

Core Statements

Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

2021/22				2022/23		
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000		£'000	£'000	£'000
454,856	(210,728)	244,127	People	486,642	(189,494)	297,148
237,601	(148,532)	89,069	Resources	206,434	(135,023)	71,411
241,495	(92,907)	148,588	Growth & Regeneration	308,741	(159,120)	149,621
115,959	(123,026)	(7,066)	Housing Revenue Account	125,185	(127,179)	(1,994)
228,498	(204,964)	23,534	Dedicated Schools Grant	241,814	(212,748)	29,066
6,692	(889)	5,803	Corporate Funding & Expenditure	6,619	(4,210)	2,409
1,285,100	(781,046)	504,054	Cost of services	1,375,435	(827,773)	547,661
		11,786	Other operating expenditure (Note 8)			11,316
	(45,078)		Financing and investment income and expenditure (Note 9)			121,571
	(454,781)		Taxation and non-specific grant income (Note 10)			(499,673)
		15,980	(Surplus)Deficit on provision of services			180,875
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision on Services			
	(243,430)		(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 19)			(3,592)
	(164,056)		Remeasurement of the net defined benefit liability/asset (Note 34)			(746,950)
			Items that may be reclassified to the (Surplus) or Deficit on the Provision on Services			
			(Surplus)/ deficit on financial assets measured at fair value (Notes 23)			
	(407,486)		Other comprehensive income and expenditure			(750,542)
	(391,506)		Total comprehensive income and expenditure			(569,666)

Movement in Reserves Statement for the year ended 31 March 2023

	Note	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account Earmarked Reserves	Sub Total - Housing Revenue Account	Capital Grants Unapplied	Major Repairs Reserve	Capital Receipts	Total Usable Reserves	Unusable Reserves	Total Council Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjusted Balance at 1 April 2021		35,666	220,707	7,528	263,901	97,791	651	98,441	78,492	11,296	3,080	455,210	1,239,889	1,695,099
Movement in Reserves during 2021/22														
Surplus or (deficit) on the provision of services		(13,403)			(13,403)	(2,577)		(2,577)				(15,980)		(15,980)
Other Comprehensive Expenditure and Income					-			-				-	407,486	407,486
Total Comprehensive Expenditure and Income		(13,403)	-	-	(13,403)	(2,577)	-	(2,577)	-	-	-	(15,980)	407,486	391,506
Adjustments between accounting basis and funding basis under regulations	Note 17	(31,385)			(31,385)	6,367		6,367	1,283	1,606	475	(21,654)	21,654	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(44,788)	-	-	(44,788)	3,789	-	3,789	1,283	1,606	475	(37,634)	429,140	391,506
Transfers to/(from) Earmarked Reserves	Note 18	49,196	(47,272)	(1,924)	-	(4)	4	-				-	-	-
Increase/(Decrease) in 2021/22		4,408	(47,272)	(1,924)	(44,788)	3,785	4	3,789	1,283	1,606	475	(37,634)	429,140	391,506
Balance at 31 March 2022 Carried Forward		40,074	173,435	5,604	219,113	101,576	655	102,231	79,775	12,902	3,555	417,575	1,669,030	2,086,605
Movement in Reserves during 2022/23														
Surplus or (deficit) on the provision of services		(182,220)			(182,220)	1,345		1,345				(180,875)		(180,875)
Other Comprehensive Expenditure and Income					-			-				-	750,542	750,542
Total Comprehensive Expenditure and Income		(182,220)	-	-	(182,220)	1,345	-	1,345	-	-	-	(180,875)	750,542	569,666
Adjustments between accounting basis and funding basis under regulations	Note 17	122,414			122,414	(4,126)		(4,126)	2,768	(2,901)	(424)	117,731	(117,731)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(59,806)	-	-	(59,806)	(2,781)	-	(2,781)	2,768	(2,901)	(424)	(63,144)	632,811	569,666
Transfers to/(from) Earmarked Reserves	Note 18	49,257	(42,894)	(6,363)	-	-	-	-				-	-	-
Increase/(Decrease) in 2022/23		(10,549)	(42,894)	(6,363)	(59,806)	(2,781)	-	(2,781)	2,768	(2,901)	(424)	(63,144)	632,811	569,666
Balance at 31 March 2023 Carried Forward		29,525	130,541	(758)	159,307	98,795	655	99,449	82,543	10,001	3,131	354,430	2,301,841	2,656,271

Balance Sheet as at 31 March 2023

31-Mar-22		Note	31-Mar-23
£'000			£'000
3,053,348	Property, Plant & Equipment	19	3,081,957
215,256	Heritage Assets	20	215,256
14,991	Intangible Assets	22	10,859
356,640	Investment Property	21	282,169
44,287	Long Term Investments	23	41,580
60,807	Long Term Debtors	28	56,786
3,745,329	Long Term Assets		3,688,607
103,948	Short Term Investments	23	30,343
26,978	Inventories	29	2,356
159,895	Short Term Debtors	28	182,921
133,444	Cash and Cash Equivalents	30	86,764
806	Assets held for sale		1,232
425,071	Current assets		303,616
(19,709)	Cash and Cash Equivalents	30	(31,118)
(9,952)	Short Term Borrowing	23	(4,764)
(296,764)	Short Term Creditors	31	(226,424)
(2,849)	Provisions	32	(2,480)
(71,814)	Capital grants received in advance	16	(62,759)
-	Derivative Financial Instruments		-
(401,088)	Current liabilities		(327,545)
(445,488)	Long Term Borrowing	23	(445,488)
(26,005)	Provisions	32	(25,249)
(1,179,908)	Other Long Term Liabilities	31	(501,016)
(31,306)	Capital Grants Receipts in Advance	16	(36,653)
(1,682,707)	Long-term liabilities		(1,008,407)
2,086,605	Net assets		2,656,271
(417,575)	Usable Reserves	18	(354,430)
(1,669,030)	Unusable Reserves	33	(2,301,841)
(2,086,605)	Total reserves		(2,656,271)

Cash Flow Statement for the year ended 31 March 2023

2021/22			2022/23
£'000		Note	£'000
(15,980)	Net deficit on the provision of services		(180,875)
166,603	Adjustment to net surplus on the provision of services for non-cash movements	35	215,890
(73,289)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	35	(103,650)
77,334	Net cash flows from Operating Activities		(68,635)
(78,083)	Investing Activities	36	25,515
(7,088)	Financing Activities	37	(14,968)
(7,837)	Net increase (decrease) in Cash and Cash Equivalents		(58,088)
121,572	Cash and Cash Equivalents at the beginning of the reporting period	30	113,735
113,735	Cash and Cash Equivalents at the end of the reporting period		55,646

Notes to the Accounts

1 Accounting Policies

(i) General Principles

The Statement of Accounts summarises the Council's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) 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 Statement of Accounts has been prepared on a 'going concern' basis.

(ii) Recognition of Income and Expenditure

Activity is accounted for in the year in which it takes place, which may not be the same year in which cash payments are made or received.

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. In local government, the generation of revenues from charges to service recipients is only a minor funding stream and contracts with customers tend to be accounted for and delivered within each financial year.

Revenue from the sale of goods and disposal of assets is recognised when the Council transfers the risks and rewards of ownership to the purchaser. Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Government grants and third-party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that the grants or contributions will be received. Where conditions attached to grants or contributions have not been satisfied, monies received to date are carried in the Balance Sheet as creditors and credited to the CIES when the conditions are satisfied. 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.

Supplies are recorded as expenditure when they are consumed. If there is a gap between the date supplies are received and their consumption, they are carried as inventories in 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.

(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 investments that mature in three months or less from the date of acquisition and are readily convertible to known amounts of cash with low risk of change in value.

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 strategy.

(iv) 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 fixed assets attributable to the service.

(v) City Region Deal

The Council has applied the principles of IPSAS 23 'Revenue from non-Exchange transactions (Taxes and Transfers)' in accounting for the transactions and balances relating to the City Region Deal.

Growth paid to the accountable body (South Gloucestershire Council) for the Business Rates Pool (BRP) is recognised by the Council as a debtor until such point that the funds are paid out by the BRP or committed by the Economic Development Fund (EDF) to fund future EDF payments in respect of approved programmes.

- Income - Income receivable by the Council from the BRP is recognised as revenue in the year in which it occurs. The Council recognises revenue and a debtor balance to the extent that future EDF disbursements are to be received, have been committed to by the EDF, and sufficient uncommitted cash remains in the BRP to fund future payments.
- Expenditure – Expenditure is recognised by the Council on the earlier of payments being made by the BRP or where future EDF payments are committed to. Expenditure is recognised in proportion to the degree that the Council has contributed to the BRP through its growth figure and is capped at the limit of the Council's payment of growth to the BRP in this period, and any previous growth figures paid over which have not been previously paid or committed by the BRP.

(vi) Collection Fund and Local Taxation

Bristol City Council is a billing authority for local taxation and collects:

- Council tax on behalf of the Avon and Somerset Police and Crime Commissioner, Avon Fire Authority and itself.
- Non-Domestic Rates on behalf of Avon Fire Authority, the West of England Combined Authority (WECA) and itself.

The Collection Fund shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities, central government and precepting bodies of council tax and non-domestic rates (NDR). There is no requirement for a separate Collection Fund Balance Sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the bodies (i.e. major preceptors, the billing authority and the Government).

The Collection Fund is effectively an agency account therefore income, expenditure and balance sheet transactions are apportioned between the Council, central government and precepting bodies.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

(vii) Dedicated Schools Grant

The Local Authorities (Capital Finance and Accounting) (England)(Amendment) Regulations 2020 establish new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its school's budget relating to its accounts for a financial year beginning on 1 April 2020, 1 April 2021 or 1 April 2022, it must not charge the amount of that deficit to a revenue account. Instead, the deficit (including the accumulated deficit as of 31 March 2020) is charged to an unusable reserve the Dedicated Schools Grant Adjustment Account by a transfer from the General Fund Balance in the Movement in Reserves Statement.

(viii) Employee Benefits

Benefits Payable During Employment

Monetary benefits such as wages and salaries, paid leave and bonuses, and non-monetary benefits (for example, cars) for current employees are recognised as an expense in the year in which employees render service to the Council. An accrual is made to represent the cost of holiday entitlement earned but not taken at each year end, to meet Code and IAS requirements.

Termination Benefits

When the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy, these costs

are charged on an accruals basis to the respective Service line in the Comprehensive Income and Expenditure Statement.

Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education.
- The Local Government Pension Scheme administered by Bath and North East Somerset Council.
- The NHS Pension Scheme, for Public Health employees, administered by NHS Pensions.

All the above schemes provide defined benefits to members for example retirement lump sums and pensions, earned as employees working for the Council.

However, the arrangements for the Teachers' scheme and NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified for the Council. These schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The CIES is charged with the employer's contributions payable to Teachers pensions and NHS pensions in the year.

The Local Government Pension Scheme

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

The liabilities of the Avon Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. 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, etc., and projections of projected earnings for current employees. Liabilities are measured on an actuarial basis discounted to present value, using the projected unit method. The discount rate to be used is determined in reference to market yields at balance sheet date of high-quality corporate bonds.

The assets of Avon 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 of the Council is analysed into the following components:

- Current Service Cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- Past Service Cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net interest on the net defined benefit liability/asset, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability/asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset at the beginning of the period, considering any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments.
- Re-measurement of the return on plan assets – excluding amounts included in net interest on the net defined benefit liability/asset, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses - changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are debited to the Pensions Reserve as Other Income and Expenditure.
- Contributions paid to the Avon Pension Fund - cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

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

In 2020, the Council made an up-front payment of the LGPS deficit contributions for the three years 2020/21 - 2022/23 totalling £20.430m (net of academy conversions). This payment was made April 2020. The up-front payment took advantage of the independent Actuary's calculation of the return these contributions could achieve once invested by the Pension Fund. The discount calculated by the Actuary for making the up-front payment (net of academy conversions) rather than the typical approach of monthly payments in arrears over the three-year period was £1.295m, reducing total payments from £21.725m to £20.430m. The return was judged to be far greater than could have been achieved by investing the amounts as part of the Council's Treasury Management Strategy and the approach represented good value for money for the Council.

The latest triennial review took place at 31st March 2022. This is effective from April 2023.

Discretionary Benefits

The Council has restricted powers to provide discretionary post-employment benefits. Any such benefits are accrued for in the year of the decision to make the award and are charged to the Comprehensive Income and Expenditure Statement against the service in which the employees worked.

(ix) Events After The Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, which 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. In this instance, the Statement of Accounts is adjusted to reflect such events.
- Those relating to conditions that arose after the reporting period. In this instance, 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 when the Statement of Accounts is authorised for issue are not reflected in the Statement of Accounts.

(x) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

(xi) Financial Instruments

The Council adopted the IFRS 9 Financial Instruments accounting standard with effect from 1st April 2018.

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. As 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 most of the Council's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term of the replacement loan that was used to refinance the loan against which the premium was payable or discount receivable. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified using an approach that is based on the business model for holding the financial assets and their cashflow 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 for most of its investments is to hold them to collect contractual cash flows. Financial assets are therefore classified as amortised cost. There are some exceptions, where the Council holds strategic investments to help it meet other policy objectives, such as the support of economic development in the county. This means that some investments are ones where contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the 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.

However, from time to time the Council makes loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

In addition, the Council does have deferred payment policies where individuals are allowed to defer payment against an invoice raised by the Council, for example where the Council holds a legal charge against a property that enables sums to be reimbursed from sale proceeds later. These are like loans at less than market rates and are referred to as soft loans. If any the lost interest against the soft loan was significant then adjustments would be made to the relevant service revenue account and Balance Sheet. However, the impact on the Council's revenue account of soft loans and lost interest is not financially significant and the accounts have not been adjusted to reflect these requirements.

Expected Credit Loss Model

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

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

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

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the 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 the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

An equity instrument can be elected to a FVOCI treatment rather than a FVPL treatment if it is not held for trading. The Council has reviewed its assets that would be measured at FVPL based on the business model and has elected to classify instruments as either FVPL or FVOCI on an instrument-by-instrument basis based on the assessed benefit to the Council from the chosen classification.

(xii) Government Grants and Contributions

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been

satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

(xiii) Heritage Assets

The Council's Heritage Assets are predominantly on display in museum buildings and galleries in the city, held in storage or loaned out to other educational or cultural organisations.

These assets are all valued on a historic cost basis or an annual insurance valuation basis.

The Council holds numerous ancient monuments and statues which are not recognised on the Balance Sheet because of the diverse and often unique nature of the assets held and the lack of comparable market values.

There is no depreciation charge against heritage assets because it is estimated that the assets have an extended and indeterminate useful life such that any depreciation charge would be negligible. The carrying values of Heritage Assets are reviewed when there is evidence of impairments for example when an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any reductions to the carrying value of the assets are recognised and measured in accordance with the Council's general policy on impairments.

(xiv) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (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.

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

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

Intangible Assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the 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 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 in the Comprehensive Income and Expenditure

(xv) Interests in Companies and Other Entities

(a) Subsidiaries

Subsidiaries are all entities over which the Council has control. The Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The Council's material subsidiaries are Bristol Holding Limited (which is directly held) and Bristol Waste Company Limited and Goram Homes Limited (all of which are indirectly held). There are no non-controlling interests.

In the single entity accounts, the Council has opted to account for its investments in subsidiaries in accordance with Chapter 7 of the Code, Financial Instruments. The investments are accordingly classified as fair value through other comprehensive income (FVPL) and are carried in the Balance Sheet at fair value. Changes in the fair value of the Council's investments in subsidiaries are recognised in Other Comprehensive Income. Impairments are recognised directly in the Surplus/Deficit on the Provision of Services.

In the group accounts, the subsidiaries are consolidated on a line-by-line basis with adjustments to eliminate intra-group transactions, balance and unrealised gains on transactions between the group entities. Where necessary, amounts reported by subsidiaries have been adjusted to conform to the Council's accounting policies.

b) Joint Arrangements

A Joint Arrangement is an arrangement of which two or more parties have joint control where the parties are bound by contractual arrangement and the contractual arrangement gives two or more of those parties joint control of the arrangement. Joint Arrangements are classified as Joint Ventures or Joint Operations.

The Council has no material Joint Ventures.

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Council has one Joint Operation being the West of England Local Enterprise Partnership. In respect of this, the Council accounts for:

- Its assets, including its share of any assets jointly held.
- Its liabilities, including its share of any liabilities joint held.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

(xvi) Inventories (Stock)

Inventories are measured at the lower of cost and net realisable value, except where inventories are acquired through a non-exchange basis in which case their cost is deemed to be fair value at the date of acquisition. Inventories are also measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge; or consumption in the production process of goods to be distributed at no charge or for a nominal charge. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and

condition. In this context inventories do not include work in progress under construction contracts and financial instruments.

(xvii) Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on “the highest or best price that can be obtained in the most advantageous market, in an arms’ length transaction between knowledgeable participants at the measurement date”. Investment Properties are not depreciated but are revalued annually according to market conditions at the year-end.

Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

(xviii) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Council as Lessee
Finance Leases

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

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability.

- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

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

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

Operating Leases

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

The Council as Lessor

Finance Leases

To date the Council has not granted any Finance Leases.

Operating Leases

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

(xix) Minimum Revenue Provision (MRP)

The Council is not required to use Council tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance.

(xx) Overheads And Support Services

The Council operates and manages its support services within the Resources Directorate, and this is how these services are reported to management. The costs of overheads and support services are therefore not re-apportioned (except for ring-fenced accounts such as the HRA, Public Health and Licencing).

(xxi) Prior Period Adjustments

Prior period adjustments arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are only accounted for prospectively i.e. in the current and future years which are affected by the changes, they 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 in accounting policy is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances for the current year and comparative amounts for the prior period as if the new policy had always been applied.

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

(xxii) Service Concessions

Service concessions are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Council is deemed to control the services that are provided under these schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets related to these contracts and recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the contract operator are analysed into the following elements:

- Fair value of any services received during the year.
- Finance cost - an interest charge of the effective rate of interest on the outstanding Balance Sheet liability.
- Contingent rent payable under the agreement.
- Lifecycle replacement costs where applicable.
- Payment towards liability - applied to write down the Balance Sheet liability to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).

(xxiii) 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 accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Capital schemes above £0.25m are subject to annual review and any expenditure incurred which has not enhanced the asset's value is charged as an expense in the financial year that it is incurred. Expenditure on capital assets totalling less than £20,000 in any single financial year is classed as de-minimis and therefore is not capitalised but charged as an expense.

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 Council does not capitalise borrowing costs.

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

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

- Community assets - depreciated historical cost.
- Assets under construction - historical cost.
- Dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH).
- Surplus assets – the current value measurement base is fair value, defined as “the highest or best price that can be obtained in the most advantageous market, in an arms’ length transaction between knowledgeable participants at the measurement date”.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair 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.

When decreases in value are identified, they are accounted for in the same way as an impairment.

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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for the depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land, car parks, quay walls and lock gates, some Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Council dwellings - are depreciated based upon component accounting basis. In the year of disposal six-month depreciation is charged to the accounts.
- Other buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- Vehicles, plant and equipment - a percentage of the value of each class of assets in the Balance Sheet.

The Council applies component accounting to all assets with a net book value more than £5m - where the item of Property, Plant and Equipment asset has major components whose cost

is significant in relation to the total cost of the item, identified 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 previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

Amounts received for a disposal more than £10k are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the HRA'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.

(xxiv) Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April [1994 England and Scotland] [1996 Wales], which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion over their estimated useful lives circa 25 years, and is charged on a straight-line basis.

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet 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 (ie netted off against the carrying value of the asset at the time of disposal). The written-off amounts of disposals are 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 transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

(xxv) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the

obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

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

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 are 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 are disclosed in a note to the accounts.

(xxvi) Reserves

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

The category of unusable reserves includes those reserves which are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant notes.

(xxvii) 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 reverses out the amounts charged so that there is no impact on the level of council tax.

(xxviii) Schools

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 confirms that the balance of control for local authority-maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the single entity accounts of the Council (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

Schools within the Council's group fall into the following categories

- 44 Community (12 Nurseries, 27 Primaries, 4 Special and 1 Alternative Provision Site).
- 3 Foundation (2 Primaries and 1 Special).

Other types of school, such as voluntary aided and voluntary controlled schools, academies and free schools are outside of the Council's control and therefore not included in this Statement of Accounts.

(xxix) Value Added Tax

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

(xxx) Rounding Convention

Unless otherwise stated the convention used in these Financial Statements is to round amounts to the nearest thousand pounds. All totals are the rounded additions of unrounded figures, and therefore may – from time-to-time – not be the strict sums of the figures presented in the text or tables.

2 Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the 2022/23 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- c) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- e) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

None of these amendments are anticipated to have a material impact on the Council's financial performance and financial position.

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 as follows:

The Council has completed a school-by-school assessment across the different types of school it controls within the city. The Council has assessed the legal framework underlying each type of school and determined the treatment of non-current assets within the financial statements according to whether it owns or has some responsibility for, control over or benefit from the service potential of the premises and land occupied. The Council has considered its accounting classification for each school on an individual case basis in conjunction with the relevant dioceses for voluntary aided and voluntary controlled schools.

