	66
Note 26 - Trading Operations .....	70
Note 27 - Agency Services .....	71
Note 28 - Members’ Allowances .....	72
Note 29 - Officers’ Remuneration .....	72
Note 30 - External Audit Costs .....	77
Note 31 – Grant Income .....	77
Note 32 - Related Parties .....	79
Note 33 – Capital Expenditure and Capital Financing .....	80
Note 34 – Leases .....	81
Note 35 - Impairment Losses .....	83
Note 36 - Termination Benefits .....	84
Note 37 - Defined Benefit Pension Scheme .....	84
Note 38 - Contingent Liabilities .....	90
Note 39 - Contingent Assets .....	90
Collection Fund Accounts .....	91
Notes (1 – 4) to the Collection Fund .....	92
Note 1. General .....	92
Note 2. Business Rates .....	92
Note 3. Provision for Un-collectable Amounts.....	92
Note 4. Council Tax Base .....	93
<b>Group Accounts and Explanatory Notes .....</b>	<b>94</b>
<b>Annual Governance Statement 2020/21 .....</b>	<b>Error! Bookmark not defined.</b>

## Introduction

Welcome to Cherwell District Council’s Statement of Accounts for the year ending 31st March 2021. 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](mailto:Finance@Cherwell-DC.gov.uk) or contact the Finance Team direct on 0300 003 0103.

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

**Yvonne Rees**  
**Chief Executive**  
Cherwell District Council  
PO Box 27  
Banbury  
Oxfordshire  
OX15 4BH

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# Narrative Statement – Overview of 2020/21

## Executive Member’s Narrative

2020/21 proved to be a hugely challenging but successful year for Cherwell District Council delivering on its objectives and playing a vital role supporting residents and businesses through the Covid-19 pandemic.

### Headlines of Our Achievements in the Year Include:

- **We delivered 295** Affordable homes and 1,172 housing completions during 2020/21 (exceeding the 1,140 required in the local plan).
- The UK’s largest custom and self-build housing development site, Graven Hill, has been named the best residential development of the year in the Oxfordshire property awards.
- Our waste crews emptied 5.4 million bins and collected an additional 7,067 tonnes (an increase of just over 4000 tonnes in the last 10years).
- **Over 1,900** families and 6,500 individuals signed up to our families active sporting together (FAST) programme to help families in Banbury, Bicester and Kidlington get active. Children and adults enjoyed free after school activities and money-off sports deals for the whole family.
- We supported the opening of a food and drink market, Lock29 in Castle Quay, the UK’s first centre to celebrate food and drink provenance.
- **£41.3m** grants paid to businesses to support them through the Covid-19 pandemic
- **3,523** residents supported by providing reductions in council tax bills of up to £150 for Council Tax Support claimants
- 42 schools and 1,824 players took part in ‘Street tag’ with their family and friends. This is a friendly game app that rewards pupils, communities and schools for physical activity.
- Launch of our equality, diversity and inclusion framework, **Including Everyone**. This is a joint framework with Oxfordshire County Council, that outlines our joint approach to equalities, diversity and inclusion and sets out our vision to be leaders in our field providing inclusive services, workplaces and communities, equitable access to services and equality of opportunity.
- The **Climate Action Framework** was approved in October 2020, which describes how we will transform the way we work in order to “systematically drive lower-carbon outcomes”. Cherwell’s own emissions account for less than half a per cent of the total emissions of the district. Recognising this, the council will not only drive its own carbon footprint down, it is also committing to use its local influence to help reduce emissions across the district
- The Council agreed a revised budget in September 2020 in response to Covid. £4.0m of in-year savings were identified, including £1.2m use of reserves, in order to mitigate £3.5m of forecast net Covid-19 costs and losses of income and £0.5m of business as usual pressures.

In addition, we have set a budget for 2021/22 which will:

- allow the Council to support Cherwell in its recovery from the Covid-19 pandemic
- ensure the Council has contingencies in place to support its services through the recovery from the pandemic
- help the Council prepare for the challenges we know we will face in the near future related to
  - the review of local authority funding as part of the Government’s forthcoming fair funding review;
  - the changes we face with business rates reset; and
  - the government’s Spending Review.

The outcomes of all these changes have not been concluded yet but we anticipate they will impact significantly on the Council’s finances.

I acknowledge the importance of the support that Cherwell District Council can bring to its residents and businesses and many of the achievements during 2020/21. For example, the Castle Quay regeneration and the innovative housing scheme at Graven Hill in Bicester will help the Council to support its communities. Notwithstanding the many pressures we face, especially those arising from the pandemic, the Council remains absolutely committed to deliver its priorities and ensure that Cherwell remains a place for all.

I would like to take this opportunity to thank all of our staff who have worked throughout the year to deliver excellent services, support the nationwide response to the pandemic, balance the Council's budget and provide value for money, in addition to closing the accounts and producing this statement for our stakeholders to read.

**Councillor Tony Ilott**  
**Executive Member for Finance and Governance**

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# Director of Finance's Narrative

## Introduction

The purpose of this Narrative Report is to provide information on Cherwell District Council, its main objectives, strategies and the principal risks it faces. It sets out information to help readers understand the Council's financial position and performance during 2020/21.

Cherwell District Council provides services to residents, businesses and communities across the whole area. We are responsible for a range of services including the following; Environmental Services, Planning and Building Control, Growth and Economy, Regulatory Services, Housing, Wellbeing and Healthy Place Shaping.

We participate in and lead key partnerships that work to deliver housing and growth, environmental benefits, safer communities and improved health and wellbeing for all Cherwell residents.

With our partners at Oxfordshire County Council, we are developing an innovative new model of working in local government, focusing on delivering joined up approaches that maximise benefits for our residents. We are using the learning from this partnership to improve our work with all our partners, including the other Oxfordshire councils and other organisations.

## About the District



Cherwell District in North Oxfordshire is a predominantly rural area providing an excellent environment in which to live and work. There are three urban centres – Banbury, Bicester and Kidlington – with the remainder of the population living in 70 smaller settlements. Cherwell continues to change, with a population currently totalling 151.7k (2020) projected to increase to around 161.0k by 2030.

Since 2019, the population of Cherwell district increased by 1,276 to 151,724. (By comparison the total population in Oxfordshire is 695,890 of which Cherwell’s population is 22%).

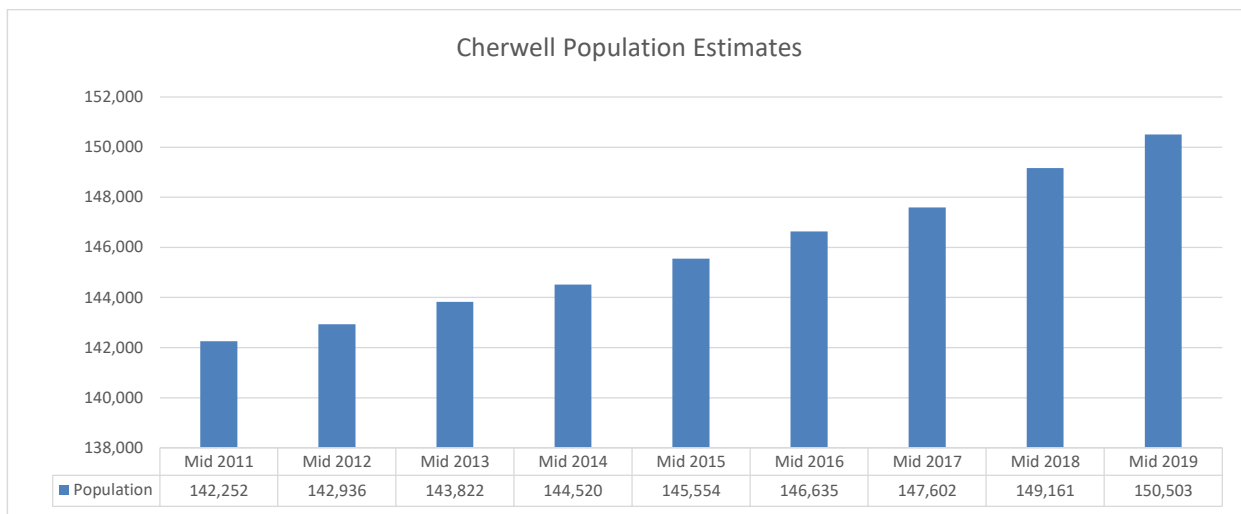


Figure 1- Time series bar chart showing the total population of Cherwell mid-2011 to mid- 2019

There are currently 67,935 houses that are subject to council tax (December 2020).

### Strategic priorities for Cherwell District Council

Cherwell District Council’s ambition, as set out in our published Business Plan 2020/21, is for a district where communities can thrive, and businesses grow.

The Business Plan has four strategic priorities of



The strategic priorities are underpinned by four themes, representing the basis upon which we continue to develop our organisation:





The business plan informs the development of the annual budget and the operational Service Plans for the delivery of all Council services.

**Our strategic priorities:** for 2020/21 reflect the Council's commitment for the district to achieve:

- **Housing that meets your needs**
  - Deliver affordable housing;
  - Raise standards in rented housing;
  - Find new and innovative ways to prevent homelessness;
  - Promote innovative housing schemes;
  - Deliver the Local Plan;
  - Support the most vulnerable people.
  
- **Leading on environmental sustainability**
  - Deliver on our commitment to be carbon neutral by 2030;
  - Promote the Green Economy;
  - Increase recycling across the district;
  - Protect our natural environment and our built heritage;
  - Work with partners to improve air quality in the district;
  - Reduce environmental crime.
  
- **An enterprising economy with strong and vibrant local centres**
  - Support business retention and growth;
  - Develop skills and generate enterprise;
  - Secure infrastructure to support growth in the district;
  - Secure investment in our town centres;
  - Promote the district as a visitor destination;
  - Work with businesses to ensure compliance and promote best practice.
  
- **Healthy, resilient and engaged communities**
  - Enable all residents to lead an active life;
  - Improve and develop the quality of local sport and leisure facilities;
  - Promote health and wellbeing in our communities;
  - Support community and cultural development;
  - Working with partners to address the cause of health inequality and deprivation;
  - Working with partners to reduce crime and anti-social behaviour.

The themes on which we develop the organisation are:

- **Customers** To deliver high quality, accessible and convenient services that are right first time.
- **Healthy Places** Working collaboratively to create sustainable, thriving communities that support good lifestyle choices.
- **Partnerships** Working with partners to improve the services we provide for our residents and communities.
- **Continuous Improvement** Making the best use of our resources and focusing on improvement, innovation and staff development to maintain and enhance services.

## **Annual review of priorities**

The Council reports monthly on performance against 40 Business Plan Measures, with 22 Programme Measures and 19 Key Performance Indicators.

### Programme Measures and Key Performance Indicators (40)

Status	Description	YTD	YTD %
Green	On target	28	68%
Amber	Slightly off target	9	22%
Red	Off target	3	7%
	No data	1	3%

*The KPI measure "High risk food businesses inspected" is the 'no data' measures, due to the Food Standards Agency changing the national food law enforcement programme as a consequence of COVID-19. Food safety will be assured through alternative, targeted measures.*

**Housing that meets your needs**, committed to deliver affordable housing, raising the standard of rented housing and find new and innovative ways to prevent homelessness. Also, to promote innovative housing schemes, deliver the local plan and supporting the most vulnerable people in the District.

**Number of Homeless Households living in Temporary Accommodation** Overall, 145 individuals have been accommodated by Cherwell District Council as a result of the COVID-19 emergency. Of those, 56 moved from hotels to supported housing, 32 moved into permanent accommodation and 14 remain in hotels, however, 9 of those have an identified move-on plan.

**Average time taken to process Housing Benefit New Claims** is reporting Green at year end, which is an excellent 10 days average against a target of 13 days. COVID-19 presented a challenge as we registered a sharp increase on the number of new claims, but our team has delivered outstandingly delivering better than the national average of 20 days.

**Leading in environmental sustainability**, The Council is committed to deliver on sustainability and in the commitment to be carbon neutral by 2030, promotes the Green Economy and increases recycling across the district. This priority includes the protection of our natural environment and our built heritage, working in partnerships to improve air quality in the district and the reduction of environmental crime.

**Delivering high Quality Waste & Collection Service to all Properties** is reporting Green for the year. We have managed collection of an additional 7,000 tons of waste, during this pandemic and preparations for development of separate food waste collections from this Autumn is well under way.

**Waste Recycled & Composted.** With the tonnage increased by 0.5%, 7,067 additional tons of waste have been collected (10 times the annual increase) which equals 10 more bins collected per household in Cherwell. 677 additional journeys have been completed and still residents received uninterrupted service throughout.

**An enterprising economy with strong and vibrant local centres,** The Council is committed to support business retention and growth, developing skills and generating enterprise; also, securing infrastructure to support growth in the district and securing investment in our town centres. This priority also contributes towards making communities thrive and businesses grow promoting the district as a visitor destination, committing to work with businesses to ensure compliance and promote best practice.

**Support Business Enterprise, Retention, Growth and Promote Inward Investment.** Support has been maintained by updated webpages, directly with enterprises and collaborations. The focus was COVID-19 and EU transition. Collaboration with Oxfordshire County Council and partners continued enabling enhancement of digital infrastructure throughout the district. 98% of premises, in the district, can access Superfast Broadband services.

**Deliver the Growth Deal.** We are still engaged and active participants in the Oxfordshire Housing and Growth Deal. A local officer Programme Board has been established for Cherwell, which meets on a monthly basis, covering the four workstreams of affordable housing. In this 5-year programme Cherwell enters year four and has plans to progress through the Council's officer decision-making process.

**Healthy, resilient and engaged communities,** The Council is committed to enabling all residents to lead an active life, improving and developing the quality of local sports and leisure facilities and promoting health and wellbeing in our communities. Also, supporting community and cultural development, working with our partners to address the causes of health inequalities and deprivation, and to reduce crime and anti-social behaviour.

**Support Community Safety and Reduce Anti-Social Behaviour.** Commitments to reduce crime and anti-social behaviour include; patrols around schools and parks, responding to claims of bullying raised by parents, concerns of drug dealings, off-road motorbikes and anti-social behaviour in general. Seizure of an illegal scrap metal collector van was featured by the Banbury Guardian and social media communications, with crime prevention advice and information sharing, which was read by over 25,000 people, although cycling initiatives are still pending due to discussions with Oxfordshire County Council. The focus now is to oversee the distribution of an additional £50,000 in winter support grant.

**Support the Voluntary Sector.** Several events have been successfully supported to mention Cherwell Food Network, North Banbury Network partnership, Age Friendly Banbury partnership, with Community Link March publication distributed to voluntary organisations and two new older people's information & activity sheets produced. Activities and partnerships that bring together key stakeholders and voluntary organisations, to work on initiatives together with us and support people specially during lockdown restrictions.

## **Our Leadership and Workforce**

Our Constitution sets out the rules and procedures by which the council operates.

The Council has 48 members (or 'councillors') elected by the public to represent a particular local area. Collectively they are responsible for the democratic structure of the council, overseeing our key

policies and services and setting the council's annual budget and capital programme. More information can be found on our [website](#).

The Leader of the Council is Councillor Barry Wood. Councillor Wood appoints an Executive, responsible for taking key decisions to manage the Council's business. Details of Executive members and their responsibilities can be found on our [website](#).

Employees or officers support the Executive and Council in their work and manage the Council's services and operations. The Chief Executive (Yvonne Rees) leads the most senior group of officers, the Chief Executive's Direct Reports (CEDR), who advise councillors on policy and implement councillors' decisions. The Director of Finance (Lorna Baxter), is the S151 Officer, and started in the role in late February 2020.

As at 31 March 2021 the Council's staff complement stood at 460.82 FTE (full-time equivalent) posts, representing 496 employees. The FTE and headcount figures differ because the Council has a number of staff that work part time hours. Staff are structured into directorates, each responsible for a group of services and functions in support of the delivery of the Council's Vision and Business Plan.

The Council has been working in partnership with Oxfordshire County Council since October 2018. The partnership has developed further during the year. The two councils share a Chief Executive and CEDR senior management team, and many officers work jointly across both councils. The partnership offers opportunities to join up and improve services for residents and reduce the costs of providing services.

We also work collaboratively with partners in the public, private and voluntary sector to achieve the best outcomes for our residents. Further details of how the Council works, both internally and with external partners, can be found in our Annual Governance Statement.

### **Risk management**

During 2020/21 we continued to develop and strengthen our risk management activities. This helped us to ensure that we continue to identify and address any uncertainties relating to the achievement of our priorities.

The most significant risks facing the Council (Leadership Risks) are reported to the Executive in our monthly Performance, Finance and Risk Monitoring Reports. Leadership risks are those that could impact on the performance of the Council as a whole, and in particular on its ability to deliver its strategic priorities. The Council has maintained a focus on its financial resilience during the year, reporting this as one of the highest risks facing the Council, exacerbated by the coronavirus COVID-19 pandemic, which has increased financial pressures on the Council.

Directorates and Services within the Council also maintain operational risk registers to monitor that the impact and delivery of individual services, projects or areas of business. Operational risks which become more severe can be escalated to the Leadership level for additional management.

