



# **Statement of Accounts 2023/24**

**UNAUDITED  
DRAFT**

**2 October 2024**

# St Albans City & District Council: Statement of Accounts 2023/2024

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# St Albans City & District Council: Statement of Accounts 2023/2024

## Introduction

### Presentation of the accounts

As the Council's chief financial officer (S151 Officer) I am pleased to present a second draft of the Statement of Accounts for St Albans City and District Council for 2023/24.

The Council has still to complete several key activities for the 2023/24 accounts, most notably:

1. Preparation of the remaining detailed notes for the accounts.
2. Update many prior year comparative numbers.
3. Finalise its approach for HRA "Component Asset Replacement" accounting (this issue is described (including quantification) in more detail in the Housing Revenue Account section).

Collectively, these will result in updates to our accounts.

In common with most councils, external audit of the statement of accounts for the years ended 31 March 2022 and 31 March 2023 were postponed<sup>1</sup>. The external audit of the statement of accounts for the year ended 31 March 2021 is yet to be concluded, with adjustments to the accounts to be agreed and applied. We are working with BDO LLP, who are our external auditors for the financial years to 31 March 2023, to finalise matters and to achieve a government expectation to complete all prior years by 13 December 2024.

We note the government's observation "Due to the time constraints, not all audits will be completed in full by the December backstop. Where this is case, auditors will issue 'disclaimed' or 'modified' audit opinions. Auditors are likely to issue hundreds of 'disclaimed' audit opinions and disclaimed opinions will likely continue for some bodies for a number of years. Local bodies should not be unfairly judged based on disclaimed or modified opinions, caused by the breakdown in the system and the introduction of backstop dates that are largely beyond their control."<sup>2</sup>.

I am pleased to report that our new external auditors KPMG LLP have already commenced this year's audit; it is expected to complete in late 2024. A backstop date of 28 February 2025 has been set by the Government for 2023/24 accounts and the Council is working with KPMG to achieve this date.

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<sup>1</sup> These delays are allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015

<sup>2</sup> <https://www.gov.uk/government/news/significant-measures-to-tackle-worsening-backlog-in-local-audit>

# **St Albans City & District Council: Statement of Accounts 2023/2024**

## **Introduction**

I confirm that, subject to the limitations described above, this draft Statement of Accounts presents a true and fair view of the financial position of the Council on 31 March 2024 and of its expenditure and income for the year then ended. This is subject, as stated above, to the completion by the External Auditors of the accounts for all years ending on or after 31 March 2021.

Linda Parker CIPFA  
Assistant Director – Finance  
Section 151 Officer  
2 October 2024

## Introduction to the Statement of Accounts

The Accounts and Audit Regulations (England) 2015 require the Council to produce a 'Statement of Accounts' each financial year. The Council's accounts have been prepared on an International Financial Reporting Standards basis and may, by necessity, contain technical terminology.

## Core Financial Statements

- **Comprehensive Income and Expenditure Statement (CI&ES)** – a summary of the resources generated and consumed by the Council in the year in accordance with generally accepted accounting practices. The format reflects the way we budget and report to management, which is in accordance with revisions to the code of accounting practice.
- **Balance Sheet (BS)** – shows the Council's balances, reserves and long-term indebtedness at the financial year end, and the non-current and net current assets employed in its operations.
- **Cash Flow Statement (CFS)** – shows the changes in cash and cash equivalents arising from transactions with third parties for revenue and capital purposes.
- **Expenditure and Funding Analysis (EFA)** – shows how annual expenditure is used and funded from core resources (government grants, council tax, rents and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practice. It also shows how the expenditure is allocated for decision making purposes between the Council's services. Income and expenditure is accounted for under generally accepted accounting practices and is presented more fully in the Comprehensive Income and Expenditure Statement.
- **Movement in Reserves Statement (MiRS)** – this statement shows the movement in the year on different reserves held by the Council analysed into "usable reserves" (i.e., those that can be applied to fund expenditure or reduce local taxation) and other (unusable) reserves.

## Supplementary Statements

- **The Housing Revenue Account (HRA) Income and Expenditure (I&E) Account** – reflects a statutory obligation to maintain a revenue account for the local authority housing service in accordance with Part 6 of the Local Government and Housing Act 1989. The first part of the statement shows expenditure on Council housing and how this is met by rents, interest and other income.
- **Collection Fund Income and Expenditure Account** – reflects the statutory requirement for the Council as a billing authority to maintain a separate Collection Fund, which shows the transactions of the billing authority in

# St Albans City & District Council: Statement of Accounts 2023/2024

## Introduction to the Statement of Accounts

relation to Non-Domestic Rates and Council Tax, and illustrates the way in which these have been distributed to the major precepting bodies, namely the Department for Communities and Local Government, Hertfordshire County Council and the Police and Crime Commissioner for Hertfordshire.

## Other Statements

- **Statement of Responsibilities for the Statement of Accounts** – this outlines the responsibilities of the Council and the Strategic Director - Customer, Business and Corporate Support with respect to the Statement of Accounts.
- **The Annual Governance Statement** – this gives a public assurance that the Council has proper arrangements in place to manage its affairs. It summarises the Council's responsibilities in the conduct of its business, the purpose and key elements of the system of internal control and the processes applied in maintaining, reviewing and developing the effectiveness of those controls.

## Accounting Policies

Other than the change in approach to accounting for additions to Council House dwellings referred to above there have been no material changes during the year.

## About this Statement of Accounts

The Statement of Accounts provides information about how the Council has used its financial resources during the year and its financial position at year end. These accounts have been prepared in accordance with two financial codes.

- The first is the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (The Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code constitutes a “proper accounting practice” under the terms of Section 21(2) of the Local Government Act 2003.
- The second is the Service Reporting Code of Practice for Local Authorities 2023/24, supported by International Financial Reporting Standards. In England and Wales, The Code constitutes a “proper accounting practice” under the terms of Section 21(2) of the Local Government Act 2003.

## Further information

The Council welcomes the views of local residents, businesses, user groups, and other stakeholders about our performance.

If you would like to receive further information about these accounts, please contact us at [contactus@stalbans.gov.uk](mailto:contactus@stalbans.gov.uk), telephone 01727 866100.

## Statement of Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Assistant Director – Finance.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Assistant Director – Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom referred to as 'The Code'.

In preparing this Statement of Accounts, the Assistant Director – Finance has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.
- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Certification of the Accounts

I confirm that this Statement of Accounts presents a true and fair view of the financial position of the Council at 31 March 2024 and of its expenditure and income for the year then ended.

Signed

Linda Parker CIPFA  
Assistant Director – Finance  
Section 151 Officer  
Date: xx yyy 2024



# St Albans City & District Council: Statement of Accounts 2023/2024

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded by taxation or rents. The Council raises taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Movement in Reserves Statement and the Expenditure and Funding Analysis.

2022/2023			2023/2024			
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000	£'000	£'000	
<b>Service Segments</b>						
1,975	(269)	1,706	Chief Executive and Policy	2,325	(320)	2,005
8,342	(6,073)	2,269	Finance and Legal	3,487	(1,706)	1,781
21,616	(11,519)	10,097	Community Services	18,506	(12,751)	5,755
5,829	(2,673)	3,156	Commercial and Development Services	14,271	(3,029)	11,242
1,042	(172)	870	Corporate Services	1,008	(271)	737
4,994	(1,591)	3,403	Planning and Building Control	4,870	(1,597)	3,273
<b>Housing Services</b>						
24,382	(22,459)	1,923	General Fund Housing (i)	26,271	(22,920)	3,351
25,567	(30,152)	(4,585)	Housing Revenue Account (ii)	26,629	(33,000)	(6,371)
<b>93,747</b>	<b>(74,908)</b>	<b>18,839</b>	<b>Cost of Services (iii)</b>	<b>97,367</b>	<b>(75,594)</b>	<b>21,773</b>
	(1,003)		Other operating expenditure			1,320
	4,849		Financing and investment income and expenditure			3,312
	(22,780)		Taxation and non-specific grant income			(26,982)
	<b>(95)</b>		<b>(Surplus)/deficit on Provision of Services</b>			<b>(577)</b>
	50,589		(Surplus)/Deficit on revaluation of property, plant and equipment			(62,397)
	(36,388)		Actuarial (gains)/losses on pension assets/liabilities			(8,677)
	<b>14,201</b>		<b>Other Comprehensive Income and Expenditure</b>			<b>(71,074)</b>
	<b>14,106</b>		<b>Total Comprehensive Income and Expenditure</b>			<b>(71,651)</b>

- i. General fund housing includes the costs of caring for homeless people and the cost of administering housing benefits.
- ii. The Housing Revenue Account is a ring-fenced account for Council tenants, which has a separate section in the Financial Statements.

# St Albans City & District Council: Statement of Accounts 2023/2024

## Balance Sheet at 31 March 2024

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

31 March 2023 £'000		31 March 2024 £'000
900,490	Property Plant and Equipment	952,825
7,089	Heritage Assets	7,012
6,270	Investment Properties	6,521
208	Intangible Assets	108
135	Long term debtors	124
<b>914,192</b>	<b>Long Term Assets</b>	<b>966,590</b>
136	Assets Held for Sale	6,846
-	Short Term Investments	1,905
91	Inventories	93
8,783	Short Term Debtors	20,702
12,385	Cash and Cash Equivalents	9,504
<b>21,395</b>	<b>Current Assets</b>	<b>39,050</b>
(46,220)	Short Term Borrowing	(67,225)
(29,422)	Short Term Creditors	(34,162)
1,890	Short term provisions	-
<b>(73,752)</b>	<b>Current Liabilities</b>	<b>(101,387)</b>
(11,431)	Pension Liability	(1,026)
(181,266)	Long term borrowing	(165,842)
(6,358)	Other Long-term Liabilities and Provisions	(1,575)
(4,135)	Capital Grants Receipts in Advance	(5,848)
<b>(203,190)</b>	<b>Long Term Liabilities</b>	<b>(174,291)</b>
<b>658,645</b>	<b>Net Assets</b>	<b>729,962</b>
(33,571)	Usable Reserves	(37,241)
(625,074)	Unusable reserves	(692,719)
<b>(658,645)</b>	<b>Total reserves</b>	<b>(729,960)</b>

Small differences occur during to rounding

The net assets of the Council are matched by the reserves held by the Council.