- All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.
- Legal ownership of Voluntary Controlled (VC) and Voluntary Aided (VA) school land and buildings usually rests with a charity, normally by a religious body. Legal ownership of 8 VA schools rests with Clifton Diocese. Legal ownership of the remaining VA and VC schools' rests with Bristol Diocese. We understand that the Diocese have granted a licence to the schools to use the land and buildings. Under this licence arrangement, the rights of use have not transferred to the schools and thus are not included on the Council's Balance Sheet.
- There are two Foundation Trusts in Bristol - the South East Bristol Educational Trust and the Trust in Learning – who own 3 schools in the city. The Council exercises no control over these Trusts, so these assets are not included on the Council's Balance Sheet.
- Academies are not considered to be maintained schools in the Councils control. The land and building assets are either, not owned by the Council, or let on a long-term lease (125 years) by the Council and therefore not included on the Council's Balance Sheet.

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

The costs of the Schools Private Finance Initiative (PFI) Contracts exceed the income received from the Government Grant and School Contributions, leaving the Council with a liability under the PFI Contracts. All PFI Schools have now transferred to Academy status and these assets have been removed from the Council's balance sheet. Following a review of the costs and benefits, the Council considers the contract not to be onerous as the benefits significantly outweigh the costs.

In the single entity accounts, the Council has opted to account for its investments in subsidiaries in accordance with Chapter 7 of the Code, Financial Instruments. The investments are accordingly classified as fair value through other comprehensive income (FVOCI) and are carried in the Balance Sheet at fair value. Changes in the fair value of the Council's

investments in subsidiaries are recognised in Other Comprehensive Income. Impairments are recognised directly in the Surplus/Deficit on the Provision of Services.

There remains significant uncertainty around levels of inflation, energy prices, fuel and labour costs, indexed linked external contracts and public sector pay awards. Plans to mitigate these issues are developed as part of the medium term financial strategy with further monitoring throughout the financial year.

Business Rates following the introduction of the Business Rates Retention Scheme in April 2013, Local Authorities are liable for a share of the cost of successful appeals by businesses against their rateable value in 2022/23 and earlier financial years. A provision has therefore been recognised in the statement of accounts. The estimated provision has been calculated using the latest Valuation Office Agency (VOA) ratings list of ratings appeals and the analysis of successful appeals to date. The Council's share of the balance of business rate appeals provisions at 31 March 2023 was £24.5m.

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 considering 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 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Consequence if actual results differ from assumptions
Property, Plant and Equipment (excluding Council dwellings) Carrying value £1.12bn	<p>Asset valuations are based on market prices and are periodically re-valued using a 5-year rolling programme to ensure that the Council does not materially misstate its property, plant and equipment. If market prices change significantly, over time there will be a corresponding increase or reduction in the value of Council land and buildings.</p> <p>The combination of global inflationary pressures, higher interest rates, currency movements and the recent geopolitical events in Ukraine, has heightened the potential for greater volatility in property markets over the short-to-medium term. Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. As such we highlight the importance of the Valuation Date. Where appropriate, we would recommend that the Valuation is closely monitored, as we continue to track how market participants respond to current market volatility.</p> <p>Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.</p>	<p>A reduction in estimated valuations would result in reductions to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. If the value of the Council's property, plant and equipment, was to reduce by say 10%, this would result in a £112m change in cost value charged against the Revaluation Reserve and/or the Comprehensive Income and Expenditure Statement.</p> <p>A corresponding increase in estimated valuations would result in a combination of increases to the Revaluation Reserve and / or reversals of previous negative revaluations charged to the Comprehensive Income and Expenditure Statement.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on several 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</p>	<p>Variations in the key assumptions will have the following impact on the net pension liability of £1bn</p>

	<p>Pension Fund investments. The Council has engaged Mercer Ltd, a firm of consulting actuaries, to provide expert advice about the assumptions to be applied.</p>	<ul style="list-style-type: none"> • a 0.5% increase in the discount rate will reduce the net pension liability by £33m. • a 0.25% increase in the assumed level of pension increases will increase the net pension liability by £42m. • a 0.25% increase in the assumed level of pay inflation will increase the net pension liability by £14m. • an increase of one year in longevity will increase the net pension liability by £16m.
Fair Value Estimation	<p>Asset valuations are based on either:</p> <ul style="list-style-type: none"> • market prices for investment property, surplus assets and non-current assets held for sale: or • the net assets of unquoted companies in which the Council has a controlling or significant interest. <p>The combination of global inflationary pressures, higher interest rates, currency movements and the recent geopolitical events in Ukraine, has heightened the potential for greater volatility in property markets over the short-to-medium term. Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. As such we highlight the importance of the Valuation Date. Where appropriate, we would recommend that the Valuation is closely monitored, as we continue to track how market participants respond to current market volatility.</p> <p>Accordingly, and for the avoidance of doubt, our Valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.</p>	<p>If the value of the Council's investment property, surplus property and non-current assets held for sale, (total carrying value £283m) was to reduce by 10%, this would result in a £28m reduction and a corresponding reduction to Unusable Reserves in the Balance Sheet.</p>

5 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance on 30th May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 30th May 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

6 Expenditure and Funding Analysis for the year ended 31 March 2023

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

	Revised outturn	Adjustments EFA (Note 1)	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes EFA (Note 2)	Net change for the Pension Adjustments EFA (Note 3)	Other Differences EFA (Note 4)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
People	301,690	(26,240)	275,450	12,837	9,459	(598)	21,698	297,148
Resources	55,239		55,239	7,443	8,632	96	16,172	71,411
Growth & Regeneration	66,123	7,668	73,791	65,324	10,506		75,830	149,621
Housing Revenue Account	2,781	(11,671)	(8,890)	1,769	5,127		6,896	(1,994)
Dedicated Schools Grant	21,053	(119)	20,934	-	8,132		8,132	29,066
Corporate Funding & Expenditure	23,876	(11,917)	11,959	(9,702)	824	(672)	(9,550)	2,409
	470,762	(42,279)	428,483	77,671	42,681	(1,174)	119,178	547,661

Other income and expenditure (Notes 8,9,10)	(365,905)	24,245	27,555	(52,680)	(879)	(366,785)
(Surplus) Deficit on the Provision of Services	62,577				118,299	180,875

Opening General Fund and HRA Balance (321,344)

Less Deficit on General Fund and HRA
Balance in Year 62,577

Closing General Fund and HRA Balance at 31
March 2023* (258,766)

* For a split of this balance between the General Fund and the HRA - see movements in Reserves Statement

	Revised outturn	Adjustments EFA (Note 1)	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes EFA (Note 2)	Net change for the Pension Adjustments EFA (Note 3)	Other Differences EFA (Note 4)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
People	242,726	(19,578)	223,148	13,331	7,648		20,979	244,127
Resources	69,827	(10)	69,817	11,215	8,037		19,252	89,068
Growth & Regeneration	67,573	9,186	76,759	62,658	9,171		71,829	148,588
Housing Revenue Account	(3,785)	(9,655)	(13,440)	1,710	4,664		6,374	(7,066)
Dedicated Schools Grant	14,647	1,109	15,756	-	7,778		7,778	23,534
Corporate Funding & Expenditure	32,395	(18,063)	14,332	16,348	(5,153)	(19,724)	(8,529)	5,803
	423,383	(37,012)	386,371	105,262	32,145	(19,724)	117,683	504,054
Other income and expenditure (Notes 8,9,10)			(345,373)	(127,123)	23,171	(38,749)	(142,701)	(488,074)
(Surplus) Deficit on the Provision of Services			40,998				(25,019)	15,980
Opening General Fund and HRA Balance			(362,342)					
Less Deficit on General Fund and HRA Balance in Year			40,998					
Closing General Fund and HRA Balance at 31 March 2022*			(321,344)					

* For a split of this balance between the General Fund and the HRA - see movements in Reserves Statement

EFA Note 1 – Adjustments

The reallocation of transactions to/from service areas below the net cost of services to Other Income and Expenditure for example interest receivable and interest payable from Corporate Funding and Expenditure to Other Income and Expenditure. The removal of transfers to/from reserves included in outturn in Corporate Funding & Expenditure as these are not shown on the face of the CIES.

EFA Note 2 - Adjustments for Capital Purposes

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

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

EFA Note 3 - Net change for Pension Adjustments

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

- For Services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure this is the net interest on the defined benefit liability is charged to the CIES.

EFA Note 4 - Other Differences

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

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR 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.

7 Expenditure & Income Analysed By Nature

	2022/23 £'000	2021/22 £'000
Expenditure & Income Analysed By Nature		
Expenditure		
Employee Benefits Expense	440,404	408,619
Depreciation, Amortisation & Impairment	104,432	116,188
Other Service Expenditure	982,254	746,426
Total Expenditure	1,527,091	1,271,233
Income		
Fees, Charges and Other Service Income	(360,179)	(326,592)
Interest & Investment Income	(6,619)	(5,957)
Income from Council tax & Non-domestic Rates	(397,594)	(334,584)
Government Grants, Other Grants and Contributions	(581,823)	(588,119)
Total Income	(1,346,215)	(1,255,253)
Surplus or deficit on the Provision of Services	180,875	15,980

7a Revenue from Contracts with Service Recipients

The Council contracts with service recipients as part of its normal operating activities. The table below sets out the material items of income within fees, charges and other service income in the table above.

	2022/23 £'000	2021/22 £'000
Contributions from Other Organisations	22,451	18,412
Health Authorities	35,512	52,063
Other Local Authorities	7,954	9,566
Social Care Charges	28,457	28,318
Sales of Services	20,562	6,540
Car Parking	13,675	9,916
Housing Revenue Account Income	126,643	122,363
Commercial Rents	15,203	15,533
Licencing	11,636	7,287

The Council has identified contractual arrangements in place in relation to Deferred Payments, where care users can use the value of their home to help pay care home costs. The following amounts were recognised in the Comprehensive Income and Expenditure Account as income.

	2022/23 £'000	2021/22 £'000
Client Contributions	27,547	27,453
Deferred Payments	538	522

Total	28,085	27,975
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The following amounts were included in the Balance Sheet for contracts with service recipients, in relation to the contracts identified above.

	2022/23	2021/22
	£'000	£'000
Adult care and health residential	1,723	1,790
Adult care and health	522	446
Total	2,245	2,236

Except for the above all contracts with service recipients are complete and, therefore, no contract obligations, assets or liabilities continue beyond this financial year.

8 Other Operating Expenditure

	2022/23	2021/22
	£'000	£'000
Precepts and levies	10,867	10,820
Payments to the Government housing capital receipts pool	-	2,112
Losses/(gains) on the disposal of non-current assets	449	(1,146)
Total	11,316	11,786

9 Financing and Investment Income and Expenditure

	2022/23	2021/22
	£'000	£'000
Interest payable and similar charges	37,723	33,695
Loss Allowance (Financial Guarantee Contracts)	-	-
Changes in the Fair Values of Financial Instruments*	5,181	(148)
Pensions net interest cost	27,555	23,171
Interest receivable and similar income	(11,650)	(7,251)
Income and expenditure in relation to Investment Properties	(10,417)	(11,696)
Changes in fair value of Investment Properties	73,179	(82,849)
Total	121,571	(45,078)

10 Taxation and Non-Specific Grant Income

	2022/23	2021/22
	£'000	£'000
Council tax income	(244,107)	(230,662)
Non-domestic rates	(153,495)	(120,581)
Non-service-related government grants	(48,236)	(59,107)
Capital grants and contributions	(53,834)	(44,432)
Total	(499,673)	(454,781)

11 Pooled Budgets

Better Care Fund

The Better Care Fund (BCF) was established to support the integration of health and social care as a basis for joint planning the delivery of local services. The current BCF was established in April 2018 as part of a joint two-year programme between Bristol City Council and NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board (NHS BNSSG ICB) agreed under Section 75 of the National Health Service Act 2006. The formal governance of the BCF is through the Joint Commissioning Board and the Bristol Health and Well Being Board.

Under this Section 75 agreement there are five funds totalling £87.284m in 2022/23 and administered by whichever body undertook the contracting arrangements.

Fund 1 is administered by NHS BNSSG ICB and totals £19.822m. The fund includes contributions from the NHS BNSSG ICB only, which have been paid to providers contracted to support the sub schemes Reduction in Hospitals Admissions, Frail and Complex, Falls Prevention and Reablement. The NHS BNSSG ICB controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Fund 2 is administered by NHS BNSSG ICB and totals £0.907m. The funding is provided to Bristol City Council to offset in-year contract price and cost pressures.

Fund 3 is hosted by Bristol City Council and totals £3.528m, which is wholly made up of the Disabled Facilities Grant. The fund includes contributions from the City Council only, which are paid directly to providers. The City Council controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Fund 4 is a joint arrangement hosted by Bristol City Council and totals £46.011m. Both the NHS BNSSG ICB and Bristol City Council contribute towards the source of funding. The City Council is the Lead Commissioner for the services commissioned through this fund. The risks are shared based on the area of spend. The NHS BNSSG ICB owns the risks for Health related spend and Bristol City Council holds the risk for Social Care related spend as per the section 75 agreement.

Fund 5 is hosted by Bristol City Council and totals £17.016m, which is wholly made up of the improved Better Care (iBCF) and Winter Pressures funds. The fund includes contributions from the City Council only, which are paid directly to providers. The City Council controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Better Care Fund	Fund 1 £'000	Fund 2 £'000	Fund 3 £'000	Fund 4 £'000	Fund 5 £'000	Total £'000
Funding provided to the pooled budget:						
NHS BNSSG ICB	19,822	907	-	17,422	-	38,151
Bristol City Council	-	-	3,528	28,589	17,016	49,133

Total funding into Pooled Budget	19,822	907	3,528	46,011	17,016	87,284
Expenditure met from Pooled Budget						
NHS BNSSG ICB	19,822	907	-	17,422	-	38,151
Bristol City Council	-	-	3,528	28,589	17,016	49,133
Total expenditure from Pooled Budget	19,822	907	3,528	46,011	17,016	87,284
Net surplus/(deficit) on the pooled budget during the year	-	-	-	-	-	-
Bristol City Council's share of the net surplus/(deficit) arising on the pooled budget	-	-	-	-	-	-

12 Members' Allowances

The Council paid the following amounts to members of the Council during the year.

	2022/23	2021/22
	£'000	£'000
Allowances	1,511	1,404

In addition to the above, the elected Mayor is paid an annual allowance amounting to £86,439 (2021/22: £83,082).

13 Officers' Remuneration & Exit Packages

Where a senior officer's annual salary is £50,000 or more, but less than £150,000, remuneration is disclosed individually by way of job title. For those senior officers whose salary is £150,000 or more, their name is also disclosed. The remuneration paid during the year was as follows:

2022/23				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
Chief Executive & Head of Paid Service	Apr '22 - Oct '22	M Jackson	1	98,881	-	-	98,881
Chief Executive & Head of Paid Service	Oct '22 - Mar '23	S Peacock	2	80,735	-	16,954	97,690
Executive Directors - Growth and Regeneration	Apr '22 - Oct '22	S Peacock	3	104,358	-	1,965	106,323
Executive Director - Adult & Communities	Apr '22 - Mar '23	H Evans	4	145,589	-	30,560	176,149
Executive Director - Children & Education	Dec '22 - Mar '23	A Gbago	5	47,940	-	9,533	57,473
Director Management of Place	Apr '22 - Mar '23	P Mellor		128,090	-	26,686	154,776
Statutory Officers- Chief Financial (S151)	Apr '22 - Mar '23	D Murray		127,075	-	26,686	153,761
Statutory Officers- Director Adult Social Care	Apr '22 - Mar '23			100,068	-	20,991	121,060
Statutory Officers – Director of Public Health	Apr '22 - Mar '23			95,787	-	20,115	115,902
Statutory Officers- Director Education and Skills	Apr '22 - Jul '22			36,502	-	7,665	44,167
Statutory Officers- Director Education and Skills	Aug '22 - Jan '23			48,462	-	10,015	58,477
Statutory Officers- Director Education and Skills (Interim)*	Feb '23 - Mar '23	R Bhogal-Welsh		42,708	-	-	42,708
Statutory Officers- Director Children, Families & Safer Communities (Interim)*	Apr '22 - Jul '22	S Parker		66,093	-	-	66,093
Statutory Officers- Director Children, Families & Safer Communities	Aug '22 - Mar '23			64,076	-	13,456	77,532
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '22 - Mar '23			98,412	-	20,667	119,079

1 Post holder left on 23rd October 2022

2 Post holder started on 21st October 2022

3 Executive Director restructure resulting in this post being deleted on 20th October 2022.

4 Executive Director restructure resulting in this post being amended from Executive Director - People on the 21st October 2022.

5 Executive Director restructure resulting in this post being created on 21st October 2022 and filled on 16th December 2022.

6 Local authorities also pay the coroner's salary or fees and agree other terms and conditions, but there is no contract of employment between the local authority and coroner. Coroners should not be equated in financial or other terms with chief officers.

*Fees paid in respect of individuals engaged on an interim basis

The Council also secured services from various individuals on an interim basis during 2021/22 and 2022/23. The amounts disclosed below in respect of these posts are the costs incurred by the Council to secure the individuals services on this basis and not the amounts these individuals actually received (which will have been lower). The fees payable by the Council in respect of these individuals amounted to £150,000 or more pro rata, in 2022/23 were as follows:

- P Barry who held the position of **Property Service Manager** from April 2022 to October 2022 at a cost to the Council in 2022/23 of **£115,220**.
- A Layton who held the position of **Head of Financial Planning** from April 2022 to July 2022 at a cost to the Council in 2022/23 of **£61,118**.
- F Rodriguez who held the position of **Corporate Landlord Project Manager** from April 2022 to July 2022 at a cost to the Council in 2022/23 of **£35,027**.

- J Blackburn who held the position of **Director of Adults Transformation** from April 2022 to January 2023 at a cost to the Council in 2022/23 of **£166,661**.

2021/22				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
Chief Executive & Head of Paid Service	Apr '21 - Mar '22	M Jackson		174,073	-	-	174,073
Executive Director - People	Apr '21 - Mar '22	H Evans		140,793	-	29,566	170,359
Executive Directors - Growth and Regeneration	Apr '21 - Mar '22	S Peacock		172,413	-	12,046	184,458
Director Homes and Landlord Services (Interim)*	Apr '21 - Mar '22	D Graham		280,634	-	-	280,634
Director Management of Place	Apr '21 - Mar '22	P Mellor		125,931	-	26,281	152,212
Statutory Officers- Chief Financial (S151)	Apr '21 - Mar '22	D Murray		125,150	-	26,281	151,431
Director Workforce and Change	Apr '21 - Mar '22	J Walsh		125,150	-	26,281	151,431
Statutory Officers- Director Education and Skills	Apr '21 - Mar '22			109,506	-	22,996	132,502
Statutory Officers- Director Adult Social Care	Apr '21 - Mar '22			98,034	-	20,587	118,621
Statutory Officers – Director of Public Health	Apr '21 - Mar '22			93,862	-	19,711	113,573
Statutory Officers- Director Children and Family Services	Apr '21 - Jan '22		1	93,102	-	18,730	111,832
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '21 - Mar '22			88,648	-	18,616	107,264
Statutory Officers- Director Children and Family Services (Interim)*	Jan '22 - Mar '22	S Parker		54,938	-	-	54,938

1 Post holder left on 30th January 2022.

2 Local authorities also pay the coroner's salary or fees and agree other terms and conditions, but there is no contract of employment between the local authority and coroner. Coroners should not be equated in financial or other terms with chief officers.

*Fees paid in respect of individuals engaged on an interim basis

The Council also secured services from various individuals on an interim basis during 2020/21 and 2021/22. The amounts disclosed below in respect of these posts are the costs incurred by the Council to secure the individuals services on this basis and not the amounts these individuals actually received (which will have been lower). The fees payable by the Council in respect of these individuals amounted to £150,000 or more pro rata, in 2021/22 were as follows:

- P Barry who held the position of **Property Service Manager** from August 2021 to March 2022 at a cost to the Council in 2021/22 of **£142,316**.
- A Layton who held the position of **Head of Financial Planning** from November 2021 to March 2022 at a cost to the Council in 2021/22 of **£78,173**.
- F Rodriguez who held the position of **Corporate Landlord Project Manager** from July 2021 to March 2022 at a cost to the Council in 2021/22 of **£49,397**.
- N Beardmore who held the position of **Clean Air Zone Communication & Engagement Director** from April 2021 to September 2021 at a cost to the Council in 2021/22 of **£85,624** (2020/21 of **£218,005**)
- J Blackburn who held the position of **Director of Adults Transformation** from February 2022 to March 2022 at a cost to the Council in 2021/22 of **£30,932**.

In addition to the remuneration of senior employees set out above, the number of the Council's employees receiving more than £50,000 remuneration for the year (excluding employer's contributions) is set out in the table below:

Remuneration band	2022/23 Number of employees		2021/22 Number of employees	
	Schools	Non-Schools	Schools	Non-Schools
£50,000 - £54,999	37	138	17	92
£55,000 - £59,999	24	43	13	24
£60,000 - £64,999	12	48	8	39
£65,000 - £69,999	12	29	18	31
£70,000 - £74,999	16	35	10	30
£75,000 - £79,999	6	29	3	26
£80,000 - £84,999	3	10	-	4
£85,000 - £89,999	1	9	-	5
£90,000 - £94,999	-	8	1	6
£95,000 - £99,999	-	4	-	3
£100,000 - £104,999	-	1	-	3
£105,000 - £109,999	-	4	-	1
£110,000 - £114,999	-	1	1	1
£115,000 - £119,999	-	1	-	-
£120,000 - £124,999	1	1	-	3
£125,000 - £129,999	-	1	-	-
Totals	112	362	71	268

The variation in employee numbers between bands shown in the above table is largely down to a combination of progression from appointment rate to competence rate as well as nationally agreed pay awards that have inflated pay and moved the boundaries against these ranges.

