

BLABY DISTRICT COUNCIL

STATEMENT OF ACCOUNTS

2023/24

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NARRATIVE REPORT BY SARAH PENNELLI, EXECUTIVE DIRECTOR (SECTION 151)

I am pleased to present Blaby District Council's Statement of Accounts for the financial year ended 31st March 2024. The published accounts are an important element of the overall arrangements for demonstrating the Council's financial stewardship of public money. Although the accounts are backward-looking, they provide the context for the challenging financial position in which many local authorities find themselves. Some, but not all our key income streams have begun to show signs of recovery, but most have yet to return to pre-pandemic levels.

The financial settlement for 2023/24 was better than expected but that does not diminish the ongoing impact of the current economic climate, which continues to cause financial management challenges to the Council.

The future of local government funding remains uncertain, with the likelihood that the Fair Funding Review and expected reset of the business rates baseline will now take place no earlier than 1st April 2026. Whilst this provides a certain amount of time to develop and implement our future financial plans, there is still a great deal of uncertainty in terms of the extent of any future changes to local government funding at a national level.

Part of my role as Executive Director (Section 151) is to ensure that the Council's financial affairs are properly administered, and its financial position remains stable and robust. This is essential to ensure that the Council can continue to provide quality services to our residents.

The Department for Levelling Up, Housing and Communities (DLUHC) is responsible for issuing regulations that cover the production and publication of local authority accounting statements. The Accounts and Audit (Amendment) Regulations 2022 specify that local authorities must publish their audited accounts for 2023/24 by 30th September 2024. The public inspection period commences on or before the first working day of June which effectively means that I must sign-off the unaudited accounts for publication by 31st May 2024 at the latest.

However, at the time of signing these accounts, the external audit process for the financial years 2020/21, 2021/22, and 2022/23 are yet to be concluded due to a national backlog. DLUHC has consulted on proposals to introduce a backstop date intended to ensure that outstanding audit opinions are issued to get public sector audits back on track. The results of the consultation are awaited but there is a risk that the proposals may lead to limited or qualified opinions being issued for the financial years in question.

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). It aims to provide sufficient information to ensure that members of the public, including electors and residents of Blaby, Council Members, partners, stakeholders, and other interested parties can:

- Understand the overarching financial position of the Council and the outturn for 2023/24;
- Have confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner; and
- Be assured that the financial position of the Council is sound and secure.

This Narrative Report provides an organisational overview of Blaby District Council and the external environment within which it operates. It also provides a summary of the financial position on 31st March 2024, including the following:

- About Blaby – key facts and figures
- The Blaby District Plan
- The 2023/24 Budget and Council Tax Setting Process
- The Capital Programme 2023/24
- The Council's financial performance in 2023/24
- Non-Financial Performance of the Council
- Performance against Corporate Objectives
- Other Issues
- Summary position
- Receipt of further information
- Acknowledgements

This is followed by an explanation of the Financial Statements and content of the Statement of Accounts.

About Blaby District Council

Blaby District Council is situated in the southwest corner of Leicestershire within the East Midlands region. It is one of seven districts within the County, also bordering the City of Leicester. Blaby District covers a geographical area of about 129 km² and is a mix of urban and rural areas with 80% of the population live in areas classed as 'urban'. There are 27 settlements, which are diverse in nature and size.



There are major transport links running through the district including the M1 and the M69 the A563, A5460 and the B4114. Travel-to-work patterns indicate a strong functional relationship between the city and many settlements in the district.

The railway station at Narborough has direct links to Leicester and Birmingham. The district is within easy travelling distance of two international airports.

Fosse Park is within the

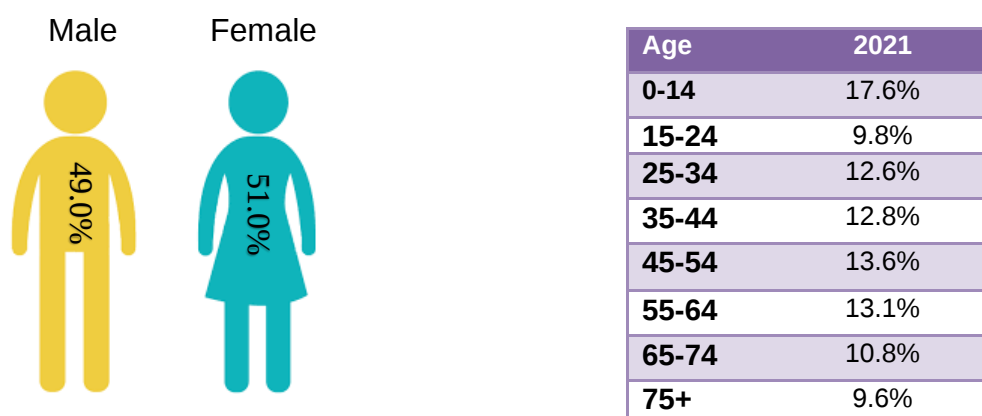
district boundary and is one of the busiest retail parks in the country, attracting 11 million visitors a year. There are also large-scale business parks and business headquarters including Next and Santander within the District. There are also several headquarters for public sector organisations such as Leicestershire Police and Leicestershire County Council as well as a large hospital.



Key Facts and Information about Blaby

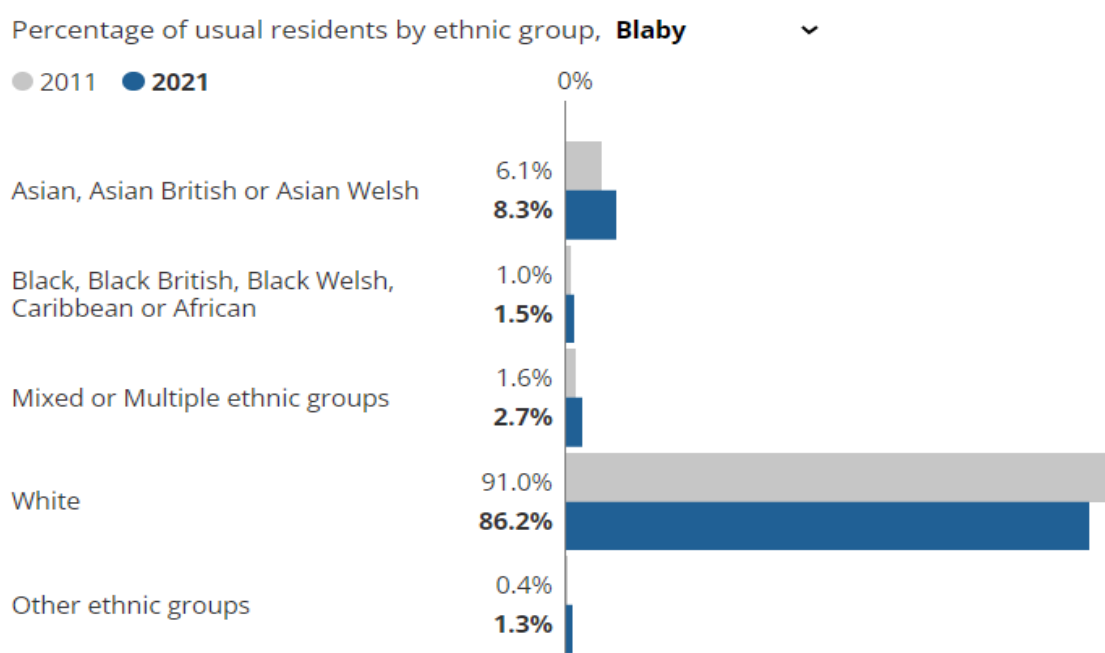
Blaby's population size grew by 9.6%, from around 93,900 in 2011 to 102,900 at the time of the most recent census in 2021. This is higher than the overall increase for England (6.6%), where the population grew by nearly 3.5 million to 56,489,800. As of 2021, Blaby is the 12th most densely populated of the East Midlands' 35 local authority areas, with around six people living on each football pitch-sized area of land.

The graphic below shows the gender split and the age breakdown of the population in Blaby District.



Life expectancy is good at nearly 82 years for men and 85 years for women compared to 80 and 83 years nationally.

The ethnic minority population of the district has shown an increase when comparing the 2021 data against 2011. The ethnic minority proportion is at 13.8% compared to 9.1% in 2011.



Source: Office for National Statistics – 2011 Census and Census 2021

Employment

For the period of January to December 2023, 86.9% of Blaby's population is considered to be economically active, representing 55,700 residents in employment. This compares well to the East Midlands overall position, which is 78.4%.

Unemployment is at 3% of residents who were economically active.

Gross pay for full time workers in Blaby District is £689.90 per week, slightly higher than the median figure of £640.20 for the East Midlands.

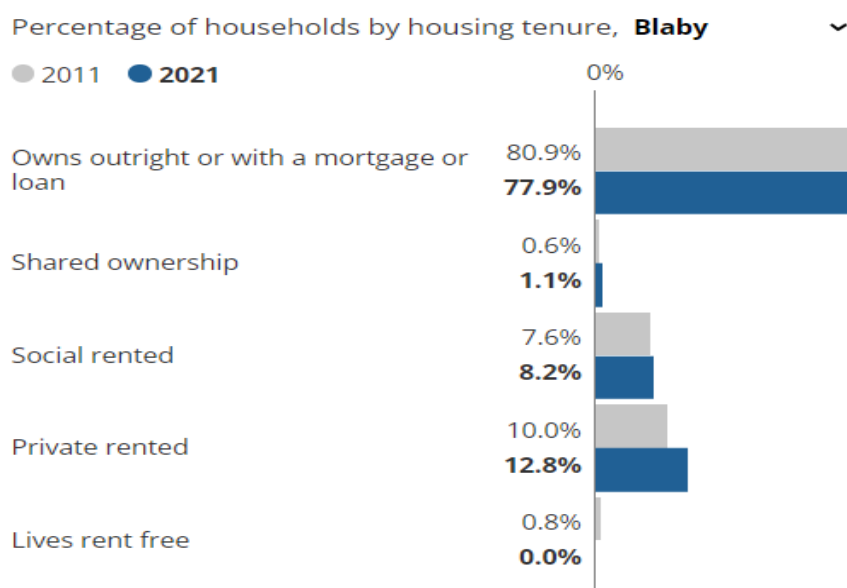
Housing

As at May 2024 the average house price in the district is £319,000 compared to £280,500 for the whole of Leicestershire.

The average Private Rental cost for Blaby stands at £846 compared against the Leicestershire average of £822.

We continue to seek to provide as many affordable homes as possible and in the previous financial year (2022/23) we oversaw the completion of 131 new affordable units for rent and shared ownership. This represents a 158% increase on the previous four years of delivery which was an average of 51 units per financial year.

The data in the graph below is taken from the 2021 census.



Source: Office for National Statistics – 2011 Census and Census 2021

Health

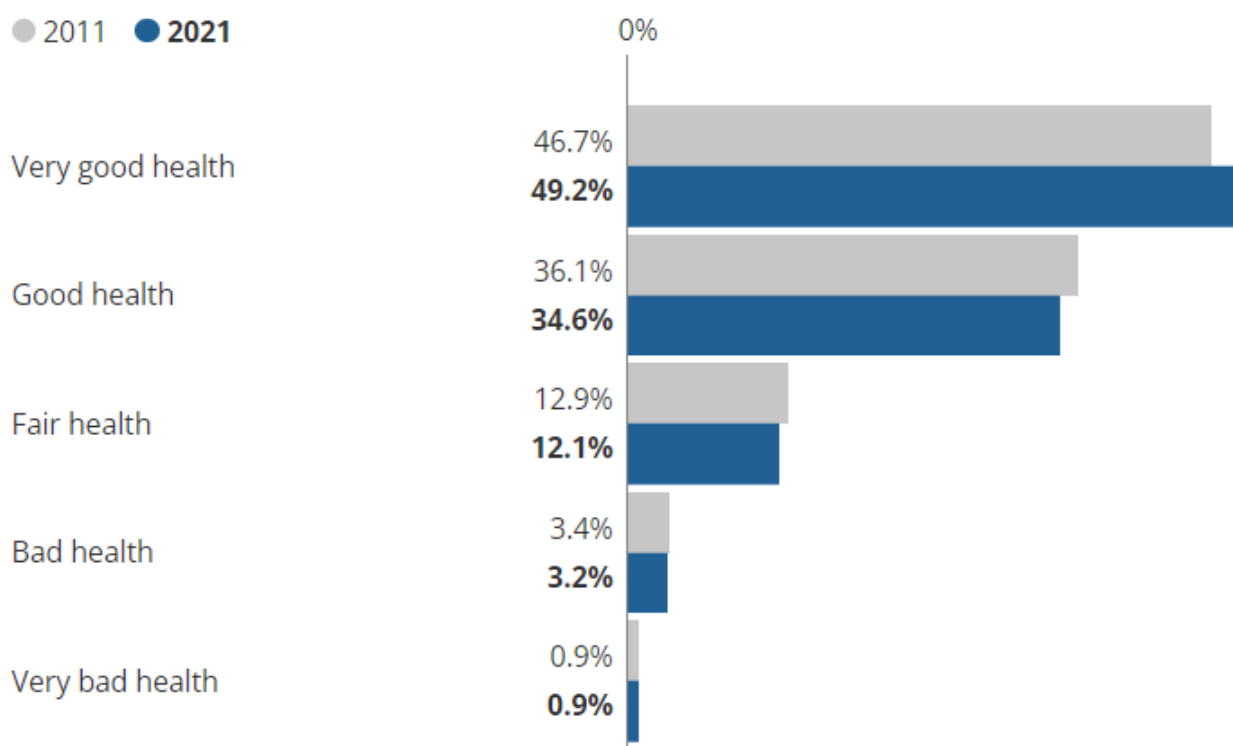
Health and recreation are well catered for in the district. We have nine strategic green spaces including Glen Parva Local Nature Reserve which received a Green Flag Award. Our community garden, 'A Place to Grow', helps to support positive health and wellbeing. There are two Council owned leisure centres managed on our behalf by Sport and Leisure Management Ltd.

The graph below shows an increase in residents reporting themselves to be in very good health when comparing the 2021 with the 2011 census.

Age-standardised proportion of usual residents by self-reported health,

Blaby ▼

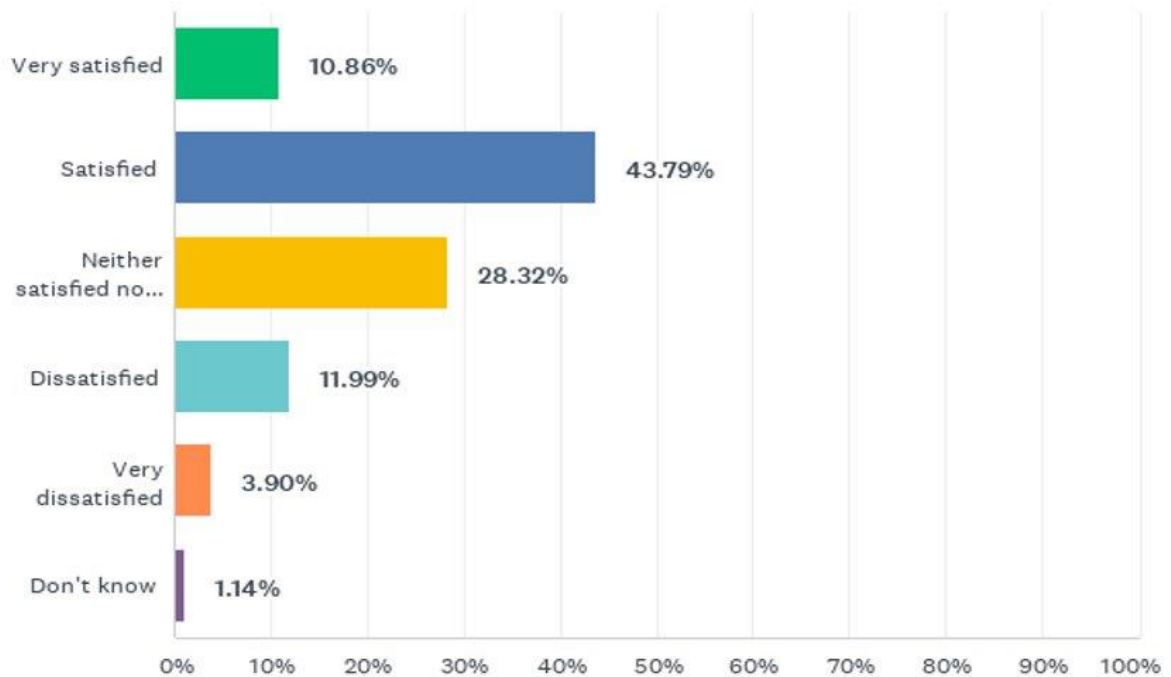
● 2011 ● 2021



Source: Office for National Statistics – 2011 Census and Census 2021

Using data from the 2024 Residents' Survey, 54.7% of residents are satisfied with the way the Council operates and delivers services.

Overall, how satisfied, or dissatisfied are you with the way Blaby District Council runs their service?



Political Management Arrangements

At the start of 2023/24 the Council comprised 39 elected Members representing 18 Wards in the District. However, during 2022/23 the Local Boundary Commission undertook a boundary review, the result of which was that the number of District Councillors was reduced from 39 to 36. Alongside this there were changes to some of the previous ward names and boundaries, and these changes were implemented in the local elections held on 4th May 2023.

Members set the strategy and policy framework for the Council, and within which officers deliver services. Blaby operates a Cabinet Executive model which comprises five Cabinet Members. The Leader of the Council is Councillor Terry Richardson (Conservative), and the Deputy Leader is Councillor Maggie Wright (Conservative). The Leader has responsibility for the appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of executive functions.

The Cabinet Executive is currently made up of five Members appointed by the Leader to make decisions on key strategic matters. Each Cabinet Member has portfolio responsibilities in respect of specific Council functions.

The current portfolios which broadly reflect the service groups within the Council are as follows:

1. Leader
2. Finance, People and Performance
3. Neighbourhood Services & Assets
4. Health, Wellbeing, Community Engagement & Business Support
5. Housing, Community and Environmental Services
6. Planning Delivery and Enforcement, and Corporate Transformation

The political composition of the Council changed following the district election held on 4th May 2023, although the Conservative party still maintains overall control with a reduced majority. The political make up is now:

- 19 – The Conservative Party
- 9 – Liberal Democrats
- 6 – The Labour Party
- 2 – Green Party

The Council's Constitution is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. Amendments to the Constitution are brought before Council as part of the continuous review process.

Blaby District is split between two constituencies- South Leicestershire Parliamentary Constituency and Mid Leicestershire Parliamentary Constituency. South Leicestershire comprises of Blaby District Wards Blaby, Cosby & Whetstone, Countesthorpe, Enderby, Fosse Highcross, Fosse Normanton, Fosse Stoney Cove, North Whetstone, and Glen Parva. Mid Leicestershire comprises of Braunstone Millfield, Braunstone Ravenhurst, Glenfield Ellis, Glenfield Faire, Kirby Muxloe, Leicester Forest & Lubbethorpe and Thorpe Asley & St Mary's.

A predominantly in-house, comprehensive Member induction package has been, and continues to be, delivered across the Council. It is recognised that there needs to be an ongoing development

programme that equips Members with the skills and appropriate levels of knowledge to face future challenges and ensure effective succession planning. A Member Development Steering Group takes a proactive approach to the training programme and guiding projects such as Member ICT.

The Council has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive “Members Roles and Responsibilities” paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities. This includes the role of a Portfolio Holder and what is required of them.

Portfolio Holder roles are intensive with a broad range of responsibilities, some are also appointed to other appropriate committees including the Appointments and Appeals Committees. Executive Members can also be appointed to Outside Bodies and represent the Council on external partnerships. Cabinet Members cannot be Members of the Scrutiny Commission; however, they are required to attend meetings. They are supported by the Senior Leadership Team. Although, the role is not a full-time position, Portfolio Holders currently combine their role with employment and/or a range of caring responsibilities.

The Scrutiny process provides an opportunity for councillors and, in some cases, external representatives, to examine various functions of the Council, to ask questions about how decisions have been made and to consider whether service improvements can be put in place. It provides an opportunity for them to champion issues of public concern and to participate in the development of new policies.

Scrutiny facilitates debate about priorities, budget, the strategy of the Council and its vision for the district. Scrutiny reinforces the local authority's leadership role in promoting the well-being of the local community because it can enable reviews of services, provided by other organisations to be carried out.

Scrutiny Commission has the power to review and scrutinise:

- The priorities and objectives of the Council
- The policies the Council adopts to meet those objectives
- The Council's performance in meeting its objectives
- The decisions taken by the Cabinet Executive, committees, and officers
- Services, bodies, or issues which affect the well-being of people in the district

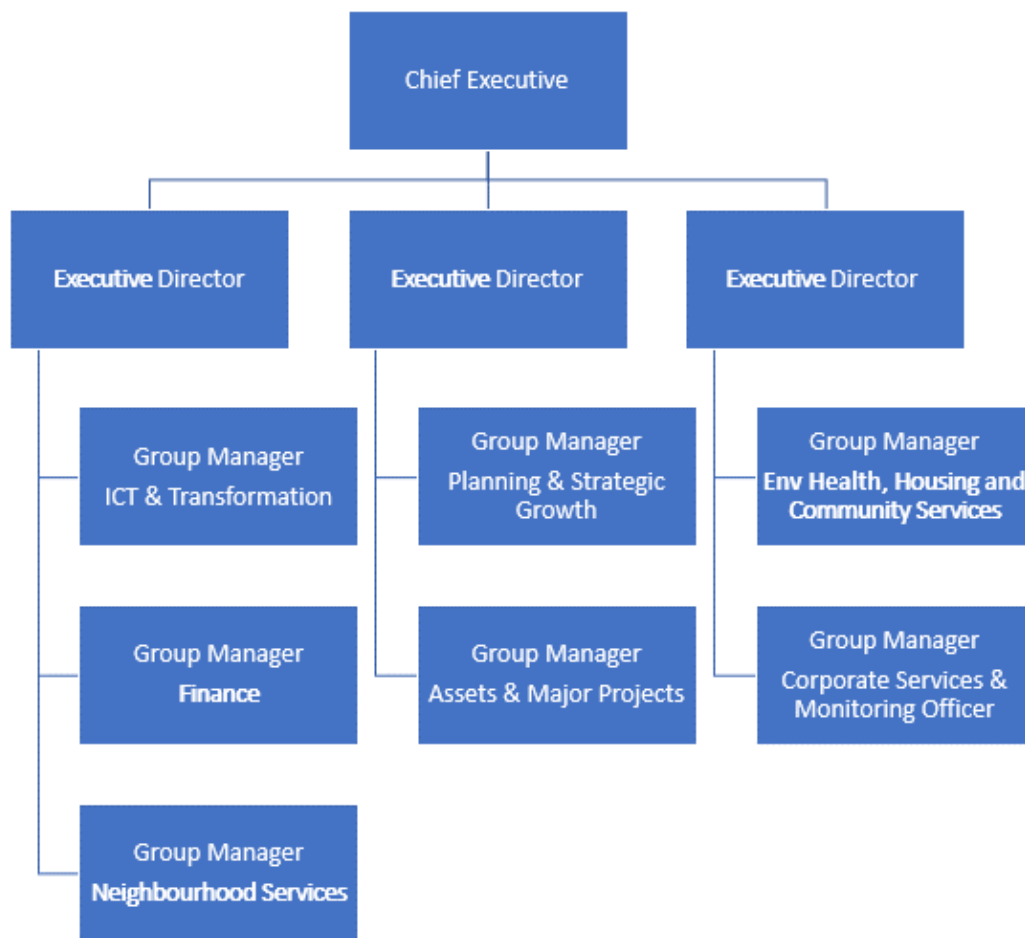
Most non-executive members serve on Scrutiny Working Groups with 11 members making up the Scrutiny Commission (18 in 2022/23).

Councillors are kept informed of the activity of the Council through a variety of channels such as: Portfolio briefings, Informal Cabinet, presentations and briefings at Council meetings, member newsletter emails.

Management Structure

Corporate management is provided by the Strategic Leadership Team (SLT) which implements the strategic goals of the Council as decided by Members.

Following a review of best practice across comparable districts, identifying the Council's needs, understanding the financial constraints, and through consultation with the existing SLT, the following structure was approved by Cabinet Executive on 6th November 2023:



The restructure resulted in the following changes to the previous structure:

- Creation of a third Director role
- Removing the Group Manager for Business, Partnerships & Health Improvement, and replacing the post with a new Group Manager for Assets & Major Projects
- Realignment of the Group Manager reporting lines and responsibilities
- Making the role of Group Manager for ICT and Transformation a permanent position
- Removal of the vacant Strategic HR Manager role

The revised structure recognises the change of expertise required to manage significant projects, the Council's approach to commerciality and the significant changes to certain services. The additional capacity and the revised skills at a director level will limit the need to seek external support regarding major projects and will ensure they are delivered as required.

The increased focus on ICT and the outcomes being achieved through our approach to transformation justify the need to make the Group Manager for this service area permanent. In addition, the HR functions sits within this service area and as such the role previously played by the Strategic HR Manager will be assumed by the Group Manager.

Our Staff

On 31st March 2024 the Council employed 350 members of staff working across a range of services, compared with 343 on 31st March 2023. The number of full-time equivalents (FTEs) on 31st March 2024 was 324.05 (314 on 31st March 2023).

The demographic make-up of our staff.	
Females	54%
Males	46%
Employees disclosing that they have a disability	6.29%
White British	77.71%
Minority Ethnic	12.00%
Undeclared	10.29%
18 to 29	10.29%
30 to 39	15.71%
40 to 49	23.43%
50 to 59	34.86%
60 and over	15.71%

At the end of March 2024 sickness stood at 10.7 days per employee.

The Blaby District Plan

The financial year ended 31st March 2024 marked the final year covered by the Blaby District Plan 2021 - 2024. The Council approved a new Blaby District Plan, covering the period 2024 – 2028, on 28th November 2023. The Blaby District Plan sets out our vision, values, and strategic themes for the next four years. This was one of the key recommendations arising from the Peer Review that took place in March 2022, with the intended outcome of driving the Council and its priorities forward in the wake of the pandemic.

The document sets out where the Council is now, what it wants to achieve, and how we will achieve those objectives. A detailed process was followed to arrive at the final plan, including full Council workshops, employee workshops, public focus group discussions, and engagement with Scrutiny, the Youth Council, parishes, and other partners.

Our Vision

Our vision is to ensure that Blaby District is a great place to live, work and visit.

Our Organisational Values

Our organisational values define our culture, embody our beliefs and principles, and provide guidance for our interactions with customers, colleagues, and communities.

