

Explanatory & Assurance Statements

Disclosure of Remuneration for Relevant Persons

The Regulations require that the report shows in tabular form, against the post held and name of each relevant person the total amounts, whether received or receivable, by each relevant person from Falkirk Council or, as the case may be, Falkirk Community Stadium Ltd or Falkirk Community Trust Ltd.

The information is provided in separate tables as follows:

Remuneration paid to Falkirk Council's Senior Councillors

Name	Position(s)	Salary, Fees and Allowances	Salary, Fees and Allowances
		2021/22 £	2020/21 £
David Alexander	Portfolio Holder, Economic Development.	24,938	23,933
David Balfour	Convener of Central Scotland Valuation Joint Board.	23,257	22,320
Robert Bissett	Leader of the Opposition (Labour)	20,905	20,063
Gary Bouse	Portfolio Holder, Resources.	24,938	23,933
William Buchanan	Provost.	27,910	26,785
Fiona Collie	Portfolio Holder, Health and Social Care.	24,938	23,933
Paul Garner	Portfolio Holder, Environment.	24,938	23,933
Gordon Hughes	Portfolio Holder, Housing.	24,938	23,933
James Kerr	Leader of the Opposition (Conservative).	20,905	10,031
Adanna McCue	Portfolio Holder, Education.	24,938	23,933
Cecil Meiklejohn	Leader of the Council.	37,213	35,713
Laura Murtagh	Portfolio Holder, Public Protection.	24,938	23,933
Ann Ritchie	Depute Provost.	24,938	23,933
Robert Spears	Portfolio Holder, Culture, Leisure & Tourism.	24,938	23,933
Total		354,632	330,309

The amount recharged to Central Scotland Valuation Joint Board in 2021/22 was £6,365 (2020/21 £6,110).

There were no taxable expenses and no non-cash expenses and benefits in kind in 2021/22 (2020/21, nil).

Remuneration paid to all Members in 2021/22 was:

2020/21 £'000		2021/22 £'000
625	Salaries	650
-	Allowances (Mileage)	-
1	Expenses	1
626		651

The annual return of Councillors' salaries and expenses for 2021/22 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's website at www.falkirk.gov.uk. Please follow the "Councillors" quick link on the Council's website.

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Remuneration of Senior Employees of Falkirk Council

Name	Post Title	Salary, Fees, and Allowances £	Other Amounts £	Total Remuneration 2021/22 £	Total Remuneration 2020/21 £
K Lawrie	Chief Executive	144,553	4,657	149,210	143,553
D Duff	Acting Director of Place Services (started 31/08/20 left 09/01/22)	88,100 (full year equivalent 113,345)	-	88,100 (full year equivalent 113,345)	65,837 (full year equivalent 112,345)
K Algie	Director of Transformation, Communities and Corporate Services (started 01/03/22)	9,429 (full year equivalent 113,345)	-	9,429 (full year equivalent 113,345)	-
M Bennie	Director of Place Services (started 10/01/22)	25,549 (full year equivalent 113,345)	-	25,549 (full year equivalent 113,345)	-
S Ritchie	Director of Corporate & Housing Services	113,345	-	113,345	112,345
R Naylor	Director of Children's Services	113,345	-	113,345	112,345
B Smail	Chief Finance Officer (Section 95 Officer)	104,681	-	104,681	97,961
S Lacey	Head of Social Work Children's Services (CSWO)	98,961	-	98,961	98,361

There were no payments to senior employees by way of Bonuses, Taxable Expenses or Benefits other than in cash. Mr B Smail, the Chief Finance Officer retired on 31 March 2022. Amanda Templeman was appointed as the Chief Finance Officer in March 2022.

The "Other Amounts" value above covers election duties and related fees received during 2021/22 (2020/21 nil). These payments are reimbursed by either the Scottish Government or the Government of the United Kingdom.