Exit Packages

The numbers of exit packages relating to Council employees during 2022/23, with total cost per band and the total cost of compulsory and other redundancies are set out in the table below. The numbers and costs include packages agreed at the end of the year but not paid. Costs include the costs of early payment of pension in the cases of early retirement.

Exit package cost band	Number of compulsory redundancies		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23 No.	2021/22 No.	2022/23 No.	2021/22 No.	2022/23 No.	2021/22 No.	2022/23 £'000	2021/22 £'000
£0 - £20,000	5	40	35	13	40	53	448	364
£20,001 - £40,000	1	4	34	3	35	7	1,016	197
£40,001 - £60,000	1	1	28	3	29	4	1,304	183
£60,001 - £80,000	-	1	1	1	1	2	66	136
£80,001 - £100,000	1	-	-	-	1	-	88	-
£100,001 - £150,000	-	-	-	1	-	1	-	120
£150,001 - £200,000	-	-	-	-	-	-	-	-

Total	8	46	98	21	106	67	2,921	1,000
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14 External Audit Costs

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

	2022/23 £'000	2021/22 £'000
Fees payable to the External Auditor regarding external audit services carried out by the appointed auditor for the year	269	269
Fees payable to the External Auditor for the certification of grant claims and returns for the year	51	51
Fees payable in respect of other services provided by the External Auditor during the year	-	-
Total	320	320

15 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency (EFA), the Dedicated Schools Grant (DSG). Once allocated to a local authority an element is recouped by the EFA to fund academy schools in the Council's area. The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on a Council wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable are shown in the following table:

2021/22				2022/23			
£'000							
Central Expenditure	ISB	Total	Notes	Central Expenditure	ISB	Total	
		403,690	Final DSG before academy and high needs recoupment			423,388	
		223,289	Academy and high needs figure recouped for year			237,771	1
		180,401	Total DSG after academy and high needs recoupment for year			185,617	
		-	Plus: Brought forward from previous year			-	
		-	Less: Carry forward agreed in advance			-	
29,264	151,137	180,401	Agreed initial budgeted distribution in year	69,386	116,232	185,617	
-	246	246	In year adjustments	-	(690)	(690)	2
29,264	151,383	180,647	Final budgeted distribution for year	69,386	115,542	184,927	
29,264	-	29,264	Less: actual central expenditure	85,019	-	85,019	
-	166,029	166,029	Less: actual ISB deployed to schools	-	114,940	114,940	
-	-	-	Plus: LA contribution for year	-	-	-	
-	(14,646)	(14,646)	In Year Carry forward	(15,633)	602	(15,032)	
		-	Carry forward agreed in advance			-	
		-	Carried Forward			-	
		(10,004)	DSG unusable reserve at the end of the previous year			(24,650)	3
		(14,646)	Addition to DSG unusable reserve at the end of year			(15,032)	
		(24,650)	Total DSG unusable reserve at the end of the year			(39,682)	4
		(24,650)	Net DSG position at the end of the year (Note 33)			(39,682)	

1. The academy recoupment in 2021/22 comprised 87 academies open at the start of the year plus 2 that converted in year. The academy recoupment in 2022/23 comprised 89 academies open at the start of the year plus 2 that converted in year.

2. The in-year estimated adjustment for the final early years block funding 2022/23 £658k, following the January 2023 census data up-date, due in summer 2023 and NNDR clawback to ESFA of £32k.
3. This is the brought forward figure from 2021/22.
4. The total carry forward deficit is £39.681m for the year. Included in the carry forward are surpluses from de-delegated budgets of £0.527m, £0.605m underspend in Early Years Block, £0.787m Schools Block underspend and the High Needs Transformation Programme of £0.928m, offsetting deficits of £42.520m in High Needs Block.

16 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2022/23:

Credited to Taxation and Non Specific Grant Income

	2022/23 £'000	2021/22 £'000
Capital grants and contributions (Note 10 & see below)	53,834	44,432
Non service related government grants (Note 10)	48,236	59,107
Total	102,071	103,539

Capital grants and contributions

	2022/23 £'000	2021/22 £'000
Government grants applied:		
People	5,928	5,373
Growth & Regeneration	42,087	26,471
Resources	1,193	1,829
Housing Revenue Account	2247	477
Developer Contributions	953	10,282
Corporate Funding & Expenditure	1,426	-
Total Government Grants & Contributions applied	53,834	44,432
Government grants unapplied	-	-
Total grants credited to the CIES	53,834	44,432

Grants Credited to Services

	31-Mar 2023 £'000	31-Mar 2022 £'000
People		
Adult Education	2,222	1,681
Better Care Fund	17,016	-
Covid 19 - Education and Skills Funding Agency Grants	97	684
COVID-19 - Emergency Response Grants (Adult Social Care)	-	10,988
COVID-19 - Public Health Grants	577	5,288
Dedicated Schools Grant	183,626	180,647
Education	1,575	1,075
Education and Skills Funding Agency Grants	12,634	8,217
Education Services Grant	59	10
Homelessness Reduction & Support Grant	334	1,108
Homes for Ukraine	8,745	-
Independent Living Fund Grant	1,618	1,662
Other Social Care Grants (Adults)	7,271	3,403
Other Social Care Grants (Children)	9,502	6,368
PFI Special Grant	16,323	17,103
Public Health	34,588	33,643
Public Health - Other	1,622	2,208
Pupil Premium	6,783	6,918
Troubled Families	1,879	1,686
Youth Justice Board	911	714
REFCUS	8,398	12,925
Other	6,489	5,950
Growth & Regeneration		
Air Quality Grant	6,588	657
Arts Council England	2,308	2,105
Better Bus Area Fund	38	-
Covid 19 - Business Support Grants	-	3,804
Go Ultra Low Grant	-	109
Heat Networks	20,367	-
Homelessness Reduction & Support Grant	8,105	8,465
Innovate UK	-	77
North & South Bristol Enterprise Support Grants	736	635
Sustainable Travel Access Fund	330	976
SWERCOTS	411	420
Travel & Transport Grants	349	564
REFCUS	16,138	8,365
Other	5,139	5,323
Resources		
Covid 19 - Tax Income Guarantee 75%	8	-
Covid 19 - Test & Trace Support Grant	166	4,568
Covid 19 - Winter Grant	8,080	6,913
Discretionary Housing Payments	741	1,045
Housing Benefit (rent allowances/council tax benefit) subsidy	112,435	117,834
Housing Benefit Administration Subsidy	2,433	2,377
Other	361	1,490
Total	507,002	468,005

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

	31 March 2023 £'000	31 March 2022 £'000
Capital Grants and Contributions Received in Advance		
Government grants	50,541	61,378
Section 106 contributions	48,870	41,741
Total	99,411	103,120
Due < 1 year	62,759	71,814
Due > 1 year	36,653	31,306
Total	99,411	103,120
Revenue grants (within creditors)		
People	11,688	4,693
Growth & Regeneration	1,061	1,943
Resources	366	1,155
Total	13,115	7,791

17 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.

2022/23	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Gains Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustment involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(67,460)	(31,745)				(99,205)
Movement in the market value of Investment Properties	(74,073)	894				(73,179)
Amortisation of Intangible Assets	(4,620)	(505)				(5,126)
Capital grants and distributions	51,587	2,247				53,834
Revenue and expenditure funded from capital under statute	(10,015)		-			(10,015)
Amount 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	(20,710)	(14,398)				(35,108)
Changes in Fair Value of Financial Instruments (MiRs)	(5,181)					(5,181)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	17,522					17,522
Capital expenditure charged against the General Fund and HRA balances	1,291	3,487				4,778
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,818	21,841	(34,659)			0
Administrative costs of non-current asset disposals	-		-			-
Use of the Capital Receipts Reserve to finance new capital expenditure			24,913			24,913
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool		-	-			-
Adjustment Involving the Major Repairs Reserve (MRR):						
Excess depreciation transferred to the MRR						-
HRA depreciation credited to MRR		30,482		(30,482)		-
Use of the MRR to finance new capital expenditure				33,383		33,383
Adjustments involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Unapplied Capital Grants						-
Application of grants and contributions to capital financing					424	424
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	177					177
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(108,962)	(13,296)				(122,258)
Employer's pensions contributions and direct payments to pensioners payable in the year	46,892	5,119				52,010
Adjustments involving the Collection Fund Adjustment Account:						
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	52,680					52,680
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	672					672
Other Reserve Movements	(15,031)		6,978			(8,053)
Total Adjustment	(122,414)	4,126	(2,768)	2,901	424	(117,731)

2021/22

	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Gains Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustment involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(76,750)	(33,567)	-	-	-	(110,317)
Movement in the market value of Investment Properties	82,057	792	-	-	-	82,849
Amortisation of Intangible Assets	(5,475)	(470)	-	-	-	(5,945)
Capital grants and distributions	43,955	477	-	-	-	44,432
Revenue and expenditure funded from capital under statute	(5,483)	-	-	-	-	(5,483)
Amount 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	(20,992)	(9,306)	-	-	-	(30,298)
Changes in Fair Value of Financial Instruments (MiRs)	148	-	-	-	-	148
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	14,381	-	-	-	-	14,381
Capital expenditure charged against the General Fund and HRA balances	2,601	177	-	-	-	2,778
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,762	14,020	(18,781)	-	-	-
Administrative costs of non-current asset disposals	(188)	-	188	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	16,646	-	-	16,646
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	(2,112)	2,112	-	-	-
Adjustment Involving the Major Repairs Reserve (MRR):						
Excess depreciation transferred to the MRR	-	-	-	-	-	-
HRA depreciation credited to MRR	-	30,896	-	(30,896)	-	-
Use of the MRR to finance new capital expenditure	-	-	-	29,290	-	29,290
Adjustments involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Unapplied Capital Grants	-	-	-	-	-	-
Application of grants and contributions to capital financing	-	-	-	-	(475)	(475)
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	177	-	-	-	-	177
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(92,969)	(12,169)	-	-	-	(105,138)
Employer's pensions contributions and direct payments to pensioners payable in the year	44,926	4,896	-	-	-	49,822
Adjustments involving the Collection Fund Adjustment Account:						
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	38,749	-	-	-	-	38,749
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3,280	-	-	-	-	3,280
Other Reserve Movements	(1,795)	-	(1,448)	-	-	(3,243)
Total Adjustment	31,385	(6,367)	(1,283)	(1,606)	(475)	21,654

18 Usable Reserves

Reserves represent the Council's net worth and show its spending power. Usable reserves result from the Council's activities and can be spent in the future. This note sets out the amounts set aside and posted back to Usable Reserves in 2022/23, they include:

- General Fund Strategic Reserve – to cushion the impact of unexpected events or emergencies
- Earmarked Reserves – to provide financing to meet known or predicted future General Fund expenditure plans
- School Balances - amounts required by statute to be set aside for future expenditure in schools
- Dedicated Schools Grant (DSG) - this reserve held the deficit on the Schools Budget to be funded from future DSG income. In accordance with the Local Authorities (Capital Finance and Accounting) (England)(Amendment) Regulations 2020 the deficit as at 31 March 2023 has been transferred to a new unusable reserve the Dedicated Schools Grant Adjustment Account. See Note 33 for further details.
- Housing Revenue Account Reserves – amounts specifically required by statute to be set aside and ring-fenced for future investment in HRA
- Capital reserves – includes capital receipts and capital grants set aside to finance future capital spending plans

Details of specific earmarked reserves are as follows:

RESERVE	PURPOSE
Capital Investment Reserve	The capital reserve is maintained to provide funding for the Council's capital investments and growth in Enterprise areas.
Business Transformation Reserves	Invest to save funds. The reserve will be used to fund one-off costs attributed to delivery of savings in the currently agreed programme.
Risk Reserves	Risk Reserves Funds set aside to mitigate known risks not otherwise provided for including, volatility in Housing Benefit Subsidy and uninsured risks.
Statutory/Ring-fenced reserves	Amounts required by statute or accounting code of practice to be set aside and ring-fenced for specific purposes, for example Public Health Reserve, City Deal Business Rate Pooling, Stoke Park Dowry Covid 19 Support grant.
Technical/Financing Reserve	Technical Financial Reserves - Includes PFI sinking fund, grant income carried forward in accordance with accounting regulations and resources set aside to match known contract liabilities.
Service specific reserves	Amounts set aside to finance specific projects or to meet known expenditure plans, including: <ul style="list-style-type: none"> - Bristol Futures - to provide new technology to improve public services - Development Fund primarily to fund Docks Asset Survey existing and proposed regeneration schemes - Housing Support to provide support for homelessness issues

	01 April 2021	Transfers out	Transfers in	31 March 2022	01 April 2022	Transfers out	Transfers in	31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund Strategic Reserve	(35,666)	6,100	(10,508)	(40,074)	(40,074)	24,993	(14,443)	(29,525)
General Fund Earmarked Reserves								
Capital Investment Reserve	(35,634)	11,656	(13,116)	(37,094)	(37,094)	5,385	(8,359)	(40,068)
Business Transformation Reserve	(3,333)	1,899	(1,414)	(2,848)	(2,848)	772	(3,936)	(6,011)
Risk Management Reserve	(105,993)	134,247	(82,701)	(54,447)	(54,447)	40,229	(1,245)	(15,463)
Statutory/Ring-fenced Reserve	(41,510)	19,481	(27,077)	(49,106)	(49,106)	21,586	(28,030)	(55,550)
Financing Reserve	(6,260)	2,559	(547)	(4,248)	(4,248)	2,440	-	(1,808)
Service Specific Reserves	(27,976)	9,699	(7,415)	(25,692)	(25,692)	17,293	(3,242)	(11,641)
Total	(220,707)	179,540	(132,268)	(173,435)	(173,435)	87,705	(44,811)	(130,541)
School Reserves								
Schools – DSG	-	-	-	-	-	-	-	-
Schools - Balances	(7,180)	2,103	-	(5,077)	(5,077)	6,325	-	1,248
Schools - Other	(348)	-	(178)	(526)	(526)	73	(35)	(489)
Total Schools	(7,529)	2,103	(178)	(5,604)	(5,604)	6,398	(35)	759
Total Dedicated Schools grant Reserve								
HRA								
HRA General Reserve	(97,791)	-	(3,785)	(101,576)	(101,576)	2,781	-	(98,795)
Major Repairs Reserve	(11,296)	58,920	(60,526)	(12,902)	(12,902)	92,643	(89,742)	(10,001)
HRA Earmarked Reserves	(651)	-	(4)	(655)	(655)	-	-	(655)
Total HRA Reserves	(109,737)	58,920	(64,315)	(115,133)	(115,133)	95,424	(89,742)	(109,451)
Capital Reserves								
Capital Receipts	(3,080)	20,537	(21,012)	(3,555)	(3,555)	14,051	(13,627)	(3,131)
Capital Grants Unapplied	(78,491)	33,757	(35,041)	(79,774)	(79,774)	36,631	(39,399)	(82,543)
Total Usable Capital Reserves	(81,571)	54,294	(56,052)	(83,329)	(83,329)	50,682	(53,026)	(85,673)
TOTAL USABLE RESERVES	(455,210)	300,957	(263,323)	(417,575)	(417,575)	265,202	(202,057)	(354,430)

19 Property, Plant and Equipment Movements in 2022/23

The valuations, excluding vehicles, plant, equipment, infrastructure assets and community assets are carried out by Richard Fear, MRICS, Property Investment Manager – Growth & Regeneration. The basis for the valuation of all assets is set out in the statement of accounting policies.

- Movement of assets held at historic cost to depreciated replacement cost
- Specialised assets are valued on a depreciated replacement cost basis and are subject to several varying factors such as build costs

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Property, Plant & Equipment	Infrastructure Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation										
At 1 April 2022	1,960,283	684,821	99,232	8,614	34,539	29,587	2,817,076	-	2,817,076	27,715
Additions	44,110	15,259	8,242	404	56,637	1,398	126,050	32,516	158,566	-
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	(29,844)	(18,158)	-	-	-	(238)	(48,240)	-	(48,240)	(676)
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	(11,502)	16,374	-	(189)	-	(1,091)	3,592	-	3,592	2,281
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(5,246)	-	(316)	(22,457)	390	(27,629)	-	(27,629)	-
Derecognition - Disposals	(14,229)	(9,334)	(2,408)	-	-	(215)	(26,186)	(9,887)	(36,073)	-
Assets reclassified to / from Held for Sale	-	-	-	-	-	(426)	(426)	-	(426)	-
Assets reclassified to / from Investment Property	-	-	-	-	820	426	1,246	-	1,246	-
Other movements in cost or valuation	368	31,018	-	-	(27,615)	(3,807)	(36)	37	1	-
At 31 March 2023	1,949,186	714,734	105,066	8,513	41,924	26,024	2,845,447	-	2,845,447	29,320
Accumulated Depreciation and Impairment										
At 1 April 2022	(15,094)	(17,716)	(47,129)	(564)	(179)	(126)	(80,808)	-	(80,808)	(335)
Depreciation Charge	(29,704)	(21,153)	(8,673)	(74)	-	(245)	(59,849)	(11,829)	(71,678)	(704)
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	29,844	18,158	-	-	-	238	48,240	-	48,240	676
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	101	411	497	-	-	-	1,009	-	1,009	-
Other movements in depreciation and Impairment	1	(155)	-	-	148	8	2	-	2	-
At 31 March 2023	(14,852)	(20,455)	(55,305)	(638)	(31)	(125)	(91,406)	-	(91,406)	(363)
Balance Sheet at 31 March 2023	1,934,334	694,279	49,761	7,875	41,893	25,899	2,754,040	327,917	3,081,957	28,957
Balance Sheet at 1 April 2022	1,945,189	667,105	52,103	8,050	34,360	29,461	2,736,268	317,080	3,053,348	27,380

Property, Plant and Equipment Comparative movements in 2021/22

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Property, Plant & Equipment	Infrastructure Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation										
At 1 April 2021	1,765,900	657,981	89,944	7,870	23,662	43,830	2,589,187	-	2,589,187	26,904
Additions	34,042	14,619	9,362	559	48,682	150	107,414	21,634	129,048	-
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	158,521	50,013	-	114	(1,686)	(560)	206,402	-	206,402	1,452
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(25,139)	-	-	(32,862)	(822)	(58,823)	-	(58,823)	(641)
Derecognition - Disposals	(8,363)	(5,769)	-	(3)	-	(13,011)	(27,146)	-	(27,146)	-
Assets reclassified to / from Held for Sale	-	-	-	-	-	-	-	-	-	-
Assets reclassified to / from Investment Property	-	-	-	-	-	-	-	-	-	-
Other movements in cost or valuation	10,183	(6,884)	(74)	74	(3,257)	-	42	(42)	-	-
At 31 March 2022	1,960,283	684,821	99,232	8,614	34,539	29,587	2,817,076	-	2,817,076	27,715
Accumulated Depreciation and Impairment										
At 1 April 2021	(14,378)	(16,726)	(38,579)	(416)	(4)	(124)	(70,227)	-	(70,227)	(318)
Depreciation Charge	(30,188)	(19,250)	(8,698)	-	-	(247)	(58,383)	(11,219)	(69,602)	(658)
Depreciation written out to Revaluation Reserve	29,403	-	-	-	-	-	29,403	-	29,403	-
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	17,938	-	-	-	245	18,183	-	18,183	641
Derecognition - Disposals	68	148	-	-	-	-	216	-	216	-
Other movements in depreciation and impairment	1	174	148	(148)	(175)	-	-	-	-	-
At 31 March 2022	(15,094)	(17,716)	(47,129)	(564)	(179)	(126)	(80,808)	-	(80,808)	(335)
Balance Sheet at 31 March 2022	1,945,189	667,105	52,103	8,050	34,360	29,461	2,736,268	317,080	3,053,348	27,380
Balance Sheet at 1 April 2021	1,751,522	641,255	51,365	7,454	23,658	43,706	2,518,960	306,707	2,825,667	26,586

The authority has determined in accordance with Regulation [30M England or 24L Wales] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. The following useful lives and depreciation rates have been used:

- Council Dwellings 16–50 years.
- Other Land and Buildings 5–60 years.
- Vehicles, Plant, Furniture and Equipment 3–40 years.
- Infrastructure – 25 years (quay walls and lock gates in City Docks not depreciated as useful life beyond 100 years).

Capital Commitments

On 31 March 2023 the Council had entered several contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contract commitments of £60m (£107.9m in 2021/22).