1. Usable reserves – 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).

**St Albans City & District Council: Statement of Accounts 2023/2024**  
**Balance Sheet at 31 March 2024**

2. Unusable reserves – 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 were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis under regulations”.

Signed

Linda Parker CIPFA  
Assistant Director – Finance  
Section 151 Officer  
Date: xx yyy 2024

# St Albans City & District Council: Statement of Accounts 2023/2024

## Cash Flow Statement

### 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.

2022/23		2023/24
£'000		£'000
	<b>Net surplus or (deficit) on the provision of services</b>	<b>(577)</b>
	Adjustment to net surplus or deficit on the provision of services for non-cash movements	5,077
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(10,356)
	<b>Net cash flows from Operating Activities</b>	<b>(5,856)</b>
	Investing Activities	(8,084)
	Financing Activities	11,428
	<b>Net increase or decrease in cash and cash equivalents</b>	<b>(2,512)</b>
	Cash and cash equivalents at the beginning of the reporting period	12,385
	Remaining non cash transactions still under analysis (net)	(369)
	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,504</b>

## St Albans City & District Council: Statement of Accounts 2023/2024

### Movements in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax and rents for the year. The 'Net increase/ decrease' line shows the statutory General Fund Balance and Housing Revenue Account Balance following those adjustments and after any discretionary transfers to or from earmarked reserves undertaken by the Council.

<b>2023/2024</b>	<b>General Fund Balance</b>	<b>Earmarked General Fund Reserves</b>	<b>Housing Revenue Account</b>	<b>Earmarked HRA Reserves</b>	<b>Capital Receipts Reserves</b>	<b>Major Repairs Reserve</b>	<b>Capital grants Unapplied</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves</b>	<b>Total Council Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 31 March 2023</b>	(3,520)	(4,874)	(3,538)	(5,502)	(9,527)	(6,022)	(588)	(33,571)	(625,074)	(658,645)
<b>Movement in reserves during 2023/2024</b>										
Total Comprehensive Income and Expenditure	3,048		(3,626)		-	-	-	(578)	(71,074)	(71,652)
Adjustments between accounting basis & funding basis under regulations (note 3)	(3,296)		(6,526)		1,444	4,887	395	(3,096)	3,095	(1)
Earmarked Reserves transfers	1,071	(1,071)	10,085	(10,085)				-		-
<b>Net (Increase)/Decrease in 2023/2024</b>	<b>823</b>	<b>(1,071)</b>	<b>(67)</b>	<b>(10,085)</b>	<b>1,444</b>	<b>4,887</b>	<b>395</b>	<b>(3,674)</b>	<b>(67,979)</b>	<b>(71,653)</b>
<b>Balance at 31 March 2024</b>	<b>(2,697)</b>	<b>(5,945)</b>	<b>(3,605)</b>	<b>(15,587)</b>	<b>(8,083)</b>	<b>(1,135)</b>	<b>(193)</b>	<b>(37,245)</b>	<b>(693,053)</b>	<b>(730,298)</b>

Unusable reserves are not available to fund future expenditure and include, for example, unrealised gains following the revaluation of the Council's property assets.

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 1. Events after the Balance Sheet date

The Statement of Accounts are yet to be certified for issue in final by the Assistant Director – Finance. Events taking place after that date will not be reflected in the financial statements or notes. If updates that provide additional information about conditions existing at 31<sup>st</sup> March 2024 are received before issue the figures in the financial statements and notes will be updated.

### 2. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service departments.

Expenditure and Funding Analysis 2023/24	Net Expenditure Chargeable to the General Fund Balance	Net Expenditure Chargeable to the HRA Balance	Adjustments relating to internal management reporting	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000
Chief Executive and Policy	1,989	-	-	(16)	2,005
Finance and Legal	2,950	-	1,886	(717)	1,781
Community Services	3,767	-	(61)	(1,927)	5,755
Commercial & Development	1,994	-	(24)	(9,224)	11,242
Corporate Services	468	-	-	(269)	737
Planning & Building Control	3,094	-	-	(179)	3,273
Housing General Fund	775	-	-	(2,576)	3,351
Housing Revenue Account	-	(4,311)	3,909	(1,849)	(6,371)
<b>Net Cost of Services</b>	<b>15,037</b>	<b>(4,311)</b>	<b>5,710</b>	<b>(16,757)</b>	<b>21,773</b>
Other Income and Expenditure	(7,219)	4,887	-	(335)	1,320
Financing & Investment Income and Expenditure	1,801	3,909	(5,710)	3,406	3,312
Taxation and other non-specific grant income and expenditure	-	-	-	3,863	(26,982)
<b>Deficit/(surplus) on Provision of Services</b>	<b>9,619</b>	<b>4,485</b>	<b>-</b>	<b>(9,823)</b>	<b>(577)</b>

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement amounts

2023/24	Adjustments for Capital Purposes £000's	Net change for the Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's
Adjustments from General Fund & HRA to arrive at the Comprehensive Income and Expenditure Statement amounts				
Chief Executive and Policy	(16)	-	-	(16)
Finance and Legal	(4)	(713)	-	(717)
Community Services	(1,498)	(429)	-	(1,927)
Commercial & Development	(9,224)	-	-	(9,224)
Corporate Services	(269)	-	-	(269)
Planning & Building Control	(26)	(153)	-	(179)
Housing General Fund	(2,518)	(58)	-	(2,576)
Housing Revenue Account	(1,474)	(375)	-	(1,849)
<b>Net Cost of Services adjustments</b>	<b>(15,029)</b>	<b>(1,728)</b>	<b>-</b>	<b>(16,757)</b>
Other (Income)/Expenditure	(335)	-	-	(335)
Financing & Investment (Income)/Expenditure	3,406	-	-	3,406
Taxation & other non-specific grant (Income)/Expenditure	4,675	-	(812)	3,863
<b>Difference between General Fund &amp; HRA surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(7,283)</b>	<b>(1,728)</b>	<b>(812)</b>	<b>(9,823)</b>

### Adjustments Relating to Internal Management Reporting

2023/24	Interest £'000	MRP £'000	RCCO £'000	Trading Accounts £'000	Total £'000
Chief Executive and Policy	-	-	-	-	-
Finance and Legal	(696)	2,576	6	-	1,886
Community Services	-	-	-	(61)	(61)
Commercial & Development	-	-	-	(24)	(24)
Corporate Services	-	-	-	-	-
Planning & Building Control	-	-	-	-	-
Housing General Fund	-	-	-	-	-
<b>General Fund Total</b>	<b>(696)</b>	<b>2,576</b>	<b>6</b>	<b>(85)</b>	<b>1,801</b>
<b>HRA Total</b>	<b>3,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,909</b>

*Continued overleaf.*

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### Other Adjustments

Adjustments Relating to Internal Management Reporting 2023/24	Interest £'000	MRP £'000	RCCO £'000	Trading Accounts £'000	Total £'000
Chief Executive and Policy	-	-	-	-	-
Finance and Legal	(696)	2,576	6	-	1,886
Community Services	-	-	-	(61)	(61)
Commercial & Development	-	-	-	(24)	(24)
Corporate Services	-	-	-	-	-
Planning & Building Control	-	-	-	-	-
Housing General Fund	-	-	-	-	-
<b>General Fund Total</b>	<b>(696)</b>	<b>2,576</b>	<b>6</b>	<b>(85)</b>	<b>1,801</b>
<b>HRA Total</b>	<b>3,909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,909</b>

### Segmental income

2022/23 £'000	Segmental Income	2023/24 £'000
	<b>Services</b>	
(1,165)	Chief Executive and Policy	(1,306)
(12,141)	Community Services	(13,286)
(5,879)	Commercial & Development	(6,431)
(3,857)	Corporate Services	(5,658)
(8,149)	Finance and Legal	(4,318)
(22,720)	Housing General Fund	(23,133)
(30,184)	Housing Revenue Account	(33,691)
(2,406)	Planning & Building Control	(1,770)
<b>(86,502)</b>	<b>Total Income analysed on a segmental basis</b>	<b>(89,593)</b>
(23,074)	Non-segmental	(29,525)
<b>(109,576)</b>	<b>Total Income</b>	<b>(119,118)</b>

Note: Comparatives are subject to update

*Continued overleaf.*



# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### Expenditure/Income by nature