They are:

1. Put the customer at the heart of everything we do.
2. Be innovative, adaptable, and resourceful.
3. Understand the needs of our communities and treat everyone fairly.
4. Be open, honest, and clearly communicate.

Our Strategic Themes

Our strategic themes, as set out in the new Blaby District Plan are as follows:

- Enabling our communities and supporting our vulnerable residents.
- Enhancing and maintaining our natural and built environments.
- Growing and supporting our economy.
- Keeping you safe and healthy.
- Ambitious and well-managed Council, valuing our people.

Beneath each theme, the Blaby District Plan sets out what we want to achieve, and how we will achieve this.

In addition to this the plan includes the Council's key achievements from the previous plan period, 2021 – 2024.

All major corporate projects, as well as more significant service projects, are presented to Programme Board with a Business Case stating how they contribute to the Blaby District Plan Priorities. Programme Board provides both challenge and support, ensuring that there is a clear link to our priorities, that they are fully costed and resourced. Each month Project Managers report progress along with new issues and risks. Requests for additional finance or staff etc must be approved by Programme Board.

We monitor the delivery of our priorities regularly through our annual plans, which set out our delivery for the year against these, and report progress to Programme Board each quarter. Currently we produce a formal report of outcomes to Full Council every 6 months, along with performance monitoring.

A statement of achievements is presented at each Council meeting as part of the Leader's Statement. We also monitor our resident's priorities through our bi-annual Resident's Survey and annual Budget Survey when gathering feedback on our performance, priorities, council tax and communication.

The Council's new corporate performance management framework, introduced in 2022/23, is now fully embedded in our culture and working practices. The framework allows us to collect metric performance data for all services, focusing on outcomes, and to develop service plans that map out the aims and objectives of all services, with a clear link to the Blaby District Plan and vision.

Performance improvement and service transformation is owned by the people who know and deliver the services best, i.e., our employees and service managers. We make it clear how everybody contributes to the Council priorities and ambitions.

As a Council we feel that it is important to look outside of the organisation. We include benchmarking data in our regular Blaby District Plan Progress and performance reports. We are also active members of the East Midlands Performance Group and Benchmarking Subgroup and members of APSE.

Medium Term Financial Strategy

The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning document. The MTFS contains a financial forecast which is updated each year to reflect the changes to funding.

It had been hoped that the Secretary of State would announce a multi-year settlement effective from 2023/24 but, as has been the case in recent years, only a single year settlement was released. This, coupled with the ongoing uncertainty over the funding reviews, made it more difficult to gauge the financial picture for future financial years, since many of the funding streams for 2023/24 were either one-off grants or were expected to be discontinued in the medium term.

The Council approved an updated MTFS as part of the 2023/24 budget setting process in February 2023. The MTFS was predicated on the assumption that the business rates baseline would be rebased from 1st April 2025, which was expected to lead to a significant loss of business rates growth accumulated since 2013/14, when the current methodology was introduced. As a result, a budget deficit of around £2.6m was forecast for 2025/26 even allowing for the potential inclusion of some form of damping to cushion the effect of the loss in funding. The shortfall was forecast to increase to £3.7m in 2026/27 and £4.9m in 2027/28. The future funding estimates within the MTFS were based upon the best available information that could be gained from the national picture and documents within the public domain at the time the budget was set.

The key risks to the Council's future financial position, the outcome of which remain uncertain, are:

- New Homes Bonus –it is the government's stated intention to discontinue New Homes Bonus., although it remains unclear as to whether it will be replaced by an alternative funding stream. Ultimately, New Homes Bonus was still part of the 2024/25 budget settlement, and it is now considered that it will be discontinued after 31st March 2026.
- Business Rates – indications were that there would be a reset of the business rates baseline, likely to be effective from 2025/26. Given the current economic climate and the recently announced General Election in July 2024, any such reset is now unlikely to take effect before 2026/27 at the earliest but this remains to be confirmed. Any baseline reset could lead to Blaby losing the benefit of much of the significant growth in business rate income that it has achieved over recent years.
- Fair Funding Review – the government had previously stated its intention to review the formula that it uses to determine the distribution of funding to local authorities. Implementation of this review has been subject to successive deferrals. As with the business rates reset, it is unlikely to be implemented until 2026/27 at the earliest.
- The current economic climate – whilst inflation has fallen considerably compared to the previous financial year, prices continue to rise at a higher than usual rate, fuelled by conflict in the Ukraine and now the Middle East.

Transforming Blaby Together

Transforming Blaby Together is the Council's over-arching response to the challenges that we are facing. We recognise that our customer base, demand, and expectations are evolving over time, and we need to become more responsive to meet their needs. At the same time, as alluded to in the preceding paragraph, we must face the prospect of reduced funding.

The vision for Transforming Blaby Together is to enable the Council to adopt a culture of continuous improvement to facilitate opportunities and different ways of working to drive operational effectiveness and build in cost effective efficiencies.

The delivery of exceptional customer experience and assuring customers are at the heart of everything we do is a key driver for the Council and its transformation programme.

Transforming Blaby Together aligns our objectives for delivery of our plans across the following areas:

- Equality, Diversity, and Inclusion (EDI).
- People and Organisational Development (POD).
- Customer Insight, Experience, and Engagement (CIEE).
- Transformation, Projects, and Digital (TPD).

At the centre are four key themes, those being:

- Customers at our heart.
- Prioritise digital.
- Challenge the way we work.
- Financial Resilience.

Our aspirations, commitments, and action plans for each of these key themes are set out in more

detail in our Transforming Blaby Together Strategy which is available on our website.

Net Zero

In 2020, we published our ambition to be carbon neutral as an organisation by 2030, and to work with partners to support the district in becoming carbon neutral by 2050.

Our Climate Change Strategy supports this ambition and provides a vision for a “green recovery” to create sustainable communities, low carbon transport networks, and a thriving local economy.

Over the last 12 months, our greenhouse gas emissions have reduced from 498tCO₂e to an estimated 174tCO₂e. The main contributory factors to our remaining carbon footprint are gas and electricity, diesel for a small part of our fleet, and other business mileage undertaken by employees.

Having already moved to an alternative fuel source for most of our vehicle fleet – hydro treated vegetable oil (HVO) – we have also secured funding from the government under the banner of Let’s Go Electric. This funding will enable us to purchase our first electric road sweeper, and to convert an existing refuse collection vehicle from diesel to electric.

In addition to this we have completed or begun a number of new projects that will support our 2030 net zero ambition, including:

- The installation of solar PV and battery storage at our depot in Whetstone, and at Enderby Leisure Centre.
- The introduction of electric charging infrastructure across some of our sites.
- Replacement of old, inefficient gas boilers at our main offices.

Further details are available in our Climate Change Strategy and Net Zero Action Plan on the Council’s website.

Risk Management

The management of risk is a critical success factor in helping the Council to achieve its objectives. We manage risk in several ways and revised our Risk Management Strategy in July 2023 to reflect this. The new Strategy covers the period 1st April 2023 to 31st March 2026.

- Corporate Risks – the Corporate Risk Register is monitored on a quarterly basis by the Corporate Risk Group, which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, and the Council Tax Income and Debt Manager. The group re-evaluates risks considering actions that have been put in place, and assesses potential future risks, as well as reviewing significant service risks.
- Service Risks – Service Managers closely monitor the major risks within their own services and update the Service Risk Register on a quarterly basis to reflect any changes to perceived risk.
- Project-related Risks – the Council has a robust project management process in place that includes a specific requirement to consider all risks associated with new projects. The Senior Leadership Team, sitting as Programme Board, maintains an overview of project risks as part of its monthly meetings.

The Audit and Corporate Governance Committee plays an important role in the management of risk in considering the effectiveness of the Council's risk management arrangements and control environment, and reviewing the risk profile of the organisation and assurances that action is being taken. The Committee receives quarterly reports highlighting the latest position and any significant changes in relation to corporate risks. All committee reports are required to include a risk assessment. Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

The Corporate Risk Group has identified 27 corporate risks. The following table provides a summary of the status of those corporate risks both before and after control measures are put in place.

Summary by Risk Type	Red	Amber	Green	Total
All Corporate Risks Uncontrolled Rating	17	9	1	27
All Corporate Risks Controlled Rating	5	12	10	27

The Council's Corporate Risks on 31st March 2024 were:

Risk Description	Uncontrolled Rating	Controlled Rating
Lack of certainty around future funding streams	High	High
Closure or relocation of a major district employer	High	High
Transition from LICT Partnership to in-house provision	High	High
Failure of ICT systems	High	High
ICT security breaches	High	High
Failure to provide housing and supporting infrastructure in line with need	High	Medium
Failure to recruit and retain the right people for the right jobs	High	Medium
Structural, legislative, and budgetary changes in other organisations	High	Medium
Cost of living crisis leading to increased demand for services	High	Medium
Officer and Member emotional wellbeing impacted by service demands	High	Medium
Partners lose confidence in the Leicestershire Building Control Partnership model	High	Medium
Partners do not reach agreement on the future Lightbulb delivery model and business case	High	Medium
Inability to deliver a new Local Plan	High	Medium
The Council is unable to meet its 5-year land supply target	High	Medium
Impact of industrial action on services and residents	High	Medium
Failure to identify, record, monitor and report health and safety risks	High	Low
Failure to provide appropriate temporary accommodation for homelessness	High	Low
Huncote Leisure Centre and surrounding site – risk of elevated methane levels	Medium	Medium

2030 net zero carbon reduction target has a detrimental impact on our finances	Medium	Medium
Engagement of elected Members negatively impacts on decision making	Medium	Low
Blaby District Plan not deliverable within existing resource	Medium	Low
Failure to have effective safeguarding arrangements in place	Medium	Low
Failure to ensure adherence to internal control arrangements	Medium	Low
Lack of effective emergency planning and business continuity arrangements	Medium	Low
Failure of contracts to deliver intended outcomes	Medium	Low
Delivery of Hospital Enablement Team model becomes unsustainable	Medium	Low
Failure to comply with legislation	Low	Low

Further information, including the control measures in place, is available on the Council's website – see agendas and minutes of the Audit and Corporate Governance Committee.

Partnership Working

Partnership working makes a significant contribution to the way we deliver our services, and many of our achievements are only possible because of the valuable contributions made by our partners. Many of our aims and objectives set out in the Blaby District Plan have been identified and supported by our partners as part of our vision for the district.

Partnership working takes place in all aspects of our services and our ambitions including:

- **Joint Community Safety Partnership** which represents both Blaby district and Hinckley and Bosworth borough. It comprises a range of organisations that work together to make safer places to live, work, and visit. Community safety remains a top priority to the district and our communities. Blaby District Council and Hinckley and Bosworth Borough Council have joined together, along with Leicestershire Police and Leicestershire Fire and Rescue Service, to share their expertise to help deliver effective and efficient community safety services across both areas.
- **Blaby District Tourism Partnership** – launched in March 2018 to deliver opportunities for growth in the tourism sector within Blaby district. The partnership quickly established a tourism website for the district called Visit Blaby and has successfully attracted funding through the Heritage Lottery Fund to support local restoration and archaeological projects. The partnership has been active in creating a Tourism Growth Plan to 2025. The Growth Plan sets out ambitious targets of growing the value of tourism in the district by £50m, increasing tourism sector jobs from 2,000 to 2,800 and increasing the number of visitors by 1.3m to 4.5m.
- **Lightbulb** – a multi-award winning, integrated housing support service that brings together the County Council, Leicestershire district and borough councils, and other local partners to help people stay safe and keep well in their homes for as long as possible by way of a range of practical housing support. Lightbulb continues to be innovative with the introduction of a hospital discharge grant to help people leave hospital and return home, a smart technology project which helps people remain independent in their own home and a safe spaces project which supports those individuals who live in hoarded properties. The Council is in the process of refreshing the business case for continuation of the Lightbulb model, and the contract has been extended for twelve months to 31st May 2025 whilst this work is completed.
- **The Housing Enablement Team (HET)** places specialist housing professionals into the University Hospitals Leicester and the Bradgate Mental Health Unit, with the goal of assisting patients with housing issues so that they can be safely discharged, reducing, or preventing discharge delays and improving patient outcomes. HET is a service that is offered across Leicester, Leicestershire & Rutland (LLR), also covering patients from out-of-area and those with no recourse to public funds, where they are occupying an inpatient bed and have a housing related barrier. The team is funded by the Clinical Commissioning Group for LLR and the Leicestershire Partnership Trust, and the service is run on their behalf by the Council.
- **The Leicestershire Building Control Partnership** is a fully delegated operating model led by Blaby. Under this arrangement, Blaby delivers the building control function on behalf of Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, Oadby and Wigston Borough Council and Rutland County Council.

Local Plan

We are proud of our place shaping approach to growth, which is a clear shared priority across members and officers. We have invested considerable resource in ensuring we can deliver in this area.

Several years ago, we restructured our planning department to create a dedicated Strategic Growth Team, to ensure a clear focus on the right homes in the right places and infrastructure to support this. This culture runs through the whole organisation and has resulted in numerous awards for our Sustainable Urban Extension at New Lubbethorpe.

In practice this approach is demonstrated in a range of ways such as strong partnership working, a clear political mandate, and a strong focus on areas such as urban design. We have had a cross-organisational Affordable Housing Working Group for several years, which ensures that we can deliver on a pipeline of affordable housing and other specialist requirements such as dementia friendly properties.

A considerable amount of joint strategic planning is ongoing at the Leicester and Leicestershire level, and this is delivered by a high-level Strategic Planning Group and Members Advisory Group (MAG) which is chaired by the Leader of Blaby District Council.

These groups have been driving forward several key pieces of work, which seek to deliver growth across the City and County.

One of these has been work to agree housing distribution, and individual housing requirement targets, for districts and boroughs. This was particularly challenging given the significant increase in housing need given to Leicester City by the Government, which has led to the identification of extensive unmet need. However, with a strong partnership arrangement in place, all the districts and boroughs have worked together to procure evidence to inform the apportionment of the unmet need that has culminated in a Statement of Common Ground signed by all parties.

We are currently working on our emerging Local Plan, which will deliver our vision for the district to 2041.

The new Local Plan will cover housing and employment allocations, as well as a range of development polices to deliver our place shaping narrative.

Community Engagement

As we work to put the customer at the heart of everything we do, we strive to continually improve services to residents. Consultation supports this by involving people and ensuring services are appropriate to the needs of the customer. To deliver fit for purpose services, projects, and policies it is important that we consult our residents, stakeholders, and partners in a co-ordinated, well-planned, robust and accessible way.

The Council regularly engages with residents, partners, and stakeholders. We undertake corporate consultation and engage at a service specific level. We want to listen to the needs of our residents and ensure we understand their needs and views.

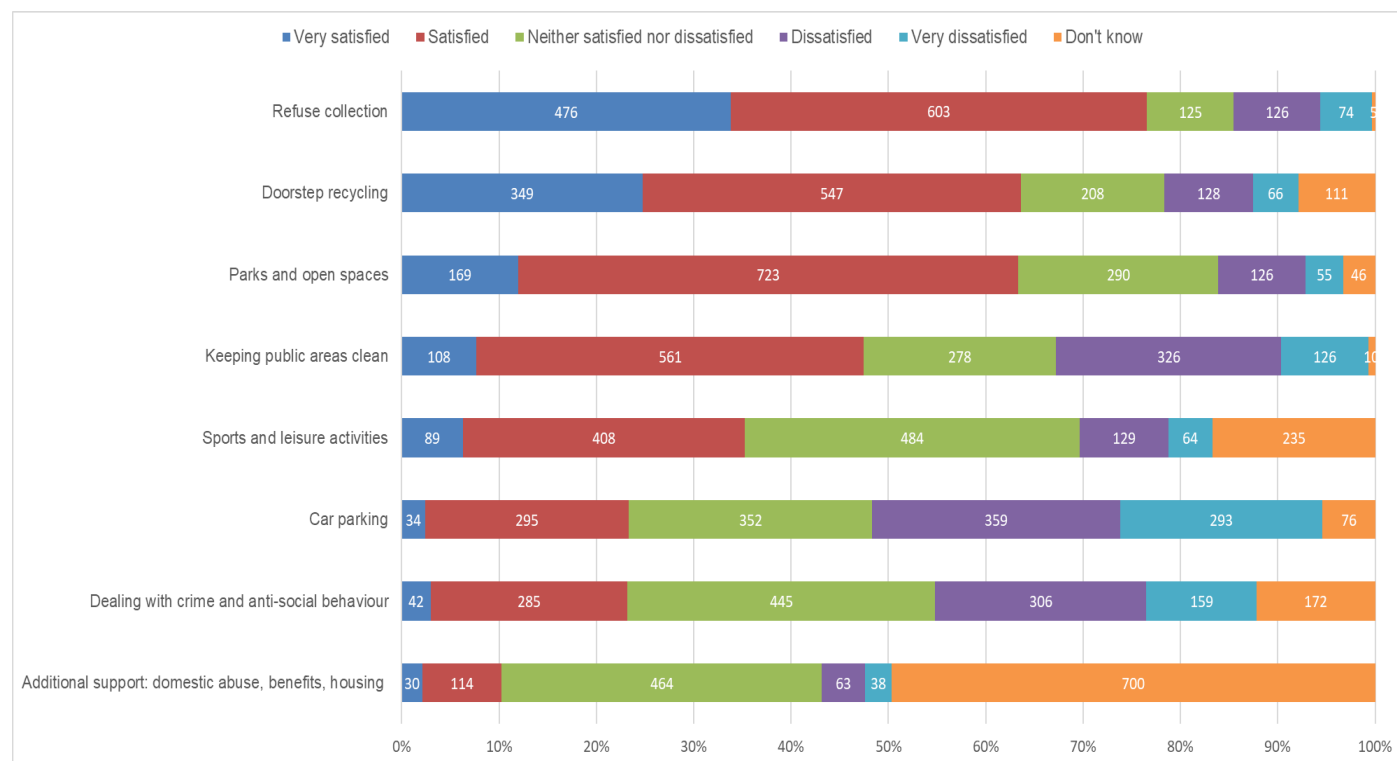
In January 2024, we undertook our corporate Resident's Survey. Each year we alternate a full resident's survey with a shorter, budget focussed questionnaire. Both cover value for money, potential council tax increases, and an assessment of the priorities for the district.

However, during each year several consultation exercises take place. Some of these are regular service satisfaction surveys such as for health and well-being, while others are one off surveys to inform our plans, policies, and changes to services. Examples of these include consultation on the

Blaby District Plan 2024-28, the New Local Plan Options Consultation, and the Bin Service Review.

The chart below shows the response to one of the key questions included in the 2024 Resident's Survey:

How satisfied or dissatisfied are you with the following individual services in your area?



The 2023/24 Budget Process

The 2023/24 budget process commenced in September 2022 with the Finance team meeting with services to formulate a base budget. The estimates were refined over the course of the next few months before being presented to Scrutiny Commission in January 2023, where Scrutiny Members were provided with the opportunity to question Portfolio Holders about their service spending plans for the forthcoming financial year.

Scrutiny Members were advised of the results of the provisional settlement, received on 19th December 2022, and its impact on the Council's 2023/24 budget.

The key elements of the Secretary of State's statement were:

- Confirmation that the settlement was for a single year only.
- Continuation of the New Homes Bonus for a further year.
- Council tax threshold increases.
- Changes to the business rates baseline.
- Additional funding streams.

Whilst there was a suggestion that certain elements of the settlement that may continue into 2024/25, there was no certainty provided in terms of the level of funding that would be available. As in previous years, there was also much uncertainty surrounding the proposed future changes to Business Rates Retention and the Fair Funding Review, and what the impact of those changes would be for Blaby. The likelihood at the time was that those changes would be introduced in 2025/26, although it is now understood that there is at least a further 12-month delay.

The provisional settlement was recognised as the best in cash terms that local government had received in more than a decade, although much of the increase was directed towards upper tier authorities to fund social care. However, Blaby benefitted from a new grant – the Funding Guarantee – which had been introduced to ensure that the spending power of all local authorities was increased by at least 3%. In Blaby's case, the Funding Guarantee amounted to around £1.5m and compensated for the reduction in New Homes Bonus Grant and reduced the funding gap to just £0.104m.

At its meeting of 20th February 2023, Cabinet Executive was presented with a net expenditure budget of £14.665m, which was consequently approved.

Cabinet Executive recommended the budget proposals to Council, and the budget was approved by Council at its meeting on 22nd February 2023. At the same meeting the Council also approved the Council Tax for 2023/24, the Prudential Indicators and Treasury Management Strategy, and the five-year Capital Programme 2023/24 to 2027/28.

Council Tax

Council Tax is the largest single revenue stream that is used to support the Council's revenue budget, contributing just over 43% towards the net budget requirement.

Each year the government sets out the principles which determine whether a local authority's proposed council tax increase is excessive. For 2023/24, the basic amount of council tax for a shire district council, such as Blaby, would be considered excessive if:

- It was 3%, or more than 3%, greater than the basic amount of council tax in 2022/23; and
- It was more than £5 greater than the basic amount of council tax in 2022/23.

This means that Blaby was able to increase its Band D council tax by the greater of 2.99% or £5 in 2023/24 without triggering a referendum. If a referendum were triggered this would require the local electorate to be given an opportunity to vote to support or veto the increase in council tax.

Given the continuing uncertainty over the future of local government funding, coupled with a potentially significant future budget shortfall, Council decided to increase the Band D Council Tax by 2.99%, the maximum increase permissible under the referendum rules. A comparison of Council Tax levels for 2022/23 and 2023/24 is shown in the following table.

	2022/23 £	2023/24 £	Change %
Leicestershire County Council			
- Main element*	1,280.87	1,324.31	2.99
- Adult Social Care element*	172.09	201.15	2.00
- Total	1,452.96	1,525.46	4.99
Leicestershire, Leicester & Rutland Combined Fire Authority	74.29	79.29	6.73
Office of the Police & Crime Commissioner for Leicestershire	258.23	273.23	5.81
Blaby District council	178.32	183.65	2.99
Average Parish Councils	115.57	122.61	6.09
Total	2,079.37	2,184.24	5.05

*In accordance with Government guidance each percentage is calculated as an increase to the 2022/23 total of £1,452.96.

Council Tax Base

The Council Tax Base for 2023/24 was set at 34,369.72, an increase of 123.49 Band D equivalent properties compared with the previous year (34,246.23).

Income Generation and Commercialisation

The Council's Commercial Strategy aligns closely with the Blaby District Plan and other key strategies, contributing towards our ambition to make Blaby District Council financially sustainable and creating a district where people are happy to live, work and visit.

We aim to achieve this ambition in the following ways:

- By creating a commercial culture/ethos.
- Maximising income but still retaining the status as the 'safety net for the vulnerable'.
- Maximising the Blaby pound.
- Proactively identifying opportunities for commercial investments.
- Focusing resources on initiatives that will drive financial or social benefit.
- Encouraging communication and access to services with residents and customers through digital channels, and furthering Blaby's reputation for delivering quality services.
- Reviewing chargeable, Non-Statutory Services to generate income.

The updated Commercial Strategy, covering the period 2022 to 2027 was approved by Council on 24th February 2022 and is available to download on the Council's website.

Reserves and Balances

The 2023/24 budget was formulated and approved on the basis that a contribution of £166,007 would be required from General Fund Balances, with an additional £241,017 being released from earmarked reserves to support specific one-off expenditure, to set a balanced budget. The estimated General Fund balance on 31st March 2024 would, therefore, be £3.642m representing 24.8% of the proposed net revenue budget for 2023/24. This is within the Council's policy limit of holding between 10% and 35% of the proposed relevant annual net revenue budget.

In addition to the unallocated General Fund Balance, the Council maintains several earmarked reserves set aside to provide for future expenditure plans, as mentioned above. These are covered in detail in Note 9 to the Financial Statements.

Although the Council's current reserves and balances remain in a relatively healthy position it is not prudent to expect that they are sufficient to sustain the Council's current level of spending in the longer term, in the light of uncertainties over the future of local government funding.

Budget Monitoring

The Council has well established and robust financial management procedures in place to monitor budgets and to identify and mitigate any forecast over spending. The process for the management and monitoring of budgets is continuously refined to help ensure that the Council's longer term financial position is sustainable.

Budget managers are aligned to named Business Accountants to ensure continuity and understanding of the budgetary needs of the service. The Finance team provides monthly budget reports to services and facilitate regular meetings to jointly monitor progress against the budget. The Finance team continues to look to strengthen and bring greater resilience to the budget monitoring process, which will become increasingly important over the next few years as the Council strives to meet its savings targets.

Quarterly revenue and capital budget monitoring reports are presented to the Cabinet Executive and/or Council throughout the financial year. The first quarterly revenue monitoring report to Cabinet highlighted the ongoing impact of the cost-of-living crisis on the Council's finances, with several key income streams suffering, and protracted pay negotiations expected to require an additional call on balances. However, this was tempered by restructure savings and an increase in investment income, leading to a projected contribution of £489,416 being required from General Fund balances. By quarter 2, the picture had improved slightly, even though the pay award was expected to exceed what had been budgeted, because investment income continued to grow on the back of increases in the Bank of England base rate. However, by the time the Quarter 3 report was presented to Cabinet, it was forecast that the Council would be able to contribute £318,257 to balances, helped by vacancy savings and further increases in investment income.

Financial Performance of the Council 2023/24

General Fund Revenue Account

The Council's 2023/24 revenue outturn position is shown in the table below. The original budget set at the Council meeting on 20th February 2023 was £14,665,176, supported by contributions of £166,007 from General Fund Balances and £241,017 from earmarked reserves. However, budgetary changes in the year meant that, by February 2024, a contribution of £246,743 from General Fund Balances, and £4,656,017 from Earmarked Reserves were predicted. By the end of the financial year, the Council achieved a significant surplus of £1,725,331 representing a positive variance of £1,972,074 compared to the latest forecast. This surplus has been credited to General Fund balances, representing a crucial contribution towards ensuring the Council's future financial sustainability.

Some of the more significant variances that have contributed to the in-year surplus are set out below.