Significant contractual commitments outstanding at 31 March 2023 were as follows:

		£m
New Housing Provision - Oakhanger, Lawrence Weston	Willmott Dixon Construction Ltd	13.6
Transport LED replacement lighting programme	Centregreat Ltd	8.1
New Housing Provision - Brentry	Vistry Homes Ltd t/a Vistry Partnerships West Ltd	7.1
Refurbishment - Bishport 5 (High Rise Blocks)	Rateavon Ltd	6.8
New Housing Provision - St Peter's	Stepnell Ltd	6.2
Replacement of EWI system -Eccleston & Phoenix House	SERS Energy Solutions Group Ltd	4.2
Bristol Beacon - Cultural refurbishment scheme	Willmott Dixon Construction Ltd	4.0
Temple Meads regeneration - Northern entrance & Southern gateways	Arcadis LLP	2.7
Schools SEND Expansion programme: Project Rainbow (Hawking House)	Vercity Management Services Limited t/a Bristol LEP Limited	2.5
South Bristol Light Industrial workspace units, Whitchurch Lane	Bray & Slaughter Ltd	2.2
Energy efficiency measures deliverable to domestic (low income) homes	Ameresco Ltd	1.8
Refurbishment - Gilton House (High Rise Blocks)	The Bell Group	1.0
	Total	60.2

Revaluations

The Council carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at fair value is revalued at least every 5 years. All valuations were carried out internally. 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. Vehicles, Plant and Equipment are valued at historic cost, which is considered to be a suitable proxy for fair value.

The following table shows the effective valuation dates for all Property Plant and Equipment:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, etc	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	1,949,186	41,836	103,602	41,924	1,398	2,137,946
01 Oct 2022	-	581,966	-	-	24,626	606,592
01 Oct 2021	-	37,871	1,464	-	-	39,335
01 Oct 2020	-	28,634	-	-	-	28,634
01 Oct 2019	-	9,636	-	-	-	9,636
01 Oct 2018	-	14,791	-	-	-	14,791
Total cost valuation	1,949,186	714,734	105,066	41,924	26,024	2,836,934

In addition, the Council has instructed its valuers to undertake a review of all assets held in the Other Land and Buildings category to ensure that the carrying value of assets last valued in previous years is not materially different from their fair value. To perform this exercise, the Other Land and Building category was split into subcategories, for example schools, car parks, leisure and culture etc. It was considered appropriate to reduce the properties within Property Plant and Equipment by £38.1m, primarily relating to Council Dwellings (£26.3m) and Land & Buildings (£10.6m).

20 Heritage Assets

Reconciliation of the carrying value of Heritage Assets held by the Council.

	Art Collection	Ethnography & Foreign Archaeology	Antiquarian books	Other	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
01 April 2022	133,153	42,344	7,675	32,084	215,256
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
31 March 2023	133,153	42,344	7,675	32,084	215,256
Cost or valuation					
01 April 2021	129,888	42,594	7,675	27,249	207,406
Additions	475	-	-	-	475
Revaluations	2,790	(250)	-	4,835	7,375
31 March 2022	133,153	42,344	7,675	32,084	215,256

The above collection of Heritage Assets is predominantly valued on an annual insurance valuation basis, and some items classified as “other” are valued at historic cost.

Heritage Assets: Further Information on the Museum’s collections

Loans

The Museum occasionally makes available loan items from its collection to regional and national museums and borrows collections for specific exhibitions. Collections not on display are held in secure storage but access is permitted on an appointment basis.

Preservation

The collections have been under the care of conservators since the 1940s. They specialise in antiquities, paintings, paper and photographs, and preventive conservation and are based at Bristol Museum and Art Gallery. Our conservators:

- Prepare artefacts for display.
- Set conservation standards for the refurbishment of permanent exhibitions.
- Prepare artefacts for loan to other institutions.
- Check new acquisitions.
- Assess the condition of objects and work on the installation of temporary exhibitions.
- Work to improve collections storage.
- Maintain permanent displays - this includes training staff and cleaning objects.

21 Investment Properties

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:

	2022/23	2021/22
	£'000	£'000
Rental income from Investment Property	12,300	12,014
Direct operating expenses arising from Investment Property	(1,884)	(318)
Net gain	10,416	11,696

There are no restrictions on the Council's ability to realise the value inherent in its Investment Property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop Investment Property or to carry out repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of Investment Properties over the year:

	2022/23	2021/22
	£'000	£'000
Balance at start of the year	356,640	275,903
Additions – purchases	-	-
Disposals	(47)	(2,112)
Net gains/losses from fair value adjustments	(73,179)	82,849
Transfers to/from Property, Plant and Equipment	(1,245)	-
Balance at end of the year	282,169	356,640

Gains or losses arising from changes in the fair value of the investment property are recognised in the surplus or deficit on the provision of services – financing and investment income and expenditure line.

Fair Value Hierarchy

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

	Other significant observable inputs (Level 2)	
	2022/23	2021/22
	£'000	£'000
Retail	68,963	78,487
Industrial	153,232	209,606
Office	59,974	68,547
Balance at end of the year	282,169	356,640

The investment properties have been valued by the Council's in-house valuers (all RICS qualified) and by external specialists on an investment income basis which represents highest and best use overall.

There is a strong market for such property within Bristol with different markets for different sectors. Bristol City Council has a significant diverse portfolio of properties in the boundary of Bristol and has significant in-house experience of managing its estate. In determining the value of each asset, we have considered quoted prices for similar properties within the local market, existing lease terms and rentals, current market rentals and yields, the covenant strength for existing tenants and data and market knowledge from managing the Council's investment property portfolio, leading to the properties being categorised at Level 2 in the fair value hierarchy.

22 Intangible Assets

The Council accounts for its Information Technology (IT) system software as Intangible Assets which includes purchased licenses covering a period of more than a year. All software is amortised over five years (this is based on assessments of the period that the software is expected to be of use to the Council). All software is carried at cost (used as a proxy for fair value) given the short life of the asset.

The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £5.1m charged to revenue in 2022/23 was charged to the central ICT cost centre and the Housing Revenue Account. The charge to central ICT was absorbed as an overhead across all the service headings in the Net Cost of Service. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading. The main purchases relate to system improvements from within the IT Transformation programme (ITTP), the majority of which was spent in 2020/21. The next phase of system improvements has recently commenced in 2022/23 from within the Digital Transformation Programme (DTP) and the Housing Transformation Programme within the HRA.

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

	2022/23 £'000	2021/22 £'000
Balance at start of the year		
Gross carrying amounts	43,294	42,932
Accumulated amortisation	(26,289)	(20,345)
Accumulated impairment	(2,014)	(2,014)
Net carrying amount at start of year	14,991	20,573
Additions:		
Purchases	994	362
Amortisation for the period	(5,126)	(5,944)
Net carrying amount at the end of year	10,859	14,991
Comprising:		
Gross carrying amounts	44,288	43,294
Accumulated amortisation	(31,415)	(26,289)
Accumulated impairment	(2,014)	(2,014)
Balance at end of the year	10,859	14,991

23 Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments. The value of debtors and creditors reported in the table are those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and associated notes also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

	Long-Term		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
Financial Liabilities at Amortised cost				
Borrowing	(445,488)	(445,488)	(4,764)	(9,952)
Service Concessions	(108,797)	(116,238)	(9,833)	(9,101)
Creditors	(94)	(93)	(205,859)	(265,244)
Financial Liabilities at Fair Value through profit and loss				
Financial Derivative	-	-	(31,117)	-
Total Financial Liabilities	(554,379)	(561,819)	(251,573)	(284,297)
Financial Assets at amortised cost				
Investments	-	-	45,697	109,498
Debtors	21,974	24,548	119,645	96,011
Financial Assets at Fair Value through Other Comprehensive Income				
Investment	350	350	-	-
Financial Assets at Fair Value through profit and loss				
Investments	41,229	43,938	71,409	108,184
Total Financial Assets	63,553	68,836	236,751	313,693

Movements

The decrease in financial liabilities, circa £49m relates to an increase in the value of general creditors (£68m) during the year primarily due to government grants received in advance being utilised along and with the planned repayment of debt associated with Service concessions (£7m) and external borrowing (£5m). This was offset by a technical overdraft (£31m) that was settled by liquid cash held in the Council's Money Market Funds, classified as investments.

The financial assets decreased by circa £82m primarily through a combination of decreases in working capital and utilisation of reserves resulting in a reduction of resources to invest.

Borrowing

	31 March 2023 £'000	31 March 2022 £'000
Current borrowing		
Deposit loans (repayable at notice - up to 7 days)	168	285
Other short-term borrowing (repayable within 1 year):		
- Public Works Loan Board	3,179	8,251
- Banks and other monetary sector	1,138	1,137
- Energy improvement Loans	259	259
- Local bonds and Stocks	21	21
Total	4,764	9,952

	31 March 2023 £'000	31 March 2022 £'000
Non-current borrowing		
Public Works Loan Board	325,439	325,439
Lender Option Borrower Option (Lobo)	70,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
Total	445,488	445,488

Income, Expense, Gains or Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are as follows:

Financial Instruments Gains and Losses 2022/23

	Financial Liabilities	Financial Assets			Total
	Measured at amortised cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(37,723)	-	-	-	(37,723)
Total expense in Surplus or Deficit on the Provision of Services	(37,723)	-	-	-	(37,723)
Interest Income	-	7,431	-	1,851	9,282
Fair Value Movement	-	-	-	710	710
Dividend Income	-	-	-	2,368	2,368
Total income in Surplus or Surplus / Deficit on the Provision of Services	(37,723)	7,431	-	4,929	(25,363)
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net gain/(loss) for the year	(37,723)	7,431	-	4,929	(25,363)

Financial Instruments Gains and Losses 2021/22

	Financial Liabilities	Financial Assets			Total
	Measured at amortised cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(33,695)	-	-	-	(33,695)
Total expense in Surplus or Deficit on the Provision of Services	(33,695)	-	-	-	(33,695)
Interest Income	-	4,953	-	78	5,031
Fair Value Movement	-	-	-	148	148
Dividend Income	-	-	-	2,220	2,220
Total income in Surplus or Surplus / Deficit on the Provision of Services	(33,695)	4,953	-	2,446	(26,296)

Deficit arising on revaluation of
financial assets in Other
Comprehensive Income and
Expenditure

Net gain/(loss) for the year (33,695) 4,953 - 2,446 (26,296)

Fair Value of Financial Assets and Property Assets

Some of the authority's financial assets are measured in the Balance Sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

	Fair value measurements at 31 March 2023 using:			Fair value measurements at 31 March 2022 using:		
Descriptions	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable inputs
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	£'000	£'000	£'000	£'000	£'000	£'000
Recurring fair value measurements						
Fair Value through Profit and Loss						
Money Market Funds	71,409	-	-	108,184	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	24,000	-	-	28,000
Bristol Holdings (unquoted equity investment)	-	-	3,574	-	-	5,465
Other unquoted private companies	-	-	180	-	-	192
Pooled property fund	-	-	13,476	-	-	10,281
Fair Value through Other Comprehensive Income						
Other unquoted private companies	-	-	350	-	-	350
Total Non-traded securities:	71,409	-	41,580	108,184	-	44,288
Investment properties	-	282,169	-	-	356,640	-
Surplus properties	-	25,900	-	-	29,462	-
Total recurring fair value measurements	71,409	308,069	41,580	108,184	386,102	44,288
Non-recurring fair value measurements						
Assets held for sale	-	1,232	-	-	806	-

Total non-recurring fair value measurements	-	1,232	-	-	806	-
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Valuation techniques and Inputs				
Description of asset	Valuation hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key sensitivities affecting the valuations provided
Money Market Funds	Level 1	Unadjusted quoted prices in active markets for identical shares	Latest quoted prices	
Surplus assets	Level 2	All surplus assets have been valued by RICS qualified valuers to Fair Value less costs to sell, reflecting highest and best use.	Evidence of title, floor area, siting and site conditions, type/age and current use of the property have been considered together with general market conditions and advertised value of similar properties currently up for sale.	Not all assets are physically inspected every year. Latent defects, repair and maintenance backlogs, general changes in the market and other impairments could have a significant impact on the values provided.
Investment Properties (further detailed information in Note 21)	Level 2	All investment properties have been valued by the Council's in-house valuers (all RICS qualified) on an investment income basis which we are satisfied represents highest and best use overall.	All valued on an investment income basis, using existing lease terms and current yields	Changes to market conditions, lease terms, covenant strength and occupancy levels could all affect the asset valuations provided.
Bristol Port Company	Level 3	This investment has been valued by an external specialist valuation company for financial year ending 31 st March 2022 and refreshed by Council officers for this financial year on the same basis.	Calculations have been based on an income approach to valuation, by applying a multiple derived from the market to a maintainable profit figure.	Changes to market conditions (local and global), and the comparable data used within the valuations. If the growth of future returns is greater or lesser by 0.5% than the 2% forecast, the fair value will be circa £1.7m higher or lower respectively.
Bristol Holdings	Level 3	This investment has been valued at the Council's share of each company's net assets.	Calculations have been based on their unaudited accounts as at 31 March 2023.	Valuations could be affected by the difference between audited and unaudited accounts.

Investments in other unquoted companies	Level 3	These investments have been valued at the Council's share of each company.	Calculations have been based on their latest audited accounts	The value of these companies is relatively low (£530k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Fund	Level 3	These investments have been valued at the Council's share within the pooled fund.	The valuation for Pooled Property Funds has been based on the latest quarterly financial report.	Changes to housing market conditions could affect the valuation of the pooled property fund. If the market value of the properties within this fund is greater or lesser than 1% the fair value of the fund will be £89k higher or lower respectively.

Transfers between levels of the fair value hierarchy

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

Changes in valuation technique

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

Reconciliation of fair value measurements for assets at fair value within level 3

Description	31 March 2023	31 March 2022
	Non-traded securities	Non-traded securities
	£'000	£'000
Opening balance	44,287	43,570
included in the surplus/(deficit) on the Provision of Services	(2,708)	112
included in Other Comprehensive Income and Expenditure	-	-
Total gains/(losses) for the period:	(2,708)	112
Additions	-	831
Disposals	-	(225)
Closing balance	41,580	44,287

Gains and losses included in the surplus / (deficit) on the provision of services for the current year primarily relates to the investments in Bristol Port (-£4m), Homelessness Property fund (+£3.195k) and Bristol Holdings (+£1.891k).

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables 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 payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation.
- For non-PWLB loans payable, prevailing interest rates have been applied to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Financial Liabilities

	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Cash & Cash Equivalents	31,117	31,117	-	-
Public Works Loan Board (PWLB)	328,618	325,000	333,690	459,400
Lender Option Borrower Option	70,668	64,800	70,667	98,100
Market Debt	50,470	46,500	50,470	68,100
Current Creditors	205,859	205,859	265,244	265,244
Service Concessions	118,630	147,709	125,339	177,629
Other	590	590	707	707
Total Liabilities	805,952	821,575	846,116	1,069,180

The Authority has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £879k a decrease of £323m which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value for financial liabilities and assets has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above; the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

The fair value of the liabilities is higher than the carrying amount because the Authority's portfolio of loans includes several fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders above current market rates.

Financial Assets

	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Current investments	30,343	30,343	103,948	103,948
Cash and Cash Equivalents	15,355	15,355	5,550	5,550
Non-current investments	1	1	0	0
Current Debtors	119,645	119,645	96,011	96,011
Non-current debtors	21,974	21,974	24,548	24,548
Total Financial Assets	187,318	187,318	230,057	230,057

The fair value of the assets is the same as the carrying value due to the majority of these assets having a maturity of less than 12 months or is a trade or other receivable where the fair value is taken to be the carrying amount or the billed amount.

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

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Descriptions	Fair value measurements at 31 March 2023 using:			Fair value measurements at 31 March 2022 using:		
	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable inputs
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Recurring fair value measurements using:						
Financial Liabilities held at Amortised Cost						
Cash & Cash Equivalent		31,117			-	
Public Works Loan Board (PWLb)		328,618			333,690	
Lender Option Borrower Options		70,668			70,667	
Market debt		50,470			50,470	
Service Concessions		118,630			125,339	
Other		590			707	
Total		600,094			580,873	
Financial Assets held at amortised cost						
Current Investments		30,343			103,948	
Cash and Cash Equivalents		15,355			5,550	

Non-current Investments	1	-
Non-current Debtors	21,974	24,548
Total	67,673	134,046

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

24 Nature and Extent of Risks Arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Authority 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 Authority because of changes in such measures as interest rates and money market movements.

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. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy, and compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice, and Investment Guidance that is issued under the Local Government Act 2003. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. 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 that outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported annually to Members.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 15th February 2022 and is available on the Council website.

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 Fitch, Standard and Poor's and Moody's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

Details of the Investment Strategy can be found on the Council's website. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term of F1, Long Term A-, with the lowest available rating being applied to the criteria.
- UK institutions provided with support from the UK Government.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies will vary according to credit ratings assigned by the three main credit rating agencies and 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 the Authority's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

Allowance for Credit Losses

The following analysis summarises the Council's potential maximum exposure to credit risk on financial assets valued at amortised cost, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

	Amount	Historical experience of default	Adjustment for market conditions	Estimated maximum exposure to default	Estimated maximum exposure to default
	£0	%	%	£0	£0
	A	B	C	(A*C)	
Non-Current Investments:	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-22
Non-traded securities	-	0.00%	0.00%	-	-
Sub-total	-			-	-
Current Investments:					
Local Authorities	10,635	0.00%	0.00%	-	-
AA rated counterparties	20,077	0.02%	0.02%	4	3
A rated counterparties	14,985	0.05%	0.05%	7	20
Sub-total	45,697			11	23
Trade debtors	119,645			-	0

Non-current debtors	21,974	-	0
Total Financial assets	187,316	11	23

The estimated maximum exposure for credit loss for Treasury investments is £11k and a general allowance of £100k has been set aside for this.

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.

The Council does not generally allow credit for its trade debtors, including amounts due from government departments and other Local Authorities.

The risk of loss for trade receivables is minimised by a combination of the following:

- Wherever possible obtaining payment in advance of service delivery
- Availability and encouragement to pay by direct debit
- A wide range of payment options available, including by telephone, internet, banks and retail networks (via the Allpay solution i.e. Payzone, Paypoint and Post Offices)
- Having a standardised recovery process including reminder letters and statement of accounts
- Utilising a corporate Debt Management Team to take an ethical debt approach to all types of debt with referral to External Debt Collection agencies or instigating Court claims only used as a last resort
- Negotiating flexible repayment plans for overdue debt where necessary

The write off of a debt is always the last option available and is only taken when all other appropriate measures have been taken to recover payment, and in cases of bankruptcy.

The bad debt provision is calculated by reference to the Council's historic experience with the provision being applied to debts over 60 days old and the value increasing according to the age of the debt.

Debtor analysis	Gross debtor at 31-Mar-23 £'000	Allowance for credit losses at 31-Mar-23 £'000	Net debtor at 31-Mar-23 £'000	Net debtor at 31-Mar-22 £'000
Local taxpayers	63,049	(41,506)	21,543	21,853
Housing rents	12,913	(9,673)	3,240	3,001
Other - sundry debtors	181,527	(38,166)	143,361	122,053
Total Other Entities and Individuals	257,489	(89,345)	168,144	146,907
Central Government bodies	12,214	-	12,214	10,970
Other local authorities	1,448	-	1,448	1,509
NHS bodies	1,115	-	1,115	509
Total debtors	272,266	(89,345)	182,921	159,895
Balance sheet debtors	272,266	(89,345)	182,921	159,895

Current debtors not qualifying as a financial instrument under IFRS	(104,781)	41,506	(63,275)	(63,885)
Current debtors qualifying as a financial instrument under IFRS	167,485	(47,839)	119,646	96,010

The following table analyses the Gross debt that is now past due over varying periods. This overdue debt is covered by a provision for bad debt.

	31 March 2023 £'000	31 March 2022 £'000
Less than three months	28,800	35,031
Three to four months	4,125	2,218
Four months to one year	18,446	17,837
More than one year	55,172	50,514
Total	106,543	105,599

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets to cover day-to-day cash flow need and the Public Works Loan Board and capital 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. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, excluding sums due from customers, is as follows:

	31 March 2023 £'000	31 March 2022 £'000
Less than 1 year	236,751	313,693
Between 1 and 2 years	1,712	1,712
Between 2 and 3 years	1,738	1,738
More than 3 years	60,103	65,386
Total	300,304	382,529

The maturity analysis of financial liabilities is as follows:

	31 March 2023 £'000	31 March 2022 £'000
Less than 1 year	251,573	284,297
1 - 2 Years	28,111	18,492
2 - 5 Years	72,197	59,646
5 - 10 Years	55,178	76,191

10+ Years

Total

398,894	407,490
805,953	846,116

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 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 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 monitoring the spread of longer-term investments provides stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity profile of the Council's debt portfolio along with the Council's approved minimum and maximum exposure is shown in the table below.

	Approved minimum limits %	Approved maximum limits %	Actual 31 March 2023 £'000	%	Actual 31 March 2022 £'000	%
Less than 1 year	-	30	4,764	1%	9,952	2%
Between 1 and 2 years	-	40	5,000	1%	-	0%
Between 2 and 5 years	-	40	44,000	10%	32,000	7%
Between 5 and 10 years	-	50	5,000	1%	22,000	5%
More Than 10 Years	25	100	391,488	87%	391,488	86%
Total			450,252	100%	455,441	100%

Included within the maturity profile are £70m of LOBOS with maturities averaging 38 years. Inherent within these loan instruments are options (averaging an option every 3 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options is currently low for the short to medium term. Therefore, the maturity of these loans in above table are currently based on their maturity date, 10 years and over.

Market risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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

The Council has several strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's 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.

At 31 March 2023, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31-Mar 2023 £'000
Increase in interest receivable on variable rate investments	2,429
Impact on Surplus or Deficit on the Provision of Services	2,429
Share of overall impact debited to the HRA	1,740
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	151,700

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price risk

The Council does not generally invest in equity shares but has recently invested in Bristol Holdings, a wholly owned subsidiary. Whilst this holding is generally illiquid, the Council is exposed to losses arising from movements in the prices of these shares. As the shareholding

has arisen in the acquisition of specific interests, the Council is not able to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for “open book” arrangements with the company so that the Council can monitor factors that might cause a fall in the value of specific holdings. These shares are valued at fair value.