	2022/23 £'000		2023/24 £'000
Note: Comparatives are subject to update		<b>Income</b>	
	(45,928)	Fees, charges & other service income	(50,500)
	-	Other capital receipts and income	(1,559)
	(11,708)	Support Service recharge income	(12,985)
	(403)	Interest and investment income	(1,032)
	(15,485)	Income from council tax	(16,151)
	1,432	Income from business rates	1,521
	(37,482)	Government grants and other contributions	(38,412)
	<b>(109,576)</b>	<b>Total Income</b>	<b>(119,118)</b>
		<b>Expenditure</b>	
	20,971	Employee benefits expenses	21,159
	54,518	Other Service Expenses	56,886
	11,636	Support Service recharge expenditure	12,877
	21,826	Revaluation gains, depreciation, amortisation and impairment	21,255
212	Interest payments	4,126	
-	Pension adjustment	(655)	
3,253	Precepts and levies	3,456	
-	Payments to Housing Capital Receipts Pool	-	
-	Gain or Loss on Disposal of Fixed Assets and derecognition of replaced asset components	(577)	
<b>112,416</b>	<b>Total expenditure</b>	<b>118,527</b>	
<b>2,840</b>	<b>(Gain)/Loss on the Provision of Services</b>	<b>(591)</b>	

*Continued overleaf.*

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 3. Adjustments Between Accounting Basis and Funding Basis Under Regulations

#### Combined Reserves Table

Adjustments between accounting basis and funding basis under regulations	Usable reserves					Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts reserves	Major Repairs Reserve	Capital Grants Unapplied	
2023/2024	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension Costs (transferred to/(from) the Pensions Reserve)	1,713	323				(2,036)
Council Tax and NDR (transfers to/(from) the Collection Fund Adjustment Account)	(812)					812
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(7,934)	(14,019)			(5,757)	27,710
<b>Total Adjustments to Revenue Resources</b>	<b>(7,033)</b>	<b>(13,696)</b>	<b>-</b>	<b>-</b>	<b>(5,757)</b>	<b>26,486</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sales proceeds from revenue to the Capital Receipts Reserve	1,426	2,932	(4,560)			202
Administration costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	1			(1)
Payments to the government of housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	-	-	-			-
Posting of HRA resources from revenue to Major Repairs Reserve		4,238		(4,238)		-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	2,576	-				(2,576)
Other capital receipts taken to the CI&ES	(270)	-	(8)			278
GF Asset Disposal NBV (transfer to Capital Adjustment Account)	-	-				-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	6	-				(6)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>3,738</b>	<b>7,170</b>	<b>(4,567)</b>	<b>(4,238)</b>	<b>-</b>	<b>(2,103)</b>
<b>Adjustments to Capital Resources</b>						
Use of Capital Receipts Reserve to finance capital expenditure			6,011			(6,011)
Use of Major Repairs Reserve to finance capital expenditure				9,125		(9,125)
Application of capital grants to finance capital expenditure					6,152	(6,152)
Cash payments in relation to deferred capital receipts	-	-				-
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>-</b>	<b>6,011</b>	<b>9,125</b>	<b>6,152</b>	<b>(21,288)</b>
<b>Total Adjustments</b>	<b>(3,295)</b>	<b>(6,526)</b>	<b>1,444</b>	<b>4,887</b>	<b>395</b>	<b>3,095</b>

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 4. Property, Plant and Equipment

Property, Plant & Equipment Movements	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Furniture & Equipment £'000	Infrastructure £'000	Asset Under Construction £'000	Property, Plant & Equipment Total £'000
<b>Cost or Valuation</b>						
At 1 April 2023	589,843	234,809	18,495	3,438	75,230	921,815
Transfers	-	-	-	-	-	-
Additions	11,058	636	421	(292)	8,506	20,329
Revaluation increases/(decreases) recognised in the Revaluation Reserve	68,413	1,303	-	-	-	69,716
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-
Write off - disposals	(1,423)	(976)	(557)	-	-	(2,956)
Write off - replaced components	(9,175)	-	-	-	-	(9,175)
Assets reclassified (to)/from	-	1,670	-	30	(8,408)	(6,708)
Assets reclassified (to)/from assets held for sale	(52)	-	-	-	52	-
Impairment (losses)/reversals recognised in the surplus/deficit on the Provision of Services	472	(7,586)	-	-	-	(7,114)
Impairment (losses)/reversals recognised in the Revaluation Reserve	(8,359)	(2,964)	-	-	-	(11,323)
<b>At 31 March 2024</b>	<b>650,777</b>	<b>226,892</b>	<b>18,359</b>	<b>3,176</b>	<b>75,380</b>	<b>974,584</b>
<b>Accumulated Depreciation and Impairment</b>						
At 1 April 2023	(111)	(5,204)	(14,195)	(1,815)	-	(21,325)
Transfers	-	-	-	-	-	-
Depreciation charge	(8,267)	(2,699)	(1,373)	(190)	(3)	(12,532)
Depreciation written out to the Revaluation Reserve	8,359	2,964	-	-	-	11,323
Depreciation written out to the Surplus/(Deficit) on the Provision of Services	-	-	-	-	-	-
Write off - disposals	18	193	533	28	-	772
Impairment (losses)/reversals recognised in the Surplus/(Deficit) on the Provision of Services	-	-	-	-	-	-
Reclassification Transfers	-	-	-	(3)	3	-
<b>At 31 March 2024</b>	<b>(1)</b>	<b>(4,746)</b>	<b>(15,035)</b>	<b>(1,980)</b>	<b>-</b>	<b>(21,762)</b>
<b>Net Book Value</b>						
At 31 March 2023	589,732	229,605	4,300	1,623	75,230	900,490
At 31 March 2024	650,776	222,146	3,324	1,196	75,380	952,822

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 5. Heritage Assets

<b>31 March 2023</b>	<b>Heritage Assets</b>	<b>31 March 2024</b>
<b>£'000</b>		<b>£'000</b>
5,318	Exhibits	5,356
407	Silver	186
182	Civic Regalia	165
646	Cups and Trophies	771
43	Sculptures	43
494	War Memorials	492
<b>7,090</b>	<b>Carrying Value</b>	<b>7,013</b>

### 6. Investment Properties

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

<b>2022/2023</b>		<b>2023/2024</b>
<b>£'000</b>		<b>£'000</b>
(918)	Rental income from investment property	(905)
169	Direct operating expenses arising from investment property	117
<b>(837)</b>	<b>Net (gain)/loss</b>	<b>(750)</b>

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

*Continued overleaf.*

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 7. Financial Instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

#### Categories of Financial Instruments

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

	Long-Term		Current	
	At 31 March 2023 £'000	At 31 March 2024 £'000	At 31 March 2023 £'000	At 31 March 2024 £'000
<b>Investments</b>				
Cash and Cash Equivalents at amortised cost	-	-	12,029	11,409
<b>Total investments</b>	-	-	<b>12,029</b>	<b>11,409</b>
<b>Debtors</b>				
Financial assets at amortised cost	120	109	4,932	4,963
Impairment Loss Allowance	-	-	(1,249)	(1,436)
<b>Borrowings</b>				
Financial liabilities at amortised cost	(198,266)	(165,842)	(29,218)	(67,225)
<b>Creditors</b>				
Financial liabilities carried at contract amounts	(66)	(56)	(12,703)	(11,628)

#### Fair Value of Assets and Liabilities

31 March 2023			31 March 2024	
Carrying amount £'000	Fair Value £'000		Carrying amount £'000	Fair Value £'000
12,029	12,029	Cash	9,504	9,504
348	346	Fixed term deposits	1,905	1,907

31 March 2023			31 March 2024	
Carrying amount £'000	Fair Value £'000		Carrying amount £'000	Fair Value £'000
211,485	218,280	Public Works Loan Board loans	223,066	189,741,019
16,000	-	Other Local Authorities	10,000	10,000

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 8. Short Term Debtors

At 31 March 2023 £'000		At 31 March 2024 £'000
	Amounts falling due within the next year:	
63	Government department National non-domestic rates	7,100
1,946	Government departments other	1,141
-	Other Local Authorities in Sundry debtors	-
902	Advance payments/bookings	649
643	Council Tax/National NNDR costs	682
2,804	Council Tax and NNDR arrears	8,388
-	Mortgages (repayments within 1 year)	-
1,412	Housing Rents	1,010
-	Rent Allowances and rebates	-
1,233	Leaseholders	1,612
3,780	Sundry Debtors	4,240
<b>12,784</b>		<b>24,821</b>
	Less: Allowance for doubtful debts	
(2,088)	Collection Fund	(2,481)
(1,022)	Housing Rents	(1,216)
(316)	Sundry Debtors	(461)
33	Leaseholders	39
<b>9,391</b>	<b>Total Short Term Debtors</b>	<b>20,703</b>

### 9. Assets Held for Sale

These are qualifying assets where the Council considers it highly probable that completion of the sale will be within one year of classification as an asset held for sale.

2022/23 £'000		2023/24 £'000
<b>997</b>	<b>Balance at start of year</b>	<b>136</b>
-	Additions	2
-	Revaluation Gains/(Losses) in year	-
(861)	Assets sold in year	-
-	Assets reclassified out as unsold	-
	<b>Assets newly classified as held for sale:</b>	
-	Property, Plant & Equipment	6,708
<b>136</b>	<b>Balance at Year End</b>	<b>6,846</b>

Assets Held for Sale are valued at Fair Value at 31 March 2024. Analysis of the relevant valuation techniques classifies these assets as Level 2

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 10. Cash and Cash Equivalents

At 31 March 2023 £'000		At 31 March 2024 £'000
4	Cash held by the Council	3
4,337	Bank Current Accounts	2,815
7,688	Short-term deposits	6,686
<b>12,029</b>	<b>Total Cash and Cash equivalents</b>	<b>9,504</b>

### 11. Short Term Creditors

At 31 March 2023 £'000		At 31 March 2024 £'000
12,168	Collection Fund	17,984
11,434	Trade Creditors	10,929
1,715	Other Creditors	1,170
4,144	Receipts in advance	4,079
<b>29,461</b>	<b>Total</b>	<b>34,162</b>

### 12. Unusable reserves

Unusable reserves arise from accounting entries not involving cash transactions and cannot therefore be used to fund future council activities. They include entries relating to the revaluation of buildings, depreciation, and other timing differences between the accounting requirements of the Code and those of legislation.