The senior employees included in the table include any local authority employee:

- who has responsibility for management of the local authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons
- who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989(a)
- whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

Remuneration paid to relevant persons of Falkirk Community Stadium Ltd

Name	Post Title	Salary, Fees, and Allowances £	Other Amounts £	Total Remuneration 2021/22 £	Total Remuneration 2020/21 £
D Hanley	Stadium Manager	46,724	-	46,724	45,460

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Remuneration paid to relevant persons of Falkirk Community Trust Ltd

Name	Post Title	Salary, Fees, and Allowances £	Other Amounts £	Total Remuneration 2021/22 £	Total Remuneration 2020/21 £
M Campbell	Chief Executive (left 30/08/21)	40,893	-	40,893	98,143
N Brown	Chief Executive (started 01/09/21)	57,611	-	57,611	-

Pension Benefits

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

The terms of the LGPS were changed from 1 April 2015. Prior to this date the scheme operated on a final salary basis meaning benefits were based on the final year's salary and number of years of membership of the scheme. Benefits are now based on a combination of a final salary pension scheme for membership accrued to 31/03/15, and a career average pay for membership accrued after 31/03/15.

Councillors' pension benefits are now based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

The scheme's normal retirement age for both Councillors and employees is 65.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and members contribution rates for 2021/22 were as follows:

Wholetime Pay	Contribution Rate 2020/21	Contribution Rate 2021/22
On earnings up to and including £22,300	5.50%	5.50%
On earnings above £22,301 and up to £27,300	7.25%	7.25%
On earnings above £27,301 and up to £37,400	8.50%	8.50%
On earnings above £37,401 and up to £49,900	9.50%	9.50%
On earnings above £49,901	12.00%	12.00%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is now no automatic entitlement to a lump sum. Scheme members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

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The pension figures shown relate to the benefits that the person has accrued as consequence of their total pensionable service, which may include service derived from other employments, and not just their current appointment. The pension figures shown must be rounded to the nearest £1,000.

Pension Rights of Senior Councillors of Falkirk Council

The pension entitlements for Senior Councillors for the year to 31 March 2022 are shown in the table below, together with the contribution made by the Council to each Senior Councillor's pension during the year.

Name	Accrued Pension Benefits				
	In-Year Pension Contributions for year to 31/03/2022 £	As at 31/03/2022 Pension £	As at 31/03/2022 Lump Sum £	Difference from 31/03/2021 Pension £	Difference from 31/03/2021 Lump Sum £
David Alexander	5,611	12,000	18,000	1,000	1,000
David Balfour	5,233	4,000	-	-	-
Robert Bissett	4,704	2,000	-	-	-
Gary Bouse	5,611	2,000	-	-	-
Fiona Collie	5,611	2,000	-	-	-
Paul Garner	5,611	3,000	-	-	-
Gordon Hughes	5,611	7,000	2,000	1,000	-
James Kerr	4,704	2,000	-	1,000	-
Adanna McCue	5,611	2,000	-	-	-
Cecil Meiklejohn	8,373	9,000	-	2,000	-
Laura Murtagh	5,611	2,000	-	-	-
Robert Spears	5,611	7,000	2,000	1,000	-
Total	67,902	54,000	22,000	6,000	1,000

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total pensionable service in the Scheme, and not just their current appointment.

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Pension Rights of Senior Employees of Falkirk Council

The pension entitlements of Senior Employees for the year to 31 March 2022 are shown in the table below, together with the contribution made by the Council to each Senior Employee's pension during the year.

Accrued Pension Benefits						
Name	Post Title	In-Year Pension Contributions for year to 31/03/2022 £	As at 31/03/2022 Pension £	As at 31/03/2022 Lump Sum £	Difference from 31/03/2021 Pension £	Difference from 31/03/2021 Lump Sum £
D Duff	Acting Director of Place Services (started 31/08/20 left 09/01/22)	24,060	61,000	119,000	3,000	7,000
S Lacey	Head of Social Work, Children's Services (CSWO)	22,266	12,000	-	3,000	-
K Lawrie	Chief Executive	32,524	60,000	78,000	4,000	-
K Lawrie	Returning Officer	-	1,000	-	-	-
R Naylor	Director of Children's Services	25,503	73,000	5,000	3,000	-
S Ritchie	Director of Corporate & Housing Services	25,503	66,000	115,000	3,000	1,000
K Algie	Director of Transformation, Communities and Corporate Services (started 01/03/22)	19,574	40,000	57,000	-	-
M Bennie	Director of Place Services (started 10/01/22)	5,749	1,000	-	-	-
B Smail	Chief Finance Officer (Section 95 Officer)	22,266	54,000	90,000	2,000	-
Total		177,445	368,000	464,000	18,000	8,000

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total pensionable service in the Scheme, and not just their current appointment.