Foreign exchange risk

During 2022/23 the Council received monies denominated in Euro's relating to the receipt of European grant. The authority also made payments in a variety of currencies for the supply of goods and services. Payments and receipts are converted to Sterling at the earliest opportunity.

25 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the

expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. Movements on the CFR are also analysed below.

	2022/23 £'000	2021/22 £'000
Opening Capital Financing Requirement	914,134	886,406
Capital investment		
Property, Plant and Equipment	158,566	129,299
Investment Properties	-	-
Heritage Assets	-	475
Intangible Assets	994	362
Long Term Investments / Debtors	2,740	1,131
Revenue Expenditure Funded from Capital under Statute	34,551	26,773
Capital Receipts set aside for repayment of debt	(11,718)	(1,970)
Sources of finance		
Capital receipts	(24,913)	(16,646)
Government grants and other contributions	(78,795)	(65,247)
Sums set aside from revenue:		
· Direct revenue contributions	(4,778)	(2,778)
· Use of Major Repairs Reserve	(33,383)	(29,290)
· MRP – City Council Debt	(17,522)	(14,381)
Closing Capital Financing Requirement	939,876	914,134
Explanation of movements in year		
Less Minimum Revenue Provision	(17,521)	(14,380)
Use of capital receipt for repayment of debt	(11,718)	(1,970)
Increase in underlying need to borrowing (unsupported by government financial assistance)	54,983	44,078
Increase in Capital Financing Requirement	25,744	27,728

26 Leases

Council as Lessor

Operating Leases

The Council leases out property within the commercial trading estate under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses

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

	31 March 2023 £'000	31 March 2022 £'000
Not later than one year	14,294	14,149
Later than one year and not later than five years	48,999	49,012
Later than five years	891,120	865,425
	954,413	928,586

The minimum lease payments receivable at 31 March 2023 and 2022 are based on the current rents receivable at the respective Balance Sheet dates. They do not include estimates of future rents reviews or contingent rents.

27 Service Concessions

Schools PFI Phase 1A

On 31st March 2004 the Council entered into a Private Finance Initiative (PFI) contract with Bristol Schools Limited. The contract provided for the design, construction and financing of four new secondary schools, Bedminster Down, Henbury School, Orchard School and Oasis Academy Brightstowe. All four schools were constructed and are operational. Bristol Schools Limited will maintain and operate the facilities for twenty-six years from the date the first school became operational.

A capital contribution of £5.346m was made to the first phase of the project by way of a cash payment. This was in respect of the provision of leisure facilities and of the retention of part of the site of Henbury School by the Council, for subsequent disposal.

As at 31st March 2023 cumulative payments totalling £171m (£161m in 2021/22) have been made to the PFI contractor. The future estimated payments the Council will make under the contract are as follows:

Year	Payment for Services £'000	Repayment of Liability £'000	Interest £'000	Other £'000	Total £'000
2023/24	3,388	2,550	3,592	(14)	9,516
2024/25 to 2027/28	14,421	12,822	11,075	2,617	40,935
2028/29 to 2031/32	13,347	15,163	4,108	865	33,483
Total	31,156	30,535	18,775	3,468	83,934

Over the life of the PFI project, the Council is scheduled to receive government grant of £134.8m.

Schools PFI Phase 1B and 1C, Building Schools for the Future

During 2006/07 the Council entered into a PFI contract with Bristol PFI Limited to design, build, finance and operate four additional schools in Bristol. A Local Education Partnership (LEP) was also created to manage the supply chain and deliver the four schools. The partnership is between Skanska Education Partnerships (80%), Partnership for Schools (10%) and Bristol City Council (10%). The schools are Brislington Enterprise College, Bristol Brunel Academy, Bristol Metropolitan Academy and Bridge Learning Campus. Bristol PFI Limited will maintain and operate the facilities for twenty-seven years from the date the first school became operational.

A capital contribution of £9.569m was made to the project by way of a cash payment. This was used towards the cost of the Bridge Learning Campus and provision of leisure facilities at Bristol Brunel Academy.

As at 31st March 2023 cumulative payments totalling £255m (£234m in 2021/22) have been made to the PFI contractor. The future estimated payments the Council will make under this contract are as follows:

Year	Payment for Services	Repayment of Liability	Interest	Other	Total
	£'000	£'000	£'000	£'000	£'000
2023/24	5,835	4,134	5,062	5,276	20,307
2024/25 to 2027/28	25,082	17,681	17,040	23,420	83,223
2028/29 to 2032/33	35,680	32,565	12,352	28,011	108,608
2033/34 to 2036/37	10,799	11,350	1,086	8,104	31,339
Total	77,396	65,730	35,540	64,811	243,477

Over the life of the PFI project, the Council is scheduled to receive government grant of £326.3m.

Hengrove Leisure Centre

In April 2010 the Council entered into a PFI contract with Bristol Active Limited to design, build, finance and operate a new leisure centre, and associated car park, in Hengrove. The centre opened in February 2012 and Bristol Active Limited will operate and maintain the facility until 2037.

The assets and associated liability have been included on the Council's Balance Sheet in accordance with IFRS.

A capital contribution of £7.161m was made to the project by way of a cash payment. This was used to fund the capital works for the Car Park and as a contribution towards the capital works of the Leisure Centre.

As at 31 March 2023 payments totalling £39m (£35m at 31 March 2022) have been made to the PFI Contractor. The future estimated payments the Council will have to make under the Contract are as follows:

Year	Payment for Services	Repayment of Liability	Interest	Other	Total
	£'000	£'000	£'000	£'000	£'000
2023/24	375	478	1,206	1,517	3,576

2024/25 to 2027/28	1,595	2,357	4,319	6,232	14,503
2028/29 to 2032/33	2,189	4,132	3,702	8,585	18,608
2033/34 to 2036/37	1,914	4,651	1,218	7,293	15,076
Total	6,073	11,618	10,445	23,627	51,763

Over the life of the PFI project, the Council is scheduled to receive government grant of £69.6m.

Property, Plant and Equipment

The PFI assets, and related liabilities, have been recognised on the Council's balance sheet when made available for use. Movements in their value over the year are detailed in the analysis of the movements on the Property, Plant and Equipment balance in Note 19. The assets will be transferred back to the Council at the end of the contracts for nil consideration.

Locally managed schools transferring to Academy status are granted a 125 year peppercorn lease and, in response to CIPFA guidance, are de-recognised from the Council's accounts as control of these assets is transferred to the Academy.

Payments are made to the PFI contractors as monthly "unitary payments". The estimated payments the Council will make under the contracts are shown below.

These payments are commitments and can vary subject to indexation, reductions for performance and availability failures, and possible future variations to the scheme.

The funding of the unitary payment for the School PFI schemes will come from the individual schools budget, the overall schools budget and a special government grant. The Hengrove Leisure unitary payment will be funded by the special government grant, with the balance provided from Sports Services budgets. PFI payments are accounted for in the year in which the service was provided and are allocated to repayment of the liability, finance cost, service charge and other costs (lifecycle cost and contingent rents).

The unitary payments have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred, and the interest payable on financing the capital expenditure. The Hengrove Leisure PFI contains a significant amount of third party income, this is income received directly by the PFI Contractor from the users of the facility. The payment for services has been shown net of this estimated income, as the unitary payments have been reduced to reflect the operator's right to this income. The outstanding liability due to the contractor for reimbursement of capital expenditure is as follows:

	Schools		Hengrove Leisure	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Balance outstanding at the start of year	102,555	108,712	12,115	12,761
Movement in year	(6,290)	(6,157)	(497)	(646)
Balance outstanding at year end	96,265	102,555	11,618	12,115

The above listed commitments are affected by past inflation – previous price rises will be built into future payments. They are also affected by future inflation, which gives rise to uncertainty.

Bristol Waste Contract

In 2022/23 the Council continued the service contract with Bristol Waste Company to provide recycling and waste services. The assets and associated liability have been included on the Council's Balance Sheet in accordance with IFRS.

During the year Bristol Waste acquired £2.6m of assets to support the provision of waste services.

The future estimated payments the Council will make under the contract are as follows:

Year	Payment for Services £'000	Repayment of Liability £'000	Interest £'000	Total £'000
2023/24	31,347	2,655	263	34,265
2024/25 to 2026/27	74,708	8,091	344	83,143
Total	106,055	10,746	607	117,408

Total Balance Outstanding on all Service Concessions is shown in the table below:

	Schools		Hengrove Leisure		Bristol Waste Contract		Total	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Balance outstanding at the start of year	102,555	108,712	12,115	12,761	10,669	11,388	125,339	132,861
Movement in year	(6,290)	(6,157)	(497)	(646)	77	(719)	(6,710)	(7,522)
Balance outstanding at year end	96,265	102,555	11,618	12,115	10,746	10,669	118,629	125,339

28 Debtors

- i **Current debtors**
Trade receivables
Prepayments

31 March 2023 £'000	31 March 2022 £'000
27,822	28,981
7,748	7,089

VAT	12,502	11,462
Other	134,849	112,363
Total	182,921	159,895

Impairments for doubtful debts are detailed in Note 23.

	31 March 2023 £'000	31 March 2022 £'000
ii Long-term debtors		
Mortgages	190	190
Capital loans (Probation/Fire/LEP/Bristol Waste)	21,535	24,109
South Gloucestershire Council	327	327
Former county Council debt	34,734	36,181
Total	56,786	60,807

29 Inventories

	31 March 2023 £'000	31 March 2022 £'000
Stock	2,356	1,861
Work in Progress	-	25,117
Total	2,356	26,978

30 Cash and Cash Equivalents

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

	31 March 2023 £'000	31 March 2022 £'000
Cash held by the Council	253	260
Bank current accounts	(31,118)	(19,709)
Short-term deposits with banks / building societies	86,511	133,184
Total Cash and Cash Equivalents	55,646	113,735

31 Creditors

	31 March 2023 £'000	31 March 2022 £'000
Current liabilities		
Trade payables	34,746	25,217
Other payables	158,255	179,339
Receipts in advance	33,423	92,208
Total	226,424	296,764
Other long-term liabilities		
Service Concession contract liabilities (see Note 27)	108,815	116,238
Retirement benefit obligations (see Note 34)	355,926	1,025,888
Deferred liabilities	36,181	37,689
Deferred capital receipts	-	-
Rent Deposits	94	93
Total	501,016	1,179,908

Deferred liabilities are amounts which, by arrangement, are payable beyond the next year, at some point in the future or are to be paid off by an annual sum over a period. As at the 31 March 2023 the liability in the Council's Balance Sheet of £36.2m (2022: £37.7m) comprised of former county Council loan debt.

Deferred capital receipts are amounts derived from sales of assets, which will be received in instalments over agreed periods of time. They arise from mortgages on the sale of Council houses, which form part of mortgages under long term debtors.

32 Provisions

	Balance at 31 March 2022	Additional provisions made in 2022/23	Amounts used in 2022/23	Balance at March 2023	Due < 1 year	Due > 1 year
	£'000	£'000	£'000	£'000	£'000	£'000
Business Transformation	-	(20)	-	(20)	(20)	-
Succession Planning	(1,080)	(266)	771	(575)	(575)	-
Insurance fund	(1,775)	(907)	953	(1,729)	(1,238)	(491)
NDR Provision for appeals	(25,200)	(9,568)	10,316	(24,452)	-	(24,452)
Legal	(498)	-	-	(498)	(498)	-
Pay Award	-	(149)	-	(149)	(149)	-
Other	(300)	(6)	-	(306)	-	(306)
	(28,854)	(10,916)	12,040	(27,729)	(2,480)	(25,249)
Due < 1 year	(2,849)			(2,480)		
Due > 1 year	(26,005)			(25,249)		
	(28,854)			(27,729)		

Details of the provisions are shown in the table below:

Provision	Purpose
Business Transformation	Covered exit costs arising from the Council's restructure proposals. This provision has been unutilised in year.
Succession Planning	Covers the cost of exit costs arising from the Council's succession planning.
Insurance fund	Covers certain risks arising from employer's liability and public liability, supplementing the Council's arrangement with external insurers, together with other risks.
NDR Provision for appeals	Covers the cost of future appeals
Legal	Created to cover the costs of various outstanding legal cases within Adult Social Care
Solbury pay award	Covers the cost of backdated pay award yet to be settled.
Other	Other provisions are individually not material

33 Unusable Reserves

	31 March 2023 £'000	31 March 2022 £'000
Revaluation Reserve	(1,177,707)	(1,199,657)
Capital Adjustment Account	(1,522,202)	(1,579,816)
Financial Instruments Adjustment Account	6,543	6,721
Deferred Capital Receipt Reserve	(10,026)	(12,851)
Pensions Reserve	355,927	1,032,629
Collection Fund Adjustment Account – Council tax	(1,746)	7,526
Collection Fund Adjustment Account – NNDR	(160)	38,988
Collection Fund Adjustment Account – Growth / Renewable Energy Disregard	(1,588)	2,671
Accumulated Absences Account	9,436	10,108
Dedicated Schools Grant Adjustment Account	39,682	24,650
	<u>(2,301,841)</u>	<u>(1,669,030)</u>

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
Balance at 1 April		(1,199,657)		(987,171)
Upward revaluation of assets	(33,661)		(257,767)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	30,069		14,337	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		(3,592)		(243,430)
Amount written off to the Capital Adjustment Account		25,542		30,944
Balance at 31 March		<u>(1,177,707)</u>		<u>(1,199,657)</u>

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 amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 25 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2022/23	2021/22
	£'000	£'000
Balance at 1 April	(1,579,816)	(1,510,865)
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	71,679	69,603
Revaluation losses on Property, Plant and Equipment	27,628	40,640
Amortisation of Intangible Assets	5,126	5,945
Movement in the fair value of financial Instruments	5,079	(75)
Revenue Expenditure Funded from Capital Under Statute	34,551	26,773
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	35,108	30,298
	(1,400,645)	(1,337,681)
Adjusting amounts written out of the Revaluation Reserve	(25,542)	(30,944)
Net written out amount of the cost of non-current assets consumed in the year	(1,426,187)	(1,368,625)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	(24,913)	(16,646)
Use of the Major Repairs Reserve to finance new capital expenditure	(33,383)	(29,290)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(78,795)	(65,247)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(17,522)	(14,381)
Use of the Capital Receipts Reserve for repayment of Long-Term Investments financed by borrowing	(11,718)	(1,970)
Long Term Capital Investment repaid	1,915	1,970
Capital expenditure charged against the General Fund and HRA balances	(4,778)	(2,778)
	(1,595,381)	(1,496,967)

Movements in the market value of Investments debited or credited to the Comprehensive Income and Expenditure Statement	73,179	(82,849)
Balance at 31 March	(1,522,202)	(1,579,816)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans.

Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the Account at 31 March 2023 will be charged to the General Fund over the next 37 years.

	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
Balance at 1 April		6,721		6,898
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement				
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(178)		(177)	
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements		(178)		(177)
Balance at 31 March		6,543		6,721

Deferred Capital Receipts Reserve

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

2022/23 £'000	2021/22 £'000
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Balance at 1 April	(12,851)	(1,448)
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the comprehensive income and expenditure statement	-	(12,851)
Transfer to the capital receipts reserve upon receipt of cash	2,825	1,448
Balance at 31 March	(10,026)	(12,851)

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 earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund 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.

	2022/23 £'000	2021/22 £'000
Balance at 1 April	1,032,629	1,141,369
Remeasurements on pensions assets and liabilities	(746,950)	(164,056)
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	122,258	105,138
Employer's pensions contributions and direct payments to pensioners payable in year	(52,010)	(49,822)
Balance at 31 March	355,927	1,032,629

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 rate payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2022/23 £'000	2021/22 £'000
Balance at 1 April	49,186	87,935

Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(52,680)	(38,749)
Balance at 31 March	(3,494)	49,186

Accumulated Absences Account

The Accumulating Compensated Absences Adjustment 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 31 March. Statutory arrangements require that the impact on the General Fund balance be neutralised by transfers to or from the account.

	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
Balance at 1 April		10,108		13,388
Settlement or cancellation of accrual made at the end of the preceding year	(10,108)		(13,388)	
Amounts accrued at the end of the current year	9,436		10,108	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(672)		(3,280)
Balance at 31 March		9,436		10,108

Dedicated Schools Grant Adjustment Account

Regulations effective from 1st April 2020 require that a Schools Budget deficit must be carried forward to be funded from future Dedicated Schools Grant (DSG) income, unless permission is sought from the Secretary of State for Education to fund the deficit from the General Fund. They also require that where a local authority has a deficit on its Schools Budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, it must not charge the amount of that deficit to a revenue account, but instead record any such deficit in a separate account. The Dedicated Schools Grant Adjustment Account has been created for that purpose and the in-year deficit for 2020/21 and cumulative deficit brought forward as at 1st

April 2020 have been transferred into that account. Prior to 2020/21 this was treated as a useable reserve. Further details on the deployment of DSG are provided in Note 15.

	2022/23 £'000	2021/22 £'000
Balance at 1 April	24,650	10,004
Transfer of the opening Dedicated Schools Grant deficit from earmarked revenue reserves	-	-
Reversal of the Dedicated Schools Grant within the surplus deficit on the provision of services in the Comprehensive Income and Expenditure Account	15,032	14,646
Balance at 31 March	39,682	24,650

34 Pensions

Participation in Pension 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 (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in three pension schemes:

The Local Government Pension Scheme (LGPS) - all staff, with the exception of teachers, are eligible to join the Local Government Pension Scheme (LGPS). The scheme is administered by Bath and North East Somerset Council and is called the Avon Pension Fund. The Fund provides members with benefits related to length of service and pensionable salary. The LGPS is a funded defined benefit pension arrangement for local authorities and is governed by statute principally now the Local Government Pension Scheme Regulations 2013.

The Teachers' Pension Scheme - Teachers employed by the Council are members of the Teachers' Pension Scheme, administered on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The Scheme is a multi-employer defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities.

The rate of contribution for 2022/23 was 23.77% resulting in a total payment of £10.991m (£10.864m in 2021/22) to the Teachers' Pension Agency. In addition, the Council made payments totalling £2.533m (£2.492m in 2021/22) in respect of pensions and added years where the early retirement of teachers was agreed. The Council also met its share of the residual liability for former Avon County Council employees, amounting to £1.511m (£1.586m in 2021/22). The estimated liability for unfunded payments has been calculated by the actuary and is included in the Balance Sheet.

The National Health Service Pension Scheme – In 2022/23 a total payment of £0.434m (£0.402m in 2021/22) was made to the NHS Pension Scheme, following the transfer of public health responsibilities from primary care trusts.

Accounting Transactions relating to retirement 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 required to be made 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.

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Income and Expenditure Account				
Net cost of services				
Current service cost	92,557	84,900	-	-
Past service gains/curtailment costs/Settlements	817	(4,184)	-	-
Administration expense	1,329	1,251	-	-
Financing and Investment Income				
Expenditure				
Net interest cost	26,244	21,860	1,311	1,311
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	120,947	103,827	1,311	1,311
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
Remeasurements (assets/liabilities)	(747,127)	(164,233)	177	177
Movement in Reserves Statement				
Reversal of net charges made for retirement benefits in accordance with IAS19	(120,947)	(103,827)	(1,311)	(1,311)
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme	47,929	45,741	4,081	4,081

The Housing Revenue Account (HRA) Income and Expenditure Account has also been adjusted in 2022/23 to reflect the current service cost and an appropriate share of the net interest cost. The latter item has been apportioned to the HRA on the basis of pensionable pay.

Assets and Liabilities in relation to Retirement Benefits

	Funded liabilities:		Unfunded liabilities:		Unfunded liabilities:		Total Liability	
	Local Government Pension Scheme		Local Government Pension Scheme		Teachers' Unfunded Pensions		Local Government & Teachers Pensions	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
01-Apr	(2,985,598)	(2,925,287)	(32,200)	(34,356)	(61,899)	(64,492)	(3,079,697)	(3,024,135)
Current service cost	(92,557)	(84,900)	-	-	-	-	(92,557)	(84,900)
Interest on pension liabilities	(82,784)	(60,666)	(865)	(692)	(1,677)	(1,311)	(85,326)	(62,669)
Contributions by scheme participants	(14,766)	(13,731)	-	-	-	-	(14,766)	(13,731)
Remeasurement (liabilities)								
Experience gain/(loss)	(336,889)	(8,018)	(2,946)	(94)	(4,277)	(180)	(344,112)	(8,292)
Gain/(loss) on financial assumptions	1,202,061	1,601	7,856	0	14,167	(617)	1,224,084	984
Gain/(loss) on demographic assumptions	65,664	22,566	680	237	1,952	620	68,296	23,423
Benefits paid	72,801	72,863	2,582	2,705	4,045	4,081	79,428	79,649
Past service grants, curtailment costs and settlements	(817)	9,974	-	-	-	-	(817)	9,974
31-Mar	(2,172,885)	(2,985,598)	(24,893)	(32,200)	(47,689)	(61,899)	(2,245,467)	(3,079,697)

Reconciliation of fair value of the Local Government Pension Scheme assets:

	2022/23 £'000	2021/22 £'000
01-Apr	2,053,915	1,896,322
Interest on plan assets	57,771	39,498
Remeasurement (assets)	(201,318)	147,941
Administration expense	(1,329)	(1,251)
Settlements	0	(5,790)
Employer contributions	41,224	39,032
Contributions by scheme participants	14,766	13,731
Benefits paid	(75,383)	(75,568)
31-Mar	1,889,646	2,053,915

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

The actual return on plan assets in the year was (£151,692m) (2021/22 £187,439m).