2022/23 £'000		2023/24 £'000
(421,874)	Revaluation Reserve	(479,417)
(216,605)	Capital Adjustment Account	(216,813)
11,431	Pensions Reserve	718
(33)	Deferred Capital Receipts Reserve	(25)
2,007	Collection Fund Adjustment Account	2,819
<b>(622,805)</b>	<b>Total Unusable Reserves</b>	<b>(692,718)</b>

#### Revaluation Reserve

The Revaluation Reserve contains gains made by the Council arising from the increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are revalued downwards, used in the provision of services (and the gains are consumed through depreciation), or disposed of and the gains are realised.

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

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

2022/23 £'000		2023/24 £'000
(482,828)	<b>Balance at 1 April</b>	(421,874)
(33,648)	Revaluation (gain)/loss of assets	(75,565)
88,126	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	13,168
-	Impairment of additions (to recognise that an addition is typically a replacement)	-
<b>54,478</b>	<b>(Surplus)/deficit on revaluation of non-current assets not posted to the Surplus or deficit on the Provision of Services</b>	<b>(62,397)</b>
5,049	Difference between fair value depreciation and historical cost depreciation transferred to the Capital Adjustment Account	4,100
1,427	Accumulated (gains)/losses on assets sold or scrapped	754
<b>6,476</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>4,854</b>
<b>(421,874)</b>	<b>Balance at 31 March</b>	<b>(479,417)</b>

### 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 in line with the depreciation, impairment losses and amortisations 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 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.

*Continued overleaf.*



# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

2022/23 £'000		2023/24 £'000
(237,911)	<b>Balance as at 1 April</b>	(216,605)
	<i><b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b></i>	
12,710	Charges for depreciation and impairment of non current assets	12,435
2,110	Movements in the market value of Investment Properties debited or credited to the comprehensive Income and Expenditure Statement	729
18,092	Revaluation losses on Property, Plant and Equipment	7,114
50	Amortisation of Intangibles	102
2,503	Revenue expenditure funded from capital under statute	5,015
5,113	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	3,134
<b>40,578</b>	<b>Sub-total charges</b>	<b>28,529</b>
(5,049)	Difference between fair value depreciation and historical cost depreciation transferred to the Revaluation Reserve	(4,100)
(1,427)	Accumulated gains on assets sold or scrapped	(754)
<b>34,102</b>	<b>Net written out amount of the cost of non -current assets consumed in the year</b>	<b>23,675</b>
	<i><b>Capital Financing applied in the year:</b></i>	
(4,933)	Use of the Capital Receipts Reserve to finance new capital expenditure	(6,011)
(2,214)	Use of Major Repairs Reserve to finance new capital expenditure	(9,125)
(1,146)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,060)
(1,991)	Application of grants to capital financing from the Capital Grants Unapplied Account	(4,105)
-	Direct Revenue Financing	(6)
(58)	Housing debt repayment provision	-
(2,454)	Statutory provision for the financing of capital investment charged against the General Fund	(2,576)
<b>(12,796)</b>	<b>Sub-total capital financing</b>	<b>(23,883)</b>
<b>(216,605)</b>	<b>Balance at 31 March</b>	<b>(216,813)</b>

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

2022/23 £'000		2023/24 £'000
23,579	Net written out amount of the cost of non-current assets consumed in the year (per the Capital Adjustment Account)	23,675
5,325	Add back amount transferred to the Revaluation Reserve	4,100
1,462	Add back accumulated gains on assets sold or scrapped	754
(1,146)	Less Capital Grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,060)
29,220	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure	26,469

### 13. Members' Allowances

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

2022/23 £000	Members' Allowances	2023/24 £000
426	Allowances	424
2	Expenses	1
428		425

Payments by Councillor are available on our [website](#).

### 14. Officers' Remuneration

The remuneration paid to the Councils' Head of Paid Service and non-statutory officers is as follows:

*Continued overleaf.*

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

2022/23	Post Title	2023/24				Total Remuneration including pension contributions
		Salary, fees and allowances	Benefits in kind	Total Remuneration excluding pension contributions	Employer's pension contribution	
£'000		£'000	£'000	£'000	£'000	£'000
132.9	Chief Executive and Head of Policy	115.9	-	115.9	22.8	138.7
109.1	Strategic Lead - Transformation and Culture (Note 1)	56.8	-	56.8	6.6	63.4
119.8	Strategic Director - Community & Place Delivery	104.4	-	104.4	20.6	125
119.6	Strategic Director - Customer, Business & Corporate Support	104.4	-	104.4	20.6	125
na	Strategy and Policy Manager	64	-	64	12.6	76.6
		445.5	-	445.5	83.2	528.7
2022/2023		406.3	-	406.3	75.1	481.4

Note 1 Before July 2023, Strategic Director Strategy, Policy and Transformation (Deputy Chief Executive)

Remuneration	2022/23		2023/24	
	Number ex. redundancies	Number inc. redundancies	Number ex. redundancies	Number inc. redundancies
£50,000 - £54,999	24	24	29	29
£55,000 - £59,999	6	6	15	15
£60,000 - £64,999	8	8	4	4
£65,000 - £69,999	3	3	5	5
£70,000 - £79,999			6	6
£80,000 - £89,999				
£90,000 - £99,999	1	1	1	1
£100,000 - £109,999	2	2	2	2
£110,000 - £119,999	1	1	1	1
<b>Total</b>	<b>45</b>	<b>45</b>	<b>63</b>	<b>63</b>

Note: This table includes staff included in the individual disclosures.

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

### 15. Termination Benefits

Exit package cost (including special payments)	Number of compulsory redundancies		Total cost of exit packages in each band	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
£0 - £20k	1	1	6.7	10.8
£20k - £60k	0	0	0	0
£60k plus	2	0	188.2	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>194.9</b>	<b>10.8</b>

### 16. 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.

2022/2023 £'000		2023/2024 £'000
46	Fees payable with regard to external audit services carried out by the appointed auditor for the current year	165
69	Fees payable for the certification of grant claims and returns	44
<b>115</b>		<b>209</b>

### 17. Related Parties

The Council discloses 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.

The Council has identified 6 scenarios for there to be a related party relationship:

1. Where the Council appoints representatives to outside bodies (see [stalbans.moderngov.co.uk/mgListOutsideBodies.aspx?bcr=1](http://stalbans.moderngov.co.uk/mgListOutsideBodies.aspx?bcr=1)). Many of these bodies are not considered to be related parties (eg the East of

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

England Local Government Association) and for other candidates (eg Ellenbrook Park Trust), there were no transactions.

2. Charities where the Council is the Trustee (see below).
3. Companies owned by the Council and joint ventures with other councils (see below).
4. Any specific councillor disclosures (see below).
5. Any disclosures made via our employee declarations of interest (see below).
6. Central Government (see below).

In assessing whether a related party relationship might exist, the value of the transaction to both parties is considered. For instance, several instances where the council has rented space for a Polling Station do not, in the Council's opinion, result in creation of a related party relationship.

Transactions in 2023/24 are disclosed below. Expenditure & income is net of VAT. Further details of these transactions can be provided on request.

Organisation	Type	SADC person	23/24 Exp £000	23/24 Inc £000	Bal 31/3/24 £000 Note 1	Comments
Charity of Sarah Duchess of Marlborough	1	Cllr J Taylor	TBA	TBA	TBA	See note 2
Citizens Advice St Albans	1	Cllr S Howland	TBA	TBA	TBA	See note 3
Lionel Annesley Dorant for Almshouses	1	Cllr S Howland Cllr J Murray	TBA	TBA	TBA	See note 2
St Albans BID	1	Cllr C White (Observer)	TBA	TBA	TBA	See note 4
St Albans Cycle Hub	1	Cllr R Overall	TBA		TBA	
St Albans for Refugees	4	Cllr L Needham				See note 5
St Albans Museums & Galleries Trust	1	None	TBA	TBA	TBA	
West Herts Crematorium Joint Committee	1, 3	Cllr A Rowlands		50	(1,500)	See note 6

Notes:

1. Balances: ( ) = Monies owed. Where notes 2 or 4 apply, includes these balances.

# **St Albans City & District Council: Statement of Accounts 2023/2024**

## **Notes to the Accounts**

2. The Council collects rents on behalf of these two Charities, acting as their agent.
3. Citizen's Advice also uses the Hub in the Civic Centre.
4. The Council collects the Levy on behalf of the BID, acting as their agent and provides rental and other services.
5. The Council provides 4 garages rent free at an estimated annual cost of £2k.
6. The Joint Committee received a loan from Dacorum Borough Council to build a new Crematorium in Hemel Hempstead. The St Albans share of this loan is £1.5m.