Pension Rights of relevant persons of Falkirk Community Stadium Ltd

The pension entitlement of the Stadium Manager for the year to 31 March 2022 is shown in the table below, together with the contribution made by Falkirk Community Stadium Ltd.

Accrued Pension Benefits						
Name	Post Title	In-Year Pension Contributions for year to 31/03/2022 £	As at 31/03/2022 Pension £	As at 31/03/2022 Lump Sum £	Difference from 31/03/2021 Pension £	Difference from 31/03/2021 Lump Sum £
D Hanley	Stadium Manager	10,513	11,000	-	2,000	-

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Pension Rights of relevant persons of Falkirk Community Trust Ltd

The Pension entitlement of the Chief Executive for the year to 31 March 2022 is shown in the table below, together with the contribution made by the Trust during the year.

Accrued Pension Benefits						
Name	Post Title	In-Year Pension Contributions for year to 31/03/2022 £	As at 31/03/2022 Pension £	As at 31/03/2022 Lump Sum £	Difference from 31/03/2021 Pension £	Difference from 31/03/2021 Lump Sum £
M Campbell	Chief Executive (left 31/08/21)	9,201	50,000	82,000	1,000	-
N Brown	Chief Executive (started 01/09/21)	12,962	52,000	92,000	7,000	11,000
Total		22,163	102,000	174,000	8,000	11,000

Exit Packages

The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to disclose the number of exit packages agreed in the financial year in bands as disclosed in the table below.

The total cost shown in the following tables is for exit packages that have been agreed, accrued for, and charged to the Comprehensive Income and Expenditure Statement or equivalent statements in 2021/22.

The costs in respect of compensatory and pension fund payments have been converted to capital values using factors agreed by the LGPS sub-committee of the Association of Consulting Actuaries in 1998 and published in November 1998, uprated to 2009 values as advised by the actuary to the Falkirk Council Pension Fund. These factors have also been used to arrive at capital values for the equivalent costs in the Teachers' Pension Scheme.

There were no compulsory redundancies in either 2021/22 or 2020/21.

Exit Packages agreed with former employees of Falkirk Council

Bands	2020/21 No.	Total Payments £	2021/22 No.	Total Payments £
Up to £20k	7	88,720	15	160,044
Over £20k up to £40k	3	83,156	2	74,026
Over £40k up to £60k	1	51,668	1	47,660
Over £60k up to £80k	-	-	1	75,367
Over £80k up to £100k	-	-	-	-
Over £100k up to £150k	2	214,979	1	144,014
Over £150k up to £200k	-	-	1	172,442
Over £200k up to £250k	-	-	1	247,697
Number of Packages	13	438,523	22	921,250

Exit Packages agreed with former employees of Falkirk Community Stadium Ltd

There were no exit packages agreed in either 2021/22 or 2020/21.

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Exit Packages agreed with former employees of Falkirk Community Trust Ltd

Bands	2020/21 No.	Total Payments £	2021/22 No.	Total Payments £
Up to £20k	1	2,090	-	-
Over £20k up to £40k	-	-	-	-
Over £40k up to £60k	-	-	-	-
Over £60k up to £80k	-	-	1	78,152
Over £80k up to £100k	-	-	-	-
Over £100k up to £150k	-	-	-	-
Over £150k up to £200k	-	-	-	-
Over £200k up to £250k	-	-	1	238,742
Number of Packages	1	2,090	2	316,894

Trade Union Facility Time

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Falkirk Council is now required to report annually on the amount of time-off granted to Trade Union representatives and the associated costs. It is a requirement of the legislation that information relating to employees of the authority's education function is reported separately.