Description	Variance (£)
Investment income receivable due to cash position and bank rate	404,240
Establishment – salary savings due to vacant posts	356,033
Recovery of overpaid housing benefit	160,008
Loan interest payable – no external borrowing undertaken in year	128,043
Contribution towards National Rail Freight project not required	121,859
Homelessness including cost of bed and breakfast accommodation	108,654
Planning fees and charges	46,461
New Burdens Grant funding - land charges and council tax collection	45,990

2023/24 Outturn	2023/24 Approved Budget	2023/24 Revised Budget	2023/24 Actual Outturn
	£	£	£
Finance, People and Performance	3,486,457	2,983,321	1,965,148
Housing, Community and Environmental Services	2,369,404	3,153,877	706,878
Health, Wellbeing, Community Engagement and Business Support	1,661,674	2,965,060	1,309,599
Leader	1,796,625	2,014,236	1,653,620
Neighbourhood Services and Assets	5,690,877	5,994,692	5,450,074
Planning Delivery and Enforcement and Corporate Transformation	4,432,785	5,022,572	3,348,271
Blaby share of Leicestershire Business Rates Pool	0	(1,065,210)	(1,065,210)
	19,437,822	21,068,548	13,368,380
Central Items:			
Revenue Contributions towards Capital Expenditure	100,000	200,811	4,371
Minimum Revenue Provision	478,077	484,445	484,445
Voluntary Revenue Provision	250,000	300,000	300,000
Capital Accounting Adjustments	(3,615,103)	(3,092,895)	(1,370,189)
Pension Fund Adjustments	(1,849,996)	(1,849,996)	761,602
Employee Benefits Adjustments	0	0	(6,233)
Property Fund Adjustments	0	0	(102,148)
Other Central Provisions	271,400	185,220	0
Contribution to/(from) Earmarked Reserves	(241,017)	(2,384,214)	(848,029)
Net Revenue Expenditure	14,831,183	14,911,919	12,592,199
Financed by:			
Income from National Non-Domestic Rates	(6,292,638)	(6,292,638)	(5,926,287)
New Homes Bonus Grant	(430,029)	(430,029)	(430,029)
Funding Guarantee	(1,530,635)	(1,530,635)	(1,530,635)
Services Grant	(90,200)	(90,200)	(90,200)
Levy Account Surplus Grant	0	0	(18,704)
Revenue Support Grant	(74,608)	(74,608)	(74,609)
Council Tax Demand on the Collection Fund	(6,311,930)	(6,311,930)	(6,311,930)
Council Tax (Surplus)/Deficit	64,864	64,864	64,864
	(14,665,176)	(14,665,176)	(14,317,530)
Contribution to/(from) General Fund Balances	(166,007)	(246,743)	1,725,331

Reserves and Balances – Financial Resilience

The level of General Fund balances, included in the Balance Sheet at £6.589m, contribute to the Council's financial health. The General Fund balance plays an important part in maintaining the financial stability of the authority primarily by:

- Meeting unforeseen expenditure pressures and income reductions that arise in the financial year;
- Meeting the cost of one-off items of expenditure; and
- Supporting the stability of the Council's financial position by providing a source of funding in times of uncertainty.

As referred to above, the Council added £1,725,331 to its General Fund balances because of the positive financial performance in 2023/24. However, the General Fund balances were also subject to the following transfers to and from earmarked reserves:

- An addition of £445,000 transferred from the Covid Support Reserve, as approved by Cabinet Executive in July 2023.
- A reduction of £200,000 in recognition of Council's approval to increase the amount set aside for remedial works at Huncote Leisure Centre and other landfill gas sites.

This resulted in a General Fund balance of £6.589m being held as of 31st March 2024.

The Council's policy in respect of its General Fund balances is that they must sit within a range of 10% to 35% of the net budget requirement in any given year. The result of the transfers made in 2023/24 is that balances represent 39.6% of the 2024/25 net budget requirement, after considering planned contributions to support the budget. This compares favourably with the 30.4% estimated at budget stage, enhancing the Council's resilience going into 2024/25. However, as the Council's upper policy limit has been exceeded, it will be necessary to review the limit during 2024/25.

The Council also holds earmarked reserves on the Balance Sheet with a total value of £9,692m on 31st March 2024 (£12.736m on 31st March 2023 including £1.517m set aside to meet the Collection Fund Deficit). Further detail on the balance and purpose of each earmarked reserve appears in note 9 to the Financial Statements. These reserves are held to manage future risks and expenditure priorities.

Apart from those transfers mentioned above, there were several other significant movements in earmarked reserves during 2023/24. The largest of these relates to Section 31 grants received from the Government in compensation for lost business rate income due to expanded retail relief given to certain business sectors in response to the COVID-19 pandemic and lockdown. Blaby received £22.201m of Section 31 funding on account, to support its cash flow position, including shares relating to the Government and major preceptors that must be repaid. On 1st April 2023, Blaby was still holding £1.517m in respect of Section 31 grants to mitigate the unusually large Collection Fund deficit charged to the General Fund, originally in 2020/21 but ongoing into 2021/22, 2022/23, and 2023/24. During 2023/24, the full balance on the Section 31 Grant Reserve was released to offset Blaby's share of the Collection Fund deficit that was recognised in the 2023/24 budget. A net of £1.473m has been taken from the Ongoing Projects Reserve, reflecting the balance of unused external funding and other one-off budgets carried forward into 2024/25. A further £0.799m has been taken from the NNDR Income Reserve to ensure that the overall position in relation to business rates equates to that required to balance the budget. Finally, the Council received a share of income from the Leicestershire Business Rates Pool, which had accumulated from the levy contributions made by Pool members up to 2021/22. This share amounted to £1.065m, which has been transferred to a Business Rates Pool Reserve to support future economic development measures.

Treasury Management

The importance of the treasury management function cannot be understated. As a key component of the Council's day-to-day operations, it deals with:

- Cash flow planning – ensuring that cash is available when needed and investing surplus balances whilst minimising risk to the Council's financial position.
- Funding capital spending plans – capital expenditure often requires longer term cash flow planning. This may involve arranging loans or using longer term cash flow surpluses.

The Council has the facility to raise finance for capital expenditure and operational requirements from several approved borrowing institutions subject to it not exceeding its authorised limit for external debt, as required by the Prudential Code for Capital Finance in Local Authorities. The Council's Treasury Management Strategy, approved on 22nd February 2023, sets a range of prudential indicators including the authorised and operational limits on borrowing.

Borrowing

On 31st March 2024, the Council had total borrowings of £5.713m.

The following table illustrates the limits and levels of borrowing as of 31st March 2024 as compared to the preceding year end.

Borrowing Limits and Levels	31 st March 2024 £	31 st March 2023 £
Borrowing Limits:		
Authorised Limit for External Debt	23,000,000	23,000,000
Operational Boundary	20,700,000	20,700,000
Actual Borrowing:		
Long Term Borrowing	4,857,602	5,713,439
Short Term Borrowing	855,837	216,500
	5,713,439	5,929,939

Although the Council has a borrowing requirement of £16.560m its actual external borrowing is just £5.713m. This is due to the Council's policy of using internal balances and reserves to fund capital expenditure on a temporary basis to manage interest rate risk and make revenue savings. It is expected that the Council will need to externalise some of its existing internal debt by taking longer-term funding during 2024/25. However, the timing of any such borrowing will be dependent upon the trajectory of PWLB rates.

Investing

At the end of the financial year the Council had £22.089m of cash invested, compared with £25.456m at the beginning of the year.

The Council's investment strategy set out a benchmark for the average rate of return on investments. However, the pursuit of a target rate of return is tempered by the need to maintain sufficient liquidity for the Council's day-to-day operations and, most importantly, to ensure that funds are invested with secure institutions. In 2023/24 the Council achieved a rate of return of 5.34%.

The Council has an investment of £1m with the Lothbury Property Trust which yielded dividends in year of £0.039m with an average rate of return of 5.27%. This rate of return reflects the longer-term nature of the investment. However, the fund has suffered a significant drop in value since July 2022, having previously recovered well following the pandemic. The fund value on 31st March 2024 was £0.743m. At present there is a statutory over-ride in place that removes the need to charge the reduction in fund value to the General Fund. There is no guarantee that this over-ride will remain in perpetuity, so the Council is transferring any proceeds from investment into an earmarked reserve as a mitigation against future fluctuations in the fund value. There is currently £0.168m in the Property Fund Interest Reserve.

During 2023/24, a large proportion of investors in the Lothbury Property Trust submitted redemption requests, prompting the suspension of the fund. The fund administrators subsequently announced plans to wind up the fund on 31st December 2023, although that deadline has subsequently been extended, first to 31st March 2024, and more recently to 31st May 2024. Assets in the fund are being sold with proceeds to be distributed to investors, commencing in early June 2024, in proportion to the initial value of their investment. It is likely to be several months before the final distribution of proceeds can be made, and the extent to which any loss on investment can be identified. In February 2024, Council gave delegated authority to the Executor Director (S151), in consultation with the Portfolio Holder for Finance, Performance, and People, to decide whether to accept a proposed merger with another property fund or to withdraw its investment. Although the merger is no longer proceeding, it is considered that the Council has a greater chance of recovering its losses in the long term if it transfers any proceeds from Lothbury into a new property fund.

Capital Programme

The 2023/24 Capital Programme of £3,618,500 was approved by Council on 22nd February 2023 as part of the rolling 5-year capital planning process. The 5-year Capital Programme, along with the accompanying Capital Strategy for the same period, provided the framework within which the Council's capital investment plans were to be delivered. The following table shows the original proposed capital expenditure plan for 2023/24 through to 2027/28.

Capital 5 Year Plan	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
Invest to Save Schemes	600,000	200,000	0	0	150,000
Essential & Contractual Schemes	2,290,500	1,765,792	516,500	207,500	1,814,500
Desirable Schemes	22,000	0	0	0	0
Externally Funded Schemes	706,000	758,000	703,000	674,000	692,000
Total Expenditure	3,618,500	2,723,792	1,219,500	881,500	2,656,500

As the financial year progressed, the initial plans were revised to incorporate unspent budget reprofiled from the previous financial year, new assumptions, approvals, and scheme updates, as information became available. This led to a Revised Capital Programme total of £11,857,490 for 2023/24.

However, the final expenditure on capital schemes in 2023/24 was £6,996,593 compared to the revised forecast spend above, leading to a variance between the forecast and outturn of £4,860,897 or 41%. This was mainly due to schemes which were not completed by the end of the financial year, although there were some low-level savings achieved. Incomplete schemes amounting to £4,528,430 will be carried forward to 2024/25 together with the associated resources. The table on the following page provides an analysis of capital expenditure and how it was financed, compared with the revised forecast.

Analysis of Capital Expenditure to Revised Forecast	2023/24 Revised Forecast £	2023/24 Actual Expenditure £	Variance Overspend (Underspend) £
Invest to Save Schemes	4,515,250	2,643,473	(1,871,777)
Essential and/or Contractual Schemes	5,097,471	2,747,762	(2,349,709)
Desirable Schemes (subject to affordability)	84,000	78,410	(5,590)
Externally Funded Schemes	2,160,769	1,526,948	(633,821)
Total Expenditure	11,857,490	6,996,593	4,860,897
Financed by:			
Borrowing	6,205,895	3,664,330	2,541,565
Capital Receipts	1,675,424	730,959	944,465
Capital Reserves	107,000	371	106,629
Revenue Contributions	112,811	4,000	108,811
External Funding	3,756,360	2,596,933	1,159,427
Total Resources	11,857,490	6,996,593	4,860,897

The most significant variances between actual expenditure and planned expenditure in 2023/24 are shown below.

	Planned Capital Expenditure £	Actual Capital Expenditure £	Variance Overspend (Underspend) £
Strategic Asset Reviews	780,000	26,290	753,710
Electric Vehicle Infrastructure for Depot	720,000	0	720,000
Regeneration and Housing Property	3,260,000	2,597,933	662,067
Disabled Facilities Grants	1,449,668	936,879	512,789
ICT Infrastructure Improvements	500,000	2,622	497,378
Solar Panels for Depot	456,000	0	456,000
Fleet Vehicle Replacement Programme	1,669,861	1,305,623	364,238
Income Management System	220,000	0	220,000
Walk and Ride Blaby	140,000	0	140,000
HR and Payroll System	150,000	38,886	111,114
Other variances	2,511,961	2,088,360	423,601
	11,857,490	6,996,593	4,860,897

The Balance Sheet Position

The Council's Balance Sheet reflects a net asset position despite the presence of the pension liability.

explained below. Long term assets comprise property, plant, and equipment, as well as intangible assets and long-term debtors.

	31 st March 2024	31 st March 2023
	£	£
Long Term Assets	37,753,839	34,320,999
Current Assets	29,410,692	31,676,938
Current Liabilities	(22,549,248)	(21,431,493)
Long Term Liabilities (Including net Pension Liability)	(13,843,403)	(9,415,094)
Net Assets/ (Liabilities)	30,771,880	35,151,350
Funded by:		
Usable Reserves	(19,135,730)	(20,612,106)
Unusable Reserves	(11,636,150)	(14,539,244)

Pension Liability

The Council participates in the Local Government Pension Scheme (LGPS), administered by Leicestershire County Council, through which pension provision is made for those officers who wish to join the scheme. The Council's net pension liability of £3,007,000 on 31st March 2023 to a net pension asset of £4,313,000 on 31st March 2024.

IAS19 states that when a local authority has a surplus in a defined benefit plan, it is required to consider the recoverability of any such asset. There must be an economic benefit available to the employer to enable this recovery, for example, through reduced pension contributions or a cash refund. Where an authority has a surplus in a defined benefit plan, the Code requires the net defined benefit asset to be measured at the lower of:

- The surplus in the defined benefit plan, and
- The asset ceiling determined using the discount rate specified in the Code.

The IAS19 asset ceiling is a specified estimate of the present value of the economic benefit that the employer can realise, either through refunds or by reductions in future pension contributions.

Blaby has commissioned the actuary for the Leicestershire Pension Fund, Hymans Robertson LLP, to produce an additional report setting out the asset ceiling calculation. This has demonstrated that the economic benefit available as a reduction in future contributions is lower, meaning that there is an additional liability to recognise. An adjustment of £12,674,000 is therefore required to the net asset referred to above, and this results in the disclosure of a net pension liability of £8,361,000.

This is offset by the Pensions Reserve, movements on which are disclosed in the Movement in Reserves Statement, ensuring that there is no impact on the level of Council Tax.

During 2023/24, investment returns have typically been higher than assumed when compared to the previous year's accounting discount rate assumption. In terms of the fund's obligations, the net discount rate has increased compared to 2022/23, a more up to date longevity improvement assumption has been used by the actuary, and the Pensions Increase Order of 6.7% has been applied to the benefits payable.

The existence of a net pension liability has significance for the Council's contributions to the scheme, which may need to increase in the long-term, subject to the outcome of the next triennial valuation.

Provisions, Contingencies and Material Write-offs

The Balance Sheet includes provisions total £2,019,494 as of 31st March 2024 – these are detailed in note 22 to the Financial Statements. The most significant of these is the provision in respect of outstanding business rates appeals which stands at £1,801,616 on 31st March 2024 (£1,810,000 on 31st March 2023).

Where a liability is possible but not likely, or the cost cannot be reliably estimated, the Council is required to disclose a contingent liability. Further details concerning contingent liabilities and contingent assets recognised in 2023/24 are provided in note 38.

Write offs are processed during the financial year in line with Financial Regulations. Total write offs against key income streams are summarised below:

Write Offs	2023/24
	£
Collection Fund Write Offs	657,561
General Fund Write Offs	45,124
	702,685

Non-Financial Performance of the Council 2023/24

Achievements

Some of our achievements against the Blaby District Plan

Enabling our Communities and Supporting our Vulnerable Residents:

- We're working with Leicester City Council to establish safe pathways for pedestrians and cyclists to reach these destinations. The new Meridian Access Point, opened in June last year, allows residents of Braunstone Town to easily access Meridian Leisure Park on foot or bike between the cinema and Chiquito restaurant. This route has become quite popular since its opening. We trialled an electric road sweeper as part of the Council's commitment to move towards fossil fuel alternatives to power our fleet vehicles.
- At the start of 2024, Storm Henk had devastating effects on parts of our District. Over 150 homes experienced external or internal flooding, forcing some residents to evacuate and cope with extensive property damage and loss of belongings. This was the worst flooding incident on record in the district, with the highest ever recorded river levels and widespread trauma for the affected families. Customer service staff were key to obtaining information to allow both Councillors and officers to go out across the district, checking on families, offering practical help and providing signposting advice. We assisted affected households by removing bulky items, collecting extra waste, and deploying street sweepers to clear debris and mud. Collaborative efforts with other local authorities and agencies ensured a co-ordinated response, including assistance with government financial support applications for residents.
- In February 2024, a burst water main led to hundreds of residents in Kirby Muxloe losing their gas supply after water leaked into the Cadent gas mains pipe in the neighbouring village of Ratby. Again, our teams worked with other local authorities and agencies as Cadent worked to expel the water from the pipes and restore gas supplies. Staff dedicated their evenings and weekends to door knocking and providing an information point and local command centre at Kirby Muxloe Village Hall.
- Together with Homes England we have partially grant funded a new development of 11 one-bed apartments, providing specialist supported housing for adults with complex needs including mental health and substance misuse. The site at The Villers in Whetstone is part of a 78 unit all affordable housing development and is being delivered by EMH Homes. The supported provision is the first affordable supported housing scheme to be brought forward in the district for some time and has been five years in the making with our Strategic Housing Team closely involved to progress the scheme and bring it to fruition.
- Our long-awaited ambition to bring modern, fully accessible toilet facilities back to Blaby village was finally achieved in September. The new block replaces the old brick building on Johns Court car park and features a Changing Places unit which has specialised equipment to cater for severely disabled children or adults who need assistance in their personal care as well as a standard accessible toilet. The block has an environmentally friendly natural sedum plant roof and thanks to its smaller footprint two extra disabled parking spaces have been created immediately adjacent.

- The Council has continued to progress the acquisition of 16 new properties which will be used to house homeless households. This will reduce the reliance on bed and breakfast accommodation, which is considered unsuitable, particularly for families. So far 15 of the new units have been acquired and these are currently being fitted out with fixtures and furnishings. The properties will be ready for the first occupants by the beginning of June. It is hoped that the final property will be purchased soon with the intention that it will be used for a refugee family from the Afghan Resettlement Scheme. The project is funded by a £1.38m grant from the Department of Levelling Up, Homes and Communities and £2.5m of investment from the Council.

Enhancing and Maintaining our Natural and Built Environment:

- Our award-winning community at New Lubbesthorpe continues to develop: Phase 2 is well underway, adding 163 more homes and beginning construction on a local centre with retail units, a café and bistro, a GP surgery, and a care home. Provision for wildlife including bird and bat boxes and hedgehog highways will be included in the expansion. Over 1,000 homes are now occupied – almost a quarter of the expected total number of houses on the site, with the first houses fitted with solar panels.
- Last year was incredibly challenging for us as a Council, particularly our planning team as we dealt with the examination of the Hinckley National Rail Freight Interchange scheme by the Planning Inspectorate. We have openly opposed this 662-acre warehouse and rail hub development, citing concerns about its impact on the countryside and increased traffic congestion affecting our communities district wide. As a statutory consultee we've submitted official documents, attended, and spoken at hearings and have made our final comments to the Planning Inspectorate. They will review all information and evidence before making a recommendation to the Secretary of State for Transport who will ultimately decide if the scheme will go ahead. We expect the decision in the autumn.
- In partnership with Everyone Active, we have made significant improvements to our facilities at Enderby Leisure Centre. We invested £188,000 to expand the car park by 50 spaces, totalling 279 overall. Everyone Active invested £300,000 on the installation of a new soft play area in the sports hall featuring slides, crawl tubes and a sports arena. Opened in December the soft play, which is in the main sports hall, has proved a huge hit with families.

Growing and Supporting our Economy:

- Towards the end of last year we launched our Economic Development Framework, setting out a vision for the district to thrive by supporting and promoting business growth and development. The Framework has five priority themes, supporting local business and innovation, shaping our work and skills agenda, growing, and supporting the green economy, building pride in place, and identifying investable propositions. Our regular Business Breakfast meetings and Job Fairs already offer valued support and new initiatives include exploring boosting the district's tourism offering, increasing visitor numbers and accommodation options and signposting to expert advisers including the Leicestershire Business Advice Service, provided through consultants Exemplas.
- In collaboration with Visit Leicester in January we launched Taste the Place, a campaign aimed at promoting the best local independent producers, restaurants, cafes, delis, farms shops, pubs and more to showcase the breadth and diversity of both the district's, and the region's, food and drink offer. We now have a Blaby District 'Taste Adventure Map' highlighting a selection of our award-winning and unique food and drink businesses plus a fun video and a new dedicated section on the Visit Blaby District website. The initiative not only seeks to entice more people,

whether local or from afar, to try out what our food and drink businesses have to offer but also to provide a networking platform for the businesses themselves.

Ambitious and Well-Managed Council:

- A report from the Kings Fund in July, which focused on driving better outcomes with integrated care systems, identified our Lightbulb and Housing Enablement Team (HET) as best practice. The report focused on the valuable role District Councils play in health, being able to influence the wider determinants of health, act and react quickly and utilise their close connections with local communities.
- As a Council we are committed to reducing our carbon emissions and using hydrotreated vegetable oil (HVO) has been instrumental in achieving an impressive 80% reduction in emissions compared to our baseline year. In the next few months, we'll report our latest statistics, using carbon emissions accounting tools, expecting further reductions due to our fleet's full year of HVO usage. Our mission is to be net zero by 2030 and while HVO has been a highly successful move we strive to do more. In the longer term we are hoping to embark on an ambitious project to install electric charging infrastructure at our depot as we look to transition our fleet.

Keeping you Safe and Healthy:

- Last year we were able to seek removal of three Air Quality Management Areas (AQMA) in the District, Narborough Road South, the B4114 in Enderby and Narborough and Enderby Road in Whetstone. These areas, previously declared AQMA's due to high nitrogen dioxide levels from traffic emissions, consistently showed nitrogen dioxide levels well below Government limits over the past five years. The Government has recently approved the removal of the AQMA designations. We installed Zephyr air quality monitoring stations at various sites in villages across the district as part of a new Government-backed project, Particulates Matter. Funded with £151,000 from the Department for Environment, Food and Rural Affairs, the project aims to monitor levels of some of the finest pollution particles like dust, dirt, smoke, and soot. Levels are being made available online so people can check their local air quality and make informed decisions about their own activities and behaviours which might impact those levels.
- We continue to face challenges posed by areas of our District which were once used as landfill sites. Extra funding was provided in October to support additional remediation at the Huncote Leisure Centre site as well as two other areas which had been identified. In January we carried out borehole drilling and sampling at these two sites, a parcel of land to the rear of Sandhill Drive and the Southey Close recreation ground, both in Enderby. The report from the consultants is guiding our plans. Mitigation measures are ensuring landfill gas levels are stabilising at Huncote and now much of the site is open.

More information is available in the Annual Leader's Statement presented to the Annual Council meeting on 21st May 2024.

Performance against Corporate Objectives

In 2023/24, the Council introduced a new Performance Management Framework in line with recommendations published in the recent Corporate Peer Challenge. This work will improve the infrastructure, systems, and culture of performance reporting across the Council services.

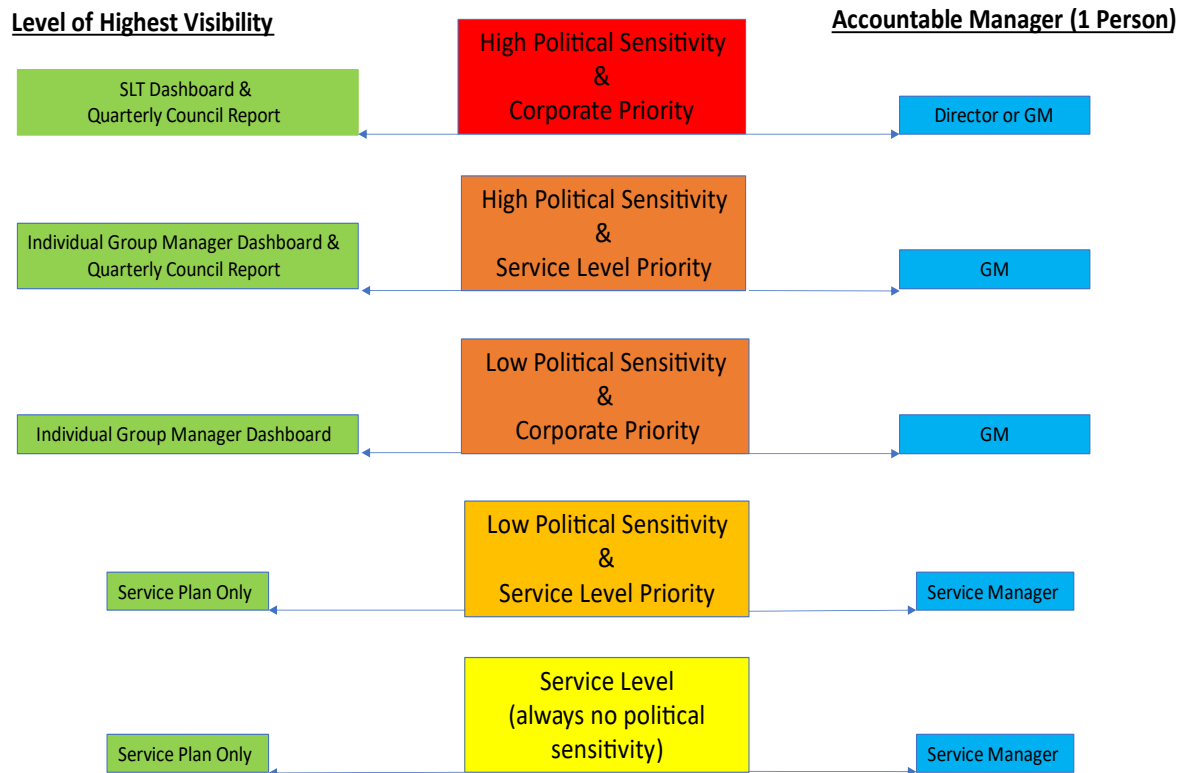
The framework incorporates the following key elements, which are identified as part of the annual service planning process and aligned to budget setting:

- Strategic objectives – identified within the Blaby District Plan.
- Projects – specific “one time only” initiatives to improve or change services or systems, with defined start and completion times. These may be corporate projects, which are kept under review by Programme Board, or service projects which are usually confined to a single service and have less impact on other services.
- Business As Usual (BAU) – a key periodic/repetitive piece of work.
- Metrics or measures – data captured periodically to provide insight into changing trends and to inform decision making.

All projects, BAU, and metrics/measures should link to one or more of the strategic objectives, thus providing a “golden thread”.