### **Owned companies and corporate trusteeships**

1. St Albans City and District Estates Limited: this company is being reinstated to the Companies House Register to allow us to recover residual funds from the company's bank account.
2. West Herts Crematorium: the Council has an agreement with five other Hertfordshire authorities for the running of the West Hertfordshire Crematoriums through a Joint Committee. The Agreement provides for deficits to be met by the constituent councils, but in practice the Crematoriums meets its running costs from its own income and builds up reserves where possible to meet future capital improvement costs. The Council's share of the activity is considered to be immaterial and therefore Group Accounts are not prepared. The Council does not control the assets and therefore they are not included in the Balance Sheet (Three Rivers District Council employ the crematorium staff and operate the crematoria).
3. The Council is trustee for 4 local charities and provides benefits in kind (eg grass cutting) when appropriate. These are the Clarence Park Recreation Ground Trust (charity number 1047751), the Public Recreation Ground Trust (commonly known as the New England Street Playing Field) (charity number 302456), the Museum of St Albans (charity number 312128), and the Annesley Bequest (charity number 311082).

### **Members and Senior Officers of the Council**

Members and Senior Officers of the Council have direct control over the Council's financial and operating policies. The total Member allowances paid in 2023/24 is shown in note 13. Where grants were given, they were made with proper consideration of the declaration of interests and the relevant Members did not take part in any discussion or decision relating to the grants.

The Register of Members' Interests shows both potential financial and other interests, including involvement with voluntary organisations, public authorities, and various other bodies. It is available on the Council's website (as part of

# **St Albans City & District Council: Statement of Accounts 2023/2024**

## **Notes to the Accounts**

each Councillor's profile). At 1 October 2024 there were 5 declarations outstanding from current councillors and 14 from former councillors.

A number of Members / Staff / their families are Council Tenants or Leaseholders within Council owned blocks. These are managed on standard terms. Some Members and Staff and / or their families receive Housing Benefit and/or Council Tax discounts in accordance with the normal qualifying criteria. We do not disclose amounts in this case; for the situation of any Member, refer to <https://stalbans.moderngov.co.uk/mgMemberIndex.aspx>.

Officers are widely involved in voluntary roles within the community; as with any local organisation, these organisations may qualify for grants and, when needed, seek Council approvals (e.g. planning permission). These organisations may also receive money from the Council (e.g. for Polling Station hire). These are handled in the normal manner by an Officer not involved with the organisation.

### **Central Government**

This has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides substantial funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (eg council tax bills, housing benefits).

## **18. Pension Liabilities**

### **Participation in the Pension Scheme**

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

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

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Hertfordshire County Council. Policy is determined in accordance with the Local Government Pension Scheme Regulations 2013. The Pensions Committee has appointed various

# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

investment fund managers, and their performance is monitored by an Investment Sub-Committee.

### Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year.

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:

2022/2023 £'000		2023/2024 £'000
	<b>Comprehensive Income and Expenditure Statement</b>	
	<b>Cost of Services:</b>	
6,172	- Current Service Cost	3,042
434	- Past Service Costs (including curtailments)	-
	<b>Financing and Investment Income and Expenditure</b>	-
1,441	Net Interest expense	655
<b>8,047</b>	<b>Total Post Employment Benefit Charged/(Credited) to the Surplus or Deficit on the Provision of Services</b>	<b>3,697</b>
	<b>Other Post Employment Benefit Charged/(Credited) to the Comprehensive Income and Expenditure Statement</b>	
	<b>Remeasurements of the net defined benefit liability comprising:</b>	
12,632	Return on plan assets (excluding the amount included in the net interest expense)	6,051
(1,278)	Actuarial (gains) and losses arising from changes in demographic assumptions	895
(64,153)	Actuarial (gains) and losses arising from changes in financial assumptions	6,320
11,200	Experience (gain) and losses	(4,589)
<b>(41,599)</b>	<b>Total Post Employment Benefit Charged/(Credited) to the Comprehensive Income and Expenditure Statement</b>	<b>8,677</b>
	<b>Movement in Reserves Statement</b>	
(8,047)	Reversal of net charges made to the Surplus or deficit for the Provision of Services for employment benefits in accordance with the Code	(3,697)
4,423	Actual amount charged against the General Fund Balance for pensions in the year: Employers' contributions payable to the scheme	4,115
<b>(3,624)</b>	<b>Pension costs transferred to/(from) the Pensions Reserve</b>	<b>418</b>

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



# St Albans City & District Council: Statement of Accounts 2023/2024

## Notes to the Accounts

2022/2023 £'000	Pension Scheme Liabilities	2023/2024 £'000
(52,299)	<b>Opening balance at 1 April</b>	(14,324)
(6,172)	Current Service Cost	(3,042)
(434)	Past service costs	-
(1,441)	Net Interest Cost	(655)
4,423	Contributions from employer	4,115
-	Remeasurement (gains)/losses:	-
64,153	Actuarial (gains) and losses arising from changes in financial assumptions	6,320
1,278	Actuarial (gains) and losses arising from changes in demographic assumptions	895
(11,200)	Other experience (gain)/loss	(4,589)
(12,632)	Return on assets excluding amounts included in net interest	6051
<b>(14,324)</b>	<b>Closing balance at 31 March</b>	<b>(5,229)</b>
(5,360)	Note: Actual benefits paid do not change net liabilities as they reduce assets and liabilities equally. As a memorandum item, we disclose benefits paid in this line	(6,511)

### Reconciliation of the Movements in the Fair Value of Scheme Plan Assets

2022/2023 £'000	Pension Scheme Assets	2023/2024 £'000
130,143	<b>Opening fair value of scheme assets at 1 April</b>	134,991
2,597	Interest income	3,641
-	Remeasurement gain/(loss):	
2,751	Return on plan assets, excluding the amount included in the net interest expense	(12,632)
3,736	Contributions from employer	4,423
806	Contributions from employees into the scheme	871
(4,980)	Benefits paid	(5,360)
<b>130,143</b>	<b>Closing fair value of scheme assets at 31 March</b>	<b>125,934</b>

## 19. Contingent Liabilities

In 1992, Municipal Mutual Insurance (MMI), one of our insurers at the time, stopped accepting new business. MMI and its policy holders, including local authorities, as members of the mutual have organised how the company can be closed if necessary. How much MMI owes to insureds cannot be worked out until all current and future claims have been settled. MMI may not have enough money to pay its debts in the future. If that is the case, MMI can claim back from its major policy holders as members of the mutual, including the Council, part

# **St Albans City & District Council: Statement of Accounts 2023/2024**

## **Notes to the Accounts**

of the claims paid from 1 October 1993. The balance of un-provided claims MMI could ask for as of 31 March 2024 is £0.50m (31 March 2023 £0.50m).

A company that previously carried out contractual work on the Council's housing stock went into liquidation and the liquidator has demanded payment of outstanding unpaid invoices issued by the company. The Council is challenging the claim on the basis that the work has either not been completed or not completed to a satisfactory standard.

The Council has received a claim from the operator of one of its theatre facilities as a result of the closure of the facility by the Council in connection with an asbestos contamination incident; this is being dealt with by the Council's Solicitors. The Council has submitted a counter claim to the leisure services operator for dilapidation costs following the ending of the leisure contract in 2022.

# St Albans City & District Council: Statement of Accounts 2023/2024

## Housing Revenue Account

### HRA Income and Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted practices, rather than the amount to be funded from rents and government grants.

The Council's approach to accounting for costs incurred in improving Council Housing dwellings remains under review. Whilst accounting rules usually classify these as "Additions", in practice they are usually a like for like replacement – eg changing windows due to their age and/or shortcomings vs current standards and expectations. This "Component Asset Replacement" is not regarded as adding value and so is written off in the year that the expense is incurred. We remain in debate with our auditors and our specialist accounting advisers as to whether this cost should appear in "Depreciation and impairment of non-current assets" within the 'HRA Income and Expenditure Statement' or within the 'Movement on the Housing Revenue Account Statement' (ie as part of movements on Reserves), and also the appropriateness of a matching transfer to the Capital Adjustment Account Reserve.

For 2023/24, the amounts involved are as follows:

	£000
Additions not in scope of Component Asset Replacement (eg new builds, garage improvements)	6,345
Additions offset against previous revaluation gains	8,223
Additions offset against Income & Expenditure as no previous revaluation gain available	952
<b>Total HRA Additions</b>	<u><u>15,520</u></u>

2022/2023 £'000	Housing Revenue Account Income and Expenditure Statement	2023/2024 £'000
	<b>Expenditure</b>	
5,891	Repairs and Maintenance	9,656
7,686	Supervision and Management	8,198
299	Rents, Rates, Taxes and other charges	156
26,614	Depreciation and impairment of non-current assets	10,629
(1,094)	Revaluation gains reversing prior year losses charged to the HRA	(2,580)
34	Debt Management costs	37
194	Movement in the allowance for bad debts	270
251	HRA services' share of Corporate and Democratic Core	262
<b>39,875</b>	<b>Total Expenditure</b>	<u><u>26,628</u></u>

**St Albans City & District Council: Statement of Accounts 2023/2024**  
**Housing Revenue Account**

2022/2023 £'000	Housing Revenue Account Income and Expenditure Statement	2023/2024 £'000
	<b>Income</b>	
(28,643)	Dwelling rents	(30,859)
(1,097)	Dwelling rents	(1,123)
(411)	Charges for services and facilities	(1,018)
<b>(30,151)</b>	<b>Total Income</b>	<b>(33,000)</b>
<b>9,724</b>	<b>Net (Income)/Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>	<b>(6,372)</b>
<b>9,724</b>	<b>Net (Income)/Cost of HRA Services</b>	<b>(6,372)</b>
	<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement</b>	
(3,450)	Gain on sale of HRA non-current assets	(1,529)
481	Write-off of replaced asset components	952
4,307	Interest payable and similar charges	4,068
(190)	Interest and investment income	(152)
(235)	Net interest on the net defined benefit liability	(104)
(561)	Capital grants, contributions and other receipts	(490)
<b>10,076</b>	<b>(Surplus)/Deficit for the year on HRA services</b>	<b>(3,627)</b>