Falkirk Council – Facility Time Report for 1 April 2021 – 31 March 2022

Education 2020/21	Other 2020/21		Education 2021/22	Other 2021/22
18	24	Number of employees who were relevant union officials during the relevant period	17	26
16.3	20.93	Number of full-time equivalent employees	15.45	22.96
		Number of employees analysed by % of time spent on Facility Time		
6	6	• 0%	3	5
11	15	• 1%-50%	13	17
-	1	• 51%-99%	-	2
1	2	• 100%	1	2
£82,170	£126,990	Total cost of Facility Time	£89,456	£139,032
0.06%	0.1%	% of Total pay bill spent on Facility Time	0.06%	0.14%
18.9%	0.8%	% Time spent on paid trade union activities as % of total paid facility hours	17%	8.3%

Councillor Cecil Meiklejohn
Leader of Falkirk Council

Kenneth Lawrie
Chief Executive of Falkirk Council

Comprehensive Income and Expenditure Statement

This Statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement. In this statement expenditure and a deficit are positive signage, income and a surplus are negative signage

Falkirk Council 2020/21			Group	Falkirk Council 2021/22				Group
Gross Expend £'000	Gross Income £'000	Net Expend £'000	Net Expend £'000		Gross Expend £'000	Gross Income £'000	Net Expend £'000	Net Expend £'000
244,744	(31,559)	213,185	213,174	Children's Services	278,529	(33,765)	244,764	244,737
182,917	(109,229)	73,688	73,687	Social Work Adult Services	204,629	(117,175)	87,454	87,454
64,392	(15,432)	48,960	49,069	Place Services	71,305	(18,471)	52,834	52,816
66,286	(32,785)	33,501	33,487	Transformation, Communities & Corporate Services	72,920	(33,245)	39,675	39,627
27,661	(64,702)	(37,041)	(37,042)	Housing Revenue Account	67,386	(66,576)	810	810
1,392	-	1,392	1,392	Valuation Joint Board	1,406	-	1,406	1,406
10,927	-	10,927	10,378	Falkirk Community Trust	12,582	-	12,582	12,398
598,319	(253,707)	344,612	344,145	Net Cost of Services	708,757	(269,232)	439,525	439,248
310	-	310	310	Other Operating Expenditure (Gains) or Losses on disposal of Non-Current and Current Assets	386	-	386	386
				Financing and Investment Income and Expenditure				
27,964	(27,968)	(4)	(4)	(Surplus) or deficit on trading undertakings (note15)	30,988	(31,003)	(15)	(15)
23,572	-	23,572	23,572	Interest Payable and Similar Charges (note 40)	22,547	-	22,547	22,565
-	(176)	(176)	(178)	Interest & Investment Income	-	(227)	(227)	(227)
26,168	(19,920)	6,248	6,248	Pension interest cost & interest income on plan assets (note17)	29,509	(20,989)	8,520	8,520
77,704	(48,064)	29,640	29,638		83,044	(52,219)	30,825	30,843
				Taxation and Non-Specific Grant Income				
-	(68,759)	(68,759)	(68,759)	Council Tax	-	(69,695)	(69,695)	(69,695)
-	(270,094)	(270,094)	(270,094)	Government Grants (note 37)	-	(263,344)	(263,344)	(263,344)
-	(26,075)	(26,075)	(26,075)	Capital Grants, Contributions & Donations (note 37)	-	(37,380)	(37,380)	(37,380)
-	(46,281)	(46,281)	(46,281)	Non-Domestic Rates redistribution	-	(60,775)	(60,775)	(60,775)
-	(1,636)	(1,636)	(1,636)	Non-Domestic Rates – TiF	-	(1,682)	(1,682)	(1,682)
-	(412,845)	(412,845)	(412,845)		-	(432,876)	(432,876)	(432,876)
676,333	(714,616)	(38,283)	(38,752)	(Surplus) or Deficit on Provision of Services	792,187	(754,327)	37,860	37,601
			(5,985)	Share of the (Surplus) or Deficit on Provision of Services by Associates & Joint Ventures				(9,832)
			(44,737)	Group (Surplus) or Deficit				27,769
		(30,272)	(30,241)	(Surplus) or deficit on revaluation of non-current assets and current assets (note 11)			(4,276)	(4,276)
		118,782	118,782	Remeasurements of pension assets/liabilities (note 11)			(225,355)	(225,355)
			1,539	Share of Other Comprehensive Income & Expenditure of Associates & Joint Ventures				1,355
		88,510	90,080	Other Comprehensive Income and Expenditure			(229,631)	(228,276)
		50,227	45,343	Total Comprehensive Income and Expenditure			(191,771)	(200,507)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