## **Financial Overview**

### **Financial Performance**

The Council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by a Financial Strategy,

Capital & Investment Strategy, Treasury Management Strategy and a review and assessment of the adequacy of earmarked reserves.

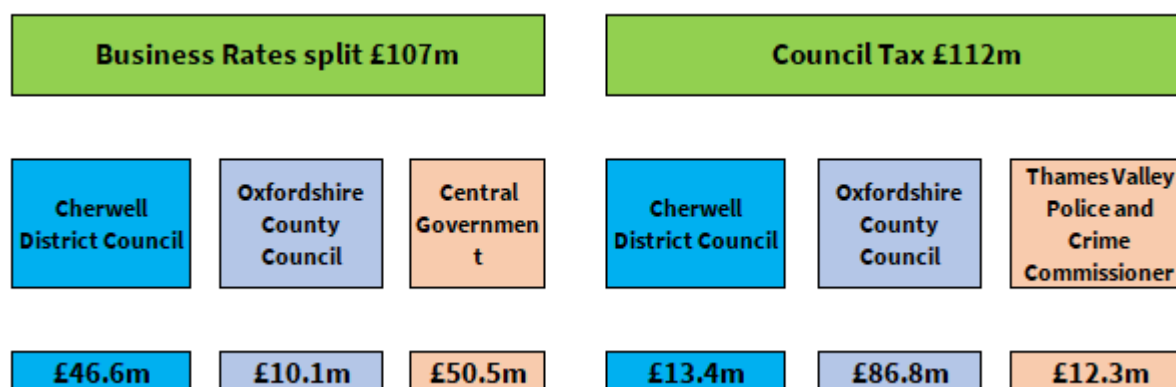
Construction of the budget and budget proposals are subject to challenge by the Senior Management Team and the Director of Finance. The Budget Planning Committee scrutinises the budget proposals at its meetings before the Executive propose the budget, MTFS and Capital programme in February. The Council approves the budget at its Annual Budget meeting each February.

Due to the extraordinary circumstances of the global Covid-19 pandemic, the Council agreed a revised budget in September 2020. This reflected the additional costs that the Council was incurring as a result of Covid-19, the additional general grant income that the Council forecast would be received from the Government as well as a number of savings proposals to maintain a balanced budget.

Throughout the year, regular financial monitoring reports are presented to the Executive.

### Resources

The District Council collects Council Tax and Business Rates on behalf of other bodies including Central Government, Oxfordshire County Council and Thames Valley Police and Crime Commissioner. Business Rates of £107m and Council Tax of £112m were distributed in 2020/21.



Business rates income in 2020/21 was far lower than expected when the budget was set as a result of the pandemic. The Government provided business rates relief to those businesses identified as being most severely impacted by the pandemic. The Council collected £43m Business Rates; 50% of this is passed to central government and 10% to the county council, with the remaining 40% being retained by the Council. Of the £17m retained by the Council, the Government charges a tariff of £29m, which is redistributed to other Local Authorities based on their need to spend. The Government this year compensated authorities for the loss of business rates as a result of COVID-19 related reliefs, allowing the Council to pay its tariff and retain resources to support services.

### Pension Liabilities

The amounts payable by the Council in future years are partly offset by the value of the assets invested in the pension fund. The value of the pension fund deficit at 31 March 2021 is £96m; this reflects a deterioration of £23m from the 31 March 2020 deficit position of £73m.

### Contingencies

The Council has to set aside a provision for appeals which might arise against business rates valuations. The Council has a large amount of business rates income and therefore has a large

appeals provision. The Council has made the provision as follows to ensure that it can meet any future costs arising from business rates appeals.

2019/20		2020/21	
£6.8m	Appeals Provision	£8.7m	

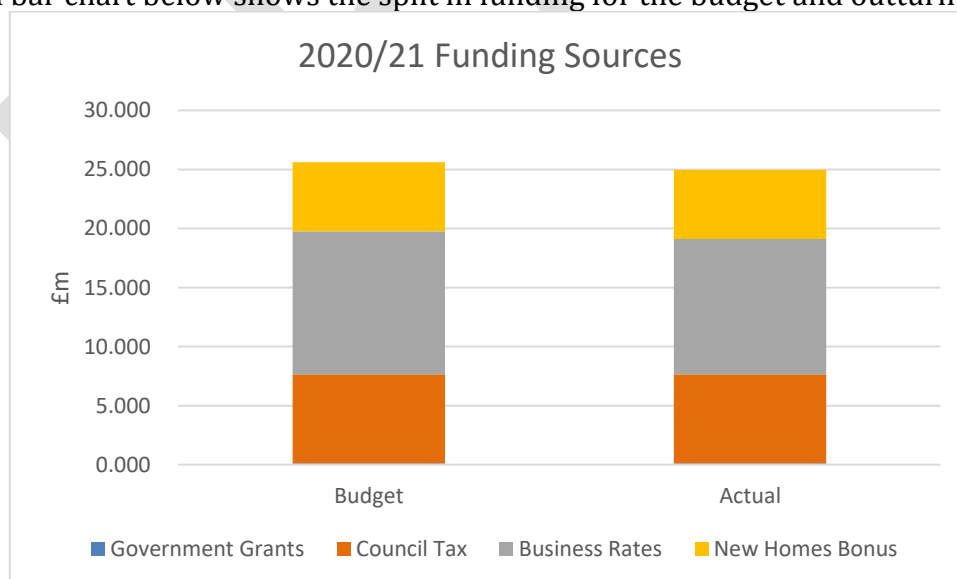
The increase in appeals provisions is due in part to revaluations which took place towards the end of the financial year and end of year invoices raised but also reflect the potential detrimental economic impact of the pandemic.

### Council Funding 2020/21

The Council's core funding from central government has been reducing and funding generated as a result of the economic growth development is increasing. Below the table and bar chart show where the council funding has come from. (The figures in brackets represent income received by the Council)

2020/21 Revenue Budget Funding	Budget £m	Actual £m	Variance £m
Government Grants	(0.116)	(0.116)	0.000
Council Tax	(7.517)	(7.517)	0.000
Business Rates related income	(12.134)	(11.484)	0.650
New Homes Bonus	(5.837)	(5.837)	0.000
<b>Total Funding</b>	<b>(25.604)</b>	<b>(24.954)</b>	<b>0.650</b>

The stacked bar chart below shows the split in funding for the budget and outturn positions.



### Revenue Financial Outturn Position

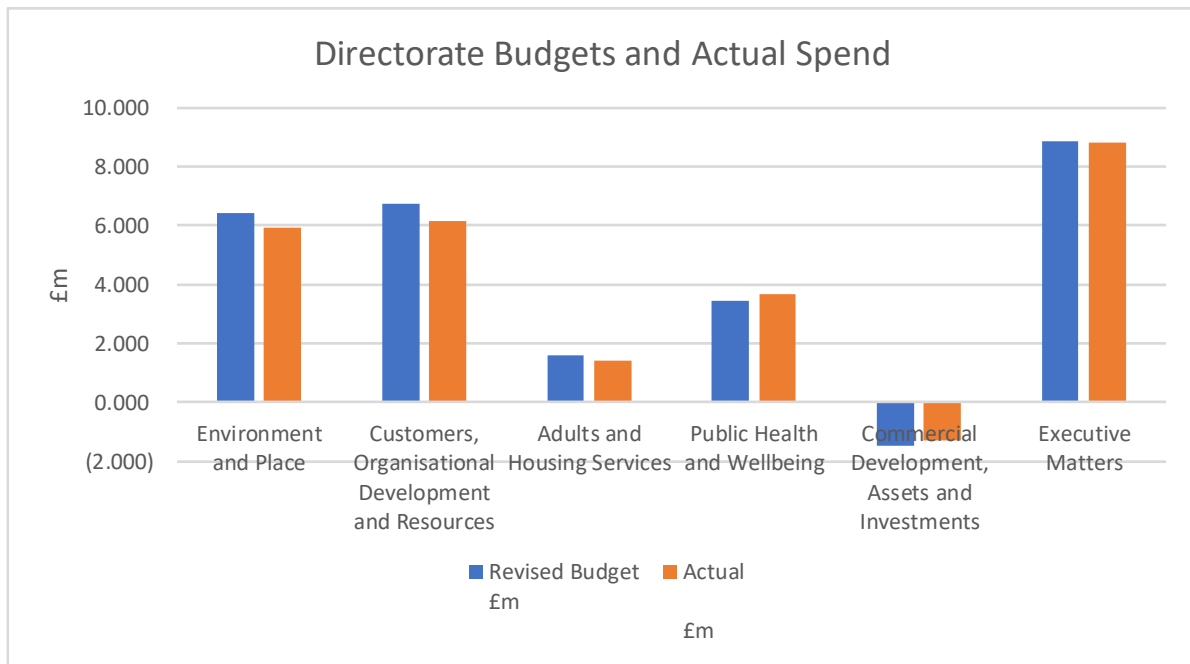
Cherwell District Council set a balanced budget in February 2020 for the 2020/21 financial year which anticipated the Council retaining sufficient reserves to cover unexpected financial impacts on the Council, with a number of specific reserves to help cover the Council's commercial activities. During March 2020 the coronavirus COVID-19 pandemic started to impact on the Council and measures were put in place to record the related additional spending and loss of income across Cherwell District Council's activities. The total financial impact of the pandemic has been calculated to be £7.4m during 2020/21 with some additional government funding provided to local authorities to help manage those additional costs.

The government has provided additional funding of £3.7m (including £1.6m for lost income), leaving the Council with a net gap of £3.7m to manage. A revised budget was agreed by Council in September 2020 to introduce in year budget reductions and use of £1.2m reserves in order to address the gap. Regular reports were considered by the Council's Executive and the Council expected to deliver the balanced budget by the 2021 year end. At the year end an overall underspend of £0.087m against the revised budget was delivered after taking into account the variances on both the Cost of Services (underspend of £0.737m) and Total Income (overspend of £0.650m).

The table below summarises the 2020/21 financial outturn position across the Council:

<b>Financial Outturn</b>	<b>Revised Budget £m</b>	<b>Actual £m</b>	<b>Variance £m</b>
Environment and Place	6.435	5.908	(0.527)
Customers, Organisational Development and Resources	6.520	6.089	(0.431)
Adults and Housing Services	1.577	1.396	(0.181)
Public Health and Wellbeing	3.453	3.693	0.240
Commercial Development, Assets and Investments	(1.479)	(1.270)	0.209
<b>Total Directorates</b>	<b>16.506</b>	<b>15.816</b>	<b>(0.690)</b>
Executive Matters	9.098	9.051	(0.047)
<b>Total Cost of Services</b>	<b>25.604</b>	<b>24.867</b>	<b>(0.737)</b>

In summary, the Council saw an overall underspend of £0.737m (2.9%) across its directorates, against a budget of £25.6m.



Some of the key factors for this underspend include lower levels of borrowing and rates of interest particularly earlier in the year, a number of vacancies being held across the Council, lower consultancy costs than budgeted.

### Covid-19 Impact

Whilst Covid-19 began to have an impact on the Council and its services towards the end of 2019/20, it has had a major impact on the Council's services and financial situation throughout 2020/21. The Council has suffered major losses of anticipated income, in particular from car parks, planning fee income and from its commercial properties. It has also suffered increased costs in some service areas, the most significant being Leisure Services.

As a result of proactive monitoring of the budget and forecast of the outturn position, the Council recognised the financial challenge it was facing and agreed a revised budget in September 2020 which identified £4.0m of in-year savings, including use of £1.2m reserves. These interventions were put in place to mitigate the forecast net revenue impact of Covid-19 on the Council.

Overall the cost of Covid-19 to the Council has been £7.4m in 2020/21. This was offset by £2.1m support from the Government and an estimated £1.6m compensation for 75% losses of fees and charges income. No support was provided for losses in commercial income. Overall the net cost of Covid-19 to the Council was £3.7m.

Alongside the Council learning how to provide its services remotely wherever possible, the Council has also been challenged with the significant task of paying out grant support to businesses and individuals.

### Business Grants

Overall the Council has paid out £41.3m of grants to businesses to support them through the pandemic. £38.9m grant payments have been made in line with national requirements where the Council has acted as agent, on behalf of the Government. A further £2.4m have been paid using local, discretionary policies, where the Council has received funding from the Government and determined the most appropriate way in which it can be allocated to local businesses. The table below provides a breakdown of the Grant payments made to businesses in 2020/21:



## Covid-19 Business Grant Payments in 2020/21

	£m
<b>National Schemes</b>	
Business Grants Scheme 1 & 2	26.805
<b>Local Restrictions Support:</b>	
Closed Addendum Lockdown 2	1.667
Open (Tier 2)	0.345
Closed (Tier 2)	0.043
Closed Addendum (Tier 4)	0.550
Closed Addendum (05/01/21 onwards)	4.769
Closed Business Lockdown (CBLP)	4.678
Christmas (CSP)	0.065
<b>Subtotal National Schemes</b>	<b>38.922</b>
<b>Local Discretionary Schemes:</b>	
Discretionary Grants	0.980
Additional Restrictions	1.417
<b>Subtotal Local Discretionary Schemes</b>	<b>2.397</b>
<b>Total Business Grant Payments</b>	<b>41.319</b>

The Council has carried forward £2.9m Additional Restrictions Grant into 2021/22 to continue paying grants to business and provide business support whilst emerging from lockdown.

### Individual Funding

The Council has also received grant funding to support individuals on low incomes with their council tax bills and to provide them with payments if they were required to isolate as a result of contracting, or being a close contact of someone that had Covid-19.

The Council has used £0.5m of the £0.8m Hardship Grant it received to reduce council tax bills for residents of Cherwell in receipt of Council Tax Support payments by up to £150. A further £0.1m has been used to fund advice for those in financial hardship. The remaining £0.2m will be carried forward to be used to support those in financial hardship in 2021/22.

The Council has also made payments to those who have been required to isolate and have suffered financial hardship throughout 2020/21 as shown in the table below.

### Test and Trace Grant Payments

	No. Payments	£m
<b>Statutory Scheme</b>	280	0.140
<b>Discretionary Scheme</b>	157	0.079

### Financial Position

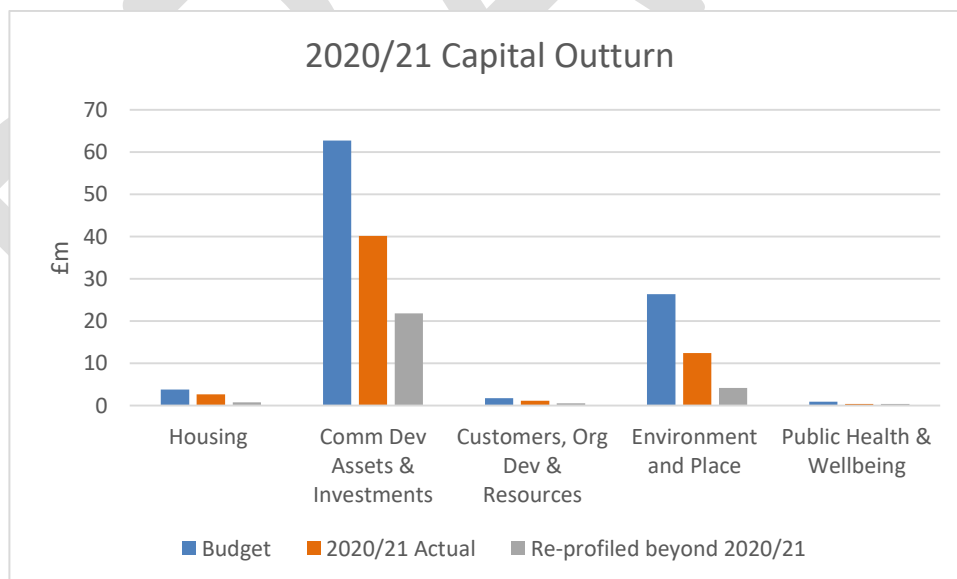
The Council maintains a sound financial position in the current financial climate.

31st March 2020 (restated)			31st March 2021		
Non current assets (Property and Investments)	Long term liabilities (pension and provisions)	Funded by: Useable Reserves	Non current assets (Property and Investments)	Long term liabilities (pension and provisions)	Funded by: Useable Reserves
£280m	(£176m)	£28m	£303m	(£229m)	£59m
+	=	+	+	=	+
Net current assets (debtors, creditors and (£54m))		Unusable Reserves £22m	Net current assets (debtors, creditors and cash) (£69m)		Unusable Reserves (£54m)
<b>Net assets £50m</b>			<b>Net assets £5m</b>		

The reduction in net assets can be primarily attributed to the increase in the pension liability and the business rates collection fund deficit.

### Capital Programme

The council has an ambitious capital programme which supports its long-term strategy of delivering a thriving and vibrant environment across the district as well as recognising the importance of investing in our assets to protect our core statutory functions.