2022/2023 £'000	Movement on the Housing Revenue Account Statement	2023/2024 £'000
(2,258)	Balance on the HRA at the end of the previous year	(3,538)
10,076	(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	(3,627)
-	<b>Adjustments between accounting basis and funding basis under statute</b>	
(16,641)	Transfer (from)/to the Capital Adjustment Account for the impairment of dwellings Note: for 2023/24, this item has largely offsetting entries: Dr £8.9m, Cr 8.4m	472
5,000	Transfer to HRA Earmarked Reserves for debt repayment provision	10,000
(2,200)	Loan repayment funded by MRR	(4,200)

**St Albans City & District Council: Statement of Accounts 2023/2024**  
**Housing Revenue Account**

2022/2023	Movement on the Housing Revenue Account Statement	2023/2024
£'000		£'000
(936)	Transfer from the Capital Adjustment Account for Revenue expenditure funded from capital under statute	(4,054)
(39)	Contribution from the Capital Receipts Reserve towards the administrative costs of non-current asset disposals	-
2	Revenue contribution to capital	-
3,470	Gain on sale of HRA non-current assets	1,529
(481)	Write-off of replaced asset components	(952)
430	Capital grants and Contributions	356
11	Other Capital Receipts	-
(48)	HRA share of contributions to or from the Pensions Reserve	323
<b>(1,356)</b>	<b>Net (increase)/decrease before transfers to or from reserves</b>	<b>(153)</b>
76	<b>Transfers to/(from) reserves</b>	85
<b>(1,280)</b>	<b>(Increase)/decrease in year on the HRA</b>	<b>(68)</b>
<b>(3,538)</b>	<b>Balance on the HRA at the end of the current year</b>	<b>(3,606)</b>

# St Albans City & District Council: Statement of Accounts 2023/2024

## Collection Fund Statement

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 Council in relation to the collection from taxpayers and distribution to local authorities and the Government of the Council Tax and Business Rates.

2022/23 (£'000)			Collection Fund Income and Expenditure Account				2023/24 (£'000)			
Business Rates	Council Tax	Total				Business Rates	Council Tax	Total		
-	(128,322)	(128,322)	Income	Council tax receivable			<b>C1</b>	-	(135,402)	(135,402)
	-			Transfer for Transitional Relief, S13A(1)(C) Reliefs					(167)	
(52,868)	-	(52,868)		Business rates receivable			<b>C2</b>	(49,748)	-	(49,748)
82	-	82		Less Transitional payment protection payable				(9,882)	-	(9,882)
<b>(52,786)</b>	<b>(128,322)</b>	<b>(181,108)</b>	<b>Total Income</b>				<b>(59,630)</b>	<b>(135,569)</b>	<b>(195,032)</b>	
5,253	96,909	102,162	Expenditure	Precepts, Demands and shares:	Hertfordshire County Council		6,467	102,300	108,767	
-	14,131	14,131			Police and Crime Commissioner for Hertfordshire		-	15,164	15,164	
21,012	15,319	36,331			St Albans District Council (including Parishes)		25,866	15,951	41,817	
26,265	-	26,265		Charges to Collection Fund	Central Government		32,333	-	32,333	
180	-	180			Costs of collection		186	-	186	
4	-	4			Write-offs of uncollectable amounts		(36)	-	(36)	
229	587	817			Allowance for impairment		622	470	1,092	
1,777	-	1,777			Provision for appeals		(7,206)	-	(7,206)	
105	-	105			Enterprise Zone		211	-	211	
(15,722)	1,460	(14,261)			Contributions towards previous year's estimated Collection Fund surplus/(deficit)		<b>C3</b>	2,167	3,607	5,774
<b>39,104</b>	<b>128,408</b>	<b>167,511</b>	<b>Total Expenditure</b>			<b>60,610</b>	<b>137,492</b>	<b>198,102</b>		
<b>(13,682)</b>	<b>85</b>	<b>(13,596)</b>	<b>Movement on Fund balance</b>			<b>980</b>	<b>1,923</b>	<b>3,070</b>		
19,822	(4,164)	15,658	Balance at 1 April brought forward			6,140	(4,079)	2,062		
<b>6,140</b>	<b>(4,079)</b>	<b>2,062</b>	<b>Balance at 31 March carried forward</b>			<b>7,120</b>	<b>(2,156)</b>	<b>5,132</b>		
614	(3,127)	(2,513)	Shares of balance	Hertfordshire County Council		712	(1,653)	(941)		
-	(460)	(460)		Police and Crime Commissioner for Hertfordshire		-	(246)	(246)		
2,456	(492)	1,964		St Albans District Council (included in reserves)		2,848	(257)	2,591		
3,070	-	3,070		Central Government		3,560	-	3,560		
<b>6,140</b>	<b>(4,079)</b>	<b>2,061</b>	<b>Total carried forward</b>			<b>7,120</b>	<b>(2,156)</b>	<b>4,964</b>		

# St Albans City & District Council: Statement of Accounts 2023/2024

## C1. Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands.

The amount of Council Tax is estimated by calculating the amount of income required to be taken from the Collection Fund by the precepting authorities (Hertfordshire County Council, the Police and Crime Commissioner for Hertfordshire, Parish Councils, and the Council) for the forthcoming year to meet their service requirements. Individual charges are calculated by dividing this total by the Council Tax base (the total number of properties in each band adjusted by a ratio to convert the number to a band D equivalent and adjusted for discounts).

Taxes for other bands are derived by applying the ratios in the following table to the band D tax.

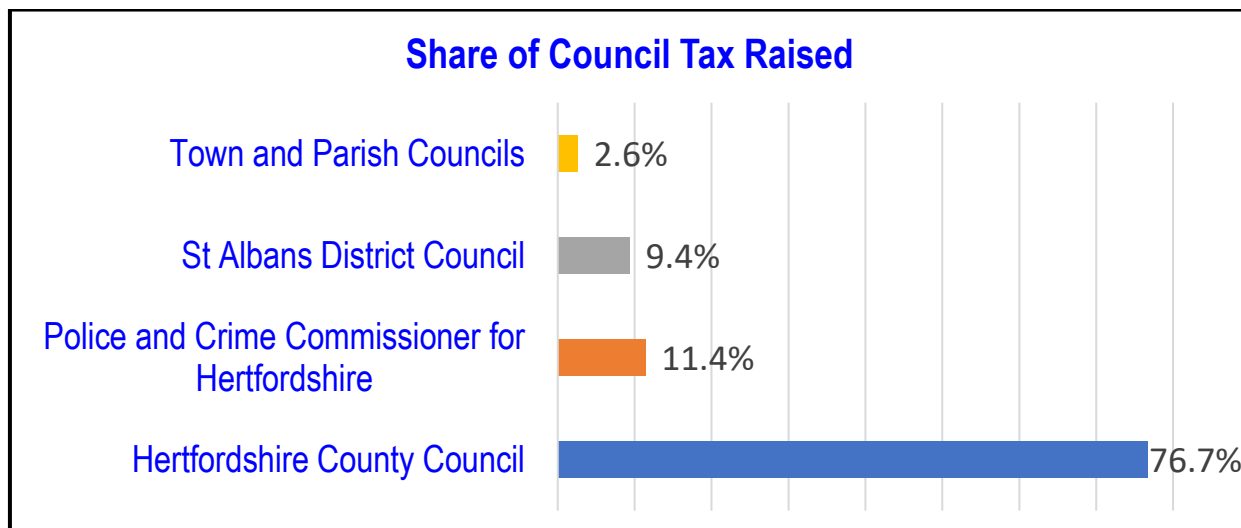
Band	Property Value	Number of dwellings	Ratios	Band D equivalents
A	up to £40,000	599	0.67	402
B	between £40,001 and £52,000	1,901	0.78	1,483
C	between £52,001 and £68,000	7,370	0.89	6,559
D	between £68,001 and £88,000	13,786	1.00	13,786
E	between £88,001 and £120,000	11,825	1.22	14,426
F	between £120,001 and £160,000	8,806	1.44	12,680
G	between £160,001 and £320,000	7,631	1.67	12,744
H	over £320,000	1,302	2.00	2,604
		53,220		64,684
	Less adjustment for non-collection (1.5%)			(970)
	<b>Council Tax Base for 2023/24</b>			63,714
	Council Tax Base for 2022/23			63,368

Council Tax Levy at Band D by Precepting Council:

2022/23	Council Tax Levy at Band D	2023/24
£1,529.31	- Hertfordshire County Council	£1,605.63
£223.00	- Police and Crime Commissioner for Hertfordshire	£238.00
£190.41	- St Albans District Council	£196.10
£51.34	- Town and Parish Councils	£54.26
<b>£1,994.06</b>	<b>Average Council tax Levy at Band D</b>	<b>£2,093.99</b>

The following graph shows how the council tax collected is distributed between the various precepting bodies with Hertfordshire County Council receiving over three quarters of the total.

## St Albans City & District Council: Statement of Accounts 2022/2023 Collection Fund Statement



### C2. Income from Business Rates

The Council collects business rates for its area based on rateable values (as determined by the Valuation Office Agency) and multipliers set by central government.