All work that takes place in support of achieving our strategic objectives is categorised based on their degree of management priority and their political sensitivity:

- Priority 1 – high political sensitivity and corporate priority
- Priority 2 – high political sensitivity and service level priority
- Priority 3 – low political sensitivity and corporate priority
- Priority 4 – low political sensitivity and service level priority
- Priority 5 – service level only, no political interest



Overall, the Council has identified 329 measures which have been categorised as follows:

- Priority 1 – 20
- Priority 2 – 40
- Priority 3 – 23
- Priority 4 – 34
- Priority 5 – 212

Summary Position

Despite the financial background Blaby is maintaining its reputation for sound financial stewardship and continues to seek innovative ways of delivering services and income generation. This approach has been reflected in the financial performance for 2023/24. Factors outside of Blaby's control, such as the continuing higher level investment interest rates, and a higher-than-normal turnover of staff, have contributed to a significant positive variance and some of our key income streams have begun to show signs of improvement. This is, in no small part, due to the diligence and hard work of officers across the Council, who continue to seek opportunities to generate additional income and service transformation opportunities. The Council faces many challenges going into the new financial year, and the 2023/24 financial performance gives our reserves a timely boost. This offers some stability in the short term but in the medium to longer term the Council will need to look at new measures to meet the expected future budget gaps. The MTFS will need to be regularly reviewed and budgets closely monitored to ensure the Council's ongoing financial sustainability.

Receipt of Further Information

For further information about these accounts please email finance@blaby.gov.uk or write to Finance Services, Blaby District Council, Council Offices, Narborough, Leicester LE19 2EP.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the hard work and dedication of staff across the Council. I would like to express my thanks to all colleagues for their contribution towards the preparation of this document. I would also like to thank them for all their support during the financial year.

Sarah Pennelli

Executive Director

(Section 151)

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Explanation of the Financial Statements

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

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with 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.

Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into usable reserves (that is, those that can be applied to fund expenditure or reduce local taxation) and other unusable reserves. The Statement shows how the movements in the Council's reserves in the year 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 movements in the year following these adjustments.

Balance Sheet

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

Cash Flow Statement

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

Notes to the Financial Statements

These provide further explanation of specific items within the Financial Statements to which they relate.

Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates and its distribution to precepting bodies and the Government. For Blaby, the council tax precepting bodies are Leicestershire County Council, the Office of the Police and Crime Commissioner, and the Leicester, Leicestershire, and Rutland Combined Fire Authority.

The Statement of Responsibilities for the Statement of Accounts - sets out the principal responsibilities of the Authority and its officers in relation to the Accounting Statements. It confirms that the Statement of Accounts has been prepared in accordance with the requirements of the Code.

The Annual Governance Statement - sets out the framework within which financial and operational control is managed and reviewed and the main components of the system of control, including the arrangements for internal audit.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director (Section 151)
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts

The Executive Director (Section 151)'s Responsibilities

The Executive Director (Section 151) is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Executive Director (Section 151) 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 Executive Director (Section 151) has also:

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

Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Council as at 31 March 2024 and the Council's income and expenditure for the year then ended.

Sarah Pennelli

Executive Director

(S151 Officer)

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APPROVAL OF ACCOUNTS

This unaudited Statement of Accounts is to be presented to Blaby District Council's Audit and Corporate Governance Committee on 30th July 2024 but remains subject to completion of the annual audit process.

CORE FINANCIAL STATEMENTS and EXPLANATORY NOTES

Comprehensive Income and Expenditure Statement

2022/23 Restated Gross Expenditure £	2022/23 Restated Gross Income £	2022/23 Restated Net Expenditure £	Service	2023/24 Gross Expenditure £	2023/24 Gross Income £	2023/24 Net Expenditure £
3,771,265	(2,071,329)	1,699,936	Housing, Community and Environmental Services	3,420,423	(2,713,545)	706,878
7,200,683	(1,985,448)	5,215,235	Neighbourhood Services and Assets	7,494,441	(1,994,202)	5,500,239
13,233,051	(9,753,498)	3,479,553	Finance, People and Performance	12,849,126	(9,614,984)	3,234,142
5,691,515	(3,657,372)	2,034,143	Health, Wellbeing, Community Engagement and Business Support	6,626,478	(4,223,564)	2,402,914
1,879,237	(304,951)	1,574,286	Leader	2,083,975	(430,356)	1,653,619
4,386,586	(891,867)	3,494,719	Planning Delivery, Enforcement and Corporate Transformation	4,787,034	(1,438,762)	3,348,272
0	0	0	Redistributed levy from Business rates pool	0	(1,065,209)	(1,065,209)
36,162,337	(18,664,465)	17,497,872	Cost Of Services	37,261,477	(21,480,622)	15,780,855
3,957,970	(49,383)	3,908,587	Other Operating Expenditure (Note 10)	4,214,207	(5,155)	4,209,052
1,676,781	(1,822,426)	(145,645)	Financing and Investment Income and Expenditure (Note 11)	637,398	(2,924,874)	(2,287,476)
0	(18,001,299)	(18,001,299)	Taxation and Non- Specific Grant Income and Expenditure (Note 12)	0	(18,603,181)	(18,603,181)
		3,259,515	(Surplus)/Deficit on Provision of Services			(900,750)
		(601,830)	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(710,381)
		(33,888,483)	Re-measurement of the net defined benefit liability			5,990,602
		(34,490,313)	Other Comprehensive Income and Expenditure			5,280,221
		(31,230,798)	Total Comprehensive Income and Expenditure			4,379,471

Movement in Reserves Statement

2023/24	General Fund Balance £	Collection Fund Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2023	15,838,648	1,516,792	2,038,095	1,218,571	20,612,106	14,539,244	35,151,350
Movement in Reserves during 2023/24							
Surplus/(Deficit) on provision of Services	900,750	0	0	0	900,750	0	900,750
Other Comprehensive Income and Expenditure	0	0	0	0	0	(5,280,220)	(5,280,220)
Total Comprehensive Income and Expenditure	900,750	0	0	0	900,750	(5,280,220)	(4,379,470)
Adjustments between accounting basis and funding basis under regulations (Note 8)	(457,740)	(1,516,792)	(672,708)	270,114	(2,377,126)	2,377,126	0
Increase/(Decrease) in 2023/24	443,010	(1,516,792)	(672,708)	270,114	(1,476,376)	(2,903,094)	(4,379,470)
Balance at 31 March 2024	16,281,658	0	1,365,387	1,488,685	19,135,730	11,636,150	30,771,880

2022/23	General Fund Balance £	Collection Fund Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2022	14,509,223	4,270,355	2,124,070	1,561,278	22,464,926	(18,544,374)	3,920,552
Movement in Reserves during 2022/23							
Surplus/(Deficit) on provision of Services	(3,259,515)	0	0	0	(3,259,515)	0	(3,259,515)
Other Comprehensive Income and Expenditure	0	0	0	0	0	34,490,313	34,490,313
Total Comprehensive Income and Expenditure	(3,259,515)	0	0	0	(3,259,515)	34,490,313	31,230,798
Adjustments between accounting basis and funding basis under regulations (Note 8)	4,588,940	(2,753,563)	(85,975)	(342,707)	1,406,695	(1,406,695)	0
Increase/(Decrease) in 2022/23	1,329,425	(2,753,563)	(85,975)	(342,707)	(1,852,820)	33,083,618	31,230,798
Balance at 31 March 2023	15,838,648	1,516,792	2,038,095	1,218,571	20,612,106	14,539,244	35,151,350

Balance Sheet

31 March 2023 £		Note	31 March 2024 £
32,794,670	Property, Plant and Equipment	13	36,377,635
515,000	Investment Property	15	450,000
59,826	Intangible Assets	16	76,849
844,874	Long Term Investments	17	742,726
106,629	Long Term Debtors	17	106,629
34,320,999	Long Term Assets		37,753,839
49,802	Inventories		49,082
4,065,728	Short Term Investments		2,015,641
5,593,141	Short Term Debtors	18	6,732,396
21,763,263	Cash and Cash Equivalents	19	20,408,569
205,004	Assets Held for Sale	20	205,004
31,676,938	Current Assets		29,410,692
(241,279)	Short Term Borrowing	17	(880,031)
(18,142,774)	Short Term Creditors	21	(18,648,199)
(2,054,677)	Provisions	22	(2,019,494)
(992,763)	Grants Receipts in Advance - Capital		(1,001,524)
(21,431,493)	Current Liabilities		(22,549,248)
(6,168,330)	Long Term Borrowing	17	(5,312,173)
(3,246,764)	Other Long-Term Liabilities		(8,531,230)
(9,415,094)	Long Term Liabilities		(13,843,403)
35,151,350	Net Assets/Liabilities		30,771,880
(20,612,106)	Usable Reserves		(19,135,730)
(14,539,244)	Unusable Reserves	23	(11,636,150)
(35,151,350)	Total Reserves		(30,771,880)

Sarah Pennelli

Executive Director

(S151 Officer)

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Cash Flow Statement

2022/23 £		Note	2023/24 £
3,259,515	Net (surplus)/deficit on the provision of services		(900,750)
	Adjustments to the net (surplus)/deficit on the provision of services for non-cash movements:		
(1,956,114)	Depreciation		(2,494,992)
(17,781)	Amortisation		(25,292)
14,208,969	(Increase)/decrease in creditors		1,358,151
804,559	Increase/(decrease) in debtors		818,434
12,552	Increase/(decrease) in inventories		(721)
(2,917,483)	Movement in pension liability		636,602
(479)	Carrying amount of non-current assets and non-current assets held for sale, sold, or derecognised		(53,096)
0	Contributions to/(from) Provisions		35,183
59,083	Other non-cash items charged to the net (surplus)/deficit on the provision of services		(34,719)
10,193,306			239,550
(12,558,873)	Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities		(1,182,814)
893,948	Net cash flows from Operating Activities	24	(1,844,014)
7,241,263	Investing Activities	25	4,239,852
(3,950,835)	Financing Activities	26	(1,041,144)
4,184,376	Net (increase)/decrease in cash and cash equivalents		1,354,694
(25,947,639)	Cash and cash equivalents at the beginning of the reporting period		(21,763,263)
(21,763,263)	Cash and cash equivalents at the end of the reporting period		(20,408,569)

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1. Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Council's accounting policies have been developed to ensure that, as far as possible, the Council's accounts are understandable, relevant, free from material error or misstatement, reliable and comparable, and are applied consistently.

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the common needs of most users.
- The objective of showing the results of stewardship and accountability of elected members and management of the resources entrusted to them.
- The underlying assumption of going concern.

Going Concern Basis:

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. Therefore, it would not be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.

During the Covid-19 pandemic there was a great deal of uncertainty over the Council's financial position due to added expenditure pressures and reductions to key income streams. Whilst the pandemic is now over, there is still a residual impact on income levels and service pressures are exacerbated by the cost-of-living crisis.

The Council updated its Medium-Term Financial Strategy (MTFS) in February 2024 as part of the 2024/25 budget setting process. The MTFS set out the financial forecast for the period through to 2028/29. A balanced budget was set for 2024/25, however the support from balances increased in

comparison to 2023/24 due to inflationary pressures, increasing demand for services, and the ongoing reduction of income post- pandemic. There are increasingly significant budget shortfalls forecast from 2025/26 onwards with these pressures expected to continue. There is also considerable uncertainty over the future nature and level of central government funding for local authorities, including the risk of changes to business rates which could result in a significant loss in retained business rate income from 2026/27. To counteract the forecast budget shortfalls, the Council has begun work on a range of measures designed to transform service delivery and generate budget savings.

In mitigation, the Council's balances and reserves are robust and this helps to underpin the assessment of going concern. Furthermore, the Council's cash flow forecast demonstrates that cash balances will remain in a positive position for a minimum of 12 months from the approval of these accounts, meaning that the going concern basis of accounting will continue to apply for the foreseeable future.

ii. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when, or as, the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Expenditure is accrued where goods or services have been received before 31 March but the invoice relating to the goods or services is paid after 31 March. Similarly, income is accrued where it is due before 31 March, but an invoice has not been raised or payment has not been received. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue, in financing and investment income and expenditure, for the income that might not be collected.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

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

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

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

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

v. Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. This is known as the Minimum Revenue Provision (MRP). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

In September 2022, the Council approved a change in its MRP Policy, effective from 1st April 2022.

- For supported capital expenditure incurred before 1st April 2008, the Council will apply the Asset Life Method using an annuity calculation over 50 years.
- For unsupported borrowing undertaken after 1st April 2008, MRP will be charged on an annuity basis over the weighted average life of the assets in question.

vi. Council Tax and Business Rates

The Council, as a billing authority, acts as agent in the collection of council tax and business rates (or non-domestic rates/NDR) on behalf of the major preceptors and government. The Council is principal in terms of collecting council tax and business rates for itself. Billing authorities are required by statute to maintain a separate account, known as the Collection Fund, for the collection and

distribution of amounts due in respect of council tax and business rates. Under the legislative framework, billing authorities, major preceptors, and central government (for NNDR) share proportionately the risks and rewards that the amount of council tax and business rates collected could be less or more than predicted.

Accounting for Council Tax and Business Rates

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of the accrued income for the year. However, regulations determine the amount of council tax and business rates that must be included in the General Fund. As a result, the difference between the income included in the CIES and the amount credited to the General Fund under regulation is credited to the Collection Fund Adjustment Account and included as a reconciling amount in the Movement in Reserves Statement.

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

Where debtor balances for the above are identified as impaired, due to a likelihood arising from a past event that payment might not be received, the balance is written down and a charge made to the Taxation and Non-Specific Grant Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii. Employee Benefits

Benefits Payable During Employment – short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (for example, car loans) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Short-Term Accumulated Absences Account, so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits – termination benefits are amounts payable because of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accrual's basis to the appropriate service or, where applicable, to the Non-Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year end.

Post-Employment Benefits – employees of the Council are members of the Local Government Pensions Scheme, administered by Leicestershire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pensions Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Leicestershire pension scheme attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method – that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and so on, and estimates of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate set by the actuary.
- The assets of the pension fund attributable to the Council are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property - market value

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

Service cost comprising:

- current service cost – the increase in liabilities because of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
- past service cost – the increase in liabilities because of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net interest on the net defined benefit liability, that is net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the

actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

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

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

Discretionary Benefits – The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

viii. Events After the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

ix. Financial Instruments

Financial Liabilities - Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the type of borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

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

- Amortised cost
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

The Council’s business model is to hold investments to collect contractual cash flows. Financial assets are, therefore, measured at amortised cost. The only exception to this would be financial assets whose contractual payments are not solely payment of principal and interest, that is where the cash flows do not take the form of a basic debt instrument.

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

Where material, the Council recognises expected credit losses on its financial assets held at amortised cost, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12 month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price.
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

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

x. Government Grants and Contributions

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

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

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

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

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

xi. Heritage Assets

Heritage assets are assets that are held principally for their contribution to knowledge or culture. The Council's only heritage asset is the Ice House situated in the grounds of Bouskell Park, Blaby, a grade 2 listed building. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example, where an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note xvi below.

xii. Intangible Assets

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

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

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

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

xiii. Investment Property

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. The Council recognises “substantially all” as being at least 75% of the value of the asset, unless on an individual case basis this would not give a true representation of the substance of the transaction. All other leases are classified as operating leases.

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

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

The Authority as Lessee

Finance Leases

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

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant, or equipment – applied to write down the lease liability, and
- A finance charge – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

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

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example, there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

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

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example, there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and

arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xv. Overheads and Support Services

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

xvi. Property, Plant and Equipment

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

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

Measurement – assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

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

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

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

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

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

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

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

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

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture, and equipment – straight-line allocation over the useful life of the asset, based on the historic cost of that asset.
- Infrastructure – straight-line allocation over 1 to 15 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

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

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (that is, netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

xvii. Provisions, Contingent Liabilities and Contingent Assets

Provisions – Provisions are made where an event has taken place on or before the Balance Sheet date:

- That gives the Council a present obligation.
- That probably requires settlement by a transfer of economic benefits or service potential.
- Where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists on the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

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

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

Contingent Assets – a contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xviii. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and they do not represent usable resources for the Council – these reserves are explained in the relevant policies.

xix. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council

has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xx. Value Added Tax (VAT)

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

2. Accounting Standards Issued But Not Yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information in relation to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The code also requires that changes in accounting policy are applied retrospectively unless transitional arrangements are specified by the Code. This would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2024/25 Code where disclosures are required in the 2023/24 Financial Statements are as follows:

- IFRS16 Leases – issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) issued in January 2020. The amendments:
 - Specify that an entity's right to defer settlement must exist at the end of the reporting period.
 - Clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement.
 - Clarify how lending conditions affect classification, and
 - Clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instructions.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months subject to compliance with covenants.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applied to multinational groups with a minimum level of turnover. The Amendments introduced:
 - A temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
 - Targeted disclosure requirements for affected entities.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
 - Assess how supplier finance arrangements on an entity's liabilities and cash flows, and
 - Understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The above standards either do not apply to Blaby or are not expected to have a significant impact on the Council's accounts.

IFRS 16 Leases will be adopted from 1st April 2024 as required by the Code of Practice on Local Authority Accounting. IFRS 16 removes the distinction between operating leases and finance leases for lessees such that all leases are capitalised and presented on the balance sheet as both assets, known as right-of-use (ROU) assets, and liabilities. The accounting treatment for leases under IFRS 16 results in the recognition of both depreciation and interest expense on the income statement. The adoption of IFRS 16 is not anticipated to have a material impact upon the financial statements. The estimated impact on the balance sheet and CIES at 31 March 2024 if IFRS 16 had been adopted is as follows:

Description	Amount £'000
Increase in fixed assets	450
Increase in liabilities	(401)
Reduction in service costs (lease payments)	36
Increase in depreciation charge	(25)
Increase in interest charge	(19)

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Local Government Funding

There continues to be a high degree of uncertainty about future levels of funding for local government, particularly concerning the rebasing of the business rates baseline and the Fairer

Funding Review. Government has announced that it is unlikely to introduce any changes before 2026/27 but the timing and extent of any potential changes remain unconfirmed. However, the Council's view is that this uncertainty is not yet sufficient to provide an indication that the Council's assets might be impaired because of a need to close facilities and reduce levels of service provision.

Embedded Leases and Derivatives

All material contractual arrangements have been reviewed in order to determine whether they contain embedded leases or embedded derivatives, although none have been identified as such.

Provision for Business Rates Appeals

The Council has set aside a provision which reflects its estimate of the potential cost of refunding ratepayers who successfully appeal against the rateable value of their property. The value of this provision has been determined as follows:

- 2017 Rating List – based on an assessment of outstanding appeals at 31 March 2024 in conjunction with an external expert. One key judgement made in arriving at the value of the provision is that appeals that are assessed as likely to be withdrawn have not been included.
- 2023 Rating List – based upon checks and challenges submitted as at 31st March 2024, potential threats based on our external expert's assessment of the rating list, and an internal review of businesses with a rateable value of £250,000 or more. As above, where appeals are expected to be withdrawn they have not been included.

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 Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £149,076 for every year that useful lives had to be reduced.

As detailed in Note 13, a desktop valuation was undertaken as at 31 March 2024 by Mr K. Shirer BA (Hons) MRICS, of the District Valuation Office. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, Hymans Robertson LLP, is engaged by Leicestershire County Council on behalf of all Leicestershire authorities to provide specialist advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of 2% (£1,581,000).

Arrears

On 31 March 2024, the Council had a balance of sundry debtors for £1,875,041. A review of significant balances suggested that on average an impairment of doubtful debts of just under 62% (£1,160,394) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.

If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £318,855 to be set aside as an allowance.

5. Material Items of Income and Expense

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

There were no material items of income and expenditure occurring during 2023/24.

6. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Strategic Director (Section 151) on 31 May 2024. Events taking place after this date are not reflected in the financial statements or notes.

There were no material post balance sheet events arising between 31 March 2024 and the date on which the accounts were authorised for issue.

7. Expenditure and Funding Analysis

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

2022/23 Net Expenditure Chargeable to the General Fund Balance (Restated) £	2022/23 Adjustments between the Funding and Accounting Basis (Restated) £	2022/23 Net Expenditure in the CIES (Restated) £		2023/24 Net Expenditure Chargeable to the General Fund Balance £	2023/24 Adjustments between the Funding and Accounting Basis £	2023/24 Net Expenditure in the CIES £
1,316,324	(383,613)	1,699,936	Housing, Community and Environmental Services	1,951,794	1,244,916	706,878
3,302,159	(1,913,076)	5,215,235	Neighbourhood Services and Assets	3,719,729	(1,780,510)	5,500,239
2,745,605	(733,948)	3,479,553	Finance, People and Performance	1,971,930	(1,262,212)	3,234,142
366,520	(1,667,623)	2,034,143	Health, Wellbeing, Community Engagement and Business Support	1,648,658	(754,256)	2,402,914
1,424,479	(149,807)	1,574,286	Leader	1,613,816	55,641	1,558,175
2,910,986	(583,733)	3,494,719	Planning Delivery, Enforcement and Corporate Transformation	3,257,894	(90,377)	3,348,271
			Redistributed Levy from Business Rates Pool	0	0	(1,065,209)
12,066,073	(5,431,800)	17,497,872	Net Cost of Services	14,163,821	(2,586,798)	15,685,410
(10,641,934)	3,596,423	(14,238,357)	Other Income and Expenditure	(12,987,475)	3,694,130	(16,681,605)
1,424,139	(1,835,377)	3,259,515	(Surplus) or Deficit	1,176,346	1,107,332	(996,195)
18,779,580			Opening General Fund Balance	17,355,441		
(1,424,139)			Less/Plus Surplus or (Deficit) on General Fund	(1,073,783)		

		Balance in Year		
17,355,441		Closing General Fund Balance at 31 March	16,281,658	

The General Fund Balance is made up of reserves which have been earmarked for specific purposes(see note 9) and those which are as yet unallocated.

	Earmarked Reserves £	Unallocated General Fund Balances £	Total General Fund Balance £
Balance as at 1 April 2023	12,735,996	4,619,445	17,355,441
Movement in Earmarked Reserves	(2,844,114)	0	(2,844,114)
Movement in Unallocated General Fund Balances	0	1,770,331	1,770,331
Balance as at 31 March 2024	9,891,882	6,389,776	16,281,658

7a. Notes to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £	Net change for the Pensions Adjustments £	Other Differences £	Total Adjustments £
Housing, Community and Environmental Services	1,142,861	103,094	(1,039)	1,244,916
Neighbourhood Services and Assets	(1,904,112)	147,778	(24,177)	(1,780,511)
Finance, People and Performance	(47,820)	158,032	(1,372,425)	(1,262,213)
Health, Wellbeing, Community Engagement and Business Support	(715,311)	172,387	(211,332)	(754,256)
Leader	0	54,912	730	55,642
Planning Delivery, Enforcement and Corporate Transformation	(217,767)	125,399	1,992	(90,376)
Net Cost of Services	(1,742,149)	761,602	(1,606,251)	(2,586,798)
Other income and expenditure from the Expenditure and Funding Analysis	417,076	(125,000)	3,402,054	3,694,130
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(1,325,073)	636,602	1,795,803	1,107,332

Adjustments between Funding and Accounting Basis 2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £	Net change for the Pensions Adjustments £	Other Differences £	Total Adjustments £
Housing, Community and Environmental Services	78,108	306,549	(1,044)	383,613
Neighbourhood Services and Assets	1,469,545	413,955	29,576	1,913,076
Finance, People and Performance	37,461	263,677	432,810	733,948
Health, Wellbeing, Community Engagement and Business Support	580,208	511,673	575,742	1,667,623
Leader	0	149,277	530	149,807
Planning Delivery, Enforcement and Corporate Transformation	251,919	329,352	2,462	583,733
Net Cost of Services	2,417,241	1,974,483	1,040,076	5,431,800
Other income and expenditure from the Expenditure and Funding Analysis	(643,049)	943,000	(3,896,374)	(3,596,423)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,774,192	2,917,483	(2,856,298)	1,835,377

Adjustments for Capital Purposes

This column adds in depreciation and impairment, and revaluation gains and losses in the service line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure - the statutory charges for capital financing, that is, the Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted for those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits related expenditure and income:

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

Other Differences

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

- For Financing and investment income and expenditure – the other differences column recognises adjustments to the General Fund for the accrual of compensated absences (holiday pay). Other items such as investment property, interest payable and receivable, and trading operations are reallocated between this line and services.
- 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 NNDR 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.

7b. Expenditure and Income Analysed by Nature

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

	2023/24 £	2022/23 £
Expenditure		
Employee benefits expenses	14,954,869	16,442,316
Other services expenses	18,391,013	16,718,950
Depreciation, amortisation and impairment	3,958,369	3,003,428
Interest payments	492,476	1,425,389
Precepts and levies	4,214,207	3,957,970
Loss on the disposal of assets	0	0
Net of Non-Domestic Rates Income & Expenditure	0	0
Total Expenditure	42,010,934	41,548,053
Income		
Fees, charges and other service income	(6,036,660)	(5,059,795)
Interest and investment income	(1,636,471)	(570,070)
Income from council tax	(10,464,387)	(10,008,720)
Government grants and contributions	(19,054,130)	(18,595,032)
(Gain) on the disposal of assets	(5,155)	(49,383)
(Surplus)/Deficit on Trading Operations	(1,155,597)	(971,296)
Net of Non-Domestic Rates Income & Expenditure	(3,494,074)	(3,034,242)
Redistributed Levy from Business Rates Pool	(1,065,209)	0
Total Income	(42,911,683)	(38,288,538)
(Surplus)/Deficit on the Provision of Services	(900,750)	3,259,515

Income received from services on a segmental basis is analysed in the following table:

	2023/24 £	2022/23 £
Housing, Community and Environmental Services	(867,539)	(789,274)
Neighbourhood Services and Assets	(2,336,575)	(2,233,756)
Finance, People and Performance	(496,710)	(297,164)
Health, Wellbeing, Community Engagement and Business Support	(2,759,177)	(2,301,030)
Leader	(270,868)	(248,599)
Planning Delivery, Enforcement and Corporate Transformation	(791,121)	(518,413)
Total Revenue from External Customers	(7,521,990)	(6,388,236)

8. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. 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 of 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.

Collection Fund Earmarked Reserve

The Collection Fund Reserve holds the surplus of Business Rates Section 31 grant and Tax Income Guarantee payment which is to be used to offset the Collection Fund Deficit. The reserve balance has been utilised during the year to mitigate against the loss of Business Rate income deficit.