Movement in Reserves Statement for the year ended 31 March 2022

	Falkirk Council Reserves						Council's Share of Group Entity Reserves		
	General Fund Balance £'000	HRA Balance £'000	Capital and Other Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000	Usable £'000	Unusable £'000	Total Group Reserves £'000
Balance at 31/3/21	(39,408)	(7,825)	(11,450)	(58,683)	(376,605)	(435,288)	(4,187)	1,783	(437,692)
Movement in reserves during 2021/22									
Total Comprehensive Income and Expenditure	35,292	2,568	-	37,860	(229,631)	(191,771)	(10,091)	1,355	(200,507)
Adjustments between accounting basis and funding basis under regulations (note9)	(34,788)	12,006	(265)	(23,047)	23,047	-	(76)	76	-
Adjustments to usable reserves permitted by accounting standards	(11,232)	(13,681)	-	(24,913)	24,913	-	-	-	-
Transfers to/from Other Statutory Reserves	(346)	(296)	642	-	-	-	-	-	-
(Increase)/Decrease in 2021/22	(11,074)	597	377	(10,100)	(181,671)	(191,771)	(10,167)	1,431	(200,507)
Balance at 31/3/22	(50,482)	(7,228)	(11,073)	(68,783)	(558,276)	(627,059)	(14,354)	3,214	(638,199)

Movement in Reserves Statement for the year ended 31 March 2021

	Falkirk Council Reserves						Council's Share of Group Entity Reserves		
	General Fund Balance £'000	HRA Balance £'000	Capital and Other Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000	Usable £'000	Unusable £'000	Total Group Reserves £'000
Balance at 31/3/20	(19,193)	(5,093)	(11,112)	(35,398)	(450,117)	(485,515)	2,416	64	(483,035)
Movement in reserves during 2020/21									
Total Comprehensive Income and Expenditure	(3,783)	(34,500)	-	(38,283)	88,510	50,227	(6,453)	1,569	45,343
Adjustments between accounting basis and funding basis under regulations (note9)	(16,729)	31,675	52	14,998	(14,998)	-	(150)	150	-
Transfers to/from Other Statutory Reserves	297	93	(390)	-	-	-	-	-	-
(Increase)/Decrease in 2020/21	(20,215)	(2,732)	(338)	(23,285)	73,512	50,227	(6,603)	1,719	45,343
Balance at 31/3/21	(39,408)	(7,825)	(11,450)	(58,683)	(376,605)	(435,288)	(4,187)	1,783	(437,692)

Financial Statements

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the asset and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

Council 2020/21 £'000	Group 2020/21 £'000		Council 2021/22 £'000	Group 2021/22 £'000	Notes
		Non-Current Assets			
1,075,335	1,081,796	Property, Plant & Equipment	1,086,175	1,092,427	20
130,528	130,528	Infrastructure Assets	139,967	139,967	20
266	266	Heritage Assets	266	266	21
1,315	1,315	Intangible Assets	1,002	1,002	19
4,097	499	Long Term Investments	3,596	-	27,38
5,142	4,134	Long Term Debtors	4,792	3,782	30
1,216,683	1,218,538		1,235,798	1,237,444	
		Current Assets			
842	959	Inventories	609	744	31
32,617	33,268	Short Term Debtors	41,291	41,375	33,38
51,062	52,237	Cash and Cash Equivalents	45,784	48,465	35
2,038	2,138	Assets Held for Sale	2,287	2,387	23
86,559	88,602		89,971	92,971	
		Current Liabilities			
(44,790)	(44,015)	Short Term Borrowing	(33,933)	(43,159)	28
(79,118)	(79,715)	Creditors (including provisions)	(89,068)	(90,119)	29,34,38
(123,908)	(123,730)		(123,001)	(133,278)	
		Long Term Liabilities			
(235,589)	(242,294)	Long Term Borrowing	(253,554)	(250,295)	28
(409,758)	(409,758)	Defined Benefit Pension Scheme Liability	(230,345)	(230,345)	17
(83,613)	(83,613)	Other Long-Term Liabilities	(76,401)	(76,401)	39
(15,086)	(15,086)	Capital Grants and Receipts Received in Advance	(15,407)	(15,407)	37
	5,033	Liabilities in Associates and Joint Ventures		13,511	
(744,046)	(745,718)		(575,707)	(558,937)	
435,288	437,692	Net Assets	627,061	638,200	
(58,683)	(58,683)	Usable Reserves	(68,784)	(68,784)	10
-	(4,188)	Group Entities	-	(14,354)	41
(58,683)	(62,871)		(68,784)	(83,138)	
(376,605)	(376,604)	Unusable Reserves	(558,277)	(558,276)	11
-	1,783	Group Entities	-	3,214	41
(376,605)	(374,821)		(558,277)	(555,062)	
(435,288)	(437,692)	Total Reserves	(627,061)	(638,200)	