Scheme History – Pension Assets and Liabilities Recognised in the Balance Sheet:

	2022/23 £'000	2021/22 £'000	2020/21 £'000
Present value of liabilities:			
Local Government Pension Scheme	(2,197,778)	(3,017,798)	(2,959,643)
Teachers' unfunded liabilities	(47,689)	(61,899)	(64,492)
Fair value of assets in the Local Government Pension Scheme	1,889,646	2,053,915	1,896,322
Surplus/(deficit) in the scheme:			
Local Government Pension Scheme	(308,132)	(963,883)	(1,063,321)
Teachers' unfunded liabilities	(47,689)	(61,899)	(64,492)
Total	(355,821)	(1,025,782)	(1,127,813)

The total liabilities shown in the Balance Sheet comprise the above (£355,821m) together with a small amount in respect of pre-1974 liabilities (£0.105m) totalling (£355,926m).

Basis for Estimating Assets and Liabilities

Liabilities have been assessed using the projected unit credit actuarial cost method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Council's Fund being based on the latest full valuation of the scheme as at 31 March 2023.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2022/23	2021/22	2022/23	2021/22
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	22.4	23.1	22.4	23.1
Women	24.4	25.3	24.4	25.3
Longevity at 75 for current pensioners:				
Men	-	-	13.8	14.3
Women	-	-	15.3	16.1
Longevity at 65 for future pensioners:				
Men	23.7	24.6	-	-
Women	26.4	27.3	-	-
		%		%
Rate for discounting scheme liabilities	4.8	2.8	4.9	2.8
Rate of inflation - CPI	2.7	3.4	2.7	3.5
Rate of increase in salaries	4.2	4.9	-	-
Rate of increase in pensions	2.8	3.5	2.8	2.8

The estimated Macaulay duration of liabilities (at later of 31 March 2022 or admission date) is 16.5 years retired.

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

The actuary has provided a sensitivity analysis for each significant actuarial assumption as at the end of the reporting period. The table below shows how the defined benefit obligation

would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the 31 March 2023.

Impact on the Defined Benefit Obligation in the Scheme (LGPS)	2022/23	2021/22
	£'000	£'000
Longevity (increase or decrease by 1 year)	47,931	95,116
Rate of inflation (increase or decrease by 0.1%)	97,798	53,125
Rate of increase in salaries (increase or decrease by 0.1%)	11,752	4,325
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(180,229)	(51,281)

Impact on the Defined Benefit Obligation in the Scheme (Teachers)	2022/23	2021/22
	£'000	£'000
Longevity (increase or decrease by 1 year)	1,822	2,396
Rate of inflation (increase or decrease by 0.1%)	975	635
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(1,640)	(568)

Local Government Pension Scheme assets comprise

Asset Category	Sub-Category	Quoted (Y/N)	31 March 2023 £'000	31 March 2022 £'000
Equities	Global Quoted	Y	659,184	834,765
	Sub-total equities		659,184	834,765
Bonds	UK Government Indexed	Y	362,737	254,567
	Sterling Corporate Bonds	Y	168,027	153,395
	Sub-total bonds		530,764	407,962
Property	Property Funds		124,414	136,639
	Sub-total property		124,414	136,639
Alternatives	Hedge Funds	Y	11,263	59,239
	Diversified Growth Funds	Y	118,972	188,636
	Infrastructure	Y	165,911	179,772
	Secured Income	Y	152,910	163,665
	EFT's	Y	45,276	36,646
	Private Debt	Y	45,200	14,053
	Sub-total alternatives		539,531	642,011
Cash and equivalents	Cash Accounts	Y	35,752	32,538
	Sub-total cash		35,752	32,538
Total Assets			1,889,646	2,053,915

Governance and Risk Management

The liability associated with the Council's pension arrangements is material to the Council, as is the cash funding required.

Local Government Pension Scheme

35 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following significant items:

	2022/23 £'000	2021/22 £'000
Interest received	8,492	4,901
Interest paid	(37,865)	(33,806)
Dividends received	2,368	2,221

The deficit on the provision of services has been adjusted for the following non-cash movements:

	2022/23 £'000	2021/22 £'000
Depreciation, impairment and downward revaluations	99,307	110,243
Amortisation	5,126	5,945
Increase/(decrease) in impairment for bad debt	239	1,317
(Decrease)/increase in creditors	(70,725)	75,619
(Increase)/decrease in debtors	(29,538)	(16,628)
(Increase)/decrease in inventories	24,622	(14,562)
Movement in pension liability	76,989	62,027
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	35,108	29,293
Other non-cash items charged to the net surplus or deficit on the provision of services	74,763	(86,651)
Net cash flows from non-cash movements	215,890	166,603

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

	2022/23 £'000	2021/22 £'000
Any other items for which the cash effects are investing or financing cash flows	(78,795)	(43,957)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(24,856)	(29,332)
	(103,650)	(73,289)

36 Cash Flow Statement - Investing Activities

	2022/23 £'000	2021/22 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(154,776)	(132,850)
Purchase of short-term and long-term investments	(202,900)	(183,000)
Other (payments)/receipts for investing activities	(490)	(1,710)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	30,248	15,635
Proceeds from short-term and long-term investments	276,900	144,000
Other receipts from investing activities	76,533	79,842
Net cash flows from investing activities	25,515	(78,083)

37 Cash Flow Statement - Financing Activities

	2022/23 £'000	2021/22 £'000
Cash receipts of short- and long-term borrowing	1	-
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(9,272)	(9,017)
Repayments of short- and long-term borrowing	(6,626)	(1,570)
Council tax and NNDR adjustments	929	3,500
Net cash flows from financing activities	(14,968)	(7,088)

38 Related Parties

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

Some Members or members of their close families, have an interest in voluntary organisations and community groups awarded grants by the Council. Both Council members and Executive Directors have been asked to provide information regarding related party transactions. From the information received, it is believed that there have not been any significant transactions involving Executive Directors during the year however one Member has disclosed that a close family member is a Director of Bristol Food Network which has a contract with the Council to deliver a number of food related activities.

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. It provides the majority of its funding in the form of grants, which are disclosed in Note 16.

The Council has interests in a number of companies over which it has significant influence or control as set out below.

Name	Nature of Council relationship	Transactions with the Council	Nature of transactions	Balances owed to / (from) the Council as at 31 3 2023
Bristol Holdings Limited	100% subsidiary The Council has one Director post on the Board.	£21.1k recharges from BCC and £9k recharges to BCC	Recharges	£265.6k preference share interest owed to BCC
Bristol Waste Company	100% subsidiary of Bristol Holding Limited The Council has one Director post on the Board.	£51.4m payments by Council to company £1.3m recharges from Company to Council	Contract for waste collection and recycling services Recharges	£7.1m loan from BCC for the acquisition of waste vehicles. £1.3m owed by the Council.
Goram Homes Ltd	100% subsidiary of Bristol Holdings Limited. The Council has one Director post on the Board.	Working capital facility £3.8m and £10.6m loan	Development of building projects	£10.6m loan
Bristol Heat Networks Limited (formally Energy Service Bristol Limited)	100% subsidiary of Bristol Holdings Limited. The Council has one Director post on the Board.	Repayment of £23.7m loan	Operation of heat network energy centres	Nil
Bristol Energy & Technology Services (Supply) Limited	100% subsidiary of Bristol Holdings Limited The Council has one Director post on the Board. The company is currently dormant.	None	N/A	Nil
Bristol is Open Limited	100% owned subsidiary The Council has one Director posts on the Board.	None	N/A	Nil
Bristol Local Education Partnership (LEP) Ltd	Joint venture with BCC holding 10%, Building Schools for the Future Investments (Bristol) Ltd 10% and Skanska Infrastructure Development UK Limited 80% (sold in Oct 20 to IIC Bristol Infrastructure Ltd) The Council has one director post on the board.	£9.3m payments to the company	Provision of ICT and construction services to schools in Bristol.	Nil
City Leap Ltd	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
City Leap Bristol Ltd	100% owned subsidiary.	None	N/A	Nil

	The Council has one director post on the board. The Company is currently dormant.			
Bristol City Leap Ltd	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
City Leap Energy Partnership Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
Bristol Infrastructure Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
Energy Service Bristol Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
City Leap Energy Partnership Limited	Joint Venture with Ameresco Inc for the delivery of services under the City Leap concession agreement. The Council has two directors on the Board	None	Joint venture company for the provision of services relating to energy infrastructure projects and investment within Bristol as part of the City Leap project.	Nil

West of England Partnership

Four unitary authorities - Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council - continue to work together and co-ordinate high level planning to improve the quality of life of their residents and provide for a growing population. This joint work focuses on activities that are better planned at the West of England level, rather than at the level of the individual Council areas.

The partnership is not a partnership in law, nor a formal decision making body, and does not have the power to bind the four unitaries. The partnership's activity is integrated into the West of England Local Enterprise Partnership (LEP), which promotes economic growth and prosperity through its key themes of Place, People and Business.

39 Transfer of Functions

As part of the West of England devolution deal, South Gloucestershire, Bristol and Bath & North East Somerset Councils agreed to the establishment of the West of England Combined Authority to support economic growth and development across the region. Under the devolution deal certain functions were transferred from the constituent authorities to the WECA from 1st April 2018. These included concessionary fares, community transport, key route network development and bus service information. WECA has commissioned South Gloucestershire Council to provide concessionary fares on its behalf since 2019/20.

WECA levies the constituent authorities for the cost of the services for which it is now responsible. This is shown under Other Operating Expenditure. The value of the levy in 2022/23 is £10.235m (2021/22 £10.261m). There has been no change to the Council's assets or liabilities arising from the transfer of functions to WECA.

40 Contingent Liabilities

The prospective Bristol Arena operator has challenged the Councils termination of their Agreement for Lease in respect of the Arena on Temple Island and has claimed loss of profits, or costs, over the life of the potential lease. As at 31 March 2023, litigation proceedings had not commenced and no claims have been received.

HRA Income and Expenditure Statement

The HRA reflects a statutory obligation to account separately for Council housing provision. The HRA Income and Expenditure Statement shows the major elements of HRA expenditure and how they are met from rents, service charges and other income. The account does not reflect all of the transactions required by statute to be charged or credited to the HRA for the year. The movement on the HRA Statement gives details of the additional transactions, which are required by statute.

	Note	2022/23 Net £'000	2021/22 Net £'000
Expenditure			
Repairs and maintenance		37,291	35,786
Supervision and management		38,632	32,309
Special services		14,799	12,501
Rent, rates, taxes and other charges		625	662
Depreciation and impairment of non-current assets	4	32,250	34,037
Debt management		34	36
Debt write offs and movement in the allowance for bad debts		1,555	627
Total expenditure		125,185	115,959
Income			
Dwelling rents	2	(116,324)	(112,501)
Non-dwelling rents		(1,041)	(919)
Charges for services and facilities		(9,814)	(9,614)
Contributions towards expenditure		(1)	9
Total income		(127,179)	(123,025)
Net cost of HRA services as included in the Comprehensive Income and Expenditure Statement		(1,994)	(7,066)
Net cost of HRA services		(1,994)	(7,066)
(Gain) on sale of HRA non-current assets		(7,443)	(2,602)
Movement in the Fair Value of Investment Properties		(894)	(792)
Interest payable and similar charges		11,450	11,193
HRA interest and investment income		(3,266)	(288)
Pensions interest costs and expected return on assets	5	3,050	2,609
Capital Grants and Contributions Receivable		(2,247)	(477)
(Surplus) for the year on HRA services		(1,345)	2,577

Statement of movement on the HRA Balance

	Note	31 March 2023 Net £'000	31 March 2022 Net £'000
HRA balance brought forward		(102,230)	(98,441)
(Surplus) for the year on the HRA Income and Expenditure Account		(1,345)	2,577
Adjustments between accounting basis and funding basis under statute		4,126	(6,367)
(Increase) before reserve transfers		2,781	(3,789)
Transfer from/to reserves		-	-
Net (increase) on HRA balance		2,781	(3,789)
HRA balance carried forward		(99,449)	(102,230)

Note to the statement of movement on the HRA Balance

	Note	31 March 2023 Net £'000	31 March 2022 Net £'000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year			
Depreciation and impairment of property, plant & equipment	4	(31,745)	(33,567)
Amortisation of Intangible Fixed Assets	4	(505)	(470)
Fair value movements on investment properties		894	792
Net charges made for retirement benefits in accordance with IAS19	5	(13,296)	(12,169)
Net gain/loss on disposal of assets		7,443	2,602
Capital Grants and Other Contributions	6	2,247	477
		(34,962)	(42,335)
Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year			
Capital expenditure funded by the HRA	6	3,487	177
Employer's contributions payable to the Avon Pension Fund and retirement benefits payable direct to pensioners	5	5,119	4,896
Transfer to Major Repairs Reserve	8	-	-
HRA depreciation to Major Repairs Reserve	8	30,482	30,896
Amortisation of premiums			
		39,088	35,969
Net additional amount required by statute to be debited or credited to the HRA Balance for the year		4,126	(6,367)

Notes to the Housing Revenue Account

1 Dwelling numbers as at 31 March 2023

	31 March 2023	31 March 2022
Houses	11,117	11,222
Bungalows	1,079	1,079
Flats	14,491	14,560
Total Dwellings held at 31 March 2023	26,687	26,861

2 Rent and Rent Arrears

The total value of dwelling rents in 2022/23, less rent attributable to empty properties (voids), is £116.3m (£112.5m in 2021/22). The amount of rent arrears, including recoverable housing benefit, water charges, defect charges, etc are:

	31 March 2023 £'000	31 March 2022 £'000
Former tenants	2,976	2,222
Current tenants	9,937	9,713
	12,913	11,935
Balance Sheet Provision		
Former tenants	2,498	1,784
Current tenants	7,176	7,150
	9,674	8,934

Vacant Possession

The vacant possession value of dwellings as at 1st April 2023 was £5.64bn. The value of dwellings in the balance sheet (excluding dwellings leased to Registered Social Landlords) was £1.93bn, a difference of £3.71bn. This difference reflects the economic cost of providing Council housing at less than market rent. This cost is determined by applying the Government prescribed discount rate of 35% of the Market Value to the vacant possession value.

3 Sums Directed by the Secretary of State to be Debited or Credited to the HRA

In 2022/23 there were no sums approved by the Secretary of State to be debited to the HRA in relation to the transfer of rent rebates from the HRA to the General Fund.

4 Depreciation and Impairment

	2022/23 £'000	2021/22 £'000
Depreciation		
Operational Assets - Dwellings	29,704	30,188
- Other, including leased	778	708
	30,482	30,896
Intangible Fixed Assets	505	470
Total depreciation	30,987	31,366
Revaluation losses	1,263	2,671
Reversal of impairment losses	-	-
Total depreciation and impairment	32,250	34,037

Impairment

There was a loss on revaluation of £1.3m charged to the surplus on provision of Services (2021/22: £2.7m).

5 HRA Share of Contributions to/from Pension Reserve

For 2022/23 the HRA has been attributed with a share of the interest cost, net of the expected return on pension assets, as calculated by the actuary to the pension fund £3m (2021/22 £2.6m). This share has been calculated using the proportion of HRA pensionable pay to the total of that for the Council. The net cost of services shown in the HRA statement also includes the current service cost as required by IAS19 of £13.3m (2021/22 (£12.2m)). This is excluded from the HRA Balance for the year and replaced with Employers Contributions payable £5.1m (2021/22 (£4.9m)) with the net movement on the Pension reserves of £8.2m (2021/22 £7.3m). Further information regarding the accounting for pensions is included in the notes to the consolidated revenue account and balance sheet, see Note 34.

6 Capital Expenditure and financing

Total expenditure during the year and its financing was as follows:

Expenditure	2022/23 £'000	2021/22 £'000
Dwellings	60,861	39,241
Other Assets	604	177
	61,465	39,418
Financing		
Usable capital receipts	22,348	9,474
Revenue contributions to capital	3,487	177
Major Repairs Reserve	33,383	29,290
Other	2,247	477
	61,465	39,418

7 Capital Receipts

Capital receipts received during the year from disposals of land, houses and other property within the HRA was £21.8m (£14m in 2021/22). The receipts are summarised as follows:

	2022/23 £'000	2021/22 £'000
Receipts unapplied brought forward - 1 April	69,665	67,231
Right to Buy sales	20,939	12,616
Mortgage repayments	-	-
Disposal of Land and Buildings	903	1,404
	91,506	81,251
Allowable reductions		
Repaid to MHCLG	-	(2,112)
Capital receipts applied	(22,348)	(9,474)
Capital receipts applied to GF	-	-
Capital receipts unapplied carried forward - 31 March	69,158	69,665

8 Major Repairs Reserve

	2022/23 £'000	2021/22 £'000
Balance brought forward - 1 April	(12,902)	(11,296)
Capital expenditure (dwellings)	33,383	29,290
Major Repairs Allowance set aside in year	(30,482)	(30,896)
Excess depreciation credited to Statement of Movement on HRA Balance	-	-
Balance carried forward - 31 March	(10,001)	(12,902)

Depreciation has been calculated in accordance with our accounting policies for all HRA assets. We have used the Keystone component accounting information for Dwelling as a proxy for component accounting and Corporate Asset Management system for Non-Dwelling.

The MRA balance was £30.5m for 2022/23 (2021/22 - £30.9m). £33.4m was used to finance appropriate Housing Revenue Account capital expenditure.

9 Balance Sheet Value of Land and Houses, etc.

	2022/23 £'000	2021/22 £'000
Dwellings	1,934,334	1,945,189
Land	40,447	41,624
Other assets	36,296	18,149
	2,011,077	2,004,962

10 Asset Split

	2022/23 £'000	2021/22 £'000
Operational - dwellings	1,934,334	1,945,189
Operational - other land and buildings	68,904	52,782
Non-operational	7,839	6,991
Intangible	1,393	1,294
Other	-	-
	2,012,470	2,006,256

Collection Fund

Collection Fund Income and Expenditure Account

31 March 2022				31 March 2023			
£'000	£'000	£'000			£'000	£'000	£'000
Business Rates	Council Tax	Total	Note	Business Rates	Council Tax	Total	
Income							
-	283,272	283,272	Council Tax	-	295,969	295,969	-
181,924	-	181,924	Non-Domestic Rates	198,929	-	198,929	
(3,743)	-	(3,743)	Transitional Protection Payment	(872)	-	(872)	
Contributions towards previous years							
Collection Fund Deficit:							
-	-	-	Central Government	0	-	0	
84,946	2,549	87,495	Bristol City Council	40,642	8,372	49,014	
-	330	330	Avon & Somerset Police and Crime Commissioner	-	1,056	1,056	
904	109	1,013	Avon Fire Authority	432	335	767	
4,518	-	4,518	West of England Combined Authority	2,162	-	2,162	
268,549	286,260	554,809		241,293	305,732	547,025	
Expenditure							
Apportionment of Previous Years							
Surplus							
-	-	-	Central Government	-	-	-	
-	-	-	Bristol City Council	-	-	-	
-	-	-	Avon & Somerset Police and Crime Commissioner	-	-	-	
-	-	-	Avon Fire Authority	-	-	-	
-	-	-	West of England Combined Authority	-	-	-	
-	-	-		-	-	-	
Precepts, Demands and Shares							
197,435	236,198	433,634	Bristol City Council	182,167	243,198	425,366	
-	30,862	30,862	Avon & Somerset Police and Crime Commissioner	-	32,133	32,133	
2,100	9,779	11,880	Avon Fire Authority	1,938	9,971	11,909	
10,502	-	10,502	West of England Combined Authority	9,690	-	9,690	
210,038	276,839	486,877		193,795	285,302	479,097	
Charges to the Collection Fund							
104	1,280	1,384	Write offs of uncollectable amounts	1,919	580	2,499	
8,594	11,662	20,256	Increase/(Decrease) in bad debt provision	(4,006)	8,960	4,954	
698	-	698	Cost of Collection Allowance	695	-	695	
5,657	-	5,657	Disregarded amounts	8,124	-	8,124	
-	-	-	Prior year adjustment	-	-	0	
(341)	-	(341)	Increase/(Decrease) in provision for appeals	(796)	-	(796)	
14,712	12,941	27,654		5,936	9,540	15,476	
43,799	(3,520)	40,279	Surplus/ (Deficit) for the year	41,563	10,889	52,452	
(84,253)	(5,321)	(89,574)	Surplus/ (Deficit) as at 1 April	(40,454)	(8,841)	(49,295)	
(40,454)	(8,841)	(49,295)	Surplus/ (Deficit) as at 31 March	1,109	2,049	3,157	

Notes to the Collection Fund Income and Expenditure Account

1 General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates. Only the elements attributable to the City Council are recognised with the Council's other accounts.

2 Council tax

Council tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands based upon 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the City Council, the Avon and Somerset Police and Crime Commissioner and the Avon Fire Authority for the forthcoming year and dividing this by the council tax base of 127.917 for 2022/23 (127.950 for 2021/22). This represents the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts and the estimated collection rate. This basic amount of council tax for a Band D property of £2,230.37 for 2022/23 (£2,163.65 for 2021/22) is multiplied by the proportion specified for the particular band to give an individual amount due.