2023/24	General Fund Balance £	Collection Fund Earmarked Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £
Adjustments to Revenue Resources				
<i>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:</i>				
Section 31 grants surplus and Tax Income guarantee transferred to the Collection Fund Reserve	1,516,792	(1,516,792)	0	0
Pensions costs (transferred to/from the Pensions Reserve)	(636,602)	0	0	0
Council tax and NNDR (transfers to/from Collection Fund Adjustment Account)	(1,904,184)	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	6,233	0	0	0
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)	1,407,088	0	0	694,307
Total Adjustments to Revenue Resources	389,327	(1,516,792)	0	694,307
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(58,251)	0	58,251	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(784,445)	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(4,371)	0	0	0
Total Adjustments between Revenue and Capital Resources	(847,067)	0	58,251	0
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(730,959)	0
Application of capital grants to finance capital expenditure	0	0	0	(424,193)
Repayment of Capital Loans (Transfer to Capital Adjustment Account)	0	0	0	0
Total Adjustments to Capital Resources	0	0	(730,959)	(424,193)
Total Adjustments	(457,740)	(1,516,792)	(672,708)	270,114

2022/23	General Fund Balance £	Collection Fund Earmarked Reserve £	Capital Receipts Reserve £	Capital Grants Unapplied £
Adjustments to Revenue Resources				
<i>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:</i>				
Section 31 grants surplus and Tax Income guarantee transferred to the Collection Fund Reserve	2,753,563	(2,753,563)	0	0
Pensions costs (transferred to/from the Pensions Reserve)	2,917,483	0	0	0
Council tax and NNDR (transfers to/from Collection Fund Adjustment Account)	(3,104,106)	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(1,228)	0	0	0
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)	2,729,982	0	0	63,391
Total Adjustments to Revenue Resources	5,295,694	(2,753,563)	0	63,391
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(49,862)	0	49,862	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(389,373)	0	0	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(267,519)	0	0	0
Total Adjustments between Revenue and Capital Resources	(706,754)	0	49,862	0
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(135,837)	0
Application of capital grants to finance capital expenditure	0	0	0	(406,098)
Repayment of Capital Loans (Transfer to Capital Adjustment Account)	0	0	0	0
Total Adjustments to Capital Resources	0	0	(135,837)	(406,098)
Total Adjustments	4,588,940	(2,753,563)	(85,975)	(342,707)

9. Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24.

	Balance at 1 April 2022	Transfers In 2022/23	Transfers Out 2022/23	Balance at 31 March 2023	Reallocate d Reserves	Transfers In 2023/24	Transfe rs Out 2023/24	Balance at 31 March 2024
	£	£	£	£		£	£	£
Leisure Centre Renewals Fund	(62,361)	(11,246)	0	(73,607)	0	0	0	(73,607)
Computer Room Environment	(255,407)	0	114,567	(140,840)	0	0	5,020	(135,820)
Licensing Reserve	(27,868)	0	0	(27,868)	0	0	0	(27,868)
Insurance Reserve Fund	(100,000)	0	0	(100,000)	0	0	0	(100,000)
Blaby Plan Priorities Reserve	(452,667)	0	86,843	(365,824)	0	0	371	(365,453)
General Reserve Fund	(1,697,764)	0	85,454	(1,612,310)	0	0	0	(1,612,310)
Ongoing Projects Reserve	(2,923,063)	(3,599,422)	2,759,644	(3,762,841)	567,201	(2,181,245)	3,086,911	(2,289,974)
Elections Reserve	(121,944)	(20,000)	0	(141,944)	0	0	54,685	(87,259)
Choice Based Lettings Reserve	(952)	0	0	(952)	0	(104,000)	0	(104,952)
New Homes Bonus Reserve	(41,327)	0	0	(41,327)	0	0	41,327	0
COVID Support Reserve	(700,000)	0	0	(700,000)	445,000	0	0	(255,000)
Economic Development Initiatives	(50,000)	0	0	(50,000)	0	0	0	(50,000)
Provision - ERIE Sinking Fund	(34,654)	0	7,877	(26,777)	0	0	17,630	(9,147)
Community Rights Reserve	(48,724)	0	0	(48,724)	0	0	0	(48,724)
Hardship Reserve	(325,000)	0	0	(325,000)	0	0	0	(325,000)
Parish New Homes Bonus Reserve	(881)	0	0	(881)	0	0	0	(881)
NNDR Income Reserve	(1,702,174)	(751,752)	0	(2,453,926)	0	0	798,708	(1,655,218)
Flexible Working Reserve	(162,678)	0	0	(162,678)	0	0	886	(161,792)
Local Plan Reserve	(483,595)	(40,000)	67,289	(456,306)	0	0	41,730	(414,576)
Lottery Reserve	(21,132)	(5,334)	0	(26,466)	0	(6,233)	5,334	(27,365)
IT System Replace ment Reserve	(54,415)	0	14,600	(39,815)	0	0	0	(39,815)
Property Fund Reserve	(88,462)	(40,000)	0	(128,462)	0	(39,111)	0	(167,573)
Tax Income Guarante e Reserve	0	0	0	0	0	0	0	0
S31 Grant Reserve	(4,270,355)	0	2,753,563	(1,516,792)	0	0	1,516,792	0

Huncote Major Reserve	(423,433)	(150,000)	72,590	(500,843)	(200,000)	0	58,317	(642,526)
Court Fees Income Reserve	(31,813)	0	0	(31,813)	0	0	0	(31,813)
Business Rates Pool Reserve	0	0	0	0	0	(1,065,210)	0	(1,065,210)
Total	(14,080,669)	(4,517,754)	5,962,427	(12,735,996)	812,201	(3,395,799)	5,627,711	(9,691,883)
Collection Fund –timing difference	4,270,355			1,516,792				(0)
Useable Earmarked Reserves	(9,810,314)			(11,219,204)				(9,691,883)

Earmarked Reserve	Purpose
Leisure Centre Renewals Fund	Periodic replacement of major plant and equipment.
I.T. Reserve Fund	Maintained to meet the costs of Information and Communications Technology (ICT) infrastructure issues, including plant and equipment.
Licensing Reserve	Licensing software developments and service improvements.
Insurance Reserve	Unforeseen claims liabilities in relation to self-funded public liability insurance policy.
On-Going Projects Reserve	Expenditure commitments from non-repeating budgets where delayed delivery results in deferral to a subsequent year.
General Reserve Fund	To offset the anticipated future reduction in grant funding from central Government, and to fund spend to save initiatives.
Blaby District Plan Priorities Reserve	A reserve for future expenditure in support of our district plan priorities.
Elections Reserve	To cover the cost of future District Council elections.
Choice Based Lettings Reserve	Support for setting up and development of new lettings system.
New Homes Bonus Reserve	Grant set aside to fund specific housing projects.
Contractual Losses Support Reserve	Set aside to mitigate the ongoing impact on services and key income that arose from the Covid-19 pandemic.
Economic Development Initiatives Reserve	To cover future economic development related projects.
ERIE Sinking Fund	To recognise the Service Charge income held in relation to future maintenance requirements at Enderby Road Industrial Estate.
Community Rights Reserve	Set aside monies to cover potential future costs associated with the Community Right to Challenge and/or Community Right to Bid initiatives.
Hardship Reserve	Set aside to mitigate the impact of the cost-of-living crisis on residents and businesses.
Parish New Homes Bonus Reserve	To hold the share of New Homes Bonus Grant awarded to parish councils/meetings which do not maintain their own bank account.
NNDR Income Reserve	Set aside to mitigate the potential risks and uncertainties in funding associated with the business rate retention scheme.
Agile Working Reserve	Set aside monies to cover potential future costs of introducing mobile and flexible working processes, a major corporate project.
Local Plan Reserve	To cover non-recurring expenditure linked to the delivery of the Council's Local Plan.
Lottery Reserve	To ring-fence the Council's share of proceeds from the Blaby Lottery, which will be used to support the Community Grants Programme.

IT System Replacement Reserve	Set aside to offset the cost of implementation of new IT systems, including additional maintenance and licensing costs.
Property Fund Reserve	To hold the interest earned from the Lothbury Property Fund to mitigate potential future fluctuations in the fund value.
Tax Income Guarantee Reserve	To hold the one-off compensatory Tax Income Guarantee payment to be used to offset the Collection Fund deficit that arose as a direct result of the Covid-19 pandemic.
S31 Grant Reserve	To hold the Council's share of Section 31 Grant, fully utilised during 2023/24.
Huncote Major Reserve	To allow immediate emergency mitigation works to be undertaken to make the Huncote Leisure Centre site safe following increased levels of Methane Gas.
Court Fees Income Reserve	Court costs reimbursed by HM Courts
Business Rates Pool Reserve	To hold the Council's share of Business Rates Pooled monies, to be used to support economic health and vibrancy of our community.

10. Other Operating Expenditure

	2023/24 £	2022/23 £
Parish Council Precepts	4,214,207	3,957,970
(Gains)/losses on the disposal of non-current assets	(5,155)	(49,383)
Impairment Loss on Assets Held for Sale	0	0
Total	4,209,052	3,908,587

11. Financing and Investment Income and Expenditure

	2023/24 £	2022/23 £
Interest payable and similar charges	410,450	482,389
Net interest on the net defined benefit liability	125,000	943,000
Interest receivable and similar income	(1,781,593)	(819,105)
Expenditure in relation to investment properties and changes in their fair value	42,773	2,357
Income on investment properties	(30,657)	(32,026)
Movement in value of Property Fund	102,148	249,036
Net (Surplus)/Deficit on Trading Operations	(1,155,597)	(971,296)
Total	(2,287,476)	(145,645)

12. Taxation and Non-Specific Grant Income and Expenditure

	2023/24 £	2022/23 £
Council tax income	(10,464,387)	(10,008,720)
Non domestic rates	(3,494,074)	(3,034,242)
Non ring-fenced government grants	(4,526,375)	(4,879,673)
Capital grants and contributions	(118,345)	(78,664)
Total	(18,603,181)	(18,001,299)

13. Property, Plant and Equipment

Movement on Balances

Movement on Balances in 2023/2024	Other Land & Buildings £	Vehicles, Plant, Furniture & Equipment £	Infrastructur e Assets £	Community Assets £	SurplusAssets £	Assets under Construction £	Total Property, Plant & Equipment £
Cost or Valuation							
At 1 April 2023	27,234,886	9,080,498	482,312	2,335,920	241,000	53,411	39,428,027
Additions	3,408,619	1,903,084	0	78,687	0	0	5,390,390
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(830,673)	0	0	0	0	0	(830,673)
Revaluation increases (decreases) recognised in the surplus/deficit on the provision of services	166,088	0	0	0	0	0	166,088
Derecognition – disposals	0	(616,886)	0	0	0	0	(616,886)
Transfers between asset groups	0	0	0	0	0	0	0
Assets reclassified to/from held for sale	53,411	0	0	0	0	(53,411)	0
At 31 March 2024	30,032,331	10,366,696	482,312	2,414,607	241,000	0	43,536,946
Accumulated Depreciation and Impairment							
At 1 April 2023	(163,664)	(5,855,402)	(442,169)	(172,122)	0	0	(6,633,357)
Depreciation charge	(1,251,285)	(969,870)	(26,887)	(80,861)	0	0	(2,328,903)
Derecognition – disposals	0	563,790	0	0	0	0	563,790
Other movements in depreciation and impairment	1,239,159	0	0	0	0	0	1,239,159
At 31 March 2024	(175,790)	(6,261,482)	(469,056)	(252,983)	0	0	(7,159,311)
Net Book Value							
At 31 March 2024	29,856,541	4,105,214	13,256	2,161,624	241,000	0	36,377,635
At 31 March 2023	27,071,222	3,225,096	40,143	2,163,798	241,000	53,411	32,794,670

Movement on Balances in 2022/2023	Other Land & Buildings £	Vehicles, Plant, Furniture & Equipment £	Infrastructure Assets £	Community Assets £	Surplus Assets £	Assets under Construction £	Total Property, Plant & Equipment £
Cost or Valuation							
At 1 April 2022	27,339,850	8,544,136	482,312	2,098,959	230,000	0	38,695,257
Additions	238,656	564,137	0	236,961	0	53,411	1,093,165
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(68,681)	0	0	0	(37,954)	0	(106,635)
Revaluation increases (decreases) recognised in the surplus/deficit on the provision of services	(225,985)	0	0	0	0	0	(225,985)
Derecognition – disposals	0	(27,775)	0	0	0	0	(27,775)
Transfers between asset groups	(48,954)	0	0	0	48,954	0	0
Assets reclassified to/from held for sale	0	0	0	0	0	0	0
At 31 March 2023	27,234,886	9,080,498	482,312	2,335,920	241,000	53,411	39,428,027
Accumulated Depreciation and Impairment							
At 1 April 2022	(154,859)	(4,943,242)	(412,084)	(106,698)	0	0	(5,616,883)
Depreciation charge	(1,146,939)	(939,459)	(30,085)	(65,424)	0	0	(2,181,907)
Derecognition – disposals	0	27,299	0	0	0	0	27,299
Other movements in depreciation and impairment	1,138,134	0	0	0	0	0	1,138,134
At 31 March 2023	(163,664)	(5,855,402)	(442,169)	(172,122)	0	0	(6,633,357)
Net Book Value							
At 31 March 2023	27,071,222	3,225,096	40,143	2,163,798	241,000	53,411	32,794,670
At 31 March 2022	27,181,991	3,600,894	70,228	1,992,261	230,000	0	33,078,374

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – 1 to 50 years
- Vehicles, Plant, Furniture & Equipment – 1 to 20 years
- Infrastructure – 1 to 15 years
- Community Assets – 1 to 50 years

Assets under construction are not depreciated until brought into use.

Capital Commitments

At 31st March 2024, the Council has entered into a number of contracts for the enhancement of Property, Plant and Equipment in 2023/24 and future years budgeted to cost £752,183. Similar commitments at 31st March 2023 were £1,289,330.

The major commitments are:

Capital Commitments	£
Units 10 & 11, Enderby Road Industrial Estate Refurbishment	11,825
Disabled Facilities and Housing Support Grants	228,845
Fleet Vehicle Replacements	267,385
Contributions towards Affordable Housing Schemes	17,378
Replacement Income Management System	36,750
Enderby Leisure Centre car park extension	190,000
	752,183

Effects of Changes in Estimates

The Council has reviewed its assumptions with regard to the useful economic life of its non-current assets but has concluded that no material changes are required to its accounting estimates.

Revaluations

The Council's valuation programme ensures that all Property, Plant and Equipment required to be measured at fair value is formally revalued at least every five years, although any material changes to valuations are adjusted in the interim period.

Land and buildings are valued by an independent external valuer and subject to annual desktop reviews. A desktop valuation was undertaken as at 31st March 2024 by Mr K. Shirer (Principle Surveyor – RICS Registered Valuer), of the Valuation Office Agency. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. For non-specialised operational assets, fair value equates to existing use value, and for specialised operational assets fair value is estimated using a depreciated replacement cost approach.

Vehicles, plant, and equipment are valued internally by reference to current replacement costs provided by suppliers and estimated disposal values (open market value in existing use). Assets not yet re-valued are shown at depreciated value based on historical cost but are not considered to be materially under or overvalued. The Council is not aware of any material change in value and these valuations have not been updated.

Surplus assets are measured at fair value, representing highest and best use value from a market participant's perspective.

	Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£	£	£	£	£	£	£
Carried at historical cost	18,152	4,105,215	13,256	2,161,624	0	0	6,298,247
Valued at fair value as at:							
31 March 2024	29,838,388	0	0	0	241,000	0	30,079,388
31 March 2023	0	0	0	0	0	0	0
31 March 2022	0	0	0	0	0	0	0
Total	29,856,540	4,105,215	13,256	2,161,624	241,000	0	36,377,635

14. Heritage Assets

A heritage asset is defined by the Code as an asset with “historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”.

The Council currently has only one asset that meets the definition of a heritage asset, and that is the Ice House situated in Bouskell Park, Blaby. Most of the Ice House is underground and part has been dated back to medieval times. It is a grade 2 listed building and is considered to be of historical interest. The Council secured external funding to enable it to undertake structural works which have now been completed. These works have enabled visitors to access the Ice House and learn it's history.

The Ice House had not previously been reported in the Balance Sheet, as the Council held no information as to its cost or value. It was considered the cost of obtaining such information outweighed the benefit to the users of the financial statements. Since the completion of the renovation project in 2020, the asset is now held at the depreciated value of the project total. At the 31st March 2024, this stands at £72,744.

15. Investment Properties

The Council owns just one investment property, The Old Bank (previously The Grange) in Narborough which it converted in to 5 flats. These are currently rented out at market rate.

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

	2023/24 £	2022/23 £
Rental income from investment property	30,657	32,025
Dilapidations	0	0
Operating expenses arising from investment property	(8,711)	(13,442)
Net gain/(loss) from fair value adjustments	(34,719)	10,513
Net gain/(loss)	(12,773)	29,096

	2023/24 £	2022/23 £
Balance as at 1 April	515,000	475,000
Additions and Transfers In	0	7,380
Net gain/(loss) from fair value adjustments	(65,000)	32,620
Balance as at 31 March	450,000	515,000

16. Intangible Assets

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 purchased licences, but the Council has no 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 Council has no Intangible Assets that it has assessed as having an indefinite useful life.

The useful lives assigned to the major software suites used by the Council are:

Useful Life	Intangible Asset
10 years	Northgate Revenues & Benefits System
5 years	- Customer Relationship Management/Electronic Document and Records Management System (CRM/EDRM) - Xpress Elections Software - Real Asset Management (Asset Register System) - Idox/CAPS Planning System - COA Solutions eFinancials (Financial Management System)

The movement on Intangible Asset balances during the year is as follows:

Movement on Intangible Asset Balances	2023/24 £	2022/23 £
Balance at 1 April		
- Gross carrying amount - Accumulated amortisation	277,665 (217,839)	240,365 (201,458)
Net carrying amount at 1 April	59,826	38,907
Additions	42,315	38,700
Disposals	(13,703)	(1,400)
Amortisation for the period	(25,292)	(17,781)
Write back amortisation on disposals	13,703	1,400
Net carrying amount at 31 March	76,849	59,826
Comprising:		
- Gross carrying amount - Accumulated amortisation	306,277 (229,428)	277,665 (217,839)
	76,849	59,826

There have been no changes in accounting estimates (e.g. residual values, useful lives, amortisation method) for Intangible Assets that have had an effect on the current period or that are expected to have an effect in subsequent financial years. Software assets are valued at historic cost.

17. Financial Instruments

Categories of Financial Instruments

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

Financial Assets	Non-Current 31/03/24 £	Current 31/03/24 £	Non-Current 31/03/23 £	Current 31/03/23 £
Cash and Bank Balance	0	150,207	0	239,388
Investments at amortised cost	0	22,233,675	0	25,589,465
Investments at Fair Value through Profit or Loss	742,726	0	844,874	0
Debtors carried at contract amounts	106,629	1,123,098	106,629	1,985,535
Total Financial Assets	849,355	23,506,980	951,503	27,814,388

Financial Liabilities	Non-Current 31/03/24 £	Current 31/03/24 £	Non-Current 31/03/23 £	Current 31/03/23 £
Borrowings at amortised cost	(4,857,602)	(880,031)	(5,713,439)	(241,279)
Other Long Term Liabilities at amortised cost	(454,571)	0	(454,891)	0
Creditors carried at contract amounts	0	(7,951,005)	0	(7,745,580)
Total Financial Liabilities	(5,312,173)	(8,831,036)	(6,168,330)	(7,986,859)

Income, Expense, Gains and Losses

Income, Expense, Gains and Losses in 2023/24	Financial Liabilities measured at amortised cost £	Financial Assets loans and receivables £	Financial Assets Fair Value through profit or loss £	Total £
Interest expense – financial liabilities measured at amortised cost	(410,450)	0	0	(410,450)
Interest revenue – financial assets measured at amortised cost	0	1,669,508	0	1,669,508
Interest revenue – financial assets measured at Fair Value through Profit or Loss	0	0	39,112	39,112
Losses on Revaluation of Property Fund	0	0	257,274	257,274
Net gain/(loss) for the year	(410,450)	1,669,508	296,386	1,555,444

Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and investments and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, new loan rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark rates have been used to provide the fair value
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	Carrying Amount 31 March 2024 £	Fair Value 31 March 2024 £	Carrying Amount 31 March 2023 £	Fair Value 31 March 2023 £
PWLB Debt	5,737,340	3,599,108	5,954,452	4,051,594
Non PWLB Debt	0	0	0	0
Short Term Creditors	7,951,005	7,951,005	7,745,580	7,745,580
Short Term Finance Lease Liability	293	293	266	266
Long Term Finance Lease Liability	454,571	454,571	454,891	454,891
Total Financial Liabilities	14,143,209	12,004,977	14,155,189	12,252,331

The fair value of Public Works Loan Board (PWLB) and market loans of £3,599,108 measures the economic effect of the terms agreed with the PWLB, and other lenders compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB and other lenders, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £5,737,340 would be valued at £3,599,108. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans, including the penalty charge, would be £2,445,864.

	Carrying Amount 31 March 2024 £	Fair Value 31 March 2024 £	Carrying Amount 31 March 2023 £	Fair Value 31 March 2023 £
Cash and Bank Balance	150,207	150,207	239,388	239,388
Money Market Loans less than 1 Year	22,976,400	22,976,400	26,434,339	26,434,339
Short Term Debtors	1,123,098	1,123,098	538,148	538,148
Long Term Debtors	106,629	106,629	106,629	106,629
Total Financial Assets	24,356,334	24,356,334	27,318,504	27,318,504

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

The Council's long-term debtors include mortgage advances and renovation loans in excess of twelve months. The balances are increased by payments/loans advanced during the financial year and reduced as repayments are made.

18. Debtors

	31 March 2024 £	31 March 2023 £
Central government bodies	647,985	576,041
Other local authorities	3,938,087	3,392,081
NHS Bodies	3,685	49,971
Other entities and individuals	2,142,639	1,575,048
Total	6,732,396	5,593,141

Each line item in the table above is presented net of impairment (that is, any allowance for non-collection). The impairment allowance for short term debtors (including council tax and non-domestic rate income) as at 31 March 2024 is £1,573,733 (£1,428,631 at 31 March 2023).

19. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

	31 March 2024 £	31 March 2023 £
Cash held by the Council	256	356
Bank current accounts	219,280	612,170
Deposits in Money Market Funds	2,987,937	8,099,951
Short-term deposits with banks and building societies	16,199,773	13,050,786
Deposits with other Local Authorities	1,001,323	0
Total Cash and Cash Equivalents	20,408,569	21,763,263

20. Assets Held for Sale

As at 31 March 2024, the Council had the following assets held for sale. The sites are:

- Stamford Street, Glenfield
- Station Road, Glenfield
- Trinity Road, Whetstone
- College Road, Whetstone
- Church Lane / High Street, Whetstone

	Current 2023/24 £	Current 2022/23 £
Balance as at 1 April	205,004	205,006
Assets newly classified as Held for Sale	0	0
Revaluation Losses	0	0
Disposals	0	(2)
Impairment losses	0	0
Balance as at 31 March	205,004	205,004

21. Creditors

Creditors	31 March 2024 £	31 March 2023 (Restated) £
Central government bodies	(4,976,631)	(4,104,116)
Other local authorities	(4,267,943)	(4,402,380)
NHS bodies	(742,198)	(715,013)
Other entities and individuals	(8,661,427)	(8,921,265)
Total	(18,648,199)	(18,142,774)

Included within Central government bodies as at 31 March 2024 is £1,091,692 relating to the balance of Section 31 Grant which is owed back to the Government. A sum of £654,535 is included within other entities and individuals and relates to collection fund creditors.

Prior year comparatives have been restated to correct the categorisation between relevant bodies. No change has been made to the total balance as at 31 March 2023.

22. Provisions

The Council maintains an Insurance Reserve Fund to meet its own liability in relation to claims which may be made against the Council, not currently notified, which would not be fully met within the terms and conditions of its insurance policies. The principal policy to which this applies is the Council's public liability policy under which the Council is required to meet the first £12,500 costs of any claim. Movements in the Insurance Reserve Fund are included within note 9.

A provision has also been made in respect of potential claims liabilities arising under the above policies, based on Insurers' assessment of claims notified, limited to the amount of claim excess. Although the timing of outcomes is uncertain, claims may be paid either fully or in part, or may be repudiated, and so the cost cannot be estimated with certainty. The level of provision required is reviewed annually.

The Council also holds a provision to cover potential liabilities in relation to the Municipal Mutual Insurance (MMI) Scheme of Arrangement. In November 2012 it was announced that a levy of 15% would be applied to the total value of insurance claims paid through MMI since 1993 (less £50,000). For Blaby, this amounts to £295,000 in settled claims, less £50,000. Due to the uncertain position in respect of the most volatile classes of claim, such as mesothelioma, the scheme administrator increased the levy by 10% to 25%. Whilst the Council currently has no outstanding claims reserves

with MMI, the provision level has been maintained at the same level to allow for the possibility of new liabilities arising out of past events, e.g., mesothelioma cases.

The Council also provides for losses that may arise due to appeals made by businesses against their rateable value. The timing of the outflows in the event of a successful appeal is entirely dependent upon the Valuation Office Agency, with many appeals not settled for several years after they are submitted. The table below reflects the Council's 40% share of the cost of potential appeals, in accordance with the business rates retention scheme.

	Insurance Claims Provision £	MMI Scheme of Arrangement £	NNDR Appeals Provision £	Total £
Balance as at 31 March 2023	(64,300)	(180,377)	(1,810,000)	(2,054,677)
Increase in provision in year	0	0	(563,569)	(563,569)
Reduction in provision in year	24,308	0	0	24,308
Additional Provisions made in year	0	0	0	0
Provisions used in year	2,492	0	571,952	574,444
Unused Provisions returned in year	0	0	0	0
Balance as at 31 March 2024	(37,500)	(180,377)	(1,801,616)	(2,019,494)

23. Unusable Reserves

	31 March 2024 £	31 March 2023 £
Revaluation Reserve	(11,706,167)	(11,467,188)
Capital Adjustment Account	(8,144,040)	(7,727,916)
Pensions Reserve	8,361,000	3,007,000
Collection Fund Adjustment Account	(489,160)	1,415,024
Accumulated Absences Account	84,943	78,710
Financial Instruments Adjustment Account	257,274	155,126
Total	(11,636,150)	(14,539,244)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council 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 the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1st 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.

	2023/24 £	2022/23 £
Balance at 1 April	(11,467,188)	(11,289,106)
Upward revaluation of assets	(880,180)	(1,513,465)
Downward revaluation of assets	370,607	675,332
Impairment Losses	(200,808)	(195)
Surplus or Deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(710,381)	(838,328)
Difference between fair value depreciation and historical cost depreciation	472,670	423,748
Accumulated gains/(losses) on assets sold or scrapped	(1,268)	0
Reversal of impairment charge from prior year	0	236,498
Balance at 31 March	(11,706,167)	(11,467,188)

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, or enhancement.

The Account contains accumulated gains and losses on Investment Properties.