The unaudited accounts were issued on 30 June 2022 and the audited financial statements were authorised for issue on 27 October 2022.

Amanda Templeman, CPFA
Chief Finance Officer
27 October 2022

Cash Flow Statement

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

Council 2020/21 £'000	Group 2020/21 £'000		Council 2021/22 £'000	Group 2021/22 £'000
(38,283)	(44,737)	Net (surplus) or deficit on the provision of services	37,860	27,769
(50,652)	(44,087)	Adjust net surplus or deficit on the provision of services for non-cash movements	(112,239)	(103,654)
26,075	26,075	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	37,380	37,380
(62,860)	(62,749)	Net cash flows from operating activities	(36,999)	(38,505)
		Investing Activities		
65,066	65,066	Purchase of property, plant & equipment, investment property and intangible assets	79,466	79,466
-	-	Other payments for investing activities	-	-
(962)	(962)	Proceeds from the sale of property, plant & equipment, investment property and intangible assets	(4,254)	(4,254)
(27,102)	(27,102)	Other receipts and investing activities	(32,935)	(32,935)
37,002	37,002	Net cash flows from investing activities	42,277	42,277
		Financing Activities		
(48,298)	(48,298)	Cash receipts of short and long-term borrowing	(56,941)	(56,941)
6,805	6,805	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	7,108	7,108
50,668	50,668	Repayments of short and long-term borrowing	49,833	49,833
9,175	9,175	Net cash flows from financing activities	-	-
(16,683)	(16,572)	Net (increase) or decrease in cash and cash equivalents	5,278	3,772
(34,379)	(35,665)	Cash and cash equivalents at the beginning of the reporting period	(51,062)	(52,237)
		Cash and cash equivalents at the end of the reporting period		
(45)	(45)	Cash held by Officers	(46)	(46)
(2,498)	(3,673)	Bank Current Accounts	3,279	598
(48,519)	(48,519)	Short-term deposits	(49,017)	(49,017)
(51,062)	(52,237)		(45,784)	(48,465)

The cash flows for operating activities include interest paid of £22.547m (2020/21 £23.572m) and interest received of £0.227m (2020/21 £0.176m).

Financial Statements

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

Council 2020/21 £'000		Council 2021/22 £'000
(310)	Net Gain/(Loss)	(386)
(728)	Amortisation of Intangible Assets	(551)
(21,970)	Depreciation & Impairment of Fixed Assets	(61,809)
(18,487)	Net Charges for Retirement Benefits	(45,942)
5,456	Movement in Debtors	7,895
(15,195)	Movement in Creditors	(11,213)
582	Movement in Stock	(233)
(50,652)		(112,239)

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

21,970	Capital Grants General Fund	32,560
4,105	Capital Grants HRA	4,820
26,075		37,380

Supplementary Statement

Housing Revenue Account Income and Expenditure Statement

This account reflects the statutory requirement to account separately for Council Housing and it shows the major elements of housing revenue expenditure and capital financing costs and how these are met by rents, housing support grant and other income.

2020/21 £'000		2021/22 £'000
(60,576)	Dwelling Rents	(61,982)
(1,536)	Non-Dwelling Rents	(1,424)
(1,554)	Other Income	(1,844)
(63,666)	Total Income	(65,250)
17,681	Repairs and Maintenance	22,527
22,491	Supervision and Management	23,456
(15,918)	Depreciation and Impairment of Non-Current Assets	17,767
1,512	Other Expenditure	1,540
612	Increase/(Decrease) in Bad Debts Provision	523
26,378	Total Expenditure	65,813
(37,288)	Net Expenditure of HRA Services as included in the Comprehensive Income and Expenditure Statement	563
247	HRA Services Share of Corporate and Democratic Core	247
(37,041)	Net Expenditure of HRA Services	810
	HRA Share of Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement:	
-	(Gain)/Loss on Sale of HRA Non-Current Assets	(1)
6,390	Interest Payable and similar charges	6,242
(17)	Interest and Investment Income	(32)
273	Pensions Interest Cost and Expected Return on Pension Assets	369
(4,105)	Recognised Capital Grant Income	(4,820)
(34,500)	(Surplus)/Deficit for the Year	2,568