### Capital investment plans for 2020 /21

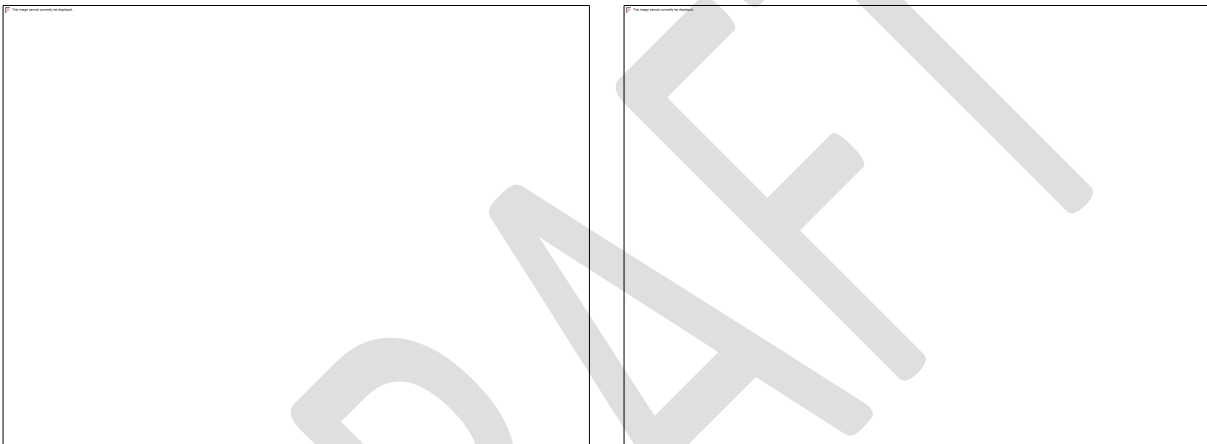
The information below describes our major schemes and projects and the outcomes that we will achieve. These major strands of our increasing commercial outlook on managing our resources for Cherwell.

## Castle Quay Waterfront

The Castle Quay Waterfront development will deliver an exciting new restaurant and leisure offering for Banbury, anchored by Lidl, The Light Cinema and a Premier Inn hotel. The development will act as a link between neighbouring sites such as the Spiceball Leisure Centre, The Mill and the Castle Quay shopping centre, improving connectivity within the town centre and bringing a range of evening activities for residents and visitors. The restaurants within the development will open out onto the canal, incorporating the heritage of the town and becoming an experience-led destination, where visitors socialise in a welcoming, outdoor environment.

The council is committed to creating a Banbury that is forward-looking and well positioned to meet the needs and expectations of residents, visitors and businesses. This investment will diversify and strengthen the offer within the town in what is considered a major step-change for Banbury, acting as a catalyst for further inward economic investment and growth.

Construction is well underway, with the supermarket and hotel due to open in the summer.



Images above: Castle Quay Waterfront under construction  
And below: CGI of the completed development



### **Basis of Preparation and Presentation**

The Council produces a Statement of Accounts to provide transparency about the Council's finances, to give assurance to stakeholders that public money has been properly accounted for and that the financial standing of the council is on a secure basis. The accounts (including notes to the accounts) for 2020/21 are set out on pages 25 to 127.

The accounts bring together all the Council's financial statements for the year 2020/21 and show its financial position as at 31 March 2021. The statements reflect both revenue and capital elements for the Council.

The Statement of Accounts must provide a 'true and fair' view of the Council's financial position at 31 March 2021 and of its income and expenditure for the 2020/21 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of reserves are sufficient to ensure that the Council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going-concern' basis.

### **Financial Outlook and the Coronavirus COVID-19 Pandemic**

Cherwell District Council set a balanced budget in February 2021 for the 2021/22 financial year. In setting the 2021/22 budget, the Council considered the future financial impacts of the Covid-19 pandemic. A policy contingency budget of £3.5m has been developed which includes contingencies of £2.6m for potential increased costs and losses of income. The level of business rates income and council tax base were reviewed resulting in losses of income against original plans due to forecast increases in council tax support claimants and a reduction in the number of businesses eligible to pay business rates. A further £1.6m is being put into reserves in 2021/22 as a Covid-19 reserve to provide further contingency against the impacts of the pandemic. General Balances have also been increased to £5m taking into account the S151 officer's risk assessments of the current financial outlook.

The Government confirmed that the Review of Relative Needs and Resource and 75% business rates retention would not be implemented in 2021/22. Planning assumptions within the 2021/22 Medium-Term Financial Strategy now assume that there will be a business rates reset in 2022/23. A Spending Review is also expected in 2021, though it is unclear what period this will cover. Any announcements about specific local authority funding allocations would not be expected to be made until the Provisional Local Government Finance Settlement, currently anticipated in December 2021.

# The Financial Statements

The Statement of Accounts sets out the Councils income levels and spending for the year and its financial position at 31st March 2021. The accounts include core and supplementary statements along with notes providing additional insight.

The format and context of the financial statements is set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and is underpinned by International Financial Reporting Standards.

The Core Statements can be described as:

<p><b>Comprehensive Income and Expenditure Statement</b></p>	<p>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 statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.</p>
<p><b>Movement in Reserves Statement</b></p>	<p>Shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves' (for example the Revaluation Reserve which holds unrealised gains and losses or the Capital Adjustment Account which holds adjustments between the accounting basis and funding basis under regulations). This statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance in the year following those adjustments.</p>
<p><b>Balance Sheet</b></p>	<p>The balance sheet shows the values as at 31 March 2021 of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority, analysed between 'useable' and 'unusable' reserves.</p>

<p><b>Cash Flow Statement</b></p>	<p>This summarises the changes in cash and cash equivalents during 2020/21. 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 flows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.</p>
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**The Supplementary Financial Statements are:**

- **Notes to the Accounts** – these provide additional insight into the accounting policies and accounting transactions during the year
- **Collection Fund** – this shows a summary of the collection of Council Tax and Business Rates during the year as well as any redistribution of that money to other local authorities and central government
- **Pension Fund Account** – this shows the overall position of the investment in the Local Government Pension Fund on behalf of Council employees
- **Group Accounts** – these set out the consolidated position for the council and its subsidiary companies, namely Graven Hill companies, Crown House Banbury Limited and CSN limited. The Council also significantly funds Banbury Museum Trust which is not part of the group
- **The Annual Governance Statement** – this provides an overview of the governance arrangements and assessment of internal controls the Council has in place

**Statement of Responsibilities for the Statement of Accounts**

**The Council's Responsibilities:**

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance (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 S151 Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices, as set out in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Local Council Accounting in the United Kingdom (the Code of Practice).

In preparing this Statement of Accounts, the 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 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.

### **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 2020.

**Lorna Baxter**  
**Director of Finance and Section 151 Officer**

**Date: dd mmm 2021**

### **Chairman of Accounts, Audit and Risk Committee Certificate:**

I certify that the draft Statement has been discussed with and endorsed by the Chair of the Accounts, Audit and Risk Committee

**Councillor Mike Kerford-Byrnes**  
**Chairman of Accounts, Audit and Risk Committee**

**Date: dd mmm 2021**

## Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year Ending 31-Mar-20				Year Ending 31-Mar-21		
Net Expenditure Chargeable to the General Fund Balance	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	Services	Net Expenditure Chargeable to the General Fund Balance	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
1,650	2,073	3,723	Adults and Housing Services	1,255	1,559	2,814
(10,685)	11,954	1,269	Comm Dev Assets and Invests	12,271	(2,560)	9,711
5,836	2,012	7,848	Cust and Org Dev & Resources	3,574	1,209	4,783
(711)	10,231	9,520	Environment & Place	6,034	14,233	20,267
(2,023)	5,490	3,467	Public Health and Wellbeing	3,042	1,511	4,553
<b>(5,934)</b>	<b>31,760</b>	<b>25,826</b>	<b>Net Cost of Services</b>	<b>26,176</b>	<b>15,952</b>	<b>42,128</b>
(846)	(7,882)	(8,728)	Other Income and Expenditure	(49,208)	26,772	(22,436)
<b>(6,780)</b>	<b>23,878</b>	<b>17,098</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(23,032)</b>	<b>42,724</b>	<b>19,692</b>
<b>(23,290)</b>		<b>Opening Combined General Fund Balance</b>		<b>(28,399)</b>		
(6,780)		Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)		(29,572)		
<b>(28,399)</b>		<b>Closing Combined General Fund Balance</b>		<b>(57,972)</b>		





## Movement in Reserves Statement

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2020</b>							
-As previously reported	(2,018)	(26,381)	(0)	(165)	(28,564)	(21,763)	(50,327)
-Prior year adjustment						(5,373)	
Restated balance	(2,018)	(26,381)	(0)	(165)	(28,564)	(27,136)	(50,327)
<b>Movement in reserves during 2020/21</b>							
(Surplus) or deficit on the provision of services	19,692	0	0	0	19,692	0	19,692
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	25,555	25,555
<b>Total Comprehensive (Income) and Expenditure</b>	19,692	0	0	0	19,692	25,555	45,247
Adjustments between accounting basis and funding basis under regulations - Note 08	(49,265)	0	(79)	(511)	(49,855)	49,855	0
<b>Net (Increase) or Decrease before Transfers to Earmarked Reserves</b>	(29,573)	0	(79)	(511)	(30,163)	75,410	45,247
Transfers (to) / from Earmarked Reserves - Note 09	26,504	(26,504)	0	0	0		0
<b>(Increase) or Decrease in 2020/21</b>	(3,069)	(26,504)	(79)	(511)	(30,163)	75,410	45,247
<b>Balance at 31 March 2021</b>	(5,087)	(52,885)	(79)	(676)	(58,727)	53,647	(5,080)
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2019 (adjusted)</b>	(1,254)	(20,365)	0	(145)	(21,764)	(5,303)	(27,067)
<b>Movement in reserves during 2019/20</b>							
(Surplus) or deficit on the provision of services	17,098	0	0	0	17,098	0	17,098
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(40,358)	(40,358)
<b>Total Comprehensive (Income) and Expenditure</b>	17,098	0	0	0	17,098	(40,358)	(23,260)
Adjustments between accounting basis and funding basis under regulations - Note 08	(23,878)	0	(0)	(20)	(23,898)	23,898	0
<b>Net (Increase) or Decrease before Transfers to Earmarked Reserves</b>	(6,780)	0	(0)	(20)	(6,800)	(16,460)	(23,260)
Transfers (to) / from Earmarked Reserves - Note 09	6,016	(6,016)	0	0	0		0
<b>(Increase) or Decrease in 19/20</b>	(764)	(6,016)	(0)	(20)	(6,800)	(16,460)	(23,260)
<b>Balance at 31 March 2020 (restated)</b>	(2,018)	(26,381)	(0)	(165)	(28,564)	(21,763)	(50,327)

# Balance Sheet

31-Mar-20 (restated)			31-Mar-21
£'000	Notes		£'000
133,589	14	Property, Plant and Equipment	162,482
61,121	15	Investment Property	45,306
1,504	16	Intangible Assets	2,282
29,053	17	Long Term Investments	33,053
54,623	17	Long Term Debtors	60,326
<b>279,890</b>		<b>Long Term Assets</b>	<b>303,449</b>
17,048	17	Short-term Investments	31,028
187	18	Inventories	224
20,320	19	Short Term Debtors	41,929
4,811	20	Cash and Cash Equivalents	7,750
<b>42,366</b>		<b>Current Assets</b>	<b>80,931</b>
(66,507)	17	Short-Term Borrowing	(82,584)
(24,185)	22	Short-Term Creditors	(52,349)
(1,431)	23	Provisions	(5,206)
(1,160)	31	Grants Receipts in Advance - Revenue	(8,612)
(613)	31	Grants Receipts in Advance - Capital	(777)
<b>(93,896)</b>		<b>Current Liabilities</b>	<b>(149,528)</b>
(5,610)	23	Provisions	(3,823)
(75,000)	17	Long Term Borrowing	(102,000)
(72,770)	37	Pension Liabilities	(95,654)
(1,576)	17	Long Term Creditors	(1,570)
(4,516)	31	Grants Receipts in Advance - Revenue	(4,174)
(18,563)	31	Grants Receipts in Advance - Capital	(22,555)
<b>(178,035)</b>		<b>Long Term Liabilities</b>	<b>(229,776)</b>
<b>50,325</b>		<b>Net Assets</b>	<b>5,077</b>
(28,564)	24	Usable Reserves	(58,727)
(21,761)	25	Unusable Reserves	53,650
<b>(50,325)</b>		<b>Total Reserves</b>	<b>(5,077)</b>

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2021 and its income and expenditure for the year to 31 March 2021.

Lorna Baxter  
Director of Finance and 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.

31-Mar-20 (restated)		31-Mar-21
£'000	Cash Flows from Operating Activities	Note
<b>17,098</b>	Net (Surplus)/Deficit on Provision of Services	<b>19,692</b>
(2,726)	Depreciation & Impairment	(3,096)
(6,415)	Changes in Market Value of Property, Plant & Equipment	(4,721)
(237)	Amortisation of Intangible Assets	(367)
(14,021)	Changes in Fair Value of Investment Properties	(17,787)
(2,359)	Disposal of Assets	(2,042)
(33)	Changes in Inventory	37
5,524	Changes in Short term Debtors	21,609
(2,125)	Changes in Short term Creditors	(28,164)
(1,856)	Changes in Provisions	(1,988)
0	Changes in Deferred Capital Receipts	25
25,330	Changes in Net Pension Liability	(22,884)
(31,312)	Remeasurement of Net Defined Benefit Liability	23,517
6	Changes in long term creditors	6
10,028	Changes in long term debtors	5,703
3,445	Capital Grants Recognised	13,056
4,042	Proceeds on Disposal of Property, Plant & Equipment	1,883
<b>4,389</b>	<b>Net Cash Flows from Operating Activities</b>	<b>4,455</b>
	<b>Cash Flows from Investing Activities</b>	
19,004	Purchase of Property, Plant & Equipment	40,764
3,508	Purchase of Investment Property	1,999
771	Purchase of Intangible Assets	1,146
(4,042)	Proceeds from the Disposal of Property, Plant and Equipment	(1,883)
17,265	Net Changes in Short-term and Long-term Investments	17,980
<b>36,506</b>	<b>Net Cash Flows from Investing Activities</b>	<b>60,005</b>
	<b>Cash Flows from Financing Activities</b>	
<b>0</b>	Changes in Grants and Contributions	<b>0</b>
<b>0</b>	Capital Grants and Contributions Recognised	<b>0</b>
(29,943)	Cash Receipts of Short-term and Long-term Borrowing	(43,077)
(6,451)	Any other items for which the cash effects are investing or financing cash flows	(24,322)
<b>0</b>	Changes in Council Tax and Business Rates Collected for Third Parties	<b>10</b>
<b>(36,394)</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(67,399)</b>
4,501	<b>Net (Increase)/Decrease in Cash and Cash Equivalents in the Period</b>	<b>(2,939)</b>
9,313	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>4,811</b>
4,811	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>20</b>
	<i>Items included in net cash flow from operating activities include:</i>	
(4,300)	Interest Receivable and similar income	(4,374)
2,073	Interest Payable (including Finance lease interest)	2,531
<b>(2,227)</b>		<b>(1,843)</b>

## Note 1 – Accounting Policies

Please see Appendix 2

## **Note 2 – Accounting Standards Issued, Not Adopted**

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code) the Council is required to disclose and set out the impact of accounting code changes required by new accounting standards that have been issued but not yet adopted by the code.

The following are the accounting policies that have been issued but have not been adopted by the Council as at the Balance Sheet date:

- IFRS 16 Leases will require Local Authorities that are lessees to recognise most leases on their balance sheet as right-of-use-assets with corresponding lease liabilities. CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1 April 2022.
- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement

The above amendments are not expected to have a material impact on the information provided in local authority financial statements in 2020/21.

## **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.

### **Lease Accounting**

- Judgement is required in the initial classification of leases as either operating leases or finance leases. Where a lease is taken out for land and buildings combined, the lease may be capitalised as a finance lease if it meets the criteria for a finance lease, but will be classed as an operating lease by the Council unless title transfers at the end of the lease. The accounting policy for leases is set out in Note 1.
- Following the postponement of IFRS 16 implementation for Public Sector bodies to 1<sup>st</sup> April 2022, The Council has opted to use this opportunity to defer its implementation in order to use the extra resource capacity to respond to the on-going Covid-19 emergency. Thus, with respect to leases, the accounts have been completed on the same basis as previous years.

### **Provision for Outstanding Business Rates Appeals**

On 1 April 2013, Local Authorities assumed the liability for refunding ratepayers who have successfully appealed against the Business Rates rateable value of their properties. The provision is charged to the Collection Fund.

- In relation to Business Rates Retention, the council has estimated a provision for NDR appeals. We have analysed information from the valuation office and consulted with other Oxfordshire Authorities and used information from the valuation office agency (VOA) revaluation to arrive at the figure in the accounts. The top-up and tariff equalisation mechanism in the business rates retention scheme was adjusted for 2018/19 to ensure that authorities were no better or worse off as a result of the revaluation of rateable values that took effect from 1 April 2017.

- The introduction of the new 2017 rating list on 1st April 2017 and the new methodology of businesses making appeals to the VOA of ‘Check, Challenge and Appeal’ required us to change the method of calculating potential losses on appeals and is now based upon a % of net rates payable.
- For all outstanding appeals on the 2010 rating list, the methodology has not changed and is based upon the past success of appeals that have been lodged and is updated with the information provided by the VOA on a monthly basis relating to settled appeals.