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

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

	2023/24 £	2022/23 £
Balance at 1 April	(7,727,916)	(8,649,679)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	2,328,902	2,181,907
• Impairment loss on Assets Held for Sale	200,808	(236,303)
• Amortisation of intangible assets	25,292	17,781
• Revenue expenditure funded from capital under statute	1,563,887	1,192,447
• 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	54,364	479
	4,173,253	3,156,311
Adjusting amounts written out of the Revaluation Reserve	(472,670)	(423,748)
Net amount written out of the cost of non-current assets consumed in the year	3,700,583	2,732,563

	2023/24 £	2022/23 £
Capital financing applied in the year:		
• Use of Capital Receipts Reserve to finance new capital expenditure	(730,959)	(135,837)
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,169,371)	(611,973)
• Application of grants to capital financing from the Capital Grants Unapplied Account	(424,193)	(406,098)
• Statutory provision for the financing of capital investment charged against the General Fund balance.	(784,445)	(389,373)
• Capital expenditure charged against the General Fund balance.	(7,739)	(267,519)
	(4,116,707)	(1,810,800)
Repayment of private sector housing loan	0	0
Balance at 31 March	(8,144,040)	(7,727,916)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are employed 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 ensure that benefits earned are 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.

	2023/24	2022/23
Balance at 1 April	3,007,000	33,978,000
Re-measurements of the net defined benefit liability	(6,680,000)	(33,892,000)
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	2,421,000	6,068,000
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,061,000)	(3,147,000)
Asset ceiling adjustment	12,674,000	0
Balance at 31 March	8,361,000	3,007,000

Collection Fund Adjustment Account

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

	2023/24 £	2022/23 £
Balance at 1 April	1,415,024	4,519,129
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(3,114)	12,700
Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(1,901,070)	(3,116,806)
Balance at 31 March	(489,160)	1,415,024

During 2020/21 In response to COVID-19 pandemic and lockdown, the Government gave a retail relief to certain business sectors. This resulted in an extraordinary deficit on the Collection Fund which local authorities were permitted to spread across three financial years. To recompense local authorities, the Government paid Section 31 Grant and this grant was transferred to an earmarked reserve to help offset the deficit. The grant was fully utilised during 2023/24.

Accumulated Absences Account

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

	2023/24 £	2022/23 £
Balance at 1 April	78,710	79,939
Settlement or cancellation of accrual made at the end of preceding year	(78,710)	(79,939)
Amounts accrued at the end of the current year	84,943	78,710
Balance at 31 March	84,943	78,710

Financial Instruments Adjustments Account

The Financial Instruments Adjustments Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to the Council's Property Fund investment and for bearing losses or benefiting from gains per statutory provisions.

	2023/24 £	2022/23 £
Balance at 1 April	155,126	(93,910)
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	102,148	249,036
Balance at 31 March	257,274	155,126

24. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2023/24 £	2022/23 £
Interest received	(1,788,706)	(762,721)
Interest paid	368,088	490,179

The (surplus)/deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	2023/24 £	2022/23 £
Proceeds from Short Term and long-term Investments	(4,108,110)	(13,284,099)
Proceeds from the sale of property, plant and equipment	58,251	49,862
Capital grants and contributions received	2,867,045	675,364
	(1,182,814)	(12,558,873)

25. Cash Flow Statement – Investing Activities

	2023/24 £	2022/23 £
Purchase of property, plant and equipment, and intangible assets	5,185,088	1,199,610
Purchase of short term and long term investments	2,005,962	7,035,063
Proceeds from the sale of property, plant and equipment	(75,392)	0
Other receipts from investing activities	(2,875,806)	(993,410)
	4,239,852	7,241,263

26. Cash Flow Statement – Financing Activities

	2023/24 £	2022/23 £
Cash payments for the reduction of finance lease liabilities	266	242
Repayments of short and long term borrowing	216,473	2,211,816
Other payments/receipts for financing activities	(1,257,883)	(6,162,893)
	(1,041,144)	(3,950,835)

27. Reconciliation of Liabilities Arising from Financing Activities

	1 st April 2023	Financing Cash Flows	Non-Cash Changes Acquisition	Non-Cash Changes Other	31 st March 2024
Long Term Borrowing	(5,713,439)	855,837	0	0	(4,857,602)
Short Term Borrowing:	(241,013)	879,738	0	(612)	638,113
Lease Liabilities	(455,157)	266	0	320	(454,571)
Total Liabilities from Financing Activities	(6,409,609)	1,735,841	0	(292)	(4,674,060)

28. Agency Arrangements

Blaby District Council is the lead authority for Lightbulb which brings together the various services involved in the provision of Disabled Facilities Grants under one umbrella, including Occupational Therapists employed by Leicestershire County Council. As lead authority, Blaby employs Housing Support Co-ordinators, Technical Officers and Administrative Officers on behalf of most of the districts across Leicestershire, as well as running the Central Hub that oversees the delivery of services through Lightbulb. The district councils and the County Council contribute towards the cost of running the Central Hub, as well as reimbursing Blaby for the running costs associated with the various district localities. This ensures that Blaby's financial position remains cost neutral in terms of the services it provides to its partners. Expenditure and income is included within the Community Services line in the Comprehensive Income and Expenditure Statement.

As part of the Lightbulb service, Blaby also manages, administers and pays for Disabled Facilities Grants on behalf of Harborough District Council, Melton Borough Council, North West Leicestershire District Council, and Oadby and Wigston Borough Council. Under this arrangement the partner authorities have agreed to transfer their capital grant funding to Blaby in return for Blaby paying the disabled facilities grants on their behalf. Blaby also has responsibility for the procurement and administration of stairlift installations on behalf of the above authorities as well as Hinckley and Bosworth Borough Council and Charnwood Borough Council. This function was previously performed by Leicestershire County Council, prior to 2018/19.

The table below provides a summary of the expenditure and income for the year.

2023/24	Harborough District Council £	Melton Borough Council £	NW Leics. District Council £	Oadby and Wigston Borough Council £	Hinckley and Bosworth Borough Council £	Charnwood Borough Council £	Total £
Balance at 1 April 2023	(84,988)	(336,380)	(2,085,825)	(457,670)	(4,268)	0	(2,969,131)
Income received	(516,714)	(334,429)	(786,581)	(460,033)	(203,362)	(243,212)	(2,544,331)
Other contributions	(13,210)	(5,000)	(37,503)	0	0	0	(55,713)
Grant expenditure	604,428	405,936	673,997	516,822	203,933	244,057	2,649,173

2023/24	Harborough District Council £	Melton Borough Council £	NW Leics. District Council £	Oadby and Wigston Borough Council £	Hinckley and Bosworth Borough Council £	Charnwood Borough Council £	Total £
Balance as at 31 March 2024	(10,484)	(269,873)	(2,235,912)	(400,881)	(3,697)	845	(2,920,002)

Comparative figures for 2022/23 are shown in the table below.

2022/23	Harborough District Council £	Melton Borough Council £	NW Leics. District Council £	Oadby and Wigston Borough Council £	Hinckley and Bosworth Borough Council £	Charnwood Borough Council £	Total £
Balance at 1 April 2022	(254,616)	(482,374)	(1,870,713)	(763,710)	(13,000)	0	(3,384,413)
Income received	(374,222)	(131,567)	(547,432)	(247,089)	(139,545)	(237,765)	(1,677,620)
Other contributions	(20,809)	(2,915)	(19,659)	0	0	0	(43,383)
Grant expenditure	564,658	280,476	351,980	553,129	148,277	237,765	2,136,285
Balance as at 31 March 2023	(84,989)	(336,380)	(2,085,824)	(457,670)	(4,268)	0	(2,969,131)

The balances carried forward are included within debtors or creditors in the Balance Sheet.

29. Members Allowances

Allowances are paid to elected members in accordance with the Council's Members' Allowance scheme.

	2023/24 £	2022/23 £
Basic Allowances	213,308	220,305
Special Responsibility Allowances	92,109	89,694
Travel and Other Expenses	492	1,128
	305,909	311,127

30. Officer Remuneration

The Accounts and Audit Regulations require authorities to disclose details of senior officers' remuneration. In cases where the individual's salary exceeds £150,000 per annum (or pro rata to that amount) then the individual's name shall be disclosed. There were no senior officers of Blaby District Council whose salary exceeded £150,000 per annum in either 2023/24 or the preceding year. Where the salary exceeds £50,000 per annum (or pro rata to that amount), the authority is required to provide a disclosure by job title.

Position	Year	Salary, Fees, Allowances £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
Chief Executive	2023/24	116,552	1,239	0	27,550	145,341
	2022/23	111,034	1,239	0	20,928	133,201
Executive Director (S151)	2023/24	95,764	1,239	0	20,972	117,975
	2022/23	92,526	1,239	0	17,395	111,160
Executive Director	2023/24	66,108	882	0	14,478	81,468
	2022/23	92,526	1,239	0	17,395	111,160
Executive Director (Communities)	2023/24	20,803	306	0	4,556	25,666
	2022/23	-	-	-	-	-
Corporate Services Group Manager	2023/24	51,977	933	0	11,436	64,346
	2022/23	61,348	1,109	0	11,655	74,112
Assets and Major Projects Group Manager	2023/24	1,631	0	0	357	1,989
	2022/23	-	-	-	-	-
Business, Partnerships and Health Improvement Group Manager	2023/24	62,162	986	0	13,614	76,762
	2022/23	76,491	1,239	0	14,164	91,894
Neighbourhood Services Group Manager	2023/24	77,979	1,239	0	17,077	96,295
	2022/23	75,342	1,239	0	14,164	90,745
Planning and Strategic Growth Group Manager	2023/24	77,979	1,239	0	17,077	96,295
	2022/23	75,342	1,239	0	1,180	77,761
Strategic HR Manager	2023/24	0	0	0	0	0
	2022/23	28,627	826	10,735	5,382	45,570
Environmental Health, Housing and Community Services Group Manager	2023/24	73,053	1,239	0	15,999	90,291
	2022/23	69,194	1,239	0	12,527	82,960
Finance Group Manager	2023/24	68,966	846	0	15,104	84,916
	2022/23	62,147	635	0	11,684	74,466
Transformation Group Manager	2023/24	68,255	1,239	0	14,948	84,442
	2022/23	20,430	400	0	3,841	24,671
Interim Strategic HR Manager	2023/24	3,139	62	0	687	3,888
	2022/23	8,077	162	0	1,518	9,757

The Executive Director left the Council on 10th December 2023. The annualised salary for the post in 2023/24 was £95,764.

The Executive Director (Communities) position was created following a change to the Senior Management Structure approved in November 2023. The position was appointed to on 2nd January 2024. The annualised salary for 2023/24 was £84,452.

The post holder of the Corporate Services Group Manager was successfully appointed to the Executive Director (Communities) and vacated the Group Manager position on 1st January 2024. The annualised salary for 2023/24 was £68,966.

The Assets and Major Project Group Manager position was created following a change to the Senior Management Structure approved in November 2023. The position was appointed to on 22nd March 2024. The annualised salary for 2023/24 was £68,966.

The Business Partnerships and Health Improvement Group Manager left the Council on 17th January 2024. The annualised salary for 2023/24 was £77,979.

The Planning and Strategic Growth Group Manager left the Council on 31st March 2024. The annualised salary for 2023/24 was £77,979.

The Interim Strategic HR Manager left the Council on 18th April 2023. The annualised salary for 2023/24 was £62,643.

In accordance with Regulation 7(3) of the Accounts and Audit Regulations 2015 the Council is also required to disclose the number of other employees whose remuneration is in excess of £50,000 per annum, starting at that level and increasing in multiples of £5,000. There are four employees in this category in 2023/24 as follows.

Remuneration Band	No. of Employees 2023/24	No. of Employees 2022/23
£50,000 - £54,999	4	2
£55,000 - £59,999	0	1

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

Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies 2023/24	Number of Compulsory Redundancies 2022/23	Number of Other Departures Agreed 2023/24	Number of Other Departures Agreed 2022/23	Total Number of Exit Packages by Cost Band 2023/24	Total Number of Exit Packages by Cost Band 2022/23	Total Cost of Exit Packages in each Band 2023/24	Total Cost of Exit Packages in each Band 2022/23
£0 - £20,000	0	0	4	2	4	2	£16,933	£2,498
£20,001 – £40,000	0	0	0	1	0	1	0	£32,209
Total	0	0	4	3	4	3	£16,933	£34,707

31. External Audit Costs

The Council has incurred the following costs in relation to the audit of the statement of accounts and certification of grant claims.

The Councils External Auditor for 2022/23 was Ernst and Young. The Councils External Auditor for 2023/24 is Azets.

	2023/24 £	2022/23 £
Fees payable to the external auditors with regard to external audit services carried out by the appointed auditor	160,882	83,600
Fees payable to the external auditors for the certification of grant claims and returns	25,100	18,500
Total	185,982	102,100

Fees payable to the external auditors for 2022/23, in the table above, allows for estimated additional costs in excess of the scale fee. The final amounts will not be known until the audit for that period has been concluded.

Fees in respect of the certification of grant claims is reduced by the sum of £2,900 which relates to an over accrual in respect of work relating to 2021/22.

32. Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/24:

	2023/24 £	2022/23 £
Credited to Taxation and Non-Specific Grant Income		
Non Domestic Rates Contribution	(3,858,489)	(3,034,242)
New Homes Bonus Grant	(430,029)	(1,020,820)
Section 31 Grants – Business Rates	(2,382,198)	(2,818,854)
Lower Tier Services Grant	(1,530,635)	(867,225)
Services Grant	(90,200)	(153,747)
Revenue Support Grant	(74,609)	(323)
Other Non-Ring-fenced Government Grants	(18,704)	(18,704)
Section 106 Contributions	(118,345)	(78,664)
Total	(8,503,209)	(7,992,579)
<u>Credited to Services</u>		
Housing Benefit Subsidy	(8,792,475)	(8,922,267)
Other DWP Grants	(65,790)	(42,019)
NNDR Cost of Collection Allowance	(103,866)	(102,129)
Disabled Facilities Grant	(991,162)	(1,291,146)
Council Tax Support Grant	(32,255)	(105,761)
DEFRA Air Quality Monitoring Grants	0	(729,419)
Government contributions towards the cost of Elections	(15,880)	950
Covid 19 Grant	0	(32,070)
Redmond Review Grant	(19,490)	(15,955)

	2023/24 £	2022/23 £
The Welcome Back Fund	0	(1)
New Burdens Grant – Electoral Registration	(2,000)	0
New Burdens Grant – Transparency	(8,572)	(8,103)
New Burdens Grant – Pavement Licenses	0	(7,564)
New Burdens Grant – Land Registry	(70,034)	0
New Burdens Grant - NNDR	0	(63,453)
New Burdens Grant – Local Elections	(25,544)	(16,040)
New Burdens – Council Tax Energy Rebate	600	(34,288)
New Burdens – Fuel Grants	(14,470)	0
Home Office Grant – Syrian and Afghan Vulnerable Persons Resettlement Scheme	(124,345)	(105,022)
Home Office Grant – Ukrainian Refugee Scheme	(63,881)	(75,866)
Biodiversity Net Gain Grant	(26,807)	(26,807)
Neighbourhood Planning Grant	0	(40,000)
Whetstone Garden Village	(45,000)	0
Local Authority Housing Fund	(1,386,990)	0
UK Shared Prosperity Fund	(513,390)	(276,695)
Council Tax Energy Rebate – Discretionary Scheme	0	(111,750)
Changing Places Grant – Public Conveniences	0	(69,801)
Other Grants	(452,489)	(276,770)
Leicestershire and Rutland Sport Commissioning Programme	(60,297)	(84,406)
Better Care Fund – Hospital Housing Enabler	(279,760)	(152,503)
Leicestershire Partnership NHS Trust – Hospital Housing Enabler	(204,000)	(149,000)
Leicester City Clinical Commissioning Group – Hospital Housing Enabler	(355,673)	(196,310)
Children's Support Contributions – Other Local Authorities	(3,083)	(76,248)
Major Schemes Funding	(38,284)	(26,684)
Early Years Physical Activity	(43,719)	(49,201)
Council Tax Support Scheme	(103,390)	0
Local Authority Delivery Scheme	0	(132,435)
Kickstart Government Gateway and BDC placements	0	(24,878)
Other Contribution	(567,364)	(393,055)
Total	(14,409,410)	(13,636,696)

The Council sometimes receives grants and contributions that are not immediately recognised as income as they have conditions attached to them that will require the monies to be returned to the giver. The balances at the year-end are as follows:

	2023/24 £	2022/23 £
Grants Receipts in Advance (Capital Grants)		
Disabled Facilities Grant	(403,396)	(42,390)
Section 106 Contributions	(598,129)	(950,374)
Total	(1,001,525)	(992,764)

Revenue grants and contributions which do not have conditions attached to their use are transferred to an earmarked reserve pending use in the following financial year.

33. Related Party Transactions

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

Central Government

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties (for example council tax bills, housing benefits). Grants received from government departments are set out in Note 7b, Expenditure and Income Analysed by Nature. Grant receipts outstanding at 31 March 2024 are shown in Note 32.

Other Local Authorities

The Council administers, manages, and pays for disabled facilities grants on behalf of certain other Leicestershire districts. Further details are contained within Note 28, Agency Arrangements.

Members and Senior Officers

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2023/24 is shown in Note 29. Members are appointed to represent the Council on various outside bodies, some of which give or receive funding to/from the Council. Members and senior officers are required to complete an annual return in which they must declare any related party transactions in which they have been involved during the financial year. This exercise highlighted no material transactions requiring disclosure in 2023/24.

34. Capital Expenditure and Capital Financing

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

	2023/24 £	2022/23 £
Opening Capital Financing Requirement	14,486,025	13,965,132
Capital Investment		
Property, Plant and Equipment	5,390,390	1,100,546
Intangible Assets	42,315	38,700
Revenue Expenditure Funded from Capital under Statute	1,563,887	1,192,447
Sources of Finance		
Capital receipts applied	(730,959)	(135,837)
Government grants and other contributions	(2,596,932)	(1,018,071)
Sums set aside from revenue:		
• Direct revenue contributions	(4,371)	(267,519)
• Minimum revenue provision	(784,445)	(389,373)
Closing Capital Financing Requirement	17,365,910	14,486,025
Explanation of movements in year		
Increase/(decrease) in underlying need for borrowing:		
- unsupported by Government financial assistance	2,880,151	521,135
Assets acquired under finance leases	(266)	(242)
Increase/(decrease) in Capital Financing Requirement	2,879,885	520,893

35. Leases

Authority as Lessee

Finance Leases - the Council has acquired buildings at Enderby Road Industrial Estate, Whetstone under finance leases. This was subject to a desktop revaluation at 31st March 2023 as part of the Council's annual asset revaluation exercise. The assets acquired under this lease are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	31 March 2024 £	31 March 2023 £
Other Land and Buildings	2,180,228	2,849,790
Total	2,180,000	2,849,790

The Council is committed to making minimum payments under this lease comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	31 March 2024 £	31 March 2023 £
Finance lease liabilities (net present value of minimum lease payments)		
• Current	293	266
• Non-current	454,571	454,891
Finance costs payable in future years	1,971,556	2,017,072
Minimum lease payments	2,426,420	2,472,229

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

	Minimum Lease Payments 31/03/2024 £	Minimum Lease Payments 31/03/2023 £	Finance Lease Liabilities 31/03/24 £	Finance Lease Liabilities 31/03/23 £
Not later than one year	45,782	45,782	293	266
Later than one year and not later than five years	183,128	183,128	1,496	1,360
Later than five years	2,197,510	2,243,319	453,075	453,531
	2,426,420	2,472,229	454,864	455,157

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 contingent rents amounting to £184,511 were payable by the Council (2022/23 £184,438).

Operating Leases –

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

	31 March 2024 £	31 March 2023 £
Not later than one year	29,704	35,675
Later than one year and not later than five years	78,000	90,132
Later than five years	1,669,574	1,689,074
	1,777,278	1,814,881

Authority as Lessor

Finance Leases – the Council does not lease any property, plant or equipment to a third party under the terms of a finance lease.

Operating Leases – the Council leases units at the Enderby Road Industrial Estate, Whetstone to various local businesses and received rental income of £324,783 in 2023/24 (£273,854 in 2022/23).

The council rents 4 apartments The Old Bank and received rental income of £30,657 in 2023/24 (£32,025 in 2022/23)

36. Defined Benefit Pension Schemes

Participation in Pensions Schemes

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

The authority participates in the Local Government Pension Scheme, administered locally by LeicestershireCounty Council - this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Transactions Relating to Post-Employment Benefits

The Council recognises 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 the Council is 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:

	2023/24	2022/23
	£	£
Comprehensive Income and Expenditure Statement		
Cost of Services		
• Current Service Cost	2,296,000	4,619,000
• Past Service Cost/(Gain)	0	506,000
• (Gain)/Loss from Settlements	0	0
Financing and Investment Income and Expenditure		
• Net Interest Expense	125,000	943,000
Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	2,421,000	6,068,000
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability comprising:	(3,772,000)	1,413,000
• Return on plan assets (excluding the amount included in the net interest expense)		
• Actuarial gains and losses arising on changes in demographic assumptions	(465,000)	(693,000)
• Actuarial gains and losses arising on changes in financial assumptions	(4,931,000)	(44,263,000)
• Other experience gains and losses	2,488,000	9,651,000
Changes in the effect of the asset ceiling	(12,674,000)	0
Total Post-Employment Benefits charged to Comprehensive Income and Expenditure Statement	(16,933,000)	(27,824,000)
Movement in Reserves Statement		
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(2,421,000)	(6,068,000)
Actual amount charged against the General Fund Balance for pensions in the year:		
• Employer's contributions payable to the scheme	3,005,618	3,098,446
• Retirement benefits payable to pensioners	51,984	52,071

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 plans is as follows:

	2023/24	2022/23
	£	£
Present value of the defined benefit obligation	(92,969,000)	(79,100,000)
Fair value of plan assets	84,608,000	76,093,000
Net liability arising from defined benefit obligation	(8,361,000)	(3,007,000)

Asset Ceiling Adjustment

The Council's share of the net pension liability at 31st March 2024 had decreased by £7,320,000, giving an overall surplus of £4,313,000. The most significant contributory factor leading to this change is the increase in the net discount rate (net of CPI inflation).

Under IAS19 the authority is required to measure the defined benefit asset reported as the lower of the surplus in the defined benefit plan and the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Under IFRIC14 there is no option for refunds from the plan, and the component of the asset ceiling available through reductions in contributions, is calculated as the Present value of future service costs less the Present value of future service contributions:

Annuity (into perpetuity) x 2024-25 future service cost, less

Annuity (into perpetuity) x future service element employer contribution, so

66.7 years x £2.033m = £135.601m, less

66.7 years x £2.492m = £166.216m

As B is greater than A, then the economic benefit available as a reduction in future contributions is floored at 0, meaning that the net asset becomes an additional liability.

The authority also has an obligation under a minimum funding requirement to pay contributions to cover an existing shortfall in respect of services already received. This is calculated by taking the funding 'time horizon' of 17 years and multiplying by the present value of agreed past service contributions. The present value of agreed past service contributions equates to £7.797m. These agreed Past service contributions have been committed to be paid to the pension fund and are added to the net asset position (£4.877m + £7.797m = £12.674m). This position is then compared to the economic benefit available as a reduction in future contributions to determine if there is an additional liability to recognise.

	£'000
Net Asset (unadjusted)	4,313
Add back present value of unfunded obligations	564
Net Asset (adjusted)	4,877
Expected net asset after past service contributions	(12,674)
Economic benefit available as a reduction in future contributions	0
Adjusted Net Liability	(8,361)

Reconciliation of the Movements in the Fair Value of Scheme Assets

	2023/24 £	2022/23 £
Opening fair value of scheme assets	76,093,000	75,517,000
Interest income	3,640,000	2,059,000
Re-measurement gain/(loss):		
• The return on plan assets, excluding the amount included in net interest expense	3,772,000	(3,056,000)
Contributions from employer	3,061,000	3,147,000
Contributions from employees into the scheme	714,000	664,000
Benefits paid	(2,672,000)	(2,238,000)
Closing fair value of scheme assets	84,608,000	76,093,000

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2023/24 £	2022/23 £
Opening balance at 1 April	79,100,000	109,495,000
Current service cost	2,296,000	4,619,000
Interest cost	3,765,000	3,002,000
Contributions from scheme participants	714,000	664,000
Re-measurement (gains) and losses:		
• Actuarial (gains)/losses arising from changes in financial assumptions	(4,931,000)	(44,263,000)
• Actuarial (gains)/losses arising from changes in demographic assumptions	(465,000)	(693,000)
• Other	2,488,000	8,008,000
Asset Ceiling Adjustment	12,674,000	0
Past service cost	0	506,000
Benefits paid	(2,672,000)	(2,238,000)
Closing balance at 31 March	92,969,000	79,100,000

	Quoted prices in active markets 2023/24 £	Quoted prices not in active markets 2023/24 £	Total 2023/24 £	Quoted prices in active markets 2022/23 £	Quoted prices not in active markets 2022/23 £	Total 2022/23 £
Equity securities	274,700	0	274,700	634,500	0	634,500
Debt securities:						
• UK Government	3,718,600	9,100	3,727,700	3,810,900	9,000	3,819,900
• Other	340,900	0	340,900	142,700	0	142,700
Private equity	0	5,176,200	5,176,200	0	5,088,800	5,088,800
Real estate:						
• UK property	0	5,486,500	5,486,500	0	5,854,500	5,854,500
Investment funds and unit trusts:						
• Equities	35,979,900	152,500	36,132,400	21,805,700	13,229,200	35,034,900
• Bonds	0	0	0	0	0	0
• Hedge funds	400	0	400	0	0	0
• Commodities	0	1,958,900	1,958,900	0	1,909,500	1,909,500
• Infrastructure	0	7,264,600	7,264,600	0	3,978,400	3,978,400
• Other	9,752,300	7,734,600	17,486,900	6,469,500	9,160,100	15,629,600
Derivatives	5,000	0	5,000	157,900	0	157,900
Cash and cash equivalents	6,753,800	0	6,753,800	3,842,300	0	3,842,300
	56,825,600	27,782,400	84,608,000	36,863,500	39,229,500	76,093,000

Local Government Pension Scheme assets comprised:

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 and so on. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, with estimates for the Local Government Pension Scheme being based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary have been:

	Local Government Pension Scheme 2023/24	Local Government Pension Scheme 2022/23	Discretionary Benefits 2023/24	Discretionary Benefits 2022/23
Mortality Assumptions:				
Longevity at 65 for current pension:				
• Men	21.2 years	21.4 years	21.2 years	21.4 years
• Women	24.3 years	24.5 years	24.3 years	24.5 years
Longevity at 65 for future pensioners:				
• Men	21.9 years	22.1 years	21.9 years	22.1 years
• Women	25.9 years	26.1 years	25.9 years	26.1 years

	Local Government Pension Scheme 2023/24	Local Government Pension Scheme 2022/23	Discretionary Benefits 2023/24	Discretionary Benefits 2022/23
Rates of Inflation	2.75%	2.95%	2.75%	2.95%
Rates of Increase in Salaries	3.25%	3.45%	3.25%	3.45%
Rates of Increase in Pensions	2.75%	2.95%	2.75%	2.95%
Rates for Discounting Scheme Liabilities	4.85%	4.75%	4.85%	4.75%

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

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption £	Decrease in Assumption £
Rate of increase in salaries (increase or decrease by 0.1%)	76,000	(76,000)
1 year increase in member life expectancy	3,212,000	(3,212,000)
Rate of increase in pensions (increase or decrease by 0.1%)	1,534,000	(1,534,000)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(1,581,000)	1,581,000

Pension Fund Risk Management Strategy

The pension fund's primary long-term risk is that the fund's assets will fall short of its liabilities (that is the promised benefits payable to members of the scheme). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the fund's required cash flows. These investment risks are managed as part of the overall pension fund risk management programme. Responsibility for the fund's risk management strategy rests with the Pension Fund Management Board and is monitored annually or more frequently if required.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England

and Wales and the other main existing public service schemes may not provide benefits in relation to service after March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to public servants.