Movement on the Housing Revenue Account Statement

2020/21 £'000		2021/22 £'000
(5,093)	Balance on the HRA at the end of the previous year	(7,825)
(34,500)	(Surplus) or Deficit for the year on HRA Income and Expenditure Statement	2,568
31,675	Adjustments between Accounting Basis and Funding Basis under Statute	12,006
-	Adjustment to Usable Reserves permitted by Accounting Standards	(13,681)
(2,825)	Net (Increase) or Decrease before transfers to or from Reserves	893
93	Transfers to or (from) Reserves	(296)
(2,732)	(Increase) or Decrease in Year on the HRA	597
(7,825)	Balance on the HRA at the end of the Current Year	(7,228)

Supplementary Statement

Housing Revenue Account Disclosures

Adjustments between Accounting Basis and Funding Basis under Statute

2020/21 £'000		2021/22 £'000
-	Gain or (loss) on sale of HRA non-current assets	1
6	Capital expenditure charged to the HRA	8,369
15,918	Depreciation and Impairment	(4,086)
13,544	Statutory Repayment of Debt (Loans Fund Advances)	7,584
(1,959)	HRA share of contributions to or from the Pensions Reserve	(4,645)
(4)	Accumulated Absences Account	(102)
65	Difference between any other item of income and expenditure determined in accordance with the Code and statutory HRA requirements	65
4,105	Recognised Capital Grant Income	4,820
31,675	Total	12,006

The depreciation and impairment figure is usually a credit in the above table. However, in 2020/21 and in 2021/22, council dwellings were revalued upwards and impairments that had previously been charged to the Income and Expenditure Statement were reversed. The credit to the Income and Expenditure Statement is reversed in the table above, resulting in the large debit figure.

Housing Stock

The Council Housing Stock at 31 March 2022 was 16,658 properties in the following categories.

2020/21 Number		2021/22 Number
2,729	One bedroom and under	2,746
8,900	Two bedrooms	8,922
4,511	Three bedrooms	4,490
478	Four bedrooms	481
18	Five bedrooms and larger	19
16,636	Total	16,658
£70.46	Average Weekly rent (52-week basis)	£71.87

The increase in housing stock numbers is a combination of the new build activity that the Council has been undertaking and the buy back programme where the Council buys back Council houses that had previously been sold.

Rent Arrears

Rent Arrears at 31 March 2022 were £6,613,105 (£5,658,986 in 2020/21).

Bad Debt Provision

An impairment of £4.555m (£4.032m in 2020/21) has been provided in the Balance Sheet for irrecoverable rents, an increase of £0.523m from the provision in 2020/21.

Losses on Void Properties

2020/21 £'000		2021/22 £'000
930	Dwelling Rents	1,494
285	Non-Dwelling Rents	331
1,215	Total	1,825

Supplementary Statement

Council Tax Income Account

The council tax income account (Scotland) shows the gross income raised from council taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the authority

2020/21 £'000		2021/22 £'000
89,204	Gross Council Tax Levied	89,801
(226)	Prior Year Adjustments	(140)
88,978	Total Income	89,661
8,812	Council Tax Reduction	8,578
1,295	Provisions Against Bad and Doubtful Debts	1,110
10,112	Other Discounts and Reductions	10,279
20,219	Total Expenditure	19,967
68,759	Net Council Tax Income transferred to General Fund	69,694

The Council Tax Charge

The actual Council Tax is levied according to the Base Band 'D' charge and weighted in accordance with ratios detailed above. The charges set for each Band for 2021/22 are as follows:

Band	£ per Dwelling
A*	680.88
A	817.05
B	953.23
C	1,089.40
D	1,225.58
E	1,610.28
F	1,991.57
G	2,400.09
H	3,002.67

* Band 'A' with Disabled Persons Relief