This following table shows information required to be disclosed relating to Business Rates:

2022/23	Business Rate Factors	2023/24
177,986,078	Rateable value at 31 March as notified by the Valuation Office Agency	171,960,105
51.2	Business Rate multiplier	51.2
49.9	Small business rate multiplier	49.9

Business rate surpluses or deficits are distributed in accordance with the relevant proportions set out in the localised business rate regulations. From 2013/14 to 2018/19 and from 2020/21 50% of business rates collected in the area were/are retained locally (the Council retained 40% and Hertfordshire County Council 10%) and 50% returned to central government. From 1 April 2019-31 March 2020, the Council took part in the Hertfordshire Business Rates Pilot Scheme. The Council joined with all the other councils in Hertfordshire, including Hertfordshire County Council, to retain 75% of business rates within the area with the remaining 25% paid to central government.



## St Albans City & District Council: Statement of Accounts 2022/2023 Collection Fund Statement

### C3. Contributions to Previous Year's Estimated Collection Fund Surpluses and Deficits

The following table shows the distribution of the prior year's estimated surplus.

2022/23			Precepting Authorities	2023/24		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
(1,572)	1,118	(454)	Hertfordshire County Council	217	2,765	2,982
-	164	164	Police and Crime Commissioner for Hertfordshire	-	406	406
(6,289)	178	(6,111)	St Albans District Council	867	436	1,303
(7,861)	-	(7,861)	Central Government	1,083	-	1,083
<b>(15,722)</b>	<b>1,460</b>	<b>(14,261)</b>	<b>Total surplus/(deficit)</b>	<b>2,167</b>	<b>3,607</b>	<b>5,774</b>

The surplus/deficit arising on the Collection Fund will be distributed/recovered in accordance with legislation.



# **St Albans City and District Council**

## **Annual governance statement**

**2023-24**

**July 2024**

# **St Albans City & District Council: Statement of Accounts 2022/2023**

## **Annual governance statement**

### **Scope of Responsibility**

1. St Albans City and District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this duty, the Council is responsible for putting in place proper governance of its affairs, the effective exercise of its functions, which includes arrangements for managing risk.
3. The Annual Governance Statement (AGS) describes the extent to which the Council has, for the year ended 31 March 2024, complied with its corporate code of governance and the requirements of the Accounts and Audit Regulations 2015, regulation 6(1). It also describes how the effectiveness of the governance arrangements has been monitored and evaluated during the year and sets out any changes planned for 2024/25.
4. The AGS has been prepared in accordance with guidance produced in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) – The ‘Delivering Good Governance in Local Government Framework’. It embraces the elements of internal control required by the ‘Code of Practice on Local Authority Accounting in the United Kingdom’. Also supporting the AGS is the Council’s Code of Corporate Governance, which too is consistent with the principles of the SOLACE framework.

### **The Purpose of the Governance Framework**

5. The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled. This includes the activities through which it engages with, leads and accounts to its communities. It enables the Council to monitor the achievement of its strategic objectives if appropriate, cost effective services and activities in line with its policy and budget framework.
6. The system of internal control is a significant part of that framework and is designed to manage the Council’s risks to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and corporate objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is a process designed to identify and prioritise the risks to the achievement of the Council’s policies and priorities. It evaluates the likelihood of those risks being realised, and the impact should they be realised, and to manage them economically, efficiently and effectively.

# St Albans City & District Council: Statement of Accounts 2022/2023

## Annual governance statement

7. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).
8. The Council's Code of Governance recognises that effective governance is achieved through the following seven CIPFA/SOLACE principles:
- (i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - (ii) Ensuring openness and comprehensive stakeholder engagement.
  - (iii) Defining outcomes in terms of sustainable economic, social and environmental benefits.
  - (iv) Determining the interventions necessary to optimise the achievement of intended outcomes.
  - (v) Developing the Council's capacity, including the capability of its leadership and the individuals within it.
  - (vi) Managing risks and performance through robust internal control and strong public financial management.
  - (vii) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.
9. The governance framework has been in place at the Council for the year ended 31 March 2024.

### The Governance Framework

10. Key features of the Council's governance framework during 2023/24 included:

- i. The Council Plan** – identifies and communicates the Council's vision, objectives and priorities.
- ii. The Corporate Risk Register** – reflects the objectives of the Council Plan and identifies the implications for the Council's governance arrangements.
- iii. The Constitution** – sets out the Council's decision-making framework and is regularly updated.
  - gives a clear definition of the roles and responsibilities of councillors, committees, and the statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer);
  - includes a scheme of delegation of responsibility, financial regulations and contract standing orders; and
  - defines codes of conduct for Councillors and officers, and a protocol for how the two work together.
- iv. Council** – is the ultimate decision-making body for all matters other than those delegated to the Planning, Licensing and Standards Committees, and operational decision making to specific officers.
- v. Service Committees** – (Strategy and Resources Committee, Planning Policy and Climate Committee, Public Realm Committee, and Housing & Inclusion Committee) are responsible for all decisions within their areas of responsibility, which are not otherwise delegated, or which can only be taken by Council. The

# St Albans City & District Council: Statement of Accounts 2022/2023

## Annual governance statement

committees also perform scrutiny on areas within the respective remits where appropriate.

- vi. **Audit and Governance Committee** – this and the Standards Committee are Regulatory Committees. The Audit and Governance Committee reviews the effectiveness of the internal control, risk and governance environment, receives reports from the Internal and External Auditors and approves the Council's statutory accounts and the Annual Governance Statement. The Committee has an independent Chair.
- vii. **Standards Committee** – promotes high standards of conduct and has responsibility for overseeing investigations of complaints against Councillors.
- viii. **Regulatory Committees** – ensure compliance to regulations:
  - Licensing and Regulatory Committee
  - Licensing Sub Committee
  - Planning (Development Management) Committee
- ix. **City Neighbourhoods Committee** – advances the localism agenda and encourages local groups to take a greater role in relation to the strategic oversight or management of assets. The councillor representation is drawn from the unparished wards in the City Centre. As these wards have no parish council, the City Neighbourhoods Committee considers matters which might otherwise normally fall within the remit of a parish council.
- x. **The Chief Executive** – (Head of Paid Service) as part of the Senior Leadership Team has delegated authority to take operational decisions within policies and budgets set by Council.
- xi. **The Director of Customer, Business and Corporate Support** is the Council's Section 151 Officer leading a finance service, as part of a wider directorate, which promotes effective financial management so that public money is safeguarded and used economically, efficiently and effectively.
- xii. **The Monitoring Officer** is responsible for maintaining and advising on the Constitution. This officer ensures that the Council's decision-making is lawful and fair and supports the promotion of high ethical standards and compliance with the Codes of Conduct.
- xiii. **Senior Leadership Team (SLT)** comprises the Chief Executive and the two Strategic Directors and is responsible for the day-to-day management of the Council. The Senior Leadership Team is supported by the Monitoring Officer.
- xiv. **Corporate Property Board** was introduced November 2022 to facilitate closer review of the capital programme delivery and the property asset portfolio. The Board comprises Senior Leadership Team Members, the Assistant Director (Built Environment), relevant project managers and lead councillors. The Board does not have constitutional decision-making powers; these remain with the relevant service committee.
- xv. **Risk Management** – a Corporate Risk Strategy overseen by the Senior Leadership Team and Audit and Governance Committee. Risk registers (strategic and operational) are reviewed and updated throughout the year.
- xvi. **Standard committee report format** – that includes specific consideration of all legal, financial, professional, technical, risk management and equalities implications.
- xvii. **Medium Term Financial Strategy** – which informs service planning and budget setting.
- xviii. **A complaints procedure** – the Council's complaints policy is readily accessible on the Council's website

# St Albans City & District Council: Statement of Accounts 2022/2023

## Annual governance statement

**xix. Internal Audit** - a risk-based approach to internal audit, emphasising the need for sound control, governance and risk management arrangements. Internal Audit is shared service hosted by Broxbourne Borough Council and includes Harlow and Epping Forest District Councils.

**xx. Whistle blowing policy and process** – sits alongside the anti-fraud, bribery and corruption strategy (last updated September 2023) outlining the Council's zero tolerance approach to fraud, bribery and corruption. The whistleblowing policy was reviewed and updated in June 2023 and disseminated to all staff.

### Review of Effectiveness

11. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal audit. The review of effectiveness is informed by the various sources noted below as well as the work of officers within the Council who have responsibility for the development and maintenance of the governance environment:

- Annual reporting to Council on the work of the Audit and Governance Committee;
- Assurance checklists from managers and assurance statements from the Strategic Directors and Chief Executive provide evidence that the key elements of the system of internal control are operating effectively;
- The work of Internal Audit including the Annual Report of the Head of Internal Audit which provides assurance in this regard is overseen by the Audit and Governance Committee;
- The work of the Council's external auditor – including the annual Audit Results Report and other reports in relation to financial and other aspects of the Council's governance;
- A comprehensive risk management process ensures that key operational and strategic risks across the Council are captured and reported to senior managers and the Audit and Governance Committee;
- Consideration of this document by the Senior Leadership Team with reference to the wider aspects of governance; and
- Significant governance issues from previous years and from 2023/24.

### Overall opinion of the Council's governance arrangements

12. This AGS demonstrates that the Council's governance arrangements have remained fit for purpose during 2023/24.

13. The Senior Leadership Team has undertaken an assessment of the arrangements for governance during 2023/24 including a review of the assurance checklists and statements submitted by managers. It has concluded that arrangements are fit for purpose and working effectively. As a result of this assessment, a small number of other governance issues have been identified in order to further strengthen arrangements. These are set out in Table 2.

14. The Council invited an independent team of peers from the Local Government Association to conduct a review of the Council's operations. The review took place 28

# St Albans City & District Council: Statement of Accounts 2022/2023

## Annual governance statement

February to 3 March 2023 and the review team met with senior management, councillors, officers and external partners. The Council produced a Peer Challenge Action Plan which is available on the Council's website. On 15 December 2023 the Peer Challenge Team returned and concluded "the Council had taken the recommendations of peers seriously and had made significant progress on all of them". Their report is on the Council's website.