The Council anticipated to pay £3,142,000 expected contributions to the scheme in 2024/25.

As at the date of the most recent valuation, the duration of the funded obligations is 19 years.

37. Contingent Assets and Liabilities

Contingent Assets

- The Council is part of a collective claim for damages arising from the Trucks Cartel which relates to price fixing for direct purchase and leasing of refuse collection vehicles. The total claim value is in excess of £100m of which, if the claim is successful, the Council would be entitled to a share of the claim proceeds. The claim is ongoing and it is not possible to identify how much the Council might receive if it is successful.
- As at 31st March 2024, the Council was expecting to be awarded costs following the outcome of an Employment Tribunal. The costs have since been confirmed and the total to be received is £2,500.

Contingent Liabilities

- As at 31 March 2024, the Council has a Planning Appeal lodged for the Enderby Hub. If the appeal is successful, the cost to the Council could be significant. However the costs will not be known until the final outcome.

38. Nature and Extent of Risks Arising from Financial Instruments

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

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

Overall Procedure for Managing Risk

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services, and investment guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

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

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

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 20th February 2023 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2023/24 was set at £23,000,000. This is the maximum limit of external borrowings or other long term liabilities.
- The Operational Boundary was expected to be £20,700,000. This is the expected level of debt and other long-term liabilities during the year.
- The maximum and minimum exposures to the maturity structure of debt are detailed in the strategy.

Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria in accordance with the Fitch, Moody's and Standard and Poors credit rating services. The Annual Investment

Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after the initial criteria are applied.

The Council uses the credit worthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies named above, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following data:

- Credit watches and credit outlooks from credit rating agencies.
- Credit default swap (CDS) spreads to give an early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

Details of the Investment Strategy can be found on the Council's website.

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

The Council's maximum exposure to credit risk in relation to its investments in financial institutions cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2024 that this was likely to occur.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Council does not generally allow credit for customers and amounts that are due, but not impaired, can be analysed by age as follows:

	31 March 2024 £	31 March 2023 £
Less than three months	308,932	209,616
Three to six months	52,454	80,116
Six months to one year	195,497	126,037
More than one year	1,328,514	1,083,609
	1,885,394	1,499,378

Collateral – During the reporting period the Council held no collateral as security.

Liquidity Risk

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

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

Refinancing and Maturity Risk

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

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

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council as part of the Treasury Management Strategy on 20th February 2023):

	Approved Minimum Limits	Approved Maximum Limits	31 March 2024 £	31 March 2023 £
Less than one year	0%	100%	855,837	216,500
Between one and two years	0%	100%	857,602	855,837
Between two and five years	0%	100%	0	857,600
Between five and ten years	0%	100%	0	0
Over ten years	0%	100%	4,000,000	4,000,000
			5,713,439	5,929,937

Market Risk

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

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise,
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances),

- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise, and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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

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

Price Risk

The Council does not generally invest in equity shares or marketable bonds.

The Council invested £1m in the Lothbury Property Trust on 2 December 2019, and the price of shares in the property fund can vary. At the start of financial year 2023/24 the value of the fund was £844,874. However, as at 31 March 2024 the fund had fallen to £742,726. This is due to the current economic and market conditions and their impact on the property sector. Any movements in the price will not impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

SUPPLEMENTARY FINANCIAL STATEMENTS AND EXPLANATORY NOTES

The Collection Fund

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

	Note	2023/24 £	2022/23 £
INCOME			
Council tax	2	(75,280,178)	(71,234,181)
Non-domestic rates	3	(48,607,497)	(51,143,481)
Transitional Protection Payments - NNDR		(1,336,551)	0
		(453,151)	(300,146)
Contributions towards previous year's estimated Collection Fund deficit:			
- Non-domestic rates		(3,283,327)	(6,920,498)
Total Income		(128,960,704)	(129,598,306)
EXPENDITURE			
Precepts and demands from major preceptors and the authority – council tax	4	75,071,893	71,210,606
Shares of non-domestic rating income to major preceptors and the authority		24,011,978	25,139,408
Payment of the central share of non-domestic rating income to be paid to central government by the billing authority		24,011,978	25,139,408
Transitional protection payments – non-domestic rates		0	276,095
Impairment of debts/appeals for council tax:			
- write-offs and uncollectable amounts		549,055	233,063
- allowance for impairment		98,684	189,085
Impairment of debts/appeals for non-domestic rates:			
- write-offs and uncollectable amounts		108,506	51,822
- allowance for impairment		233,603	(286,740)
- allowance for appeals		(20,959)	(155,000)
Charge to General Fund for allowable collection costs for non-domestic rates		103,866	102,129
Interest charged to Collection Fund		30,568	0
Total Expenditure		124,199,172	121,899,876
Movement on Collection Fund Balance – (surplus)/deficit for the year		(4,761,532)	(7,698,430)

	Note	2023/24 £	2022/23 £
Opening Collection Fund Balance:			
- Council tax		829,079	730,652
- Non-domestic rates		3,238,782	11,035,639
		4,067,861	11,766,291
Closing Collection Fund Balance:			
- Council tax		815,382	829,079
- Non-domestic rates		(1,509,053)	3,238,782
		(693,671)	4,067,861
Analysis of Movement on Collection Fund Balance:			
- Council tax		(13,697)	98,427
- Non-domestic rates		(4,747,835)	(7,796,857)
		(4,761,532)	(7,698,430)

Notes to the Collection Fund

General Information

The Collection Fund is an agent's statement that reflects the Council's transactions, as a billing authority, in relation to the collection of Council Tax and Business Rates from taxpayers, and its distribution to local government bodies and the Government. Billing authorities have a statutory obligation to maintain a Collection Fund as a separate account to the General Fund. The administrative costs associated with the collection of Council Tax and Business Rates are, however, charged to the General Fund.

Collection Fund surpluses or deficits in relation to Council Tax are credited or charged to the relevant precepting bodies in the subsequent financial year, in proportion to the precepts levied by those organisations. For Blaby, the precepting bodies are Leicestershire County Council, The Office of the Police and Crime Commissioner for Leicestershire (OPCC) and the Leicester, Leicestershire, and Rutland Combined Fire Authority.

The current Business Rates Retention Scheme was introduced for local government in April 2013. The main aim of this scheme is to give local authorities a greater incentive to encourage business growth. However, it brings with it a greater financial risk in terms of non-collection and the voluntary of the Business rates base. The scheme allows the Council to retain 40% of the total rates received, with the remainder going to the Government (50%), the County Council (9%), and the Fire Authority (1%). Surpluses or deficits are credited or charged to the relevant precepting bodies in the subsequent financial year in line with their respective proportions.

Council Tax

Council Tax is based upon the value of residential properties which have been classified into nine valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating

the amount of income required to be taken from the Collection Fund for the forthcoming year and dividing this by the Council Tax Base. The Council Tax Base represents the estimated number of Band D equivalents dwellings in the district.

The calculation of the Council Tax base for 2023/24 is set out in the table below:

	A*	A	B	C	D	E	F	G	H	TOTAL
Properties	0.00	4,986.00	15,487.00	10,096.00	6,815.00	4,557.00	1,635.00	541.00	38.00	41,155.00
Exemptions	0.00	-155.74	-194.25	-142.49	-61.16	-38.16	-4.00	-8.00	0.00	-603.80
Disabled Relief	16.00	63.00	2.00	-19.00	-8.00	-33.00	-7.00	-8.00	-6.00	0.00
Discounts	-1.81	-750.64	-1,346.93	-650.04	-327.13	-177.07	-55.54	-20.18	-0.51	-3,329.85
Council Tax Support	0.00	-987.49	,978.04	-381.26	-146.11	63.34	-12.91	-5.24	0.00	-2,574.39
Effective Properties	14.19	3,155.13	12,969.78	8,903.21	6,272.60	4,245.43	1,555.55	499.58	31.49	37,646.96
Ratio	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
Band D Equivalents	7.89	2,103.42	10,087.61	7,913.97	6,272.6	5,188.85	2,246.91	832.66	62.98	34,716.89

Table Notes: *Band A with Disabled Relief. Expected in year collection rate = 99.00% Tax Base = 34,369.72.

Income received from Council Tax-payers in 2023/24 was £75,280,178 (£71,234,181 in 2022/23)

National Non-Domestic Rates

National Non-Domestic Rates (NNDR) is another name for Business Rates. The Council collects NNDR from Business Rate payers within the district based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by the Government. The following table provides details of the total rateable value and the multipliers for 2023/24 compared with the previous financial year.

		2023/24	2022/23
		£	£
Total Non-Domestic Rateable Value at 31 March		119,165,950	115,063,407
National Non-Domestic Multipliers for Year:	Standard Rate	0.5120	0.5120
National Non-Domestic Multipliers for Year:	Small Business Rate	0.4990	0.4990

The Business Rates shares payable are estimated in advance of the financial year and are drawn from the Collection Fund in the year.

	2023/24	2022/23
	£	£
Central Government	24,011,978	25,139,408
Blaby District Council	19,209,582	20,111,526

	2023/24	2022/23
	£	£
Leicestershire County Council	4,322,156	4,525,094
Leicester, Leicestershire, and Rutland Combined Fire Authority	480,240	502,788
	48,023,956	50,278,816

Upon the introduction of the Business Rates Retention scheme, the Government set a baseline level for each local authority identifying the expected level of retained business rates, and a top-up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs payable from authorities to the Government are used to finance the top-ups for authorities who do not achieve their targeted baseline funding. In 2023/24, Blaby paid a tariff of £13,946,325 into the Leicestershire Pool (£14,528,846 in 2022/23). Total income received from Business Rates payers in 2023/24 was £48,607,497 (£51,143,481 in 2022/23).

In addition to the tariff, a 50% levy is payable on any growth above the baseline funding level. The levy payable by Blaby to the Leicestershire Business Rates Pool in 2023/24 was £2,339,785 (£2,864,482 in 2022/23).

Precepts and Demands on the Collection Fund – Council Tax

Details of the precepting authorities are set out below together with the respective precept amount.

	2023/24	2022/23
	£	£
Leicestershire County Council	52,429,736	49,758,413
Leicestershire Police Authority	9,390,845	8,843,411
Leicester, Leicestershire, and Rutland Combined Fire Authority	2,725,175	2,544,152
Blaby District Council (including Parish Councils)	10,526,137	10,064,631
	75,071,893	71,210,607

Collection Fund (Surplus)/Deficit

The Council Tax Collection Fund deficit as at 31 March 2024 is £815,382 (£829,079 as at 31 March 2023). The Council Tax deficit is apportioned between the Council and the three major precepting authorities as shown in the table below.

	31/03/2024	31/03/2023
	£	£
Leicestershire County Council	569,499	579,557
Leicestershire Police Authority	101,952	102,242
Leicester, Leicestershire, and Rutland Combined Fire Authority	29,471	29,706
Blaby District Council	114,460	117,574
	815,382	829,079

The surplus in respect of non-domestic rating income is £1,509,052 as at 31 March 2024 (£3,238,782 deficit as at 31 March 2023). This is apportioned between the Council, Central Government, and major precepting authorities as follows:

	31/03/2024 £	31/03/2023 £
Central Government	(754,526)	1,619,395
Leicestershire County Council	(135,815)	291,489
Leicester, Leicestershire, and Rutland Combined Fire Authority	(15,090)	32,386
Blaby District Council	(603,621)	1,295,512
	(1,509,052)	3,238,782

Glossary of Financial Terms

Accruals

The accruals concept requires that the cost or benefit of a transaction is shown in the period to which the goods or services are received or provided, rather than when the cash is received or paid.

Acquired Operations

Operations comprise services and divisions of service as defined in CIPFA's Service Reporting Code of Practice (SeRCOP). Acquired operations are those operations of the local authority that are acquired in the period.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- a) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- b) Actuarial assumptions have changed.

Amortisation

The term used to describe the charge made for the cost of using intangible fixed assets. The charge for the year will represent the amount of economic benefits consumed (that is wear and tear).

Assets Held for Sale

Non-current assets which meet the relevant criteria to be classified as held for sale.

Capital Adjustment Account

This is a capital reserve largely comprising of resource applied to capital financing and is not available to the Council to support new investment.

Capital Charge

A charge to service revenue accounts to reflect the costs of fixed assets used in the provision of service.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to, and not merely maintains, the value of an existing fixed asset.

Capital Grant

A grant that is intended to fund capital expenditure.

Capital Grants Unapplied Account

A capital reserve reflecting the value of capital grants received where there are no conditions outstanding, and where expenditure on the associated asset has not yet been incurred.

Collection Fund Adjustment Account

A revenue reserve representing the difference between the council tax income received by a local authority and the amount attributable to that authority.

Community Assets

Assets held in perpetuity for the benefit of residents of the district, and which may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Liability

Potential costs that the Council may incur in the future because of something that happened in the past, but there is no certainty that a cost will occur.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- a) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- b) termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Defined Benefit Scheme

A pension scheme sometimes known as a final salary scheme. A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investment of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

Depreciation is the measure of the wearing out, consumption, or other reduction in the useful life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

Derecognition

The process upon which assets are no longer deemed to belong to the authority either by sale, destruction, or other form of disposal.

Discontinued Operations

Operations comprise services and divisions of service as defined in CIPFA's Standard Classification of Income and Expenditure. An operation should be classified as discontinued if all of the following statements are approved:

- (a) the termination of the operation is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved,
- (b) the activities related to the operation have ceased permanently,
- (c) the termination of the operation has a material effect on the nature and focus of the local authority's operations and represents a material reduction in its provision of services resulting either from its withdrawal from a particular activity (whether a service or division of service or its provision in a specific geographical area) or from a material reduction in net expenditure in the local authority's continuing operations,
- (d) assets, liabilities, income and expenditure of operations and activities are clearly distinguishable physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Discounted Cash Flow

A method of analysing future cash flows, by removing the impact time has on the value of money and producing an equivalent current value.

Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award, and which are awarded under the authority's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996, the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, or The Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected Rate of Return on Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair Value

The fair value of a fixed asset is the price at which an asset could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Costs

Reflects the element of annual payment for leased assets which relates to the interest payable on the loan liability.

Finance Lease

A finance lease transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all the fair value of the leased asset.

Financial Assets

A right to future economic benefits controlled by the authority.

Financial Liabilities

An obligation to transfer economic benefits controlled by the authority.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by Government and intra-government agencies and similar bodies, whether local, national, or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the Authority.

Impairment

Impairment is a reduction in the valuation of a fixed asset or goodwill below its balance sheet value and occurs where something adverse has happened either to the asset itself or to the economic environment in which the asset is operated.

Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible Assets

Non-current assets which do not have physical form, such as software.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Inventories

Fair value of current assets purchased which have not yet been consumed.

Investment Property

Assets held solely for the purpose of rental generation or for increasing the value pre-sale (capital appreciation).

Loans and Receivables

Financial assets which are not quoted in an active market and have either a fixed or determinable payment.

Long Term Contract

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as contracts if they are sufficiently material to the activity of the period.

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Minimum Revenue Provision

A minimum amount, set by legislation, which the Council must charge to the Comprehensive Income and Expenditure Statement, for debt redemption or for the discharge of other credit liabilities (for example a finance lease).

Non-Current Assets

Assets that yield benefits to the Council for a period of more than one year, such as land, buildings, and vehicles.

Non-Distributed Costs

These are overheads for which no user now benefits and should not be apportioned to services.

Operating Lease

An operating lease is a lease other than a finance lease, and where an asset is used only for a small proportion of its economic life.

Past Service Cost

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is authorised, by the responsible financial officer, for issue.

Prior Period Adjustment

These are material adjustments to the accounts for a prior period, arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior periods.

Projected Unit Method

This is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) the benefits for pensioners and deferred pensioners (that is, individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- b) the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN36 issued by the Faculty and Institute of Actuaries

Provisions

Potential costs that the Council may incur in the future because of something that happened in the past, which are likely or certain to be incurred and a reliable estimate can be made of the costs.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's

employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Revenue Expenditure Funded from Capital Under Statute

This is expenditure that is classified as capital although it does not result in the creation of a fixed asset (for example, improvement grants).

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method, reflect the benefits that the employer is committed to provide for service up to the valuation date.

Service Reporting Code of Practice (SeRCOP)

Establishes proper practice with regard to consistent financial reporting, which allows direct comparisons to be made with the financial information published by other local authorities.

Settlement

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to affect the settlement. Settlements include:

- a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits,
- b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and
- c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Straight Line Basis

The method of calculating depreciation by way of charging services with the same amount each year over the life of an asset.

Total Cost

The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies, and services, third party payments, transfer payments, support services and capital charges. This includes an appropriate share of all support services and overheads, which need to be apportioned.

Useful Life

The useful life of a fixed asset is the period over which the local authority will derive benefits from that asset.

Vested Rights

In relation to a defined benefit scheme, these are:

- a) for active members, benefits to which they would unconditionally be entitled on leaving the scheme,
- b) for deferred pensioners, their preserved benefits,
- c) for pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants

ANNUAL GOVERNANCE STATEMENT – 2023/2024

Scope of Responsibility

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

In discharging this overall responsibility, Blaby District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

Blaby District Council has approved a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the authority's code is on our website or can be obtained from the Finance Service at the Council Offices in Narborough. This statement explains how Blaby District Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement.

Significant Events

Covid-19 Pandemic Normalisation of hybrid working

During the pandemic it was necessary for the Council to ensure governance arrangements were appropriate given the changed manner of working and to continue to respond to the demands of our community. Whilst the impact of the Pandemic have diminished the Council continues to develop and benefit from the changes in working practice that had arisen.

Our methods of working have developed into a hybrid combination of remote and face to face working and governance arrangements continued to be in place with officers and members communicating through virtual means in addition to face to face contact where required.

Emergency Situation relating to Huncote Leisure Centre Site

In November 2021 during routine work to install landfill gas mitigation equipment contractors found elevated levels of landfill gas onsite. As a result, a decision was taken to close the site as a precautionary measure.

An emergency situation was declared by Blaby District Council and the situation has been ongoing since that date and continued into 2023/24.

Measures taken by the Council have included:

- Initial closure of the site until levels of landfill gas emission reduced and further equipment installed to allow extraction and venting of the emissions in the longer term.
- Communication with local residents, the Parish Council, partners and users of the site to ensure understanding and compliance with the site closure.
- Taking the decision to provide a sum of £800,000 in total from the General Fund balances for any works necessary to make the site safe.

- Assessment of the site uses and the opening of the Leisure Centre, car park and adjoining parish fields.

As at the end of March 2024 parts of the site remain closed until the remaining works necessary are carried out in order to allow the re-opening of the field and footpaths to the rear of the centre. As part of this the Council considered the future use of the land that was utilised as a BMX track prior to the incident and has made the decision that when the site re-opens it will be utilised as open space; not a bmx track.

Emergency Situations Storm Henk and Local Gas Outage

The Council was called upon to respond to two emergency incidents early in the New Year 2024.

Storm Henk saw more than 150 properties across the District suffer from the impact of flooding. The Council worked with partners across the County to provide immediate practical support during the incident and during the recovery phase, signposting residents to financial support, assisting with the clear-up and hosting flooding events to ensure our residents were well supported throughout. The Council is continuing to work with the Flood Authority and related agencies to mitigate against future flooding impacts.

In Early February a burst water main in the village of Ratby caused hundreds of homes in Kirby Muxloe village to suffer a gas supply outage. The water, having got into a Cadent gas main, affected supplies to both Ratby and Kirby Muxloe with resident being without gas for a prolonged period. Officers of the Council co-ordinated the local response providing an information point and local 'command centre' in the village identifying vulnerable residents with extensive door knocking around the village. Working in a collaborative manner with the provider Cadent, our officers, along with volunteers, provided appropriate assistance to residents in need; delivering temporary cooking and heating appliances and reassurance to residents.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The systems of internal control are a significant part of that framework and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of Blaby District Council's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Blaby District Council for the year ended 31 March 2024 and will continue to be in place up to the date of approval of the Statement of Accounts.

The Governance Framework

The Authority's vision is set out in the Blaby District Plan which was developed with officers, Members and stakeholders in the district. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

Communicating the Authority's Vision

The Blaby District Plan applicable to the 2023/24 year was adopted by Council on the 19 January 2021 and has set our Vision, Values and Priorities for the District spanning 2021-2024. Our priorities were grouped under the three key themes based on the District being “a great place to live, work and visit”.

This document encompassed our ambitions and, with partners, how we would deliver these to the community. The Blaby Plan comprised of our Corporate Plan, our Medium-Term Financial Strategy (MTFS) and our People Strategy. It was not just a list of things we wanted to achieve but also detailed how we planned all our resources, both financial and staffing to deliver these.

Alongside the Blaby District Plan, priorities for the People Strategy and MTFS were developed. An updated MTFS was produced alongside the annual budget setting process to ensure attention was drawn to the possible financial risk and impact associated with the changes to Business Rates and the Fair Funding Review.

Following the district elections in May 2023 a new Blaby District Plan was developed for the years 2024-2028 and was considered and adopted by Council on the 28th November 2023. This document serves as our roadmap for continually improving Blaby District and to continue to ensure it is a great place to live, work and visit. Alongside the Plan our Transforming Blaby Together Strategy has been developed encompassing how the authority aligns our objectives for delivering Equality and Diversity; People and Organisational Development; Customer Insight, Experience and Engagement as well as Transformation, Project and Digital agendas. The MTFS continues to be updated alongside the annual budget process to ensure the Plan is affordable and the Council is in a position to respond to funding gaps that may be forthcoming.

To continue to strengthen our governance arrangements the Council has commenced plans to carry out a self-assessment against the Best Value Guidance issued in May 2024 during the coming year.

Translating the vision into objectives for the authority and its partnerships

The Council's objectives reflect the overall vision and are detailed in a series of critical activities which are regularly planned. It had been recognised that in some areas it is not always evident how these formed part of individual goals for staff and this was an area identified for improvement through enhancement of the staff PDA process and linkages into the vision and the Blaby District Plan and development of the Performance Framework. With the adoption of a new Performance Framework in 2022/23 this new system to record and track both the corporate plan and service plans started to become embedded within the organisation. The following section lists the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government as follows:

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

The Council has adopted the national Code of Conduct for Members supported by the Grievance and Standards Committee which monitors issues in relation to standards of behaviour. The Code of Conduct for Members was approved by Council in December 2021 and was adopted as of 1 April 2022.

There is a separate officer code of conduct.

The roles and responsibilities of the Cabinet Executive, the Non-executive members, the Scrutiny Commission and the Senior Leadership Team are set out in the Council's Constitution which provides a comprehensive framework for the management of the authority's business. This is supported by a formal Scheme of Delegation, based on a delegation by exception principle. A Member/Officer protocol ensures effective and appropriate communication between the paid establishment and elected Members. The Cabinet Executive has previously approved a recommendation from the Member Development Steering Group to adopt a comprehensive "Members Roles and Responsibilities" paper which sets out role profiles and the required skills and knowledge for the various roles Members fulfil in discharging their responsibilities.

Council policies are produced in accordance with the principles set out in the Constitution and recommended for approval following review by the Senior Leadership Team. Decision making which falls within the policy and budgetary framework rests with the Cabinet Executive whilst those decisions falling outside the framework are reserved to full Council. The call-in procedure enables the Scrutiny Commission to review decisions made by the Cabinet Executive. Day to day decision making is carried out by appropriate officers in accordance with the Scheme of Delegated Powers (which is based on a delegation by exception principle) and in accordance with the Financial Regulations. These arrangements all contribute to the economic, efficient and effective operation of the Council. The whole suite of standing orders, financial regulations and scheme of delegation are reviewed and updated as required through regular reports to Council.

Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The "Monitoring Officer" function was carried out by the same individual throughout the year. Initially in the year this individual held the position of Corporate Services Group Manager and then on their promotion in January 2024 now holds the position of Executive Director of Communities. The Monitoring Officer position reported to the post holder of the Executive Director position until the promotion when their reporting line changed to directly report to the Chief Executive. Regardless of reporting lines, the Monitoring Officer meets directly with the Chief Executive on a monthly basis and has ability to report directly to him/her any concerns he/she may have as Monitoring Officer.

All three statutory officers meet on a regular basis to ensure any concerns are addressed.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive. The Executive Director (Section 151 Officer) has responsibility for all HR matters and this position reports to the Chief Executive position.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The Council has an established Audit Committee (the Audit and Governance Committee) whose remit and functions are based on the guidance set out in a CIPFA publication which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer, Finance Group Manager and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit Committee should he/she feel it appropriate to do so. During this year the Council has continued to enhance the function of Audit Committee in line with the CIPFA guidance; appointing an independent member to the Committee and providing training to new members.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two statutory officers (the Section 151 Officer and the Monitoring Officer) have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Finance Group Manager and the Council Tax, Income and Debt Manager who facilitate the management and mitigation of risk and the Audit Manager who provides assurance on matters of internal financial control. The Human Resources function along with managers, through the use of Performance Development Appraisals, assesses (and provides a means of improving) competencies to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

Whistle-blowing and receiving and investigating complaints from the public

The Council has in place and promotes appropriate whistle blowing policies and procedures which are regularly reviewed and updated where required. A revised Whistle Blowing (Raising Concerns) policy was updated in July 2022. Staff are aware of the Whistle Blowing policy and it has been highlighted in Blaby Matters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from its customers and the residents of the District. Regular information relating to performance in respect of complaints (and compliments) is presented to the Senior Leadership Team.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Blaby District Plan sets out the Authority's vision, values and priorities, the resources that the Council has to deliver these (within the MTFS) and how we support our officers to deliver the plan within our People Strategy. Objectives are set that link with the priorities and these are monitored through the year by the Senior Leadership Team within the Project Management reporting structure. The authority works closely with other local public bodies, community and voluntary groups via a partnership approach to ensure effective delivery of its services.