## 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
<b>Valuations</b>	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Market activity is being impacted in many sectors. As at the valuation date, consider that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that all are faced with an unprecedented set of circumstances on which to base a judgement.	<b>Therefore, the valuations are reported on the basis of ‘material valuation uncertainty’ as per the Valuation Technical and Performance Standards (VPS 3) and the Material Valuation Uncertainty Standard (VPGA 10) of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended that the valuations of these properties need to be reviewed every six months. Further details at <a href="https://www.rics.org/uk/upholdingprofessional-standards/sector-standards/valuation/valuationcoronavirus">https://www.rics.org/uk/upholdingprofessional-standards/sector-standards/valuation/valuationcoronavirus</a>.</b>
<b>Depreciation of Property, Plant &amp; Equipment</b>	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	<b>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.</b> <b>The carrying value of depreciable assets in the</b>

	<p>utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.</p>	<p>balance sheet is £108m. This amount comprises of <b>Land &amp; Buildings, Plant, Vehicles &amp; Equipment, Infrastructure Assets and Intangible Assets.</b></p>
<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
<b>Impairment of Property, Plant &amp; Equipment &amp; Intangible Assets</b>	<p>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</p> <p>Factors that are considered important and which could trigger an impairment review include the following:</p> <ul style="list-style-type: none"> <li>• obsolescence or physical damage;</li> <li>• significant changes in technology and regulatory environments;</li> <li>• significant underperformance relative to expected historical or projected future operating results;</li> <li>• significant changes in the use of its assets or the strategy of the overall business;</li> <li>• significant negative industry or economic trends; and</li> <li>• Significant decline in the market capitalisation relative to net book value for a sustained period.</li> </ul>	<p><b>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.</b></p>
<b>Fair Value Measurements</b>	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using</p>	<p><b>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 –</b></p>

	<p>valuation techniques (e.g. 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 and 15 below.</p>	<p>adjusted for regional factors (for both investment properties and some financial assets). <b>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.</b></p>
<p><b>Impairment allowance for doubtful debt</b></p>	<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. One off debts for significant amounts have also</p>	<p><b>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.</b></p>



	been included if we have reasonable grounds to assume that we are unlikely to receive payment.	
<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
<b>Provision for Business Rates Appeals</b>	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 has used its local knowledge to calculate their provisions, for Cherwell this equated to 16.4% of Net Rates Payable.	<b>If the provision for appeals was increased by 1% the resulting increase would be £1m shared across Central Government (50%), the county council (10%) and Cherwell District Council (40%)</b>
<b>Pensions</b>	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: <ul style="list-style-type: none"> <li>• the life expectancy of the Officers;</li> <li>• the length of service;</li> <li>• the rate of salary progression;</li> <li>• the rate of return earned on assets in the future;</li> <li>• the rate used to discount future pension liabilities; and</li> <li>• future inflation rates.</li> </ul>	<b>The assumptions used by the Council are set out in note 37 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 37.</b>

## Note 5 - Material Items of Income and Expense

### Pensions

The actuary carried out a valuation as at 31 March 2021. This has resulted in pension assets increasing from £102m at 31 March 2020 to £129m at 31 March 2021. Liabilities have increased from £175m at 31 March 2020 to £226m at 31 March 2021, which resulted in a net increase in liability of £23m.

### Prior Year Adjustments

#### 1. Asset Valuations

During the year under review some required corrections to the accounting for the asset valuations completed for 2019-20 were identified as follows:

- The Sunshine Community Centre is an asset owned by the Council which was acquired in 2005 at nil value. The Centre was valued in 2019-20 at a value of £2.1m; however, the assets register was not updated following a change to the lease arrangements in 2019-20 resulting in the asset values being understated in the 2019-20 accounts. This has been rectified in 2020-21.
- The Kingsmere Sports Centre and Kingsmere Community Centre are 2 separate assets; however, these have been accounted for as a single asset in the assets register. The Community centre was valued in 2019-20 and a revaluation loss of £3.5m recognised. As the 2019-20 valuation related to the Community Centre only and the Sports Centre asset had a nil valuation, this has been rectified in 2020-21 by revaluing the Sports Centre with the resultant increase in asset value in the 2019-20 accounts.

In view of the fact that these corrections in the previous year resulted in a material understatement in asset values of approximately £5.4m they have been treated as a prior year adjustment with the previous year balances being restated. As the revised balances only effect the 2019-20 year adjustments to prior years is not required.

The effect of the restatements on the 2019-20 balances are detailed in the following tables:

#### Effect on the Comprehensive Income and Expenditure Statement 2019-20

Comprehensive Income and Expenditure	Balances as Previously Stated	Restatement-Asset Valuations	Balances as Restated
	£'000	£'000	£'000
Comm Dev Assets and Invests	4,539	(3,270)	1,269
<b>Cost of Services</b>	<b>29,096</b>	<b>(3,270)</b>	<b>25,826</b>
<b>(Surplus) or Deficit on Provision of Services</b>	<b>20,386</b>	<b>(3,270)</b>	<b>17,098</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment	(6,942)	(2,104)	(9,046)

Other Comprehensive Income and Expenditure	(38,254)	(2,104)	(40,358)
<b>Total Comprehensive Income and Expenditure</b>	<b>(17,886)</b>	<b>(5,373)</b>	<b>(23,259)</b>

#### Effect on Movement in Reserves 2019-20-General Fund

General Fund	Balances as Previously Stated	Restatement-Asset Valuations	Balances as Restated
	£'000	£'000	£'000
Surplus or deficit on provision of services	20,368	(3,270)	17,098
<b>Total comprehensive income and expenditure</b>	<b>20,368</b>	<b>(3,270)</b>	<b>17,098</b>
Adjustments between accounting basis and funding basis under regulations	(27,148)	3,270	(23,878)

#### Effect on Movement in Reserves 2019-20-Usable Reserves

Useable Reserves	Balances as Previously Stated	Restatement-Asset Valuations	Balances as Restated
	£'000	£'000	£'000
Surplus or deficit on provision of services	20,368	(3,270)	17,098
<b>Total comprehensive income and expenditure</b>	<b>20,368</b>	<b>(3,270)</b>	<b>17,098</b>
Adjustments between accounting basis and funding basis under regulations	(27,168)	3,270	(23,898)

#### Effect on Movement in Reserves 2019-20-Unusable Reserves

Unuseable Reserves	Balances as Previously Stated	Restatement-Asset Valuations	Balances as Restated
	£'000	£'000	£'000
Other comprehensive Income and Expenditure	(38,254)	(2,104)	(40,358)
<b>Total comprehensive income and expenditure</b>	<b>(38,254)</b>	<b>(2,104)</b>	<b>(40,358)</b>
Adjustments between accounting basis and funding basis under regulations	27,168	(3,270)	23,898
Net increase or decrease before transfers to earmarked reserves	(11,086)	(5,373)	(16,459)
Increase or Decrease in 2019-20	(11,086)	(5,373)	(16,459)
Balance at 31 March 2020	(16,389)	(5,373)	(21,762)

#### Effect on Movement in Reserves 2019-20-Total Reserves

<b>Total Reserves</b>	<b>Balances as Previously Stated</b>	<b>Restatement-Asset Valuations</b>	<b>Balances as Restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Surplus or deficit on provision of services	20,368	(3,270)	17,098
Other comprehensive Income and Expenditure	(38,254)	(2,104)	(40,358)
<b>Total comprehensive income and expenditure</b>	<b>(17,886)</b>	<b>(5,373)</b>	<b>(23,259)</b>
Net increase or decrease before transfers to earmarked reserves	(17,886)	(5,373)	(23,259)
Increase or Decrease in 2019-20	(17,886)	(5,373)	(23,259)
<b>Balance at 31 March 2020</b>	<b>(44,953)</b>	<b>(5,373)</b>	<b>(50,326)</b>

#### Effect on Balance Sheet at 31 March 2020

<b>Balance Sheet</b>	<b>Balances at 31 March 2020-As Previously Stated</b>	<b>Restatement-Asset Valuations</b>	<b>Balances at 31 March 2020-As Restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Property, Plant and Equipment	128,216	5,373	133,589
<b>Total Long-term Assets</b>	<b>274,517</b>	<b>5,373</b>	<b>279,890</b>
<b>Net Assets</b>	<b>44,953</b>	<b>5,373</b>	<b>50,326</b>
Unusable Reserves	(16,388)	(5,373)	(21,761)
<b>Total Reserves</b>	<b>(44,953)</b>	<b>(5,373)</b>	<b>(50,326)</b>

#### Effect on Group Statements [tbc]

## 2. Section 106 Developer Contributions

During 2020/21 an extensive review of S106 balances was undertaken. The review allowed for the classification of balances held as either for revenue or capital purposes and an assumed timeframe for expenditure allowed them to be further analysed between current and long-term liabilities. The impact is only on the balance sheet as follows:

<b>Balance Sheet</b>	<b>Balances at 31 March 2020-As Previously Stated</b>	<b>Restatement-S106 Classification</b>	<b>Balances at 31 March 2020-As Restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants Receipts in Advance (Revenue)	(4,103)	2,943	(1,160)
Grants Receipts in Advance (Capital)	0	(613)	(613)
<b>Total Current Liabilities</b>	<b>(96,226)</b>	<b>2,330</b>	<b>(93,896)</b>
Grants Receipts in Advance (Revenue)	0	(4,516)	(4,516)

Grants Receipts in Advance (Capital)	(20,749)	2,186	(18,563)
<b>Total Long Term Liabilities</b>	<b>(175,705)</b>	<b>(2,330)</b>	<b>(178,035)</b>

## **Note 6 – Events after the Balance Sheet Date**

Nothing To report

## Note 7a – Note to the Expenditure and Funding Analysis

<b>Year Ending 31-Mar-21</b>					
	<b>Net Capital Statutory Adjustments</b>	<b>Net Pensions Statutory Adjustments</b>	<b>Other Statutory Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults and Housing Services	1,290	269	0	0	1,559
Comm Dev Assets and Invests	(2,909)	349	0	0	(2,560)
Cust, Org Dev & Res	428	781	0	0	1,209
Environment & Place	12,826	1,407	0	0	14,233
Public Health and Wellbeing	1,335	176	0	0	1,511
Non-Distributed Services	0	0	0	0	0
<b>Net Cost of Services</b>	<b>12,970</b>	<b>2,982</b>	<b>0</b>	<b>0</b>	<b>15,952</b>
Other Income and Expenditure	6,555	(3,615)	23,832	0	26,772
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>19,525</b>	<b>(633)</b>	<b>23,832</b>	<b>0</b>	<b>42,724</b>
<b>Year Ending 31-Mar-20</b>					
	<b>Net Capital Statutory Adjustments</b>	<b>Net Pensions Statutory Adjustments</b>	<b>Other Statutory Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults and Housing Services	1,588	485	0	0	2,073
Comm Dev Assets and Invests	11,107	847	0	0	11,954
Cust and Org Dev & Resources	305	1,707	0	0	2,012
Place and Growth	7,541	2,690	0	0	10,231
Public Health and Wellbeing	5,193	297	0	0	5,490
Non-Distributed Services	0	0	0	0	0
<b>Net Cost of Services</b>	<b>25,734</b>	<b>6,026</b>	<b>0</b>	<b>0</b>	<b>31,760</b>
Other Income and Expenditure	(5,257)	2,485	(5,110)	0	(7,882)
					0
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>20,477</b>	<b>8,511</b>	<b>(5,110)</b>	<b>0</b>	<b>23,878</b>

### **Net Capital Statutory Adjustments**

This column adds in depreciation and impairment and revaluation gains and losses in the service line.

- For other operating expenditure, it adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- For financing and investment income and expenditure, it adjusts for the statutory charges for capital financing and investment i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- For taxation and non-specific grant income and expenditure, capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### **Net Pensions Statutory Adjustments**

This column adjusts for the net change for the renewal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income.

- For services, this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, this adjusts for the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

### **Other Statutory Adjustments**

- Other statutory adjustments between amounts charged/(received) to the Comprehensive Income and Expenditure Statement and amounts payable / (receivable) to be recognised under statute. For financing and investment (income) and expenditure the other differences column recognises adjustments to General Fund for the timing differences for premiums and discounts and financial instruments.
- The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and Non-Domestic Rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

### **Other Non-statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- For financing and investment income and expenditure the other statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

## Note 7b – Segmental Analysis of Income and Expenditure

<b>Year Ending 31-Mar-21</b>					
	<b>Revenues from External Customers</b>	<b>Revenues from Other Segments</b>	<b>Interest Revenue</b>	<b>Interest Expense</b>	<b>Depreciation and Amortisation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults and Housing Services	(1,737)	72	(287)	0	0
Cust and Org Dev & Resources	(27,565)	428	(2,008)	0	0
Public Health and Wellbeing	(1,905)	1,073	(6,879)	0	0
Environment & Place	(7,398)	1,541	0	0	0
Comm Dev Assets and Invests	(140)	349	(17,344)	0	0
Non-Distributed Services	(30,119)	0	0	(4,373)	2,529
<b>Total Managed by Segments</b>	<b>(68,864)</b>	<b>3,463</b>	<b>(26,518)</b>	<b>(4,373)</b>	<b>2,529</b>
<b>Year Ending 31-Mar-20</b>					
	<b>Revenues from External Customers</b>	<b>Revenues from Other Segments</b>	<b>Interest Revenue</b>	<b>Interest Expense</b>	<b>Depreciation and Amortisation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults and Housing Services	(241)	(937)	0	0	110
Cust and Org Dev & Resources	(2,050)	(27,192)	0	0	305
Public Health and Wellbeing	(539)	(1,249)	0	0	1,133
Environment & Place	(8,209)	(2,013)	0	0	1,030
Comm Dev Assets and Invests	(943)	(573)	(4,298)	0	386
Non-Distributed Services	(5,731)	(23,997)	0	2,069	0
<b>Total Managed by Segments</b>	<b>(17,713)</b>	<b>(55,961)</b>	<b>(4,298)</b>	<b>2,069</b>	<b>2,964</b>



## **Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21**

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.

### **General Fund Balance**

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

### **Capital Receipts Reserve**

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

### **Capital Grants Unapplied**

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

## Note 8 Continued...

31-Mar-21	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>				
<b>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:</b>				
Pension cost (transferred to or (from) the Pensions Reserve)	633	0	0	(633)
Council tax and NDR (transfers to or (from) the Collection Fund)	(25,776)	0	0	25,776
Holiday pay (transferred to the Accumulated Absences reserve)	(3)	0	0	3
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)	(40,878)	0	0	40,878
<b>Total Adjustments to Revenue Resources</b>	<b>(66,024)</b>	<b>0</b>	<b>0</b>	<b>66,024</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,883	(1,883)	0	0
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	1,820	0	0	(1,820)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>3,703</b>	<b>(1,883)</b>	<b>0</b>	<b>(1,820)</b>
<b>Adjustments to Capital Resources</b>				
Use of the Capital Receipts Reserve to finance capital expenditure	0	1,804	0	(1,804)
Application of capital grants to finance capital expenditure	13,056	0	(511)	(12,545)
<b>Total Adjustments to Capital Resources</b>	<b>13,056</b>	<b>1,804</b>	<b>(511)</b>	<b>(14,348)</b>
<b>Total Adjustments</b>	<b>(49,265)</b>	<b>(79)</b>	<b>(511)</b>	<b>49,855</b>

## Note 8 Continued...

31-Mar-20 (restated)	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>				
<b>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:</b>				
Pension cost (transferred to or (from) the Pensions Reserve)	(5,982)	0	0	5,982
Council tax and NDR (transfers to or (from) the Collection Fund)	926	0	0	(926)
Holiday pay (transferred to the Accumulated Absences reserve)	(1)	0	0	1
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)	(27,935)	0	0	27,935
<b>Total Adjustments to Revenue Resources</b>	<b>(32,992)</b>	<b>0</b>	<b>0</b>	<b>32,992</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	4,039	(4,039)	0	0
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	1,630	0	0	(1,630)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>5,669</b>	<b>(4,039)</b>	<b>0</b>	<b>(1,630)</b>
<b>Adjustments to Capital Resources</b>				
Use of the Capital Receipts Reserve to finance capital expenditure	0	4,039	0	(4,039)
Application of capital grants to finance capital expenditure	3,445	0	(20)	(3,425)
<b>Total Adjustments to Capital Resources</b>	<b>3,445</b>	<b>4,039</b>	<b>(20)</b>	<b>(7,464)</b>
<b>Total Adjustments</b>	<b>(23,878)</b>	<b>0</b>	<b>(20)</b>	<b>23,898</b>