### Governance Issues Identified

15. This final part of the AGS outlines the actions taken, or proposed, to deal with significant governance issues identified. The Council's Senior Leadership Team, which monitors and reviews the corporate governance framework, has ensured that the issues raised in the previous AGS have been or are going to be addressed as detailed in Table 1 below:

**Table 1: Progress on significant governance issues identified in the 2022/23 AGS**

Key improvement/review area identified in the 2022/23 AGS	Action taken in 2023/24 to address the issue
<p><b>Economic issues</b></p> <p>Economic volatility, both nationally and globally, continues. This along with supply chain issues and high inflation has a direct impact on the Council in terms of potential cost increases especially for major works and projects.</p> <p>The 2022/23 economic situation is also proving challenging for the local community and is increasing the demand for Council services in some areas (e.g., Housing Benefit) as well as exerting pressure on core Council funding streams such as Council Tax and Business Rates.</p>	<p>The implications have been closely monitored by the Senior Leadership Team. Mitigating strategies formed part of the key considerations in the reports presented to the Strategy and Resource Committee and in the development of the MTFS (Medium Term Financial Strategy) for 2024/25 and future years. Work started early in the year to prepare for the budget setting for 2024/25 to allow for appropriate consideration and scrutiny by the service committee of the options available to arrive at a balanced budget.</p> <p>Frontline services, especially Revenues and Benefits, continue to prioritise and resource the delivery of the various support packages offered by the Government in response to public need (e.g., through various energy schemes and rebates).</p>
<p><b>Statement of Accounts</b></p> <p>The delays with the audit of Accounts reported in the 2021/22 AGS have worsened (nationally) in 2022/23 with the Government now actively considering a range of concerns</p>	<p>At its March 2024 meeting the Audit and Governance Committee received details of the Government's proposals to clear the backlog of outstanding local audits, this will impact on the audit of the Council's 2021/22 and 2022/23</p>

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Key improvement/review area identified in the 2022/23 AGS	Action taken in 2023/24 to address the issue
<p>raised from within the Local Government sector.</p>	<p>financial statements. Government proposals include drop dead dates for audits to be completed. It is recognised that nationally many audits cannot be completed by this deadline date and therefore alternative arrangements will allow the External Auditor to issue a disclaimer to the accounts.</p> <p>For the 2023/24 accounts, and beyond, the Council has a new auditor (KPMG), who are already carrying out work on the accounts.</p>
<p><b>Corporate Peer Challenge Action Plan</b></p> <p>The Peer Challenge report has identified a number of strengths and weaknesses regarding St Albans under the following headings:</p> <ol style="list-style-type: none"> <li>1. Local priorities and outcomes</li> <li>2. Organisational and place leadership</li> <li>3. Governance and culture</li> <li>4. Financial planning and management</li> <li>5. Capacity for improvement</li> </ol>	<p>The Council published an action plan within six weeks of receipt of the final report in response to the Corporate Peer Challenge report publication.</p> <p>A six-month check-in (follow up) took place in December 2023 to see how the Council was progressing with the implementation of recommendations, producing a follow up report afterwards, which too is on the Council's website.</p> <p>The Council's progress against its Corporate Peer Challenge action plan is being actively monitored by the Senior Leadership Team and the Strategy and Resources Committee.</p>
<p><b>Financial Management Code review</b></p> <p>Carried over from last year's AGS action plan</p>	<p>The Finance Team has been focused on the budget setting process. Work has started on the Financial Management Code review with an aim for completion during 2024/25. This is to ensure the Council can demonstrate compliance with the Code, or if there are deficiencies, develop an action plan to address these.</p> <p>In addition, the financial planning process, and the Council's Medium-Term Financial Strategy in particular is being kept under review as the Council seeks to restore financial stability and maintain sustainability in</p>



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Key improvement/review area identified in the 2022/23 AGS	Action taken in 2023/24 to address the issue
	the longer term.
<b>Common themes from the Service Assurance Statements were:</b>	
<p><b>Risk Management and business/service planning</b></p> <p>More work is required to ensure risk management is embedded within services, and within service/business planning processes</p>	<p>Work continued in 2023/24 to improve risk management processes especially regarding operational and directorate risk management.</p> <p>Further work is required to ensure greater alignment with service and business plans processes.</p>
<p><b>Equality Impact Statements</b></p> <p>There were pockets where staff needed more guidance and training around the use of Equality Impact Statements</p>	<p>Building on the strong foundation, recognised as exemplar practice in the Corporate Peer Review, several Equality, Diversity and Inclusion champions have been identified from within the Council. They are being trained to support staff.</p> <p>The issue was also recognised as part of the 2022/23 Equality and Diversity Internal Audit. Implementation of the agreed recommendations in that report have helped strengthen the overall framework.</p>

16. In preparing this statement and reviewing the effectiveness of the Council's governance arrangements, the following areas have been identified for improvement. These are set out in the table below, together with the steps to be taken to address them. They include those relevant ones carried over from last year's AGS:

**Table 2: Areas for improvement or monitoring during 2024/25**

Key improvement/review area identified in the 2023/24 AGS	Action to be taken in 2024/25 to address the issue
<p>Financial stewardship</p> <p>The Council has developed a well-defined budget challenge process and a clear road map towards setting a balanced budget. In 2023/24 this has helped the Council to make savings of £2.3m, and in 2024/25 further savings of £2.4m. It is important the Council does not become complacent about ensuring a year on year balanced budget.</p>	<p>Continue to develop the RAG approach to budget proposals indicating the extent to which proposals are achievable and providing early insight into whether savings are on track to be delivered.</p> <p>Continue with the staff awareness campaign to remind officers we all have a role in managing the Council's finances and in achieving savings targets. Coupled with more regular and wider reporting on</p>

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Key improvement/review area identified in the 2023/24 AGS	Action to be taken in 2024/25 to address the issue
	in year budget performance.
<p>Procurement</p> <p>The Procurement Act 2023, due to go live on 28 October 2024, represents a big change for all public bodies, including St Albans.</p> <p>The Act consolidates the different regimes currently governing procurement into one Act, thereby creating a simpler and more flexible system. The existing overarching principles have been replaced with these new objectives which authorities must consider in all procurement activities:</p> <ul style="list-style-type: none"> <li>• Value for money</li> <li>• Acting with (and being seen to act with) integrity</li> <li>• Maximising public benefit</li> <li>• Treating suppliers the same (unless otherwise justified)</li> </ul>	<p>Work has commenced to review internal processes, update procurement related policies, procedures and guidance and identify training and awareness needs for both officers and councillors</p>
<b>Common themes from the Service Assurance Statements were:</b>	
<p>Data to support decision making</p> <p>It was recognised that there was scope for the Council and services to make better use of data.</p>	<p>This has already been identified as an area for improvement by the Senior Leadership Team. There is currently a fundamental review of corporate and service performance indicators. The newly formed Digital Strategy and Transformation Team also have a key role and is developing an action plan in how it will support the Council Plan. The team's mission statement is about providing first class services to residents and businesses, by providing best-in-class transformation, digital services, and data insight.</p>
<p>Succession planning</p> <p>On the whole smaller teams can ensure emergency cover for key roles, but developing an effective</p>	<p>All service areas produce a cover plan setting out key roles in each team and the plan for short and medium term cover arrangements for unforeseen absences.</p>

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Key improvement/review area identified in the 2023/24 AGS	Action to be taken in 2024/25 to address the issue
<p>succession plan with so few staff can be challenging.</p>	<p>These plans are reviewed and updated regularly.</p> <p>HR Business Partners (HRBP) work with Service Managers to review their workforce profiles on request and flag risks around key roles. HRBPs also provide advice on succession planning options including creation of apprenticeship posts, use of interns or graduates to create a talent pipeline. They also discuss options with retirees for casual work in the future to help with peak workloads of projects.</p> <p>In 2023/24 all Service Managers conducted a Talent Review for their areas to identify succession opportunities and threats within their teams. They are encouraged to review this thinking on an annual basis to plan for individual and team development.</p>
<p>Financial awareness</p> <p>Although well supported by their Finance Business Partners some managers would benefit from additional training or awareness around financial forecasting and budget monitoring.</p>	<p>The in-year budget performance and forecast outturn report, which is produced monthly for the Senior Leadership Team, is also circulated to the Wider Leadership Team (WLT). Increased awareness will be achieved through briefings at WLT meetings as well as directorate and service area management meetings.</p>
<p>Contract Management</p> <p>A series of contract management workshops was delivered to relevant officers during 2023/24. This exercise needs repeating.</p>	<p>The Procurement Team is working on this, identifying who requires this training and reviewing the outcomes from the previous workshops.</p>

17. The Senior Leadership Team will oversee this action plan over the coming year and report on progress to the Audit and Governance Committee. The Senior Leadership Team will ensure that governance issues continue to be promoted, addressed and monitored in a co-ordinated manner throughout the next financial year.

## St Albans City & District Council: Statement of Accounts 2022/2023 Annual governance statement

We, the undersigned, are satisfied that appropriate governance arrangements are in place. We propose over the coming year to continue to review and where appropriate improve matters to further enhance our governance arrangements.

Signed: *Paul De Kort* Date: 5 August 2024

Councillor Paul De Kort (Leader of the Council)

Signed: *Amanda Foley* Date: 5 August 2024

Amanda Foley (Chief Executive)