The development of the new Blaby District Plan 2024-28 saw extensive engagement with both staff, residents and stakeholder groups to gain valuable input into the themes and objectives identified within the Plan.

We have an active voluntary forum through which the Authority provides support to those in our community whilst engaging with them to understand how we can improve our services. Engagement with our voluntary community and new/temporary volunteers increased during the pandemic and we have taken measures to ensure we retain connection with these groups.

Customer satisfaction with services is monitored through local and service specific surveys, and electronic means to provide feedback on a range of activities and issues.

The Council produces regular e-newsletters for residents and businesses within the District which, in addition to providing information and advice, seeks to receive the views of the residents on a wide range of issues. Targeted service priority consultation exercises are undertaken to inform the future allocation of resources. The Council carries out a bi-annual Residents Survey which includes consultation on potential Council Tax increases and satisfaction levels for a range of Council services. This was carried out in January 2024 with 1680 responses received which statistically suggests that there is 99% confidence that the results reflect the views of the whole district. Results reported that 71% of respondents felt well informed about the services and benefits delivered by Blaby District Council with general satisfaction rates being 55%.

The Council works closely with its 24 Parish Councils. Officers attend a Parish Liaison Group, which has representatives from all other districts and Leicestershire County Council. We regularly send information through to our parishes in relation to funding opportunities.

The Council has established effective Business Breakfast meetings and holds regular meetings with the head teachers of the Academies in the district. It has a Youth Council which has played an active role, this year, in raising awareness about the green agenda, hate crime and vaping; a particular concern that they identified.

The Council held a Youth Conference in February 2024 which was an opportunity for young people to have their say with elected members regarding issues most important to them. The event also provides an insight into what the Youth Council does and the opportunity to take part in a debate as well as attracting new members to join our Youth Council. This year the young attendees took part in activities raising awareness of the Green agenda and a court room experience involving hate crime.

Engagement with some of our academies and primary schools in the district continued, working with them to explore career opportunities, with a number of events spanning a range of sectors including, construction, tourism, logistics and hospitality.

In order to demonstrate its openness the Authority also publishes:

- A Forward Plan 28 days before the Cabinet Executive meets and provides:
 - a) The public with details of all key, non key and budget and policy framework decisions to be taken by Members over a minimum period of four months ahead
 - b) An aide-memoire for the Council's informal board of senior Members and officers to identify future issues for further discussion
 - c) The Scrutiny Commission with information to consider areas where it may wish to seek involvement in policy development
- Its pay policy
- Gender Pay Gap Report
- Council, Cabinet and Committee Reports
- Payments over £250

In order to keep the public informed the Authority proactively prepares appropriate press releases. The Council has an award-winning website which is user friendly and well-designed and the frequent use of social media channels of communication have enabled the Council to reach more of our residents effectively. The Council's Communication Strategy will be updated in the coming year following the adoption of the new Blaby District Plan.

Scrutiny of the Councils budget for 2023/24 took place over two meetings in January 2023. These meetings were open to all Members and attendance levels were high. A further meeting was held with Scrutiny and non-Cabinet members to consolidate their understanding and comments regarding the budget process to feed back recommendations to Council.

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

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

The Council participates in a range of joint working arrangements with other bodies, some of which are more significant than others. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail. It therefore actively supports and encourages an "open book" approach wherever possible.

Enhancing the accountability for service delivery and effectiveness of other public service providers

In 2023/24 work continued with the Community Health and Wellbeing Plan (CHWP) in conjunction with a working group of Blaby DC, Public Health, Leicestershire County Council, and NHS partners. This Partnership continues to carry out needs assessments and prioritise arising needs. The Partnership will continue to oversee the development of action plans, support the delivery of the final CHWP and monitor progress.

Social Prescribing is part of the NHS long-Term Plan to make personalised care business as usual across the health and care system. Social prescribing works for a wide range of people and issues, including people with one or more long term conditions, who need support with their mental health, who are lonely or isolated or who have complex social needs which affect their wellbeing. In Blaby we have a unique set up with our Primary Care Networks.

The Council is a member of the Leicestershire Housing Services Partnership which is made up of local authorities, registered providers and third sector organisations who work to deliver a joint action plan aimed at improving outcomes. One of the positive outcomes from this group has been the success of the bids for the Rough Sleepers Initiative Programme and the Rough Sleepers Accommodation Programme which have helped to improve options for homeless households across the County at a time of increased homelessness presentations.

The Leicester, Leicestershire and Rutland Chief Housing Officers Group forms part of the Housing Services Partnership and is cognisant of the wider housing impacts and as a partnership are concentrating on:

- Understanding the housing impact of increase levels of household unemployment and financial instability
- Identifying and then meeting (wherever possible) the wider support and complex needs of housing customers
- Effectively supporting staff to maintain positive mental wellbeing and health as well as identifying appropriate training and career opportunities
- Working in partnership with key agencies to improve the housing offer to customers for example health, probation, adult social care
- Working collectively to address increased levels of homelessness and maximising opportunities for funding to deliver appropriate accommodation.
- Supporting initiatives such as the Staying Healthy partnership by enabling safe and healthy homes and preventing homelessness wherever possible

The Chief Housing Officers Group has continued to work well with partners and in particular in relation to the increase in homelessness presentations which have remained high across the County but also in relation to other key housing areas including, Children and Young People, Care Leavers, Prison Releases, Community Safety, Strategic Housing as well as being reactive to emergency occurrences e.g. accommodating families from the Afghanistan resettlement schemes and the Ukrainian Refugees. Blaby has also led on initiatives such as the bids for the Rough Sleepers Accommodation Programme which have been successful in providing self-contained accommodation for Rough Sleepers or those threatened with Rough Sleeping.

In 2023/24 Blaby took advantage of the LAHF2 to purchase housing to be utilised for temporary accommodation and reduce the need for the authority to house people in bed and breakfast accommodation.

The Council leads on the Lightbulb programme; a transformational project designed to improve and transform housing related support services across the County as well as improving hospital discharge services. Lightbulb has won 3 major accolades since it's inception: -

- Winning the Local Government Chronicle award for best Public/Public Partnership
- Named the best collaborative working initiative by the Association for Public Service Excellence
- Highly commended at the Home Improvement Agency Awards

The service continues to deliver a more streamlined service from that operated pre-Lightbulb and also runs a number of commissioned pilots which provide invaluable insight into needs of residents and the benefits of prevention work. There are a number of schemes being piloted:

- Safe Spaces Project which supports individuals whose property is hoarded.
- The Home Gadgets project which sees technology supplied to help individuals with Dementia or health conditions remain as independent as possible in their own home.
- Housing Occupational therapists – looking at streamlining the hospital discharge process and adaptations.
- Green grant – support to ensure properties are efficient and help future proof for health and cost of living.

Lightbulb continues to seek ways of improving our resident's wellbeing and a whole service review will be undertaken in 2024/25 to ensure the service continues to deliver effectively.

The Council formally merged the Community Safety Partnership (CSP) of both Blaby and Hinckley and Bosworth in April 2016. Together the CSP's across Leicestershire work with the Police, Fire, Probation Services, County Council and Clinical Commissioning Groups to develop and implement strategies to protect local communities from crime and to help people feel safe. Local approaches to deal with issues including antisocial behaviour, drug or alcohol misuse and re-offending are also developed through the joint working.

The Council has over recent years invested considerably to promote the economic development of the district. This has continued with a new Economic Development Framework being adopted by Cabinet in September 2023 with a vision "for Blaby District to be a great place to live, work and visit, with a strong, successful economy where everyone can build great businesses, careers and lives, supported in a green and environmentally friendly way, with superb connectivity." The Economic Development Framework sets out the aspirations of the Council and provides a framework that

brings together all economic development activities that are occurring within the district and considers how they complement each other to maximise the benefits for our residents, businesses and visitors.

The Council leads a Building Control Partnership on behalf of five other local authorities including Harborough, Oadby and Wigston, Hinckley and Bosworth, Melton and Rutland County Council. A governance structure has been set up which includes a Management Board that meets quarterly to review performance of the service, income generation and make decisions on future priorities. Initially the partnership was delivered through a shared service agreement however, in November 2021 a decision was made by Council to operate the Building Control Partnership under delegated authority and this structure has been in place since April 22.

Through a delegation of statutory responsibility, Blaby provides a Local Land Charge service for both Hinckley and Bosworth Borough Council and Oadby and Wigston Borough Council. Through this arrangement Blaby maintains local land charges registers, processes official searches and provides access to the local land charges register under the Environmental Information Regulations for personal searches.

This arrangement has provided resilience in service across all authorities the service being highly commended at the Local Land Charges awards 2019 and shortlisted by Land Data in 2021 and 2022 for Team of the Year.

From April 2023 Blaby District Council collaborated with neighbouring authority Oadby and Wigston Borough Council to expand its sport, physical activity and community health and well-being work. Blaby District Council undertakes work on behalf of Oadby & Wigston Borough Council for Physical Activity and Community Health & Wellbeing. Economies of scale are achieved by commissioning external providers to run classes across both districts. Alongside this the development of the two Community Health & Wellbeing plans also provides the opportunity to tackle jointly any gaps in provision or where we have the same health inequalities.

The Council continues to work closely with the academies in our District and meetings cover a wide breadth of matters including: creating workplace opportunities in Blaby District and gaining benefit from developments under construction in our district; workplace health initiatives and creating linkages in our community to promote community safety. This meeting has also facilitated closer relationships being developed with the academies and both the police, local community groups and officers from children's support services at Leicestershire County Council.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Blaby District Plan 2021-2024 set out our ambitions for the Council and sat alongside our Medium-Term Financial Strategy and our People Strategy and these detailed how we planned all our resources, both financial and staffing to deliver these.

The Council's service and financial planning process ensures that resource redirection and allocation is aligned to the priorities emanating from the Blaby District Plan. The Council has in place Contract Standing Orders and Financial Regulations designed to ensure that the Council achieves value for money in discharging its procurement requirements.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability.

Development and maintenance of the system is undertaken by the Senior Leadership Team within the Council and its effectiveness is reviewed by either external or internal audit. In particular, the arrangements include:

- The Medium-Term Financial Strategy is now part of the Blaby District Plan but includes a Financial Summary spanning future years which is revised annually.
- A 5 Year Capital Programme including asset investment.
- An effective system of budgetary control.
- The preparation and review of regular and timely financial reports which indicate financial performance against the forecasts.
- Clearly defined capital appraisal, funding and expenditure controls.
- Formal project management disciplines where appropriate
- Performance management reports

The Council “project board” approach is now established implementing change and transformation. A focus has been placed on project management and the regular monitoring of project delivery with the SLT meeting monthly to review progress and the Council making permanent the Transformation Group Manager position recognising the importance of investing in additional resource to enhance this focus. Ultimately this is led by the Chief Executive and will continue to ensure focus is placed on continuing improvement and learning. Members are fully engaged in this process with both a Cabinet Executive portfolio holder having specific responsibility for driving and monitoring the change process. The Scrutiny Commission, through its working groups are actively involved in examining the detail of processes and change reviews.

Blaby District Council has, during this year, considered its position within the Shared ICT Service provided by Hinckley and Bosworth Borough Council with Melton Borough Council also being within the Partnership. Recognising the importance of utilising digital capability the Council made the decision in October 2023 to understand, scope and cost a transition away from the shared service arrangement and in February 2024 Council made the decision to give notice to the Partnership and transition to an in-house solution by 31st March 2025.

An in-house service will provide BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services, and accelerate BDC towards achieving the ambitions of the Blaby District Plan adopted in 2023.

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The district election held in May 2023 saw significant numbers of new members be elected. Since then a comprehensive induction programme including 25 training sessions has been delivered to new members. This programme included sessions on a variety of subjects including ICT, Democratic Process, Code of Conduct, Planning Essentials, Local Plan, Enforcement, Scrutiny introduction and questioning skills. This programme has continued to be built upon throughout the year, with various training sessions delivered to both new and more experienced members to ensure they are fully equipped to fulfil their roles. We have also had one By Election, and training and development has been replicated on a one to one basis with the new Councillor. We have held 6 and 12 monthly evaluations with new Councillors in order to identify additional needs or gaps.

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to

invest in development for officers and managers. All people managers continue to be supported to understand staff wellbeing and manager participation in HR workshops delivered both virtually and face to face. During the year training on project management, diversity and inclusion and also awareness & training sessions held on subjects such as safeguarding, ADHD and website and word accessibility training have been delivered.

We've also supported staff with talks on the Pensions scheme and Planning for retirement.

A group of officers attended the East Midlands Challenge Event giving them an insight into issues faced when in strategic roles and the Council has accessed LGA and DCN development programmes that a small number of staff have benefitted from. During the year we welcomed 4 new Apprentices into the Council and continued supporting 2 degree level apprenticeships, continuing into the next year.

We have continued to collaborate with local Councils on an ILM Manager Development programme, with 8 managers in the process of completing a management qualification at different levels, resulting in positive feedback and cross Council networking opportunities.

The Council continues to adhere to the principles of the East Midlands Councils Elected Member Development Charter. The Charter provides a set of national standards for authorities to achieve, ensuring elected Members are equipped to have the knowledge and skills to be effective community leaders.

Principle F – Managing risks and performance through robust internal control and strong public management

The Council has invested in putting in place a new clear and coherent framework for managing and monitoring performance. Extensive work was undertaken in 2022/23 to develop a much improved performance system utilising a system known internally as I-Plan. I-Plan is now being used by the authority to report both performance, risk and projects. This has become embedded across the authority during this year and has seen access for both officers and members to access performance data.

A Six Monthly Performance Report is presented to Council which provides a summary of progress and performance against the priorities within the Blaby District Plan. This report encompasses a whole Council approach focused on the three priorities; A Place to Live, A Place to Work, A Place to Visit, and it is recognised that all services contribute to the successful delivery of the Council's Plan.

This report is also presented at Scrutiny Commission meetings. The responsibility for Performance Management sits with the Portfolio Holder for Finance, Assets and Performance. All Cabinet members provide challenge through our reporting channels.

The Council has in place a Risk Management Policy and Strategy to ensure that the management of risk, is embedded within the organisation at both the strategic and operational level with both Members and senior officers having specific roles and responsibilities identified. A Corporate Risk Management Group, headed by the Chief Executive who is supported by the Finance Group Manager who has specific responsibility to co-ordinate the management of risk across the Council. Both Members and officers are trained so that they are equipped to manage risk in a way appropriate to their duties. Risk assessments are a pre-requisite for all capital project appraisals and form an integral element of Project Plans. The Council utilises a software package Iplan to assist with the management and monitoring of both corporate and service risks. Members of the Audit Committee received regular corporate risk monitoring reports.

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

Ensuring the Authority's Financial Management Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government

The CIPFA Statement was originally published in March 2009 in respect of the Role of the Chief Financial Officer in public services as a whole and was considered by the Council's Cabinet Executive in July of that year. The following year a further version was produced which was specifically directed towards Chief Financial Officers serving in local government. The five underlying principles however remained the same. The Council's financial management arrangements conform with the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

During this year, the Executive Director (S151 Officer) held the position of S151 Officer.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the Council's Audit and Governance Committee on all matters appertaining to audit outcomes.

Review of Effectiveness

Blaby District Council undertakes, on an annual basis, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by a) the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, b) the Audit Manager's annual report and c) by comments made by the external auditors and other review agencies and inspectorates.

Part of this process is to carry out an assurance review which identifies examples of assurances in respect of those governance arrangements which are key to mitigate against significant risks to the achievement of the corporate objectives of the Council. Whilst a number of actions were identified through this process they don't relate specifically to governance matters, but illustrate the Council's commitment to continuous improvement. The actions are listed in the table below for completeness. The comprehensive detail of the assurance review completed will be presented as an appendix to the Annual Governance Report which will be considered by Cabinet Executive in June 2024.

Core Principal 1: A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principle 1 : Behaving with Integrity

Action – To embed the revised PDA documentation to enhance the process and to ensure PDA's are carried out for all staff.

Action – To continue to reinforce the values detailed within the new Blaby District Plan: honesty, openness and treating people fairly.

Core Principal B: Ensuring openness and comprehensive stakeholder engagement

Supporting Principle 2 : Engaging comprehensively with institutional

Action – Update the Communication Strategy following development of New Blaby District Plan.

Supporting Principle 3 : Engaging stakeholders effectively, including individual citizens and service users

Action – Build on the outcomes taken from the review of the Communications function, review the Communications Strategy and continue to strengthen the proactive promotion of the Council.

Action - Broaden the response to the bi-annual satisfaction survey carried out in Jan 2024 by engaging with the younger generations in our district to ensure their views are understood.

Core Principal C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Supporting Principle 1 : Defining outcomes

Action – Continue to develop the long term Vision for the District and deliver the Blaby District Plan for future years.

Action – Continue to embed the new business planning, data intelligence and risk management process that has been implemented during 2022/23 utilising the I-Plan system.

Supporting Principle 2 : Sustainable economic, social and environmental benefits

Action – Continue to Brief all members, regarding Council finance incorporating Fair Funding, Business Rates and financial implications of government driven waste initiatives.

Core Principal D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principle 2 : Planning interventions

Action – Embed the new business planning, data intelligence and risk management process utilising the I-Plan system to report KPI's.

Supporting Principle 3 : Optimising achievement of intended outcomes

Action – Budget setting and monitoring to be further developed to ensure that budget is tailored and trimmed with services delivered efficiently and effectively.

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

Supporting Principle 1 : Developing the entity's capacity

Action- Continue to investigate the use of benchmarking information to enhance the performance framework and support decision making.

Action – Continue to develop workforce, policy updates development and retention/recruitment initiatives, including East Midlands pilot scheme being carried out by EMC.

Supporting Principle 2 : Developing the capability of the entity's leadership and other individuals

Action – To develop revised PDA documentation to enhance the process and to ensure PDA's are carried out for all staff.

Action - Continue to progress the programme of training for people managers across the authority including the Solace leadership programme and brilliant manager training.

Core Principal F : Managing risks and performance through robust internal control and strong public financial management

Supporting Principle 1 : Managing risk

Action – Utilise the new I-Plan system to record risks and ensure lower level risks are managed across the organisation.

Supporting Principle 2 : Managing Performance

Action – continue to monitor the use of the new Corporate performance framework and reporting system to ensure the authority has an overall view of performance. Investigate the use of benchmarking information to enhance the performance framework further.

Supporting Principle 3 : Robust internal control

Action – Continuation of progress to work towards compliance of the Council's Audit & Governance Committee with the CIPFA Practical Guidance for Local Authorities and Police (CIPFA, 2022).

Supporting Principle 5 : Strong public financial management

Action – Provide training for budget managers to ensure they understand their responsibilities to manage their budget and can re-forecast accurately during the year

There were no actions from previous years that had not been addressed, however some actions will continue to be built upon in 2024/25.

Review of Compliance with Financial Management Code 2022/23

The Council carried out a review of compliance with the FM Code in advance of 2022/23. It was considered by the Audit and Standards Committee in July 2021 and the action plan arising from the review approved by Cabinet Executive in September. The document was made available to the public. Whilst the Authority was found to be compliant with many aspects of the FM Code, there were a number of areas that were partially compliant. An action plan was developed and all areas addressed to ensure compliance.

Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council's constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

It is the responsibility of the statutory officers to report to Council on any issues concerning the review of the effectiveness of internal control arrangements where such cases fall outside the delegated power of other decision making bodies of the Council. There have been no issues arising during 2023/24 which have required the full Council to exercise its role.

The Constitution of the Council is subject to a continuous review process and a delegation by exception scheme forms an integral part of the arrangements. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24 May 2016. Amendments to the Constitution are brought before Council throughout the year as part of the continuous review process and annually to ensure it is fit for purpose.

The Council formally reviews its Financial Regulations on a regular basis albeit ongoing updates are implemented as part of the regular reviews of the Constitution.

Role of Cabinet Executive

The role of the Cabinet Executive is to receive, consider and approve the Annual Governance Statement and to monitor the implementation of any Action Plans arising out of the review of its governance arrangements.

Role of Audit Committee

A formal Audit Committee, constituted on the basis of the guidance issued by the

Chartered Institute of Public Finance, including the adoption of a “Statement of Purpose”, was established in 2008.

The Audit Committee (The Audit and Corporate Governance Committee) meets on a quarterly basis. It has responsibility for considering the findings of the annual review of the effectiveness of the internal audit function in addition to receiving regular monitoring reports from the Audit Manager. The annual external audit plan is also approved by the Audit Committee.

Role of Scrutiny Committee

The Council has a well established Scrutiny Commission supported by working panels who are assigned specific projects to be undertaken. The Commission can “call in” a decision which has been made by the Cabinet Executive but not yet implemented, to enable them to consider whether the decision is appropriate.

Risk Management

The Corporate Risk Group regularly reviews the Risk Management Strategy to ensure its continued relevance to the Council. The reviews also assess performance against the aims and objectives of the Risk Management Strategy.

The Finance Group Manager provides regular progress reports to the Corporate Risk Group and the Senior Leadership Team bringing to their attention any significant risks which have been identified. The Corporate Risk Group/Senior Leadership Team also:

- Reviews the Council's strategic/operational risk registers and associated action plans
- Ensures that the appropriate management action is taken to minimise/eliminate risk

Audit and Corporate Governance Committee review the Strategic Risk Register and mitigating actions regularly. They also have responsibility for reviewing and recommending the Risk Management Strategy at regular intervals.

Role of Internal Audit

Internal Audit is provided in accordance with the statutory responsibility under Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. It is managed on a day to day basis by the Audit Manager who reported to the Executive Director and then the Executive Director of Communities from January 2024 onwards. There is however also an indirect reporting line to the Executive Director (Section 151 Officer) in relation to matters of a technical or professional nature.

Internal Audit objectively examines, evaluates and reports on the adequacy of internal controls and governance as a contribution to the proper, economic and effective use of resources. During 2023/24 this responsibility was carried out following an approved risk based annual audit plan. The Audit Manager produces quarterly progress monitoring reports against the plan to the Audit and Corporate Governance Committee.

The internal reporting process for audit work requires a report of each audit to be submitted to the relevant Group/Corporate Manager and/or Service Manager. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by the relevant managers. The process also includes regular reviews of recommendations to ensure that they are acted upon. A summary of all audits carried out, including a grading rating which reflects the effectiveness of the controls in place and an analysis of the recommendations is submitted to each quarterly Audit and Corporate Governance Committee meeting. The Senior Leadership Team regularly review the progress made towards the recommendations from internal audits being actioned.

The Public Sector Internal Audit Standards (PSIAS), introduced on 1 April 2013, and revised in April 2016 and again in 2017, require an external assessment of compliance with the Standards to be carried out at least once every five years.

The assessment was carried out in November 2020 and found that the internal audit function at Blaby District Council conforms with the PSIAS and there were no areas of non-compliance identified. The final report was presented to the Audit and Standards Committee on 1 February 2021 along with an action plan containing minor action points which the Audit Manager is implementing to improve overall compliance with the Standards.

The Shared Service Audit Manager provides an independent opinion on the internal control environment to the Audit and Corporate Governance Committee which then feeds into the Annual Governance Statement process. For the 12 months ended 31 March 2024, based upon the work undertaken by Internal Audit during the year and additional information provided by relevant managers on their responses to audit recommendations, the Audit Manager has formed the opinion that she is able to give **reasonable assurance** on the Council's overall internal control arrangements. To be consistent with our Internal Audit opinion definitions, this means that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the areas audited. This is a positive assurance opinion overall which will be detailed in the report of the Audit Manager's 'Internal Audit Annual Report 2023/2024' which will be presented to the Audit and Governance Committee on 30th July 2024.

All but two internal audit reports issued during 2023/24 were issued with either substantial or reasonable assurance opinions. Both reports were issued with limited assurance opinions and recommendations made within the audits have already been actioned or plans have been put in place to ensure they are addressed.

It should be noted that no assurance has been able to be obtained in relation to the management of risks and controls within the ICT service area other than evidence of a Public Sector Network Certificate. The ICT Service is currently provided through a shared partnership and an IT Asset Audit is planned by the LICT Partnership to be carried out in the coming year.

Recognising the importance of utilising digital capability, the Council made the decision in October 2023 to understand, scope and cost a transition away from the shared service arrangement and in February 2024 Council made the decision to give notice to the Partnership and transition to an in-house solution by 31st March 2025.

An in-house service will provide BDC a complete level of assurance, influence and decision making to meet its digital aspirations for ongoing transformation of services and accelerate BDC towards achieving the ambitions of the Blaby District Plan adopted in 2023.

Other Explicit Review/Assurance Mechanisms

The Corporate Services Group Manager, now the Executive Director of Communities (the “Monitoring Officer”) has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Constitution underwent a revision in 2016/17 and the new version, which was actively reviewed by Members, was approved by Council on 24 May 2016.

Statements of Assurance are received from senior officers regarding internal control issues in line with the guidance set out in “Delivering Good Governance in Local Government”.

In November 2021 the Council invited the LGA to carry out a Finance Health Check which gave a view of the robustness of the Council’s financial arrangements. The report, received in December 2021, concluded that the Council is well managed financially and has consistently spent within its budget. The report went on to provide a number of recommendations all of which were either completed or have been incorporated into our financial considerations on an ongoing basis.

The Council has continued the engagement with the LGA Peer Review process; the first review being in 2015 and followed by a further review in 2018.

A more recent Peer Review (now referred to as a Corporate Peer Challenge) was performed in March 2022 and was again very positive with the report summarising that “Blaby District Council (BDC) is a well-run local authority; it has a sound financial position, strong leadership, particularly through its Leader and Chief Executive, and committed staff. There is real ownership by members and officers, and everyone wants to do their best for Blaby as a council, place and for its communities.”

The final report was reported to Council in July 2022 alongside an action plan that has been put in place to address recommendations made for improvement. The LGA Peer Challenge team returned to the Council in December 2022 to review the Council’s progress reporting that “Blaby DC is clearly committed to addressing all the CPC’s recommendations and has made excellent progress in doing so. This is all the more impressive, given that the council, like others, is responding to the ongoing challenging, economic environment.”

Statement of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework carried out by members of the Senior Leadership Team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Significant governance issues

Whilst there are no significant governance issues to report, nevertheless the Council continues to seek to enhance and strengthen our governance arrangements where improvements can be identified. We will monitor progress made as part of our next annual review.

Signed _____
Leader of the Council
XXXXX 202X

Signed _____
Chief Executive
XXXXX 202X