## Note 9 - Transfers to/from Earmarked Reserves

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

<b>Earmarked Reserves</b>	<b>Balance at 31 March 2019</b>	<b>Transfers In 2019/20</b>	<b>Transfers Out 2019/20</b>	<b>Balance at 31 March 2020</b>	<b>Transfers In 2020/21</b>	<b>Transfers Out 2020/21</b>	<b>Balance at 31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund Reserves - Other	(17,480)	(9,356)	2,879	(23,957)	(34,446)	8,620	(49,783)
Area Based Grant	(83)			(83)		83	0
Bicester Fields Main Park	(97)			(97)		97	0
Brighter Futures - Skills Reward Grant	(17)		8	(9)		9	0
Bicester Garden Town	(1,005)		223	(782)	(977)	232	(1,527)
Bicester Youth Bus	(65)		30	(35)		5	(30)
Courtyard Youth Arts	(39)		30	(9)			(9)
Dovecote Milcombe	(56)		24	(32)			(32)
Eco Town Revenue	(30)	(88)	114	(4)			(4)
Flood Recovery Grant	(40)			(40)			(40)
Green Deal Pioneer Places	(67)			(67)			(67)
Home Improvement Agency	(221)			(221)			(221)
Homelessness Prevention	(389)		34	(355)	(374)		(729)
New Burdens Grant	(248)			(248)		248	0
Elections Reserve	(21)		21	0			0
Police & Crime Commissioner	(64)			(64)			(64)
Thames Valley Police	(28)		28	0			0
Sportivate Grant	(33)	(22)		(55)			(55)
Active Women	(22)		22	0			0
Credit Union Development Officer	0			0			0
Housing and Planning Initiatives	(322)			(322)			(322)
Laburnham Cres Ambrosden	(38)		38	0			0
<b>Total General Fund</b>	<b>(20,365)</b>	<b>(9,466)</b>	<b>3,451</b>	<b>(26,380)</b>	<b>(35,797)</b>	<b>9,294</b>	<b>(52,883)</b>

## Note 10 - Other Operating Expenditure

31-Mar-20

Other Operating Expenditure

31-Mar-21

£'000		£'000
5,480	Precepts to other authorities and charging bodies	5,555
(1,666)	(Gains)/losses on the Disposal of Non-Current Assets	158
<b>3,814</b>	<b>Total Other Operating Expenditure</b>	<b>5,713</b>

## Note 11 - Financing and Investment Income and Expenditure

A breakdown of the items within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is as follows:

31-Mar-20	Financing and Investment Income & Expenditure	31-Mar-21
£'000		£'000
2,069	Interest payable and similar charges	2,530
2,402	Net interest on the net defined benefit liability (asset)	1,704
(4,298)	Interest receivable and similar income	(4,373)
13,628	Income and expenditure in relation to investment properties and changes in their fair value	17,784
8,394	Other investment income and expenditure	(2,780)
<b>22,195</b>	<b>Total</b>	<b>14,865</b>

## Note 12 - Taxation and Non-Specific Grant Income

A breakdown of the items in the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement is:

31-Mar-20	Taxation and Non-Specific Grant Income	31-Mar-21
£'000		£'000
(12,308)	Council tax income	(12,895)
(18,983)	Non-ringfenced government grants	(17,063)
(3,445)	Capital grants and contributions	(13,056)
<b>(34,736)</b>	<b>Total</b>	<b>(43,014)</b>

## Note 13 – Expenditure and Income Analysed by Nature

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

31-Mar-20 (restated)	Nature of Expenditure or Income	31 March 2021
£'000		£'000

<b>Expenditure</b>		
24,033	Employee benefits expenses	24,330
75,087	Other expenditure	82,158
2,071	Interest payments	2,531
5,480	Precepts and levies	5,555
(1,597)	Depreciation, amortisation and impairment	6,734
0	Gain or loss on disposal of non-current assets	158
<b>105,074</b>	<b>Total Expenditure</b>	<b>121,465</b>
<b>Income</b>		
(18,235)	Fees, charges and other service income	(17,337)
(1,898)	Interest and investment income	(2,670)
(12,303)	Income from local taxation	(12,895)
(53,874)	Government grants and contributions	(68,871)
(1,666)	Gain or loss on disposal of non-current assets	0
<b>(87,976)</b>	<b>Total Income</b>	<b>(101,773)</b>
<b>20,368</b>	<b>Surplus or Deficit for Year</b>	<b>19,692</b>

## Note 14 – Property, Plant and Equipment

<b>Movements to 31-Mar-21</b>							
	<b>Land and Buildings</b>	<b>Vehicles Plant &amp; Equipment</b>	<b>Infrastructure</b>	<b>Community</b>	<b>Surplus</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or Valuation</b>							
-As previously reported	102,052	14,008	5,556	38	10	20,979	142,643
-Prior year adjustment	5,373						5,373
<b>Balance brought forward as restated</b>	<b>107,424</b>	<b>14,008</b>	<b>5,556</b>	<b>38</b>	<b>10</b>	<b>20,978</b>	<b>148,015</b>
Additions	347	797	-	-	-	39,619	40,763
Acc Dep & Imp WO to GCA	(583)	-	-	-	-	-	(583)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(2,043)	-	-	-	5	-	(2,038)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(4,721)	-	-	-	-	-	(4,721)
Derecognition - Disposals	(1,683)	(308)	-	-	-	(338)	(2,329)
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-
Other movements in Cost or Valuation	1,848	-	-	-	-	(1,848)	-
<b>At 31 March 2021</b>	<b>101,911</b>	<b>14,497</b>	<b>5,556</b>	<b>38</b>	<b>15</b>	<b>57,091</b>	<b>179,108</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
Balance Brought Forward	(1,961)	(9,629)	(2,837)	-	-	-	(14,427)
Depreciation Charge for 2020/21	(2,090)	(928)	(78)	-	-	-	(3,096)
Acc. Depreciation WO to GCA	583	-	-	-	-	-	583
Derecognition - Disposals	5	308	-	-	-	-	313
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-
Other movements in Depreciation and Impairment	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>(3,463)</b>	<b>(10,248)</b>	<b>(2,916)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,627)</b>
<b>Net Book Value</b>							
At 31 March 2021	98,448	4,249	2,640	38	15	57,091	162,482
At 31 March 2020 (restated)	105,463	4,379	2,719	38	10	20,979	133,588

**Movements to 31-Mar-20 (restated)**

	Land and Buildings	Vehicles Plant & Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>							
Brought forward	99,861	12,997	5,443	24	10	12,759	131,094
Additions	2,252	1,214	113	14	-	14,512	19,003
Acc Dep & Imp WO to GCA	(2,089)	-	-	-	-	-	(2,089)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	10,212	-	-	-	-	-	10,212
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,581)	-	-	-	-	-	(7,581)
Derecognition - Disposals	(2,350)	(201)	-	-	-	(37)	(2,588)
Assets reclassified (to)/from Investment Property	(34)	-	-	-	-	-	(34)
Other movements in Cost or Valuation	7,155	-	-	-	-	(7,155)	-
<b>At 31 March 2020</b>	<b>102,052</b>	<b>14,008</b>	<b>5,556</b>	<b>38</b>	<b>10</b>	<b>20,979</b>	<b>148,016</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
Brought forward	(2,367)	(8,978)	(2,683)	-	-	-	(14,028)
Depreciation Charge for 2019/20	(1,626)	(852)	(154)	-	-	(94)	(2,726)
Acc. Depreciation WO to GCA	2,089	-	-	-	-	-	2,089
Derecognition - Disposals	29	201	-	-	-	-	230
Assets reclassified (to)/from Investment Property	8	-	-	-	-	-	8
Other movements in Depreciation and Impairment	(94)	-	-	-	-	94	-
<b>At 31 March 2020 (restated)</b>	<b>(1,961)</b>	<b>(9,629)</b>	<b>(2,837)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,427)</b>
<b>Net Book Value</b>							
At 31 March 2020 (restated)	100,091	4,379	2,719	38	10	20,979	133,589
At 31 March 2019	97,494	4,019	2,760	24	10	12,759	117,066



## Property, Plant and Equipment Revaluations -

31-Mar-21	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	3,972	14,498	38	-	18,508
Valued at current value as at:					
31/03/2021	36,836	-	-	15	36,851
31/03/2020	53,733	-	-	-	53,733
31/03/2019	7,370	-	-	-	7,370
	-	-	-	-	-
<b>Total Cost or Valuation</b>	<b>101,911</b>	<b>14,498</b>	<b>38</b>	<b>15</b>	<b>116,462</b>

## Note 15 – Investment Properties

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

31-Mar-20	Investment Property Income and Expenditure	31-Mar-21
£'000		£'000
(5,233)	Rental income from investment property	(6,817)
1,754	Direct operating expenses from investment property	1,823
<b>(3,479)</b>	<b>Net (gain)/loss</b>	<b>(4,994)</b>

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

## Movement in the fair value of Investment Properties over the year:

31-Mar-20	Investment Property Movements in Year	31-Mar-21
-----------	---------------------------------------	-----------

Non-Current		Non-Current
£000		£000
71,608	Balance at Start of Year	61,121
-	Additions: Purchases	-
3,508	Enhancements	1,999
-	Disposals	(26)
(14,021)	Net (gains)/losses from fair value adjustments	(17,787)
26	Transfers (to)/from Property, Plant and Equipment	-
<b>61,121</b>	<b>Balance at End of Year</b>	<b>45,306</b>

Details of the Council's investment properties and surplus assets and information about the fair value hierarchy as at 31 March 2021 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 2020
	£'000	£'000	£'000	£'000
<b>Investment Properties</b>	-	61,121	-	<b>61,121</b>
Surplus Assets	-	10	-	<b>10</b>
<b>Sub-total</b>	-	<b>61,131</b>	-	<b>61,131</b>
<b>Residential (market rental) properties</b>	-	-	-	-
Office Units	-	1,292	-	1,292
Commercial Units	-	59,839	-	59,839
<b>Totals</b>	-	<b>61,131</b>	-	<b>61,131</b>

### 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 2021
	£'000	£'000	£'000	£'000
<b>Investment Properties</b>	-	45,306	-	45,306
Surplus Assets	-	15	-	15
<b>Sub-total</b>	-	<b>45,321</b>	-	<b>45,321</b>
<b>Residential (market rental) properties</b>	-	-	-	-
Office Units	-	1,197	-	1,197
Commercial Units	-	44,124	-	44,124
<b>Totals</b>	-	<b>45,321</b>	-	<b>45,321</b>

Details of the Council's investment properties and surplus assets and information about the fair value hierarchy as at 31 March 2020 are as follows:

#### 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 and Surplus Assets

The fair value of the Council's investment properties and surplus assets is measured annually at each reporting date. All valuations are carried out externally by qualified valuers, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

#### Castle Quay Valuation

In 2020/21 there has been a downward movement in the valuation of the Castle Quay shopping centre of £13.1m, the valuation at 31 March 2021 being £21.6m (2020: £33.0m). The main factor behind this further substantial reduction in the value of this property is as a direct result of the impacts of the Covid-19 pandemic and the measures taken to combat it which have severely impacted on current and potentially on future revenue streams.

The valuation of this property has been undertaken independently and takes into account not only the specific financial returns within the centre but also market sentiment which at a national level is pessimistic.

It should be noted that the Council is not anticipating selling the shopping centre and, therefore, at this stage valuation of the asset, whilst important, does not have a direct financial impact on the Council. The centre was bought to ensure that a valuable town centre asset was protected for our residents and only secondarily as an investment, with revenue income returned to the Council to cover running costs as well as provide a financial return. The decision to purchase also ensured that the plans for the adjacent site that will be developed into leisure units would be delivered as this had been stalled by the original owners. We regularly review tenant activity as well as ensure that we actively manage the existing asset to diversify the offer within the town centre. Market analysis shows that offering a broader, more experiential offer has a positive impact on the whole site. The new Castle Quay Waterfront site, which includes a supermarket, hotel, cinema and food and beverage outlets is anticipated to attract visitors and improve the night-time economy offer which should provide an overall positive benefit and provide protection from the market conditions around retail risk. This will create greater value for the whole site in the medium to long term, but it was always highlighted that there may be some short-term impact on the value of the existing site whilst that work was carried out. Works on this project are at an advanced stage and are estimated to be completed during the first half of the 2021/22 financial year.

In addition, during the previous year the Council embarked on a new venture within the existing retail site which includes food, beverage, community and education space within what was a vacant department store site-the Lock 29 project. The Council has entered into a partnership with Happerley, a new venture which embraces and encourages the UK Food industry to validate provenance of food. They have chosen Banbury and specifically Lock 29 in Castle Quay as the national centre of food and drink provenance in England which is a major boost for the centre.

Rental income is still being received from the site and this is not impacted by the valuation. We have also been actively engaging in activity to ensure that the existing shopping centre is well used, well managed and diversifying the offer that we have on-site to ensure that the centre remains a vibrant and attractive place for the town centre. All of this will help ensure that the site remains viable and sustainable and ensure that the value of the site is maximised. We have very few vacant units within the centre and we actively manage the space.

We have an advisory group made up of Members and Officers who consider the way in which this site as well as the new Castle Quay site is managed and to explore how to ensure the Centre is both commercially successful as well as contribute to the council's wider objectives.

## Note 16 – Intangible Assets

An **intangible asset** is an **asset** that is not physical in nature. Goodwill, brand recognition and intellectual property, such as patents, trademarks, and copyrights, are all **intangible assets**.

31-Mar-20	Intangible Assets	31-Mar-21
£000		£000

Balance at Start of Year:		
5,682	Gross Carrying Amount	6,453
(4,712)	Accumulated Amortisation & Impairment	(4,949)
<b>970</b>	<b>Net Carrying Amount</b>	<b>1,504</b>
771	Additions	1,146
(237)	Amortisation for the Period	(367)
<b>1,504</b>	<b>Net Carrying Amount at End of Year</b>	<b>2,282</b>
<b>Comprising:</b>		
6,453	Gross Carrying Amount	7,599
(4,949)	Accumulated Amortisation & Impairment	(5,317)
<b>1,504</b>		<b>2,282</b>

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

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

## Note 17 – Financial Instruments

### Balance Sheet items

The Council is obliged to analyse any Financial Instruments that it holds (whether liabilities such as borrowings or assets such as investments) into certain categories.

The Investments and Debtors disclosed in the Balance Sheet, as set out below (adjusted to exclude statutory debtors), are all categorised as Loans and Receivables, and are carried in the Balance Sheet at amortised cost.

### Financial Instruments – Liabilities

31-Mar-20		Financial Instruments - Liabilities		31-Mar-21	
Short Term	Long Term			Short Term	Long Term
£'000	£'000	Financial Liabilities		£'000	£'000
Loans at amortised cost:					
(66,000)	(75,000)	- Principal sum borrowed		(82,000)	(102,000)
(507)	-	- Accrued interest		(584)	-
<b>(66,507)</b>	<b>(75,000)</b>	<b>Total Borrowing</b>		<b>(82,584)</b>	<b>(102,000)</b>
Liabilities at amortised cost:					
-	(1,576)	- Finance leases		-	(1,570)
<b>0</b>	<b>(1,576)</b>	<b>Total Other Long-term Liabilities</b>		<b>0</b>	<b>(1,570)</b>
Liabilities at amortised cost:					
(9,692)	-	- Trade payables		(11,674)	-
<b>(9,692)</b>	<b>0</b>	<b>Included in Creditors</b>		<b>(11,674)</b>	<b>0</b>
<b>(76,199)</b>	<b>(76,756)</b>	<b>Total Financial Liabilities</b>		<b>(94,258)</b>	<b>(103,570)</b>

The total short-term borrowing includes £400k (2020: £324k) accrued interest due within 12 months on long-term borrowing.

The creditors lines on the Balance Sheet include £40,675k (2020: £14,073k) short-term creditors that do not meet the definition of a financial liability as they relate to non-exchange transactions.

### Financial Instruments – Assets

31-Mar-20		Financial Instruments - Assets		31-Mar-21	
Short Term	Long Term			Short Term	Long Term
£'000	£'000	Financial Assets		£'000	£'000
<i>At amortised cost:</i>					
17,000	-	- Principal		31,000	-
48	-	- Accrued interest		28	-
<i>At fair value through profit &amp; loss:</i>					
-	29,053	- Fair value		-	33,053
<b>17,048</b>	<b>29,053</b>	<b>Total Investments</b>		<b>31,028</b>	<b>33,053</b>
<i>At amortised cost:</i>					
844	-	- Principal		239	-
<i>At fair value through profit &amp; loss:</i>					
3,964	-	- Fair value		7,511	-
3	-	- Accrued interest		0	-
<b>4,811</b>	<b>0</b>	<b>Total Cash and Cash Equivalents</b>		<b>7,750</b>	<b>0</b>
<i>At amortised cost:</i>					
3,674	-	- Trade receivables		5,667	-
4,000	45,855	- Loans made for service purposes		-	61,100
24	8,691	- Accrued interest		-	105
-	(778)	- Loss allowance		-	(1,111)
<b>7,698</b>	<b>53,768</b>	<b>Included in Debtors</b>		<b>5,667</b>	<b>60,094</b>
<b>29,557</b>	<b>82,821</b>	<b>Total Financial Assets</b>		<b>44,445</b>	<b>93,147</b>

The debtors lines on the Balance Sheet include £36,262k (2020: £12,622k) short-term and £232k (2020: £855k) long-term debtors that do not meet the definition of a financial asset as they relate to non-exchange transactions.

#### Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

31-Mar-20	Offsetting Financial Assets & Liabilities	31-Mar-21
£'000		£'000
1	Bank accounts in credit	243
(158)	Bank overdrafts	(51)
(157)	Net position of offset accounts	192
1001	Other bank accounts	47
<b>844</b>	<b>Net position on balance sheet</b>	<b>239</b>

### Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities		Financial Assets		2020/21 Total	2019/20 Total
	Amortised Cost	Fair Value through Profit & Loss	Amortised Cost	Fair Value through Profit & Loss		
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	2,429	-	-	-	2,429	2,034
Fees paid	102	-	-	-	102	37
Interest payable and similar charges	2,531	0	0	0	2,531	2,071
Interest income	-	-	(4,368)	(6)	(4,374)	(4,080)
Fees	-	-	0	0	0	(220)
<b>Interest and investment income</b>	<b>0</b>	<b>0</b>	<b>(4,368)</b>	<b>(6)</b>	<b>(4,374)</b>	<b>(4,300)</b>
<b>Net impact on (surplus)/deficit on provision of services</b>	<b>2,531</b>	<b>0</b>	<b>(4,368)</b>	<b>(6)</b>	<b>(1,843)</b>	<b>(2,229)</b>
<b>Net (Gain)/Loss for the Year</b>	<b>2,531</b>	<b>0</b>	<b>(4,368)</b>	<b>(6)</b>	<b>(1,843)</b>	<b>(2,229)</b>

### Financial Instruments - Fair Value – Liabilities



Balance Sheet	Fair Value			Balance Sheet	Fair Value
31-Mar-20	31-Mar-20			31-Mar-21	31-Mar-21
£'000	£'000		Fair Value Level	£'000	£'000
<i>Financial liabilities held at amortised cost:</i>					
(75,000)	(75,708)	Long-term loans	2	(102,000)	(103,712)
(66,507)	(66,344)	Short-term loans	2	(82,584)	(82,362)
(1,576)	(3,938)	Lease payables and PFI liabilities	2	(1,570)	(4,253)
<b>(143,083)</b>	<b>(145,990)</b>	<b>TOTAL</b>		<b>(186,154)</b>	<b>(190,327)</b>
(31,226)		Liabilities for which fair value is not disclosed		(61,378)	
<b>(174,309)</b>		<b>Total Financial Liabilities</b>		<b>(247,532)</b>	
<i>Recorded on balance sheet as:</i>					
(24,185)		Short-term creditors		(52,349)	
(66,507)		Short-term borrowing		(82,584)	
(1,431)		Short-term provisions		(5,206)	
(1,576)		Long-term creditors		(1,570)	
(75,000)		Long-term borrowing		(102,000)	
(5,610)		Long-term provisions		(3,823)	
<b>(174,309)</b>		<b>Total Financial Liabilities</b>		<b>(247,532)</b>	

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

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

#### Financial Instruments - Fair Value – Assets

Balance Sheet	Fair Value			Balance Sheet	Fair Value
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31-Mar-20	31-Mar-20		31-Mar-21	31-Mar-21
£'000	£'000		£'000	£'000
		Fair Value Level		
Financial assets held at fair value:				
3,967	3,967	Money market funds	1	7,511
29,053	29,053	Shares in unlisted companies	3	33,053
<i>Financial assets held at amortised cost:</i>				
17,892	17,921	Bank deposits & repos	2	31,267
57,792	57,792	Loans to companies	3	60,094
<b>108,704</b>	<b>108,733</b>	<b>Total</b>		<b>131,925</b>
17,151		Assets for which fair value is not disclosed		42,161
<b>125,855</b>		<b>Total Financial Assets</b>		<b>174,086</b>
<i>Recorded on balance sheet as:</i>				
54,623		Long-term debtors		60,326
29,053		Long-term investments		33,053
20,320		Short-term debtors		41,929
17,048		Short-term investments		31,028
4,811		Cash and cash equivalents		7,750
<b>125,855</b>		<b>Total Financial Assets</b>		<b>174,086</b>

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

The fair value of financial assets held at amortised cost is lower than their balance sheet carrying amount because the interest rate on similar investments is now higher than that obtained when the investment was originally made.

#### Note 17.1 - 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.

#### 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. 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:

<b>Long Term Credit Rating</b>		
<b>31-Mar-20</b>	<b>(Fitch)</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
0	AA	0
17,048	AA-	31,028
0	A+	0
<b>17,048</b>		<b>31,028</b>

Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

#### **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:

<b>31-Mar-20</b>	<b>Credit Risk: Debtors</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>Duration outstanding</b>	<b>£'000</b>
2,522	One months	2,901
68	Two months	60
40	Three months	130
1,050	More than three months	2,576
<b>3,680</b>		<b>5,667</b>

#### **Credit Risk: Loan Commitments and Financial Guarantees**

In furtherance of the Council's service objectives, it has committed to lend money to the following organisations, should it be requested to do so:

	<b>Total facility</b>	<b>Balance 31 March 2020</b>
Graven Hill Village Development Co Ltd	£73.6m	£48.8m

The Council has also provided a financial guarantee of £3.73m in respect of a deposit paid to and held by Graven Hill for the sale of land. This guarantee is payable if the sale falls through and Graven Hill are unable to return the deposit to the purchaser. It will expire on either the completion of the sale or the return of the deposit

#### **Liquidity Risk**

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy 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.

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.

The maturity analysis of current loans is as follows (principal amounts only shown i.e. excluding accrued interest):

31-Mar-20	Liquidity Risk	31-Mar-21
£'000	Time to maturity	£'000
(66,183)	Less than 1 year	(82,184)
0	1 – 2 years	(27,063)
(21,160)	2 – 5 years	(27,174)
(28,075)	5-10 years	(28,077)
(21,047)	10-20 years	(15,044)
(5,042)	20-30 years	(5,042)
<b>(141,507)</b>		<b>(184,584)</b>

#### **Market Risk: Interest Rates**

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments.

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 funds held for liquidity purpose e.g. money market funds and call accounts, the Council currently does not have any investments at variable rates.

Although the council is currently able to borrow at low interest rates, it is exposed to the risk that it may need to refinance some of its borrowing at higher interest rates in the future.

The Council has a number of strategies for managing interest rate risks. The Treasury Management team, in consultation with its advisors, 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 and Crown House Banbury 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 as a result has no exposure to loss arising from movements in exchange rates.

## **Note 18 – Inventories**

The table below provides details on the level of inventories balances set out in the Balance sheet.

31-Mar-20	Inventories	31-Mar-20
£'000		£'000

220	Balance outstanding at start of year	187
595	Purchases	673
(628)	Recognised as an expense in the year	(636)
<b>187</b>	<b>Balance at Year End</b>	<b>224</b>

## Note 19a – Short Term Debtors

An analysis of the debtor's balance is shown below

31-Mar-20	Short Tern Debtors	31-Mar-21
£000		£000
3,674	Trade Receivables	5,667
545	Pre-Payments	472
16,102	Other Receivable Amounts	35,790
<b>20,321</b>	<b>Total Debtors</b>	<b>41,929</b>

## Note 19b Short Term Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non- domestic rates) can be analysed by age as follows;

31-Mar-20	Short Tern Debtors for Local Taxation	31-Mar-21
£'000		£'000
0	Less than three months	0
0	Three to six months	0
676	Six months to one year	743
674	More than one year	803
<b>1,350</b>	<b>Total Debtors</b>	<b>1,546</b>

## Note 20 – 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-Mar-20	Cash and Cash Equivalents	31-Mar-21
£'000		£'000

844	Bank Balances/(Overdraft)	239
3,967	Short Term Investments	7,511
<b>4,811</b>	<b>Total Cash and Cash Equivalents</b>	<b>7,750</b>

## Note 21– Assets Held for Sale

31-Mar-20	Assets held for Sale	31-Mar-21
£'000		£'000
0	Balance at start of year	0
	Assets Sold:	
0	Property Plant and Equipment	0
<b>0</b>	<b>Balance at year end</b>	<b>0</b>

## Note 22 – Short Term Creditors

The table below provides detail on the level of creditors balances set out in the Balance Sheet.

31-Mar-20	Short Term Creditors	31-Mar-21
£000		£000
(9,692)	Trade Payables	(11,674)
(14,493)	Other Payable Amounts	(40,675)
<b>(24,185)</b>	<b>Total Creditors</b>	<b>(52,349)</b>

## Note 23 – Provisions

The main provisions during 2020/21 are for NNDR appeals following the change in accounting arrangements for the collection fund from 1 April 2013. As a result of implementing the changes to the business rates legislation, the council is required to set up a provision for the potential cost of successful appeals with the Valuation Office.

### Current Provisions

<b>31-Mar-21</b>	<b>Health Walks Training Provision</b>	<b>Graven Hill Deposit Guarantee</b>	<b>NNDR Appeals Provision</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening Balance	(4)	0	(1,428)	(1,432)
Increase in provision during year	0	(37)	(4,071)	(3,775)
Utilised during the year	0	0	334	0
<b>Closing Balance</b>	<b>(4)</b>	<b>(37)</b>	<b>(5,165)</b>	<b>(5,206)</b>
<b>31-Mar-20</b>	<b>Health Walks Training Provision</b>	<b>Graven Hill Deposit Guarantee</b>	<b>NNDR Appeals Provision</b>	<b>Total</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Opening Balance	(4)	0	(1,464)	(1,468)
Increase in provision during year	0	0	(38)	(38)
Utilised during the year	0	0	74	74
<b>Closing Balance</b>	<b>(4)</b>	<b>0</b>	<b>(1,428)</b>	<b>(1,431)</b>

### Long Term Provisions

31-Mar-21	NNDR Appeals	Landlord Rent Guarantee	Landlord Rent Ex-Charter	Banbury Bowls Club	58 Bridge Street - Repair & Renewals	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	(5,360)	(102)	(18)	(47)	(83)	(5,610)
Increase in provision during year	1,791	0	0	0	(10)	1,781
Utilised during year	0	6	0	0	0	0
<b>Closing Balance</b>	<b>(3,569)</b>	<b>(96)</b>	<b>(18)</b>	<b>(47)</b>	<b>(93)</b>	<b>(3,823)</b>

31-Mar-20	NNDR Appeals	Landlord Rent Guarantee	Landlord Rent Ex-Charter	Banbury Bowls Club	58 Bridge Street - Repair & Renewals	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	(3,470)	(109)	(18)	(47)	(73)	(3,717)
Increase in provision during year	(2,160)	(9)	0	0	(10)	(2,179)
Utilised during year	270	16	0	0	0	286
<b>Closing Balance</b>	<b>(5,360)</b>	<b>(102)</b>	<b>(18)</b>	<b>(47)</b>	<b>(83)</b>	<b>(5,610)</b>

### *Total Provisions*

31-Mar-20	Provisions Summary	31-Mar-21
£'000		£'000
(5,184)	Opening Balance	(7,041)
(2,217)	Increase in provision during year	(1,995)
360	Utilised during year	6
<b>(7,041)</b>	<b>Closing Balance</b>	<b>(9,030)</b>



## Note 24 – 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.

31-Mar-20	Usable Reserves Summary	31-Mar-21
£'000		£'000
(2,018)	General Fund	(5,087)
(26,380)	Earmarked Reserves	(52,883)
0	Capital Receipts Reserve	(80)
(165)	Capital Grants Unapplied Reserve	(676)
<b>(28,564)</b>	<b>Total</b>	<b>(58,727)</b>

### General Fund Reserve

This reserve is held to mitigate the financial risks facing the Council. The prudent level of general fund reserves to be held are set annually as part of the Council's budget report.

31-Mar-20	General Fund Reserve	31-Mar-21
£'000		£'000
(1,254)	Balance 1 April	(2,018)
(764)	Transfers to general reserves	(3,069)
0	Use of general reserves in year	0
<b>(2,018)</b>	<b>Balance at year end</b>	<b>(5,087)</b>

### Earmarked Reserves

These are reserves that have been set aside for specific purposes. This could be for a particular project; for example, a ringfenced grant on which there remains an unspent balance at the year end or amounts which have been set aside for future use. They are analysed in detail in Note 9. The large increase in 2020-21 relates primarily to Business Rates Section 31 grants which were received in 2020-21 but which will be used to finance the Business Rates Collection Fund deficit in 2021/22.

31-Mar-20	Earmarked Reserves	31-Mar-21
£'000		£'000
(20,365)	Balance 1 April	(26,380)
(9,466)	Transfers to reserves	(35,797)
3,451	Use of reserves in year	9,294
<b>(26,380)</b>	<b>Balance at year end</b>	<b>(52,883)</b>

### Capital Receipts Reserve

These are capital receipts which have been received during the year and which have then been used to finance capital expenditure. The remaining balance is available for future capital financing.

<b>31-Mar-20</b>	<b>Capital Receipts Reserve</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
0	Balance 1 April	0
(5,272)	Capital Receipts in year	(1,883)
5,272	Capital Receipts used for financing	1,803
<b>0</b>	<b>Balance at year end</b>	<b>(80)</b>

### Capital Grants Unapplied

These are capital receipts which have been recognised in the Comprehensive Income and Expenditure Statement which are available for future capital financing.

<b>31-Mar-20</b>	<b>Capital Grants Unapplied</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(145)	Balance 1 April	(165)
(1,118)	Capital grants recognised in year	(511)
1,098	Capital grants and contributions applied	0
<b>(165)</b>	<b>Balance year end</b>	<b>(676)</b>

## Note 25 - Unusable Reserves

The Council has several 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.

<b>31-Mar-20</b>	<b>Unusable Reserves Summary</b>	<b>31-Mar-21</b>
<b>(restated)</b>		
<b>£'000</b>		<b>£'000</b>
(37,599)	Revaluation Reserve	(34,385)
(54,352)	Capital Adjustment Account	(31,081)
72,770	Pension Reserve	95,654
(740)	Deferred Capital Receipts Reserve	(475)
(2,045)	Collection Fund Adjustment Account	23,731
204	Accumulated Absences Account	207
<b>(21,761)</b>	<b>Total</b>	<b>53,650</b>

### 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.

31-Mar-20 (restated)	Revaluation Reserve	31-Mar-21
£'000		£'000
	<b>Opening Balance</b>	
(29,757)	As previously reported	(35,496)
	Prior year adjustment	(2,104)
(29,757)	<b>Opening balance as restated</b>	(37,599)
(11,149)	Upward revaluation of assets	(2,455)
4,206	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	4,493
(6,943)	<b>Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services</b>	(2,039)
472	Difference between fair value depreciation and historical cost depreciation	705
732	Accumulated gains on assets sold or scrapped	470
1,204	<b>Amount written off to the Capital Adjustment Account</b>	1,175
(35,496)	<b>Closing Balance</b>	(34,385)

## 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-Mar-20	Capital Adjustment Account	31-Mar-21
£'000		£'000
	<b>Opening balance</b>	
(71,990)	As previously reported	(51,082)
	Prior year adjustment	(3,270)
<b>(71,990)</b>	<b>Opening balance as restated</b>	<b>(54,352)</b>
2,726	Charges for depreciation and impairment of non-current assets	3,096
9,685	Revaluation losses on non-current assets	4,721
237	Amortisation of intangible assets	367
2,177	Revenue expenditure funded from capital under statute	12,865
2,359	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	2,042
17,184	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	<b>23,091</b>
(1,204)	Adjusting Amounts written out of the Revaluation Reserve	(1,175)
<b>15,980</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>21,916</b>
(4,039)	Use of Capital Receipts Reserve to finance new capital expenditure	(2,068)
(3,425)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(12,545)
(1,630)	Statutory provision for the financing of capital investment charged against the General Fund	(2,153)
0	Increase in expected credit losses provision for long-term loans receivable	333
<b>(9,094)</b>	<b>Capital financing applied in year:</b>	<b>(16,433)</b>
14,021	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	17,787
<b>(51,082)</b>	<b>Balance 31 March</b>	<b>(31,081)</b>

## 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-Mar-20	Pension Reserve	31-Mar-21
£'000		£'000
98,100	<b>Balance 1 April</b>	<b>72,770</b>
(31,312)	Remeasurements of the net defined benefit (liability)/asset	23,517
8,532	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	7,178
(2,550)	Employer's pensions contributions and direct payments to pensioners payable in the year	(7,811)
<b>72,770</b>	<b>Balance 31 March</b>	<b>95,654</b>

## Note 26 - Trading Operations

The authority established 3 trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations. Details of those units are as follows;

<b>31-Mar-20</b>	<b>Building Control</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(440)	Income	(337)
395	Expenditure	77
<b>(45)</b>	<b>Net (Surplus) / Deficit for Year</b>	<b>(260)</b>
<b>31-Mar-20</b>	<b>Corporate Properties &amp; Industrial Estates</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(3,804)	Income	(5,360)
14,640	Expenditure	18,582
<b>10,836</b>	<b>Net (Surplus) / Deficit for Year</b>	<b>13,222</b>
<b>31-Mar-20</b>	<b>Markets</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(80)	Income	(52)
70	Expenditure	77
<b>(10)</b>	<b>Net (Surplus) / Deficit for Year</b>	<b>25</b>
<b>31-Mar-20</b>	<b>Trading Operations Total Income and Expenditure:</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(4,324)	Income	(5,749)
15,105	Expenditure	18,859
<b>10,781</b>	<b>Net (Surplus) / Deficit for Year</b>	<b>13,110</b>
<b>31-Mar-20</b>	<b>Analysis of Inclusion in The Comprehensive Income and Expenditure Statement:</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
<b>10,781</b>	Net surplus on trading operations	<b>13,110</b>
0	Services to the public included in Expenditure of Continuing Operations	0
0	Support services recharged to Expenditure of Continuing Operations	0
<b>10,781</b>	<b>Net surplus / deficit included in Financing and Investment Income and Expenditure</b>	<b>13,110</b>

## Note 27 - Agency Services

The Agency Services provides provisions to local councils for landscaping and ground maintenance. This is recharged to the town and Parish Councils.