Calculation of the council tax Base used in setting the 2022/23 council tax

	<i>BANDS</i>									
	<i>A Entitled to Disabled Relief</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>Total</i>
<i>No of Properties</i>	0	53,902	74,853	40,256	19,132	9,896	4,838	2,869	346	206,092
<i>Exemptions and disabled relief</i>	(35)	(2,885)	(1,506)	(1,311)	(1,265)	(1,104)	(172)	(46)	12	(8,312)
<i>Less Discounts</i>	66	(5,626)	(5,723)	(2,813)	(1,164)	(511)	(212)	(122)	(67)	(16,172)
<i>Total Equivalent Dwellings</i>	31	45,392	67,624	36,132	16,703	8,282	4,454	2,701	291	181,608
<i>Ratio</i>	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
<i>Band D Equivalents</i>	17	30,261	52,597	32,117	16,703	10,122	6,434	4,501	582	153,333
<i>Add Changes re: Additional Properties</i>										1,983
<i>Additional Exemptions</i>										(2,910)
<i>Council Tax Support</i>										(20,533)
<i>Rate of Collection 97%</i>										(3,956)
<i>Council Tax Base</i>										<u>127,917</u>

3 Collection Fund balance sheet items have been apportioned as shown in the table below.

Council Tax	Total	Bristol City Council	Police & Crime Commissioner	Avon Fire Authority
	£'000	£'000	£'000	£'000
Debtors	50,474	43,023	5,687	1,765
Bad debt allowance	(34,014)	(28,992)	(3,832)	(1,189)
Prepayments and overpayments	(4,563)	(3,890)	(514)	(160)
Surplus/ (Deficit) at 31 March	2,048	1,746	231	72

Business Rates	Total	Bristol City Council	West of England Combined Authority	Avon Fire Authority	Central Government
	£'000	£'000	£'000	£'000	£'000
Debtors	21,305	20,026	1,065	213	
Bad debt allowance	(13,313)	(12,514)	(666)	(133)	
Prepayments and overpayments	(5,210)	(4,898)	(261)	(52)	
Appeals provision	(26,013)	(24,452)	(1,301)	(260)	
Surplus/ (Deficit) at 31 March	1,109	1,747	4	(1)	(642)

4 National Non-Domestic Rates (NNDR)

The Council collects NNDR for its area based on rateable values as determined by the Valuation Office Agency and reviewed on a 5 yearly basis. The last revaluation date was on 1 April 2022, with valuations being effective from this date.

Each year the Government specifies an amount known as the non-domestic rating multiplier and (subject to the effects of transitional arrangements) local businesses pay rates calculated by multiplying their rateable value by that multiplier. A second multiplier known as the small business non-domestic rating multiplier was introduced from 1 April 2005 and this multiplier is applicable to those businesses that qualify for small business relief.

In 2022/23 the non-domestic rating multiplier was 51.2p (51.2p in 2021/22) and the small business non-domestic rating multiplier was 49.9p (49.9p in 2021/22).

As part of the governments West of England devolution deal Bristol, Bath and North East Somerset and South Gloucestershire Councils agreed to the establishment of the West of England Combined Authority (WECA) to support economic growth and development across the region. This also enabled the three Council's to take part in a 100% business rates retention pilot. As a result, Bristol City Council is now responsible not only for collection of rates due from the ratepayers in its area but also for redistribution of the sums paid according to the following percentages: Bristol City Council: 94%, West of England Combined Authority 5% and Avon Fire Authority: 1%.

The NNDR income after reliefs and provisions was £201.812m for 2022/23 (£173.567m for 2021/22). The significant change is due to specific COVID-19 reliefs given. The total rateable value at 31 March 2023 was £540.951m (£545.728m at 31 March 2022).

5 City Region Deal Growth Disregard

From 2015/16, the Council is allowed to retain 100% of the growth in Business Rates in its Enterprise area and Enterprise Zone. The growth is transferred to the Council's General Fund before being pooled with other participating authorities

City Region Deal

Background

Under the City Region Deal, Bristol City, Bath & North East Somerset, North Somerset and South Gloucestershire Councils ("the Authorities") are part of a Business Rates Retention Scheme, introduced by the Government in April 2013, allowing Authorities to retain a proportion of the business rates collected locally. The Authorities are allowed to retain 100% of the growth in business rates raised in the City Regions network of Enterprise Areas over a 25 year period ending on 31 March 2039 to create an Economic Development Fund for the West of England and to manage local demographic and service pressures arising from economic growth.

A 'baseline' level of rates for each Authority has been agreed with the government for the areas designated within the Non-Domestic Rating (Designated Areas) Regulations 2015. Rates collected up to this figure (the baseline) are subject to the national rates retention system. Rates collected in excess of this figure (the 'growth figure') are retained by the Authorities under the Non-Domestic Rates Designated Area Regulations 2013 and 2014 in a pooling arrangement. The governance of the distribution of retained pooled funds will occur through a Business Rates Pooling Board constituted under the Business Rates Pooling Principles Agreement (BRPPA) signed by the four Authorities.

Transactions

Each participating Council pays an annual growth figure to South Gloucestershire Council, as the Accountable Body for the BRP, representing business rates collected in the Enterprise Areas in excess of an agreed baseline figure. Retained funds will be distributed or invested annually in accordance with the 2014 Regulations and the BRPPA as:

- Tier 1: to ensure that no individual Council is any worse off than it would have been under the national local government finance system,
- Tier 2: to an Economic Development Fund (EDF) for reinvestment within the designated areas through approved programmes,
- Tier 3: for the relief of demographic and service pressures associated with growth.

Cash receivable and disbursements payable by the BRP and the Council's share of these are reflected under "Cash Transactions" in the table below. Expenditure and revenue recognised in the Council's CIES is also disclosed.

	CASH TRANSACTIONS		REVENUE & EXPENDITURE	
	Business Rates Pool Total	of which the Council's share	Council Expenditure	Council Revenue
	£'000	£'000	£'000	£'000
Funds held by BRP at 1 April	(66,354)	(16,230)	-	-
Receipts into the Pool in-year				
- Growth sums payable by Council's to BRP in year	(31,948)	(8,312)	5,279	-
Distributions out of the Pool in-year				
- Tier 1 no worse off	11,011	3,982	-	(3,899)
- BRP management fee	63	16	-	-
- EDF management fee	75	19	-	-
- Tier 2 EDF funding	4,049	547	-	-
- Tier 3 demographic and service pressure	3,232	715	-	(971)
Funds held by BRP at 31 March	(79,873)	(19,263)		
Analysed between:				
Uncommitted cash (Tier 2 inc contingency)	(4,607)	(2,447)	n/a	n/a
Committed cash (Tier 3)	(75,266)	(16,816)	n/a	n/a
Expenditure/(Revenue) recognised	(79,873)	(19,263)	5,279	(4,870)

As stated under the accounting policies, growth paid over to the BRP is recognised as expenditure by each Council to the extent that the use of the funds by the BRP has been committed. Uncommitted cash is recognised by each Council as a debtor.

The uncommitted cash of £2,447m contributed by the Council and held by the BRP is recognised by the Council as a debtor and is held in an earmarked reserve to smooth the impact of City Region Deal transactions and match the release of revenue support and charges for projects. The BRP has not made a payment to Bristol City Council on behalf of the EDF in 2022/23 (2021/22: £0.703m.)

The Council itself has recognised revenue income of £4.870m (2021/22 £4.078m) from the BRP and expenditure of £5.279m (2021/22 £3.954m) to the BRP for the year.

Group Accounts

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (The Code) requires local authorities with interests in subsidiaries, associates and/or joint ventures to prepare group accounts in addition to their own single entity financial statements, unless their interest is not considered material. The aim of the Group Accounts is to provide the reader with an overall view of the material economic activities of the Council.

The Council has interests in a number of companies that are classified as a subsidiary or joint venture, all of which have been considered for consolidation. Three of these, Bristol Holding Limited and Bristol Waste Company Limited and Goram Homes Limited are considered to be material to the financial statements. Details of the companies considered for consolidation are shown below. Although not material, Bristol Heat Networks Limited as a subsidiary of Bristol Holdings Limited has also been consolidated into the group financial statements.

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with, Bristol Holding Limited, Bristol Waste Company Limited, Goram Homes Limited and Bristol Heat Networks Limited. Copies of the individual audited accounts are available from Companies House.

The purpose of each of the core statements is explained in the relevant sections of the single entity accounts. No amendments have been necessary to the accounts of the group entities as a result of material differences arising from the variation in accounting policies.

The following pages include:

- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Movement in Reserves Statement
- Group Cash Flow Statement
- Associated Notes to the Accounts where there are significant differences between the Council's single entity accounts and the consolidated Group.

Group Financial Statements

The Group Comprehensive Income and Expenditure Account as at 31 March 2023

This statement shows the accounting cost in the year of providing the Group's services in accordance with generally accepted accounting practices.

2021/22			2022/23		
Gross Exp £'000	Gross Income £'000	Net Exp £'000	Gross Exp £'000	Gross Income £'000	Net Exp £'000
454,856	(210,728)	244,128	486,642	(189,494)	297,148
238,116	(148,474)	89,642	206,822	(135,000)	71,822
241,613	(95,542)	146,071	311,002	(160,051)	150,951
115,959	(123,026)	(7,067)	125,185	(127,179)	(1,994)
228,498	(204,964)	23,534	241,814	(212,748)	29,066
6,692	(889)	5,803	6,619	(4,210)	2,409
1,285,734	(783,623)	502,111	1,378,084	(828,682)	549,402
		11,780			11,316
		(50,348)			120,268
		(454,616)			(499,673)
		8,927			181,313
		(243,430)			(3,592)
		(162,960)			(746,950)
		-			-
		(406,390)			(750,542)
		(397,463)			(569,229)

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the group, analysed into usable reserves and other reserves.

	Note	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account	Sub Total - Housing Revenue	Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council Share of Subsidiaries	Total Group Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjusted Balance at 1 April 2021		35,666	220,707	7,528	263,901	97,791	651	98,441	78,492	11,296	3,080	455,210	1,239,889	1,695,099	(11,077)	1,684,021
Movement in Reserves during 2021/22																
Surplus or (deficit) on the provision of services		41,804	-	-	41,804	(2,577)	-	(2,577)	-	-	-	39,227	-	39,227	(48,154)	(8,927)
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	-	-	-	-	407,486	407,486	(1,096)	406,390
Adjustments between group accounts and authority accounts		(55,207)	-	-	(55,207)	-	-	-	-	-	-	(55,207)	-	(55,207)	55,207	-
Total Comprehensive Expenditure and Income		(13,403)	-	-	(13,403)	(2,577)	-	(2,577)	-	-	-	(15,980)	407,486	391,506	5,957	397,463
Adjustments between accounting basis and funding basis under regulations	17	(31,385)	-	-	(31,385)	6,367	-	6,367	1,283	1,606	475	(21,654)	21,654	-	-	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(44,788)	-	-	(44,788)	3,789	-	3,789	1,283	1,606	475	(37,634)	429,140	391,506	5,957	397,463
Transfers to/(from) Earmarked Reserves	18	49,196	(47,272)	(1,924)	-	(4)	4	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in 2021/22		4,408	(47,272)	(1,924)	(44,788)	3,785	4	3,789	1,283	1,606	475	(37,634)	429,140	391,506	5,957	397,463
Balance at 31 March 2022 Carried Forward		40,074	173,435	5,604	219,113	101,576	655	102,231	79,775	12,902	3,555	417,575	1,669,030	2,086,605	(5,120)	2,081,484
Movement in Reserves during 2022/23																
Surplus or (deficit) on the provision of services		(130,050)	-	-	(130,050)	1,345	-	1,345	-	-	-	(128,705)	-	(128,705)	(52,608)	(181,313)
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	-	-	-	-	750,542	750,542	-	750,542
Adjustments between group accounts and authority accounts		(52,170)	-	-	(52,170)	-	-	-	-	-	-	(52,170)	-	(52,170)	52,170	-
Total Comprehensive Expenditure and Income		(182,220)	-	-	(182,220)	1,345	-	1,345	-	-	-	(180,875)	750,542	569,666	(438)	569,229
Adjustments between accounting basis and funding basis under regulations	17	122,414	-	-	122,414	(4,126)	-	(4,126)	2,768	(2,901)	(424)	117,731	(117,731)	-	-	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(59,806)	-	-	(59,806)	(2,781)	-	(2,781)	2,768	(2,901)	(424)	(63,144)	632,811	569,666	(438)	569,229
Transfers to/(from) Earmarked Reserves	18	49,257	(42,894)	(6,363)	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in 2022/23		(10,549)	(42,894)	(6,363)	(59,806)	(2,781)	-	(2,781)	2,768	(2,901)	(424)	(63,144)	632,811	569,666	(438)	569,229
Balance at 31 March 2023 Carried Forward		29,525	130,541	(758)	159,307	98,795	655	99,449	82,543	10,001	3,131	354,430	2,301,841	2,656,271	(5,558)	2,650,713

Group Consolidated Balance Sheet as at 31 March 2023

31-Mar-22		Note	31-Mar-23
£'000			£'000
3,055,967	Property, Plant & Equipment		3,084,755
215,256	Heritage Assets		215,256
14,991	Intangible Assets		10,859
356,640	Investment Property		282,169
48,848	Long Term Investments	G10	48,644
39,117	Long Term Debtors		36,062
3,730,819	Long Term Assets		3,677,745
103,948	Short Term Investments	G10	30,343
26,998	Inventories		3,743
166,042	Short Term Debtors	G3	189,338
142,542	Cash and Cash Equivalents		93,509
806	Assets held for sale		1,232
440,336	Current assets		318,165
(19,709)	Cash and Cash Equivalents		(31,118)
(9,952)	Short Term Borrowing	G10	(4,764)
(297,286)	Short Term Creditors	G4	(233,284)
(2,849)	Provisions		(2,480)
-	Derivative Financial Instrument		-
(71,814)	Capital grants received in advance		(62,759)
(401,610)	Current liabilities		(334,405)
(445,488)	Long Term Borrowing	G10	(445,488)
(26,005)	Provisions		(25,249)
(1,185,262)	Other Long Term Liabilities		(503,402)
(31,306)	Capital Grants Receipts in Advance		(36,653)
(1,688,061)	Long-term liabilities		(1,010,792)
2,081,484	Net assets		2,650,713
(423,086)	Usable Reserves		(357,613)
(1,658,398)	Unusable Reserves	G5	(2,293,100)
(2,081,484)	Total reserves		(2,650,713)

Group Cash Flow Statement for the year ended 31 March 2023

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

2021/22			2022/23
£'000		Note	£'000
(8,927)	Net surplus on the provision of services		(181,313)
162,661	Adjustment to net surplus on the provision of services for non-cash movements	G6	214,768
(73,289)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G6	(103,651)
80,445	Net cash flows from Operating Activities		(70,196)
(78,132)	Investing Activities	G7	24,347
(7,087)	Financing Activities	G8	(14,592)
(4,774)	Net increase (decrease) in Cash and Cash Equivalents		(60,441)
127,607	Cash and Cash Equivalents at the beginning of the reporting period		122,833
122,833	Cash and Cash Equivalents at the end of the reporting period		62,392

Notes to the Group Accounts

Accounting Policies

Generally, the accounting policies for the group accounts are the same as those applied to the single entity financial statements, except for the following policies which are specific to the group accounts:

Basis of Identification of the Group Boundary

Group accounts are prepared by aggregating the transactions and balances of the Council and all its material subsidiaries, associates and joint arrangements. In its preparation of these Group Accounts, the Council has considered its relationship with entities that fall into the following categories:

- Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group.
- Joint Arrangements (Joint Ventures) – where the Council exercises joint control with one or more organisations. Where these are material they are included in the group.
- Associates – where the Council is an investor and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (stopping short of control or joint control.) It is presumed that holding 20% of the voting power of an investee (either directly or indirectly) brings significant influence but this presumption can be rebutted.
- No group relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

In accordance with this requirement, the Council has determined its Group relationships as follows:

Bristol Holding Ltd	Direct Subsidiary	Consolidated
Bristol Waste Company Ltd	Indirect Subsidiary	Consolidated
City Leap Energy Partnership Limited	Joint Venture	Not Material
Bristol Energy and Technology Services (Supply) Ltd	Indirect Subsidiary	Not Material – Dormant company
Local Education Partnership	Joint Venture	Not Material
Bristol is Open Ltd	Direct Subsidiary	Not Material
Goram Homes	Indirect Subsidiary	Consolidated
Bristol Heat Networks Limited (sold 4 th January 2023)	Indirect Subsidiary	Consolidated

The grounds for exclusion from consolidation of certain entities are not material to the true and fair view of the financial statements or to the understanding of the users.

Basis of Consolidation – Group Accounts

The Group Accounts have been prepared using the group accounts requirements of the Code. Companies or other reporting entities that are under the ultimate control of the Council have been included in the Council's group accounts to the extent that they are material to users of the financial statements in relation to their ability to see the complete economic activities of the Council and its exposure to risk through interests in other entities and participation in their activities.

Subsidiaries have been consolidated on a line by line basis, subject to the elimination of intra-group transactions from the statements, in accordance with the Code. Accounting policies have been aligned where applicable.

Bristol Holding Limited

Bristol Holding is a wholly owned subsidiary of the City Council, incorporated on 12 March 2015. The principal activity of the company is that of a holding company and the activities of the group are the provision of waste services, housing development and a gas and electric supply business in the UK with particular focus on residential customers.

On the 13 July 2015 the company acquired Bristol Energy and Technology Services (Supply) Limited for £100,000 and on 31 March 2016, the company acquired Bristol Waste Limited from Bristol City Council.

As at the 31 March 2023 the Council has invested £37.153m in Bristol Holding Limited. This was made up of £36.550m ordinary shares and £0.603m cumulative redeemable preference shares.

Bristol Waste Company Limited

Bristol Waste Company Limited is a wholly owned subsidiary of Bristol Holding Limited. The company was incorporated on 5 March 2015. From the 8 August 2015 the company has been providing waste collection, street cleaning and other maintenance services in Bristol.

Bristol Energy and Technology Services (Supply) Limited (formally Bristol Energy Limited)

Bristol Energy and Technology Services (Supply) Limited is a wholly owned subsidiary of Bristol Holding Limited incorporated on 14 March 2016. The company is currently dormant. On 14 February 2018 a resolution was passed to authorise the Company to change its name to Bristol Energy and Technology Services (Supply) Limited.

Goram Homes Limited

Goram Homes is a wholly owned subsidiary of Bristol Holding Limited incorporated on 1 October 2018. The company aims to increase the provision of new homes in the city and to meet housing requirements without compromising on build quality particularly around the provision of affordable housing, space standards and sustainability.

In September 2021, the Council approved Goram Homes joint venture plans for 268 new homes at Romney House, Lockleaze. The site was transferred during 2021/22 to Goram Homes joint venture in return for £12.9m of repayable loan notes. 147 homes (55%) will be affordable and managed by Bristol City Council. During the year, the Council approved two loan facilities with Goram Homes for £4.3m ('Pipeline 1') and £10m ('Pipeline 2'). Both loan agreements include interest charges on the principal sums and £3.4m is currently outstanding (principal plus interest) from Goram Homes.

Bristol Heat Networks Limited

Bristol Heat Networks Limited was a wholly owned subsidiary of Bristol Holding Limited incorporated on 31 October 2018. The company aims was to deliver affordable, low carbon heat and is fundamental to the Council's drive to make the city carbon neutral by 2030.

In July 2022 Cabinet approved the transfer of the Council's Heat Network Assets to Bristol Heat Networks Limited. The value of the assets to be transferred to Bristol Heat Networks Limited would substantively reflect the cost incurred by the Council to the point of transfer, offset by any historical government grant funding received. The sale of Bristol Heat Networks Ltd to Vattenfall Heat UK Ltd was completed on 4 January 2023 with all loan facilities have been repaid in full.

None of the other entities in which the City Council has an interest are considered material enough to merit consolidation into the Council's Group Accounts. Details of these can be found within the Related Parties note in the Council's single entity accounts (Note 38).

Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance on 30th May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 30th May 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

Group financial position

The closing net deficit balance of the group is £42m which takes into account previous years losses carried forward.

Where there are no material changes to the statements the notes are as per the Council's single entity accounts. Where consolidation has resulted in material changes additional notes are set out below.

G1 Net Cost of Services

The Net cost of Services in the consolidated CIES includes gross income of £909k and gross expenditure of £2.7m associated outside of the group boundary.

Revenue from Contracts with Customers

Further to a review of this area, the Group can confirm that there is no material contractual revenue income from customers to disclose. There is therefore nothing to disclose in relation to the introduction of IFRS 15-Revenues from Contracts with Customers.