<b>31-Mar-20</b>	<b>Bicester Town Council</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(353)	Income	(348)
337	Expenditure	330
<b>(16)</b>	<b>Net (Surplus)/Deficit on the Agency Arrangement</b>	<b>(18)</b>
<b>31-Mar-20</b>	<b>Oxfordshire County Council</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(150)	Income	(150)
211	Expenditure	213
<b>61</b>	<b>Net (Surplus)/Deficit on the Agency Arrangement</b>	<b>73</b>
<b>31-Mar-20</b>	<b>Kidlington Parish Council</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(136)	Income	(147)
133	Expenditure	143
<b>(3)</b>	<b>Net (Surplus)/Deficit on the Agency Arrangement</b>	<b>(4)</b>
<b>31-Mar-20</b>	<b>South Northants Council</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(76)	Income	(78)
77	Expenditure	78
<b>1</b>	<b>Net (Surplus)/Deficit on the Agency Arrangement</b>	<b>0</b>
<b>31-Mar-20</b>	<b>Brackley Town Council</b>	<b>31-Mar-21</b>
<b>£'000</b>		<b>£'000</b>
(59)	Income	(68)
61	Expenditure	69
<b>2</b>	<b>Net (Surplus)/Deficit on the Agency Arrangement</b>	<b>1</b>

## Note 28 - Members' Allowances

The total of Members' Allowances paid in the year 2020/21 amounted to £316k. This compares to £317k in 2019/20. 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 2020/21 were as follows:

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
307 Allowances	315
10 Expenses	1
<b>317 Total Members' Allowances</b>	<b>316</b>

## Note 29 - 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 does not include 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 Northamptonshire Council are not included in the table below;

<b>31-Mar-20</b>	<b>Officers' Remuneration</b>	<b>31-Mar-21</b>
<b>Number of employees</b>	<b>Remuneration Band</b>	<b>Number of employees</b>
13	£50,001 to £55,000	28
1	£55,001 to £60,000	15
2	£60,001 to £65,000	6
1	£65,001 to £70,000	1
<b>17</b>		<b>50</b>



**Note 29 Continued...** The Remuneration paid to senior employees in Cherwell District Council 2020/21 is as follows:

Post Title	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensations for Loss of Employment	Total Remuneration Excluding Pension Contribution	Pension Contribution	Total Remuneration including pension contribution	Contribution to Oxfordshire County Council (excluding NI)	Cost to Cherwell District Council (excluding NI)	Date in post 2020/21
Chief Executive**	77,965	2,311	0	80,276	12,396	92,673	0	92,673	
Corporate Director of Customers, Organisational Development and Resources**	39,650	0	0	39,650	6,304	45,955	0	45,955	
Corporate Director of Place and Growth**	34,947	177	0	35,124	5,524	40,648	0	40,648	Until 31 Dec 2020
Assistant Director of Housing and Social Care Commissioning**	42,667	642	0	43,309	6,784	50,094	0	50,094	
Director of HR**	20,467	245	0	20,712	3,254	23,966	0	23,966	
Director of Customers and Cultural Services**	10,234	5,525	0	15,759	1,627	17,386	0	17,386	
Assistant Director of Healthy Place Shaping	20,000	0	0	20,000		20,000	0	20,000	Until 31 Dec 2020
Programme Director: Growth and Commercial	59,658	0	0	59,658	9,486	69,144	0	69,144	
Assistant Director: Property, investment, Contract Management	78,680	905	0	79,585	12,510	92,095	0	92,095	
Assistant Director: Environmental Services	82,052	0	0	82,052	13,046	95,098	0	95,098	
Assistant Director: Growth and Economy	78,680	189	0	78,869	12,510	91,379	0	91,379	
Assistant Director: Planning and Development	78,680	344	0	79,023	12,510	91,533	0	91,533	
Assistant Director: Wellbeing	70,812	0	0	70,812	11,259	82,071	0	82,071	

*Table continued on next page...*

**Note 29 Continued...**

Post Title	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensations for Loss of Employment	Total Remuneration Excluding Pension Contribution	Pension Contribution	Total Remuneration including pension contribution	Contribution to Oxfordshire County Council (excluding NI)	Cost to Cherwell District Council (excluding NI)	Date in post 2020/21
Assistant Director: Finance	58,597			58,597	9,317	67,915		67,915	From Jun 2020
Corporate Director - Commercial Development, Assets and Investments*							53,922	53,922	
Corporate Director - Adult Social Care & Housing*							16,043	16,043	
Corporate Director of Public Health*							14,366	14,366	
Director of Finance*							47,147	47,147	
Head of Legal and Deputy Monitoring Officer*							25,414	25,414	From Jun 2020
Director - IT, Digital and Transformation*							28,036	28,036	
Director of Law and Governance (new post)*							7,029	7,029	<i>From Jan 2021</i>
Head of Procurement & Contract Management*							28,749	28,749	
Assistant Director of Healthy Place Shaping*							7,984	7,984	
Licensing Manager*							7,983	7,983	<i>6 months</i>
Director of Strategy Insight and Communications*							24,075	24,075	
Assistant Director of Regulatory Services*							68,258	68,258	
<b>Total</b>	<b>753,088</b>	<b>10,339</b>	<b>0</b>	<b>763,427</b>	<b>116,528</b>	<b>879,956</b>	<b>328,915</b>	<b>1,208,870</b>	

## Note 29 Continued...

The remuneration paid to senior employees in Cherwell District Council for 2019/20 is as follows:

<i>Post Title</i>	<i>Salary (Including Fees &amp; Allowances)</i>	<i>Expense Allowances and Other Emoluments</i>	<i>Compensations for Loss of Employment</i>	<i>Total Remuneration Excluding Pension Contribution</i>	<i>Pension Contribution</i>	<i>Total Remuneration Including Pension Contribution</i>	<i>Contribution to Cost to Cherwell District Council</i>	<i>Date in post 2019/20</i>
<i>Corporate Director of Customers and Organisational Development**</i>	£17,911	£421	-	£18,333	£18,616	£32,045	£32,045	
<i>Assistant Director - Planning &amp; Development</i>	£67,103	£444	-	£67,547	£9,905	£77,452	£77,452	
<i>Assistant Director of Environmental Services</i>	£79,856	£2,106	-	£81,961	£11,898	£93,860	£93,860	
<i>Assistant Director of Housing and Social Care Commissioning</i>	£30,166	£3,665	-	£33,831	£11,898	£45,729	£45,729	
<i>Chief Operating Officer</i>	£89,180	£2,044	-	£91,224	£13,017	£104,241	£104,241	Left 31 Jan 2020
<i>Director of HR**</i>	£7,968	£125	-	£8,093	£14,344	£12,449	£12,449	
<i>Assistant Director - Performance &amp; Transformation</i>	£45,847	£748	-	£46,595	£6,449	£53,044	£53,044	
<i>Assistant Director - Performance &amp; Transformation</i>	£57,594	£183	-	£57,777	£8,484	£66,261	£66,261	Left 31 Dec 2019
<i>Director of Customers and Cultural Services**</i>	-	-	-	-	-	-	-	From 17 Mar 2020
<i>Assistant Director of Wellbeing</i>	£71	-	-	£71	£598	£103	£103	
<i>Assistant Director of Wellbeing</i>	£67,823	£1,074	-	£68,897	£10,106	£79,003	£79,003	
<i>Corporate Director of Place and Growth**</i>	£6,781	-	-	£6,781	£5,162	£8,706	£8,706	From 7 Jan 2020
<b><i>Table continued on next page...</i></b>								

Post Title	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensations for Loss of Employment	Total Remuneration Excluding Pension Contribution	Pension Contribution	Total Remuneration Including Pension Contribution	Contribution to Oxfordshire County Council	Cost to Cherwell District Council	Date in post 2019/20
Assistant Director of Property Investment and Contract Management	£76,206	£4,258	-	£80,464	£11,246	£91,710		£91,710	
Assistant Director of Growth and Economy	£75,780	£2,505	-	£78,285	£11,246	£89,531		£89,531	
Joint Chief Executive - Yvonne Rees**	£73,859	£486	-	£74,346	£28,989	£85,937		£85,937	
Corporate Director of Communities*	-	-	-	-	-	-	£14,278	£14,278	Sep 2019 only
Director of Finance S151*	-	-	-	-	-	-	£5,328	£5,328	From 26 Feb 2020
Corporate Director Commercial Development Assets & Investments*	-	-	-	-	-	-	£2,268	£2,268	From 16 Mar 2020
Director of Law & Governance*	-	-	-	-	-	-	£30,888	£30,888	
Director of Digital & IT*	-	-	-	-	-	-	£5,609	£5,609	From 6 Mar 2020
Head of Procurement & Contract Management*	-	-	-	-	-	-	£14,683	£14,683	From July 2019
<b>Total</b>	<b>£696,002</b>	<b>£18,059</b>	<b>-</b>	<b>£714,063</b>	<b>£161,958</b>	<b>£840,071</b>	<b>£73,054</b>	<b>£913,125</b>	

Cherwell District Council has several joint posts under the Partnership Agreement with Oxfordshire County Council:

\*Denotes Staff employed by Oxfordshire County Council and the District Council is charged a share of salary costs

\*\*Denotes Staff employed by Cherwell District Council and a charge is made to Oxfordshire County Council for a share of the salary costs:

### Note 30 - 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.

31-Mar-20		31-Mar-21
£'000s		£'000s
61	Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	141
0	Fees payable to the Audit Commission for the certification of grant claims and returns	0
<b>61</b>	<b>Total</b>	<b>141</b>

### Note 31 – Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2020/21;

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

31-Mar-20	Grant Income Credited to Taxation	31-Mar-21
£'000		£'000
(114)	Revenue Support Grant	(116)
(13,782)	Non-Domestic Rates (incl. Section 31 grant)	(7,353)
(5,087)	New Homes Bonus	(5,836)
0	Covid grants	(3,679)
0	Council Tax income guarantee grant	(79)
(1,093)	Disabled Facilities Grant	(1,240)
(2,353)	Other Capital Grants and Contributions	(11,816)
<b>(22,428)</b>	<b>Total</b>	<b>(30,119)</b>

## Grant Income Credited to Services

31-Mar-20	Grant Income Credited to Services	31-Mar-21
£'000		£'000
(26,024)	Rent Allowances Subsidy Grant	(24,560)
(291)	Housing Benefit Administration Subsidy Grant	(304)
(51)	Family Annex Council Tax Discount Grant	(55)
(18)	Individual Election Registration	(14)
(112)	LCTS Administration Subsidy Grant	(111)
(231)	NDR Cost of Collection Grant	(232)
(192)	Flexible Homeless Support Grant	(629)
(157)	Rough Sleeper Initiative	(228)
(255)	Developer contributions (S106)	(607)
(165)	New Burdens	(303)
(250)	Discretionary Housing Payments	(329)
(1,274)	Other Grants & Contributions	(459)
(1,948)	Contributions from other Local Authorities	(2,753)
(204)	Bicester Healthy New Towns	(48)
(365)	Home Office – Refugees	(433)
(1,090)	Homes England - Garden Town Funding	(125)
0	Neighbourhood Planning	(20)
0	Covid-19 related grants	(7,451)
<b>(32,627)</b>	<b>Total</b>	<b>(38,752)</b>

The Council has received several grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that could require the monies or property to be returned to the giver if the conditions are not met. The balances at the year-end are as follows:

### Grants Receipts in Advance (Revenue Grants) - Current Liabilities

31-Mar-20		31-Mar-21
£'000		£'000
(175)	Section 106 developer contributions	(134)
0	COVID Grant - Closed Business Lockdown Payment Grant	(3,314)
0	COVID Grant - Christmas Support	(25)
0	COVID Grant - LRSG Closed	(958)
0	COVID Grant - LRSG Closed Addendum	(3,865)
0	COVID Grant - Test & Trace	(106)
0	COVID Grant - Small Business Grant	(10)
(985)	Other Grants and contributions	(201)
<b>(1,160)</b>	<b>Total</b>	<b>(8,612)</b>

### Grants Receipts in Advance (Capital Grants) - Current Liabilities

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
(613) Section 106 developer contributions	(777)
<b>(613) Total</b>	<b>(777)</b>

### Grants Receipts in Advance (Revenue Grants) - Long Term Liabilities

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
(4,511) Section 106 Developer Contributions - Capital	(4,169)
(5) Community Build Banbury	(5)
<b>(4,516) Total</b>	<b>(4,174)</b>

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

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
(7,420) Section 106 Developer Contributions - Capital	(8,086)
(29) Other Contributions	(6,301)
(4) DECC GREEN DEAL	(4)
(8) DEFRA Monitoring & Modelling	(8)
(4,250) NW Bicester Bridge	(4,250)
(3,906) Eco Town Grant	(3,906)
(2,946) Garden Town Capacity Funding	1
<b>(18,563) Total</b>	<b>(22,555)</b>

## Note 32 - Related Parties

Incomplete due to outstanding returns.

## Note 33 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases 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

Capital Expenditure and Capital Financing		
31-Mar-20		31-Mar-21
£'000		£'000
146,232	Opening Capital Financing Requirement	178,745
<b>Capital Investment:</b>		
19,004	Property Plant and Equipment	40,764
3,508	Investment Property	1,999
771	Intangible Assets	1,146
2,178	Revenue Expenditure Funded from Capital Under Statute	12,865
6,225	Long Term Investments	4,000
10,055	Long Term Debtors	5,703
41,742	<b>Total Capital Spending</b>	66,476
<b>Sources of Finance:</b>		
(4,039)	Capital receipts	(1,883)
(3,425)	Government Grants and other contributions	(13,056)
<b>Sums set aside from revenue:</b>		
0	- Direct revenue contributions	0
<b>Debt Repayment:</b>		
(1,765)	Minimum revenue Provision	(2,153)
(9,229)	<b>Total Sources of Finance</b>	(17,092)
178,745	<b>Closing Capital Financing Requirement</b>	228,128
<b>Explanation of movements in year</b>		
31-Mar-20		31-Mar-21
£'000		£'000
34,278	Increase in underlying need to borrow (unsupported by government financial assistance)	51,538
	Assets acquired under finance leases	
(1,765)	Statutory provision for repayment of debt (minimum Revenue Provision)	(2,153)
32,513	<b>Increase/(decrease) in Capital Financing Requirement</b>	49,384



## Note 34 – Leases

### 34.1 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-Mar-20		31-Mar-21
£'000		£'000
3,750	Other Land and Buildings	3,619
0	Vehicles, Plant, Furniture, Equipment and Other	0
<b>3,750</b>	<b>Total</b>	<b>3,619</b>

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

31-Mar-20		31-Mar-21
£'000		£'000
<b>Finance lease liabilities (net present value of minimum lease payments):</b>		
6	- current	7
1,576	- non-current	1,570
0	Finance costs payable in future years	0
<b>1,582</b>	<b>Minimum lease payments</b>	<b>1,577</b>

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

Minimum Lease payments		Finance Lease Liabilities	
31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21
£'000	£'000	£'000	£'000
6	7	204	206
32	36	817	822
1,544	1,534	5,393	5,222
<b>1,582</b>	<b>1,577</b>	<b>6,414</b>	<b>6,250</b>

### 34.2 Authority as Lessee - Operating Leases

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

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
27	22
76	67
17	4
<b>120 Total</b>	<b>93</b>

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

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
40	61
<b>40 Total</b>	<b>61</b>

### 34.3 Authority as Lessor - Finance Leases

<b>31-Mar-20</b>	<b>31-Mar-21</b>
<b>£'000</b>	<b>£'000</b>
<b>Finance lease debtor (net present value of minimum lease payments):</b>	
0 - current	0
725 - non-current	475
0 Unearned finance income	0
0 Unguaranteed residual value of property	0
<b>725 Gross investment in the lease</b>	<b>475</b>

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-Mar-20	31-Mar-21		31-Mar-20	31-Mar-21
£'000	£'000			£'000
0	0	Not later than one year	0	0
0	0	Later than one year and not later than five years	0	0
725	725	Later than five years	725	725
<b>725</b>	<b>725</b>	<b>Total</b>	<b>725</b>	<b>725</b>

### 34.4 Authority as Lessor - Operating Leases

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

31-Mar-20			31-Mar-21
£'000			£'000
5,118	Not later than one year		4,314
16,116	Later than one year and not later than five years		12,269
36,210	Later than five years		38,301
<b>57,444</b>	<b>Total</b>		<b>54,884</b>

## Note 35 - 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.

During the year under review a number of assets have been professionally valued by external valuers as part of the Council's rolling five-year rolling programme of asset valuations. A review is also carried out by the Council to determine whether there are any indications of impairments or revaluation losses with regard to assets not subject to revaluations in the current year.

Part of the 2020-21 revaluations included a sample of car parks owned by the Council which reflected a significant reduction in value compared to the previous year due to reduced revenues, primarily due to the impact of Covid-19. The reduced revenues relating to the car parks revalued in the year was indicative of all car parks owned by the Council. In view of this all of the remaining car parks owned by the Council have been revalued downwards based on estimates using the average percentage reduction in value relating to the professionally valued assets. The revaluation losses relating to the remaining car parks amounted to approximately £2.2m.

There are no other impairment losses or any impairment reversals in 2020/21.

## Note 36 - Termination Benefits

The authority terminated the contracts of five employees which resulted in termination benefits in 2020/21. The Figure in the financial year of 2019/20 was £0.

[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) + ©]		[e] Total cost of exit packages in each band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
£0-£20,000	3	0	2	0	5	0	£10,859	£0
£20,001-£100,000	0	0	0	0	0	0	£0	£0
£100,001-£140,000	0	0	0	0	0	0	£0	£0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>£10,859.00</b>	<b>£0.00</b>

## Note 37 - Defined Benefit Pension Scheme

### 37.1 Participation in Pension Schemes

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, and structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

### 37.2 Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year;

<b>31-Mar-20</b>		<b>31-Mar-21</b>
<b>£'000</b>	<b>Comprehensive (Income) &amp; Expenditure Statement</b>	<b>£'000</b>
	<b>Cost of Services:</b>	
6,018	Current Service Cost	5,397
54	Past Service Cost/(Gain) - Including Curtailments	0
58	Administration Expense	77
	<b>Financing and Investment (Income) and Expenditure:</b>	
2,402	Net Interest Expense	1,704
8,532	Total Post Employment Benefit Charged to the (Surplus) or Deficit on the Provision of Services	7,178
	<b>Other Comprehensive (Income) &amp; Expenditure:</b>	
(9,113)	Return on Plan Assets (excluding amounts included in net interest expense)	22,366
7,918	Actuarial (Gains) & Losses Arising on Changes in Demographic Assumptions	(2,386)
20,165	Actuarial (Gains) & Losses Arising on Changes in Financial Assumptions	(45,266)
0	Experience (Gain)/loss on defined benefit obligation	0
12,342	Other actuarial (Gains) & Losses on assets	1,769
31,312	Post-Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	<b>(23,517)</b>
	<b>Movement in Reserves Statement</b>	
(8,532)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post-employment Benefits in accordance with the Code	(7,178)
2,550	Employer's Contributions Payable to the Pension Scheme	7,811
<b>(5,982)</b>	<b>Total</b>	<b>633</b>

### 37.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

31-Mar-20		31-Mar-21
£'000	Pension Assets & Liabilities Recognised in the Balance Sheet	£'000
(171,417)	Present value of the defined benefit obligation	(222,096)
101,891	Fair value of plan assets	129,944
(69,526)	Sub-total	(92,152)
(3,244)	Other movements in the liability	(3,502)
<b>(72,770)</b>	<b>Net liability arising from defined benefit obligation</b>	<b>(95,654)</b>

### 37.4 Assets and Liabilities in relation to Retirement Benefits

31-Mar-20		31-Mar-21
£'000		£'000
	<b>Reconciliation of Present Value of Scheme Liabilities</b>	
(208,340)	Liabilities as of the Beginning of the Period	(174,661)
(6,076)	Current Service Cost	(5,474)
(5,031)	Interest Cost	(4,026)
(1,006)	Contributions by Scheme Participants	(1,060)
20,165	Change in financial assumptions	(45,266)
7,918	Change in demographic assumptions	(2,386)
12,342	Experience (Losses)/Gains on defined benefit obligation	1,769
0	Losses on Curtailments	0
5,421	Benefits Paid	5,506
(54)	Past Service Costs	0
<b>(174,661)</b>	<b>Liabilities as of the End of the Period</b>	<b>(225,598)</b>
	<b>Reconciliation of Fair Value of Scheme Assets</b>	
110,240	Assets as of the Beginning of the Period	101,891
2,629	Interest on Assets	2,322
(9,113)	Return assets less interest	22,366
0	Actuarial Gains/(Losses)	0

0	Administration expenses	0
2,550	Employer Contributions	7,811
1,006	Contributions by Scheme Participants	1,060
(5,421)	Benefits Paid	(5,506)
<b>101,891</b>	<b>Assets as of the End of the Period</b>	<b>129,944</b>

### Impact on the Council's cash Flow

The liabilities show the underlying commitments that the authority has in the long run to pay post-employment (retirement) benefits. The total liability of £226m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £96m (see Note 25: Pension Reserve).

However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy:

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary,
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the authority in the year to 31 March 2022 is £2.452m.

The weighted average duration of the defined benefit obligation is 21 years.

### Sensitivity Analysis

Funding levels are monitored on an annual basis, with the last triennial review and valuation completed at 31 March 2019. The fund liability may go up and down depending on assumptions applied.

### Measurement of Pension Liability

The present value of the pension liability depends on a number of factors that are determined on an actuarial basis and the value of the underlying assets. The actual liability of the Council will continue to be subject to volatility, as a result of a number of factors.

The estimated effects of the changes in the key individual assumptions in determining the net pension liability would increase the Council's pension liability as of 31 March 2021 as follows:

31-Mar-20		31-Mar-21
£'000	Sensitivity analysis	£'000
15,945	0.5% decrease in the real discount rate	22,127
1,385	0.5% increase in the salary increase rate	1,832
14,449	0.5% increase in the pension increase rate	19,868
<b>6,986</b>	<b>1-year increase in member life expectancy</b>	<b>9,024</b>

The above table presents the changes in key assumptions in isolation. The information is only indicative of the estimated impact as the assumptions interact in complex ways.

### 37.5 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for Oxfordshire County Council Pension Fund being based on the latest full valuation of the scheme as at 31 March 2019.

The principal assumptions used by the actuary in the calculations are:

31-Mar-20		31-Mar-21
%	Principal Assumptions	%
2.8	Rate of inflation: RPI	3.3
1.9	Rate of inflation: CPI	2.85
1.9	Rate of increase in salaries	2.85
1.9	Rate of increase in pensions	2.85
2.3	Rate of discounting scheme liabilities	2.0

These assumptions are set with reference to market conditions as at 31 March 2021. The estimated duration of Employer's liabilities is 21 years.

The discount rate is the annualised yield at the 21-year point on the iBoxx 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.

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 21 year point on the BoE market implied inflation curve.

Future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI. Salaries are assumed to increase by CPI only.

31-Mar-20		31-Mar-21
Years	Mortality Assumptions	Years
	<u>Longevity at 65 for current pensioners</u>	
22.2	Men	22.4
24.3	Women	24.7
	<u>Longevity at 65 for future pensioners</u>	
22.9	Men	23.4
25.6	Women	26.3



**The following assumptions have been made:**

- Members will elect to take 50% 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.
- Members opted-in to the 50:50 section at the previous valuation date will continue in this section.

The Local Government Pension Scheme’s estimated asset allocation for Cherwell District Council consists of the following categories, by proportion of the total assets held:

31-Mar-20		31-Mar-21
%	Estimated Asset Allocation	%
0	Equity Securities	0
12	Debt Securities	11
4	Private Equity	4
0	Real Estate	0
81	Investment Funds and Unit Trusts	81
0	Derivatives	0
3	Cash & Cash Equivalents	4
<b>100</b>	<b>Total</b>	<b>100</b>

**37.6 Other factors arising from recent court cases**

- **Guaranteed Minimum Pension (GMP) Indexation** - The 2019 formal funding valuation included an allowance for full GMP equalisation / indexation within the LGPS. The rolled forward position to 31 March 2021 therefore includes this allowance. The further ruling in respect of historical transfers is unlikely to be significant in terms of impact on the pension obligations of a typical Employer, and as a result no allowance has been made for this
- **McCloud** - An allowance was added to the 2019 valuation results, so the impact is continued to be included within the balance sheet at 31 March 2021
- **Goodwin** - Whilst there is still uncertainty surrounding the potential remedy to this judgement, the actuary has carried out some approximate analysis across their LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses’ benefits. The approximate impact of this is very small for a typical Fund (c. 0.1 - 0.2% of obligations), and therefore there are not sufficient grounds to apply an additional adjustment to account for this.

## **Note 38 - Contingent Liabilities**

### **NHS Trust**

Cherwell District Council is part of an on-going legal case involving other councils regarding NHS Trusts being treated as charitable organisations in terms of being eligible for 80% relief from business rates.

The High Court ruled in favour of the councils in December 2019. In February 2020 the group of NHS Trusts applied for permission to appeal the ruling.

A petition to the Court of Appeal was dropped on the 29<sup>th</sup> March with economic outflow no longer foreseeable.

Had the outcome of the litigation been in favour of the NHS Trusts, this would have meant a refund of business rates relating to previous years and an ongoing reduction in business rates from NHS Trust properties in Cherwell.

### **Oxfordshire County Council Bond**

Cherwell District Council issued a Bond to Oxfordshire County Council in December 2019 on behalf of its wholly owned subsidiary, Graven Hill Village Development Company Ltd (GHVDC), relating to GHVDC's obligations under the S106 Agreement for payment of contributions and direct delivery of a primary school. The Bond Sum is £22m.

## **Note 39 - 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.

# Collection Fund Accounts

31-Mar-20			31-Mar-21			
Business Rates	Council Tax	Total	Collection Fund	Business Rates	Council Tax	Total
£'000	£'000	£'000	Income:	£'000	£'000	£'000
0	(105,076)	(105,076)	Council Tax Receivable		(110,800)	(110,800)
(103,401)	0	(103,401)	Business Rates Receivable	(42,898)		(42,898)
(818)	0	(818)	Transitional Protection Payments Receivable	(376)	0	(376)
<b>(104,219)</b>	<b>(105,076)</b>	<b>(209,295)</b>	<b>Total Income</b>	<b>(43,275)</b>	<b>(110,800)</b>	<b>(154,075)</b>
<b>Expenditure:</b>						
<b>Contribution to Previous Year's estimated Surplus/Deficit:</b>						
938	0	938	Central Government	2,513		2,513
750	176	926	Cherwell District Council	2,011	304	2,314
188	1,160	1,348	Oxfordshire County Council	503	1,994	2,497
0	148	148	Thames Valley Police and Crime Commissioner		280	280
<b>Precepts, demands and shares:</b>						
47,225	0	47,225	Central Government	48,011		48,011
37,780	12,054	49,834	Cherwell District Council	38,409	12,797	51,206
9,445	79,136	88,581	Oxfordshire County Council	9,602	84,864	94,467
0	11,114	11,114	Thames Valley Police and Crime Commissioner	0	12,016	12,016
<b>Charges to Collection Fund:</b>						
294	21	315	Write-offs of uncollectable amounts	(35)	413	378
98	593	691	Increase/(decrease) in allowance for impairment	607	(137)	470
4,634	0	4,634	Increase/(decrease) in allowance for appeals	4,867		4,867
231	0	231	Charge to General Fund for allowable collection costs for non-domestic rates	232		232
<b>Other transfers to General Fund in accordance with non-domestic rates regulations</b>						
481	0	481	Renewable Energy	491		491
<b>102,064</b>	<b>104,402</b>	<b>206,465</b>	<b>Total Expenditure</b>	<b>107,210</b>	<b>112,533</b>	<b>219,743</b>
(2,156)	(674)	(2,830)	Movement on Fund Balance	63,935	1,732	65,667
(2,095)	(2,290)	(4,385)	Balance at the beginning of the Year	(4,251)	(2,965)	(7,216)
<b>(4,251)</b>	<b>(2,965)</b>	<b>(7,215)</b>	<b>Balance at the end of the Year</b>	<b>59,684</b>	<b>(1,233)</b>	<b>58,451</b>
<b>Shares of Balance</b>						
(2,125)	0	(2,125)	Central Government	29,842		29,842
(1,700)	(349)	(2,049)	Cherwell District Council	23,874	(143)	23,731
(425)	(2,294)	(2,719)	Oxfordshire County Council	5,968	(950)	5,018
0	(322)	(322)	Thames Valley Police and Crime Commissioner	0	(140)	(140)
<b>(4,251)</b>	<b>(2,965)</b>	<b>(7,216)</b>	<b>Total</b>	<b>59,684</b>	<b>(1,233)</b>	<b>58,451</b>

## Notes (1 – 4) to the Collection Fund

### Note 1. General

This account represents the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates, council tax and the distribution to the major preceptors and the General Fund. The account is consolidated with other accounts of the Council.

Under the business rates retention scheme, local authorities retain 50% of the business rates collected for the area (Cherwell 40% and Oxfordshire CC 10%) and pay the remaining 50% to central government. The government has set a level of business rates funding deemed to be applicable to each area and every Council receives a top-up (if business rates collected are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

If a local authority increases its business rates base, and thereby increases its business rate income, it is allowed to retain a proportion of this increased income, whilst paying up to a maximum of 50% across to central government. This payment where it occurs is known as a levy payment. However, as Cherwell District Council is part of a business rates pool, the levy is distributed to the members as per the pooling arrangements with 0.72% paid to central government as a levy payment.

### Note 2. Business Rates

Business Rates is a local tax that is paid by the occupiers of all non-domestic/business property.

Business rates are calculated and collected by the Council. The Government specifies an amount (51.2p in 2020/21; 49.9p for small businesses) and, subject to the effects of transitional arrangements, local businesses pay NNDR calculated by multiplying their rateable value by that amount. The income raised in Cherwell is distributed between Cherwell District Council, Oxfordshire County Council and Central Government in line with the distribution rules set out in Business Rates legislation.

NNDR income was £43.3 m in 2020/21. The rateable value for the Council's area was £231.7 m at 31 March 2021 VOA valuation (2019/20: £231.0 m).

### Note 3. Provision for Un-collectable Amounts

Provision has been made within the accounts for un-collectable amounts based on guidelines. At the end of 2020/21 the accumulated provision for bad debts stood at £3.229m (£2.759m for 2019/20) made up as follows:

31-Mar-20		31-Mar-21	
£'000	Provision for Uncollectable Amounts		£'000
377	Non-Domestic Rates		984
2,382	Council Tax		2,245
<b>2,759</b>	<b>Total Provision</b>		<b>3,229</b>

#### Note 4. Council Tax Base

The Council tax Base, for tax setting purposes, is calculated by reference to the number of chargeable dwellings in each valuation band, adjusted for dwellings where discounts apply, and adjustments made for exempt properties and anticipated amendments. This is then converted to an equivalent number of band D dwellings which is the amount the authority estimates would be collected if a tax of £1 is set.

The figures for 2020/21 are:

Band	Estimated equivalent no. of taxable properties after effect of discounts	Ratio	Band D Equivalent Dwellings
A	4,401	6/9ths	2,934
B	13,080	7/9ths	10,173
C	15,730	8/9ths	13,982
D	10,312	9/9ths	10,312
E	7,510	11/9ths	9,179
F	3,687	13/9ths	5,326
G	2,463	15/9ths	4,105
H	214	18/9ths	428
<b>Totals</b>	<b>57,397</b>		<b>56,439</b>
Adjustment for non- collection (-2.0%)			(1,129)
Contribution from MOD Properties			250
Council Tax Base 2020/21			<b>55,560</b>
Council Tax Base 2019/20			<b>53,877</b>

The Council tax payable at each band is shown below. This does not include parishes.

Band	Multiplier	Cherwell Council	Oxfordshire County Council	Thames Valley Police and Crime Commissioner	Total £s
A	6/9ths	89.00	1,018.29	144.19	1,251.48
B	7/9ths	103.83	1,188.01	168.22	1,460.06
C	8/9ths	118.67	1,357.72	192.25	1,668.64
D	9/9ths	133.50	1,527.44	216.28	1,877.22
E	11/9ths	163.17	1,866.87	264.34	2,294.38
F	13/9ths	192.83	2,206.30	312.40	2,711.53
G	15/9ths	222.50	2,545.73	360.47	3,128.70
H	18/9ths	267.00	3,054.88	432.56	3,754.44

## Group Accounts and Explanatory Notes

Incomplete as not all data available from group at date of publication.

## Annual Governance Statement 2020/21

See Appendix 3.

## Foot Notes

These Foot Notes relate to information in the Finance Director's Narrative Statement and provide links to documents containing supporting information referenced under the subheadings "About the District" and "Our Leadership and Workforce"

Foot Note 1:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157323/report.aspx?pc=OX154AA#tablesp>

Foot Note 2:

<http://modgov.cherwell.gov.uk/documents/g3456/Public%20reports%20pack%20Tuesday%2017-Dec-2019%20Constitution.pdf?T=10&Info=1>

Foot Note 3:

<https://www.cherwell.gov.uk/info/5/your-council>

Foot Note 4:

<http://modgov.cherwell.gov.uk/mgListExecPosts.aspx?bcr=1>