G2 Financing and Investment Income and Expenditure

	31 March 2023 £'000	31 March 2022 £'000
Interest payable and similar charges	38,771	27,761
Loss Allowance (Financial Guarantee Contracts)	-	-
Changes in the Fair Values of Financial Instruments*	3,290	325
Pensions net interest cost	27,555	23,171
Interest receivable and similar income	(12,110)	(7,060)
Income and expenditure in relation to Investment Properties	(10,417)	(11,696)
Changes in fair value of Investment Properties	73,179	(82,849)
Total	120,268	(50,348)

G3 Current Debtors

	31 March 2023 £'000	31 March 2022 £'000
Current debtors		
Trade Receivables	30,200	32,785
Prepayments	11,788	8,471
VAT	12,502	11,462
Other	134,849	113,324
Total	189,338	166,042

G4 Creditors

	31 March 2023 £'000	31 March 2022 £'000
Current liabilities		
Trade Payables	34,635	20,174
Other Payables	153,623	176,735
Receipts In Advance	45,025	100,378
Total	233,284	297,286

G5 Unusable Reserves

	31 March 2023 £'000	31 March 2022 £'000
Revaluation Reserve	(1,177,707)	(1,199,657)
Capital Adjustment Account	(1,518,628)	(1,574,351)
Financial Instruments Adjustment Account	6,543	6,721
Deferred Capital Receipt Reserve	(10,026)	(12,851)
Pensions Reserve	361,094	1,037,796
Collection Fund Adjustment Account	(3,493)	49,186
Accumulated Absences Account	9,436	10,108
Dedicated Schools Grant Adjustment Account	39,681	24,650
	(2,293,100)	(1,658,398)

G6 Cash Flow Statement

The cash flows for operating activities include the following significant items:

	2022/23 £'000	2021/22 £'000
Interest received	9,112	4,901
Interest paid	(38,661)	(33,870)
Dividends received	2,368	2,221

The deficit on the provision of services has been adjusted for the following non-cash movements:

	2022/23 £'000	2021/22 £'000
Depreciation, impairment and downward revaluations	101,935	110,243
Amortisation	-	5,945
Increase/(decrease) in impairment for bad debt	239	1,317
(Decrease)/increase in creditors	(66,772)	74,700
(Increase)/decrease in debtors	(30,769)	(16,245)
(Increase)/decrease in inventories	23,255	(14,567)
Movement in pension liability	76,989	61,469
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	35,126	29,293
Other non-cash items charged to the net surplus or deficit On the provision of services	74,765	(89,494)
Net cash flows from non-cash movements	214,768	162,661

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

	2022/23 £'000	2021/22 £'000
Any other items for which the cash effects are investing or financing cash flows	(24,856)	(43,957)

Proceeds from the sale of Property Plant and Equipment, Investment
Property and Intangible Assets

(78,795)	(29,332)
(103,651)	(73,289)

G7 Cash Flow Statement - Investing Activities

	2022/23 £'000	2021/22 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(154,367)	(132,899)
Purchase of short-term and long-term investments	(203,512)	(183,000)
Other (payments)/receipts for investing activities	(490)	(1,710)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	30,248	15,635
Proceeds from short-term and long-term investments	275,935	144,000
Other receipts from investing activities	76,533	79,842
Net cash flows from investing activities	25,347	(78,132)

G8 Cash flow Statement - Financing Activities

	2022/23 £'000	2021/22 £'000
Cash receipts of short- and long-term borrowing	1	-
Cash payments for the reduction of outstanding liabilities relating to Finance leases and on-Balance Sheet PFI contracts	(9,009)	(9,017)
Repayments of short and long-term borrowing	(6,513)	(1,570)
Council tax and NNDR adjustments	929	3,500
Net cash flows from financing activities	(14,592)	(7,087)

G9 Directors Remuneration and Exit Packages

Where a Directors annual salary is £50,000 or more, but less than £150,000, remuneration is disclosed by way of job title. For those Directors whose salary is £150,000 or more, their name is also disclosed.

2022/23				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
Bristol Waste Company							
Finance Director	Apr' 22 – Jul' 22	A Henshaw		33,295	65,155	9,409	107,859
Finance Director	Jul' 22 – Mar' 23			84,762	-	-	84,762
Interim Managing Director	Jul' 22 – Jan' 23		1	50,008	-	3,883	53,891
Interim Managing Director	Jan' 23 – Mar' 23	I Osborne	1	39,301	-	-	39,301
Managing Director	Apr' 22 – Jul' 22	T Lawless		38,822	62,317	10,793	111,932
Goram Homes							
Managing Director	Apr' 22 – Mar' 23			131,984	-	11,865	143,849
Finance Director	Apr' 22 – Mar' 23			60,700	-	5,820	66,520
Bristol Holding Company							
Executive Chair (CEO)	Apr' 22 – Jun' 22			8,750	-	-	8,750
Group Finance Director & Executive Lead	Apr' 22 – Jul' 22			48,002	-	-	48,002
Interim Executive Lead & Group Finance Director	Jul' 22 – Mar' 23	C Smith	1	129,819	-	-	129,819
Bristol Heat Networks							
Consulting Officer	Apr' 22 – Jan' 23	J Bungey		92,454	-	-	92,454

Note 1 (Interim) – The amounts disclosed in the table in respect of these posts are the costs incurred by the Company to secure the individuals services on this basis and not the amounts the individuals actually received (which will have been lower).

Note 2 - The table above is presented in a format as prescribed in Schedule 1 of the Accounts and Audit Regulations 2015. This presentation differs from that of the disclosure in the Companies audited accounts as these are prepared in accordance with FRS 102.

2021/22				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
Bristol Waste Company							
Managing Director	Apr' 21 – Mar' 22			126,586	-	10,815	137,401
Finance Director	Apr' 21 – Mar' 22			114,827	-	13,563	128,390
Goram Homes							
Managing Director	Apr' 21 – Mar' 22			114,587	-	10,428	125,015
Finance Director	Apr' 21 – Mar' 22			56,231	-	5,623	61,854
Bristol Holding Company							
Executive Chair (CEO)	Apr' 21 – Oct' 21			43,334	-	9,063	52,397
Group Finance Director & Executive Lead	Apr' 21 – Mar' 22			130,900	-	-	130,900
Bristol Heat Networks							
Consulting Officer	Apr' 21 – Mar' 22	J Bungey		121,296	-	-	121,296

Note 1 (Interim) – The amounts disclosed in the table in respect of these posts are the costs incurred by the Company to secure the individuals services on this basis and not the amounts the individuals actually received (which will have been lower).

G10 Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments. The value of debtors and creditors reported in the table are those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and associated notes also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

	Long-Term		Current	
	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Financial Liabilities at Amortised cost				
Borrowing	(445,488)	(445,488)	(4,764)	(9,952)
Service Concessions	(100,706)	(107,884)	(7,178)	(6,786)
Creditors	(5,261)	(13,801)	(208,514)	(267,119)
Financial Liabilities at Fair Value through profit and loss				
Financial Derivative	-	-	(31,117)	-
Total Financial Liabilities	(551,455)	(567,173)	(251,573)	(283,857)
Financial Assets at amortised cost				
Investments	-	-	46,408	118,596
Debtors	11,736	12,884	120,467	101,197
Financial Assets at Fair Value through Other Comprehensive Income				
Investment	350	350	-	-
Financial Assets at Fair Value through profit and loss				
Investments	42,647	38,473	71,409	108,184
Total Financial Assets	54,733	51,707	238,284	327,977

Movements

The financial assets decreased by circa £88m primarily through a combination of decreases in working capital and utilisation of reserves resulting in a reduction of resources to invest.

The decrease in financial liabilities, circa £61m relates to a reduction in the value of general creditors (£80m) during the year primarily due to government grants received in advance being utilised along and with the planned repayment of debt associated with Service concessions (£7m) and external borrowing (£5m).

This was offset by a technical overdraft (£31m) that was settled by liquid cash held in the Council's Money Market Funds, classified as investments.

Borrowing

	31 March 2023 £'000	31 March 2022 £'000
Current borrowing		
Deposit loans (repayable at notice - up to 7 days)	168	285
Other short-term borrowing (repayable within 1 year):		
- Public Works Loan Board	3,179	8,251
- Banks and other monetary sector	1,138	1,137
- Energy Improvement Loans	259	259
- Local Bonds and Stocks	21	21
Total	4,764	9,952

	31 March 2023 £'000	31 March 2022 £'000
Non-current borrowing		
Public Works Loan Board	325,439	325,439
Lender Option Borrower Option (Lobo)	70,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
Total	445,488	445,488

Income, Expense, Gains or Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are as follows:

Financial Instruments Gains and Losses 2022/23

	Financial Liabilities		Financial Assets		
	Measured at Amortised Cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(37,723)	-	-	-	(37,723)
Total expense in Surplus or Deficit on the Provision of Services	(37,723)	-	-	-	(37,723)
Interest Income	-	7,073	-	1,851	8,924
Fair Value Movement	-	-	-	2,601	2,601
Dividend Income	-	-	-	2,368	2,368
Total income in Surplus or Deficit on the Provision of Services	(37,723)	7,073	-	6,820	(23,830)
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net gain/(loss) for the year	(37,723)	7,073	-	6,820	(23,830)

Financial Instruments Gains and Losses 2021/22

	Financial Liabilities	Financial Assets			Total
	Measured at Amortised Cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(33,695)	-	-	-	(33,695)
Total expense in Surplus or Deficit on the Provision of Services	(33,695)	-	-	-	(33,695)
Interest Income	-	4,595	-	78	4,673
Fair Value Movement	-	-	-	(325)	(325)
Dividend Income	-	-	-	2,220	2,220
Total income in Surplus or Deficit on the Provision of Services	(33,695)	4,595	-	1,973	(27,127)
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net gain/(loss) for the year	(33,695)	4,595	-	1,973	(27,127)

Fair Value of Financial Assets and Property Assets

Some of the Groups' financial assets are measured in the Balance Sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Descriptions	Fair value measurements at 31 March 2023 using:			Fair value measurements at 31 March 2022 using:		
	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable inputs
	Level 1 £000	Level 2 £000	Level 3 £000	Level 1 £000	Level 2 £000	Level 3 £000
Recurring fair value measurements						
Fair Value through Profit and Loss						
Money Market Funds	71,409	-	-	108,184	-	-
Bristol Port Company (Non- traded Unquoted Equity Investment)	-	-	24,000	-	-	28,000
Other Unquoted private companies	-	-	180	-	-	192
Pooled property fund	-	-	13,476	-	-	10,281
Fair Value through Other Comprehensive Income						
Other unquoted private companies	-	-	350	-	-	350
Total Non-traded securities:	71,409	-	38,006	108,184	-	38,822
Investment properties	-	282,169	-	-	356,640	-
Surplus properties	-	25,900	-	-	29,462	-
Total recurring fair value measurements	71,409	308,069	38,006	108,184	386,102	38,822
Non-recurring fair value measurements						
Assets held for sale	-	1,232	-	-	806	-
Total non-recurring fair value measurements	-	1,232	-	-	806	-

Valuation techniques and Inputs				
Description of asset	Valuation hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key sensitivities affecting the valuations provided
Money Market Funds	Level 1	Unadjusted quoted prices in active markets for identical shares	Latest quoted prices	
Surplus assets	Level 2	All surplus assets have been valued by RICS qualified valuers to Fair Value less costs to sell, reflecting highest and best use.	Evidence of title, floor area, siting and site conditions, type/age and current use of the property have been taken into account together with general market conditions and advertised value of similar properties currently up for sale.	Not all assets are physically inspected every year. Latent defects, repair and maintenance backlogs, general changes in the market and other impairments could have a significant impact on the values provided.
Investment Properties (further detailed information in note 21)	Level 2	All investment properties have been valued by the Group's in-house valuers (all RICS qualified) on an investment income basis which we are satisfied represents highest and best use overall.	All valued on an investment income basis, using existing lease terms and current yields	Changes to market conditions, lease terms, covenant strength and occupancy levels could all affect the asset valuations provided.
Bristol Port Company	Level 3	This investment has been valued by an external specialist valuation company for financial year ending 31 st March 2022 and refreshed by Council officers for this financial year on the same basis.	Calculations have been based on an income approach to valuation, by applying a multiple derived from the market to a maintainable profit figure.	Changes to market conditions (local and global), and the comparable data used within the valuations. If the growth of future returns is greater or lesser by 0.5% than the 2% forecast, the fair value will be circa £1.7m higher or lower respectively.

Investments in other unquoted companies	Level 3	These investments have been valued at the Group's share of each company.	Calculations have been based on their latest audited accounts	The value of these companies are relatively low (£530k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Fund	Level 3	These investments have been valued at the Group's share within the pooled fund.	The valuation for Pooled Property Funds have been based on the latest quarterly financial report.	Changes to housing market conditions could affect the valuation of the pooled property fund. If the market value of the properties within this fund is greater or lesser than 1% the fair value of the fund will be £89k higher or lower respectively.

Transfers between levels of the fair value hierarchy

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

Changes in valuation technique

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

Reconciliation of fair value measurements for assets at fair value within level 3

Description	31 March 2023	31 March 2022
	Non-traded securities	Non-traded securities
	£000	£000
Opening balance	38,822	38,578
included in the surplus/(deficit) on the Provision of Services	(817)	(361)
included in Other Comprehensive Income and Expenditure	-	-
Total gains/(losses) for the period:	(817)	(361)
Additions	4,992	831
Disposals	-	(225)
Closing balance	42,998	38,822

Gains and losses included in the surplus / (deficit) on the provision of services for the current year primarily relates to the investment in the Bristol Port Company (-£4m) and Homelessness Property fund (+£3.195k).

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables 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 payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable, prevailing interest rates have been applied to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Financial Liabilities	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Cash & Cash Equivalents	31,117	31,117	-	-
Public Works Loan Board (PWLB)	328,618	325,000	333,690	459,400
Lender Option Borrower Option	70,668	64,800	70,667	98,100
Market Debt	50,470	46,500	50,470	68,100
Current Creditors	213,681	213,681	280,827	280,827
Service Concessions	107,884	136,963	114,670	166,960
Other	590	590	707	707
Total Liabilities	803,028	818,651	851,031	1,074,094

The Group has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £879k a decrease of £323m which is calculated using early repayment discount rates. The Group has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value for financial liabilities and assets has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

The fair value of the liabilities is higher than the carrying amount because the Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2023) arising from a commitment to pay interest to lenders above current market rates.

Financial Assets

	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Current investments	30,343	30,343	103,948	103,948
Cash and Cash Equivalents	16,065	16,065	14,648	14,648
Non-current investments	1	1	-	-
Current Debtors	120,467	120,467	101,197	101,197
Non-current debtors	11,736	11,736	12,884	12,884
Total Financial Assets	178,612	178,612	232,676	232,676

The fair value of the assets is the same as the carrying value due to the majority of these assets having a maturity of less than 12 months or is a trade or other receivable where the fair value is taken to be the carrying amount or the billed amount.

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

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Descriptions	Fair value measurements at 31 March 2023 using:			Fair value measurements at 31 March 2022 using:		
	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable e inputs
	Level 1 £000	Level 2 £000	Level 3 £000	Level 1 £000	Level 2 £000	Level 3 £000
Recurring fair value measurements using: Financial Liabilities held at Amortised Cost						
Cash & Cash Equivalent		31,117			-	
Public Works Loan Board (PWLB)		328,618			333,690	
Lender Option Borrower Options		70,668			70,667	
Market debt		50,470			50,470	
Service Concessions		110,539			116,985	
Other		590			707	
Total		592,003			572,519	
Financial Assets held at amortised cost						
Current Investments		30,343			103,948	
Cash and Cash Equivalents		16,065			14,648	
Non-current Investments		1			-	
Non-current Debtors		11,736			12,884	
Total		58,145			131,480	

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

G11 Nature and Extent of Risks Arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Group.
- Liquidity risk – the possibility that the Group might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Group 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 Group as a result of changes in such measures as interest rates and money market movements.

The Group'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. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy, and compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice, and Investment Guidance that is issued under the Local Government Act 2003. The Group provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. 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 that outlines the detailed approach to managing risk in relation to the Group's financial instrument exposure. Actual performance is also reported annually to Members.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 15 February 2022 and is available on the Council website.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group'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 Fitch, Standard and Poor's and Moody's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

Details of the Investment Strategy can be found on the Council's website. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term of F1, Long Term A-, with the lowest available rating being applied to the criteria;
- UK institutions provided with support from the UK Government.

The Group's maximum exposure to credit risk in relation to its investments in banks and building societies will vary according to credit ratings assigned by the three main credit rating agencies and 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 Group's deposits, but there was no evidence at the 31 March 2023 that this was likely to crystallise.

Allowance for Credit Losses

The following analysis summarises the Group's potential maximum exposure to credit risk on financial assets valued at amortised cost, based on experience of default and un-collectability over the last five financial years, adjusted to reflect current market conditions.

	Amount	Historical experience of default	Adjustment for market conditions	Estimated maximum exposure to default	Estimated maximum exposure to default
	£000	%	%	£000	£000
	A	B	C	(A*C)	
	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-22
Current Investments:					
Local Authorities	10,635	0.00%	0.00%	-	-
AA rated counterparties	20,077	0.02%	0.02%	4	3
A rated counterparties	15,696	0.05%	0.05%	8	25
Sub-total	46,408			12	28
Trade debtors	120,467			-	-
Non-current debtors	11,736			-	-
Total Financial assets	178,611			12	28

The estimated maximum exposure for credit loss for Treasury investments is £12k and a general allowance has been set aside for this.

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

The Group does not generally allow credit for its trade debtors, including amounts due from government departments and other Local Authorities.

The risk of loss for trade receivables is minimised by a combination of the following:

- Wherever possible obtaining payment in advance of service delivery
- Availability and encouragement to pay by direct debit

- A wide range of payment options available, including by telephone, internet, banks and retail networks (via the Allpay solution i.e. Payzone, Paypoint and Post Offices)
- Having a standardised recovery process including reminder letters and statement of accounts
- Utilising a corporate Debt Management Team to take an ethical debt approach to all types of debt with referral to External Debt Collection agencies or instigating Court claims only used as a last resort
- Negotiating flexible repayment plans for overdue debt where necessary

The write off of a debt is always the last option available and is only taken when all other appropriate measures have been taken to recover payment, and in cases of bankruptcy.

The bad debt provision is calculated by reference to the Group's historic experience with the provision being applied to debts over 60 days old and the value increasing according to the age of the debt.

Debtor analysis	Gross debtor at	Allowance for credit losses at	Net debtor at	Net debtor at
	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-22
	£'000	£'000	£'000	£'000
Local taxpayers	63,049	(41,506)	21,543	21,853
Housing rents	12,913	(9,673)	3,240	3,001
Other - sundry debtors	182,349	(38,166)	144,183	127,239
Total Other Entities and Individuals	258,311	(89,345)	168,966	152,093
Central Government bodies	12,214	-	12,214	10,970
Other local authorities	1,448	-	1,448	1,509
NHS bodies	1,115	-	1,115	509
Total debtors	273,088	(89,345)	183,743	165,081
Balance sheet debtors	273,088	(89,345)	183,743	165,081
Current debtors not qualifying as a financial instrument under IFRS	(104,781)	41,506	(63,275)	(63,885)
Current debtors qualifying as a financial instrument under IFRS	168,307	(47,839)	120,468	101,197

The following table analyses the Gross debt that is now past due over varying periods. This overdue debt is covered by a provision for bad debt.

31 March	31 March
2023	2022
£'000	£'000

Less than three months	29,111	35,342
Three to four months	4,147	2,240
Four months to one year	18,446	17,837
More than one year	55,172	50,514
Total	106,876	105,932

Liquidity risk

The Group has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Group has ready access to borrowings from the money markets to cover day-to-day cash flow need and the Public Works Loans Board and capital 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. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, excluding sums due from customers, is as follows:

	31 March 2023 £'000	31 March 2022 £'000
Less than 1 year	238,284	327,977
Between 1 and 2 years	314	314
Between 2 and 3 years	301	301
More than 3 years	54,118	51,092
Total	293,017	379,683

The maturity analysis of financial liabilities is as follows:

	31 March 2023 £'000	31 March 2022 £'000
Less than 1 year	251,573	283,858
1 - 2 years	23,983	14,364
2 - 5 years	70,210	57,659
5 - 10 years	58,369	87,660
10+ years	398,894	407,490
Total	803,029	851,030

Refinancing and Maturity risk

The Group 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 Group relates to 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 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 Group's day-to-day cash flow needs and monitoring the spread of longer-term investments provides stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity profile of the Group's debt portfolio along with the Groups' approved minimum and maximum exposure is shown in the table below.

	Approved minimum limits	%	Approved maximum limits	%	Actual 31 March 2023 £'000	%	Actual 31 March 2022 £'000	%
Less than 1 year	-		30		4,764	1%	9,952	2%
Between 1 and 2 years	-		40		5,000	1%	-	-%
Between 2 and 5 years	-		40		44,000	10%	32,000	7%
Between 5 and 10 years	-		50		5,000	1%	22,000	5%
More Than 10 Years	25		100		391,488	87%	391,488	86%
Total					450,252	100%	455,441	100%

Included within the maturity profile are £70m of LOBOS with maturities averaging 38 years. Inherent within these loan instruments are options (averaging an option every 3 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options is currently low for the short to medium term. Therefore, the maturity of these loans in above table are currently based on their maturity date, 10 years and over.

Market risk

The Group is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Group. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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

The Group has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Group's 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.

At 31 March 2023, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2023 £'000
Increase in interest receivable on variable rate investments	2,429
Impact on Surplus or Deficit on the Provision of Services	2,429
Share of overall impact debited to the HRA	1,740
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	151,700

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign exchange risk

During 2022/23 the Group received monies denominated in Euro's relating to the receipt of European grant. The Group also made payments in a variety of currencies for the supply of goods and services. Payments and receipts are converted to Sterling at the earliest opportunity.