



Statement of Accounts 2022/23

**UNAUDITED
DRAFT
December 2023**

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

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We have yet to complete the full set of notes to these Accounts, but considered it more important to publish than complete the notes.

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Introduction

Presentation of the accounts

As the Council's Chief Finance Officer (S151 Officer) I am pleased to present an initial draft of the Statement of Accounts for St Albans City and District Council for 2022/23.

The external audit of the statement of accounts for the years ended 31 March 2022 and 31 March 2023 have been postponed by our external auditors, BDO LLP¹. And 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 that include a revised accounting policy for improvements made to Council Housing that will, before external audit commences, also be applied to later sets of accounts. Accordingly, the values included in these accounts are subject to adjustment. More details are available in the [update](#) given to the Audit & Governance Committee on 27 September 2023.

Also, for 2022/23, we are yet to receive essential data from our Pension Fund Actuarial Advisers that will allow us to calculate the anticipated liability.

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 2023 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.

Suzanne Jones FCPFA, FIRR V
Strategic Director – Customer, Business and Corporate Support
14 December 2023

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

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

Introduction to the Statement of Accounts

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** – 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

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Introduction to the Statement of Accounts

Collection Fund, which shows the transactions of the billing authority in 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 Auditor's Statement** – this is the independent Auditor's report to members of the Council including the Conclusion on Arrangements for Securing Economy, Efficiency and Effectiveness in the use of resources. This Statement will be included on completion of the audit in the audited, approved Statement of Accounts. As explained in the introduction, this has been delayed (by the Auditors) for 2020/21, which in turn means these accounts cannot be finalised.
- **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

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 2022/23 (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 2022/23, 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.

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Introduction to the Statement of Accounts

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, 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 Strategic Director - Customer, Business and Corporate Support.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Strategic Director – Customer, Business and Corporate Support 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 Strategic Director – Customer, Business and Corporate Support 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 2023 and of its expenditure and income for the year then ended.

Signed

Suzanne Jones

Strategic Director - Customer, Business and Corporate Support

Date: xx yyy 2023

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

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.

2021/22			2022/23		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	£'000	£'000	£'000
Service Segments					
12,402	(308)	12,094	1,975	(269)	1,706
2,302	(810)	1,492	7,172	(5,423)	1,749
18,999	(10,487)	8,512	19,196	(11,519)	7,677
7,876	(2,822)	5,054	14,123	(2,673)	11,450
1,451	(247)	1,204	970	(172)	798
4,856	(1,704)	3,152	4,676	(1,591)	3,085
Housing Services					
25,399	(23,349)	2,050	24,285	(22,459)	1,826
20,250	(29,391)	(9,141)	23,513	(30,152)	(6,639)
93,535	(69,118)	24,417	95,910	(74,258)	21,652
		7,875			(1,762)
		5,972			5,801
		(32,878)			(22,780)
		5,386			2,911
		(42,894)			26,789
		(15,696)			-
		(58,590)			26,789
		(53,204)			29,700

- i. General fund housing includes home renovation grants, 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.

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Balance Sheet as at 31 March 2023

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

31 March 2022 £'000		Note	31 March 2023 £'000
953,133	Property Plant and Equipment	4	929,258
6,486	Heritage Assets		6,486
8,355	Investment Properties		6,765
252	Intangible Assets		208
190	Long term debtors		135
968,416	Long Term Assets		942,852
1,012	Assets Held for Sale		162
7,000	Short Term Investments		-
95	Inventories		91
10,201	Short Term Debtors		9,376
10,565	Cash and Cash Equivalents		12,029
28,873	Current Assets		21,658
(13,214)	Short Term Borrowing		(29,218)
(40,563)	Short Term Creditors		(29,633)
(4,300)	Short term provisions		1,890
(58,077)	Current Liabilities		(56,961)
(47,077)	Pension Liability	9	(47,077)
(201,486)	Long term borrowing		(198,266)
548	Other Long term Liabilities and Provisions		(6,358)
(9,788)	Capital Grants Receipts in Advance		(4,135)
(257,803)	Long Term Liabilities		(255,836)
681,409	Net Assets		651,713
(24,671)	Usable Reserves		(28,902)
(651,722)	Unusable reserves		(622,805)
(676,393)	Total reserves		(651,707)

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

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Balance Sheet as at 31 March 2023

limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

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

Suzanne Jones

Strategic Director – Customer, Business and Corporate Support

Date: xx yyy 2023

Pending

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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.

2021/22 £'000		2022/23 £'000
(1,525)	Net surplus or (deficit) on the provision of services	2,913
43,529	Adjustment to net surplus or deficit on the provision of services for non-cash movements	2,828
(9,319)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(12,677)
32,685	Net cash flows from Operating Activities	(6,936)
(34,963)	Investing Activities	(7,596)
7,714	Financing Activities	17,757
5,436	Net increase or decrease in cash and cash equivalents	3,225
5,130	Cash and cash equivalents at the beginning of the reporting period	10,565
	Remaining non cash transactions still to be identified (net)	(1,761)
10,566	Cash and cash equivalents at the end of the reporting period	12,029

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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.

2022/23	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserves	Major Repairs Reserve	Capital grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	(4,568)	(10,351)	(2,258)	(426)	(4,890)	(1,572)	(606)	(24,671)	(656,737)	(681,408)
Movement in reserves during 2022/23										
Total Comprehensive Income and Expenditure	9,479		(6,567)		-	-	-	2,912	26,789	29,701
Adjustments between accounting basis & funding basis under regulations (note 3)	(3,138)		5,012		(4,588)	(4,449)	17	(7,146)	7,145	(1)
Transfers to/from earmarked Reserves	(5,477)	5,477	77	(77)				-		-
Net (Increase)/Decrease in 2022/23	864	5,477	(1,478)	(77)	(4,588)	(4,449)	17	(4,234)	33,934	29,700
Balance at 31 March 2023	(3,704)	(4,874)	(3,736)	(503)	(9,478)	(6,021)	(589)	(28,905)	(622,803)	(651,708)

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Movements in Reserves Statement

2021/22	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserves	Major Repairs Reserve	Capital grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2021	(3,148)	(19,851)	(3,715)	(340)	(1,873)	(4,327)	(1,140)	(34,394)	(588,795)	(623,189)
Movement in reserves during 2020/21										
Total Comprehensive Income and Expenditure	6,286		(784)		-	-	-	5,502	(58,553)	(53,051)
Adjustments between accounting basis & funding basis under regulations (note 3)	1,793		2,157		(3,017)	2,754	534	4,221	(4,374)	(153)
Transfers to/from earmarked Reserves	(9,500)	9,500	85	(85)	-	-	-	-	-	-
Net (Increase)/Decrease in 2021/22	(1,421)	9,500	1,458	(85)	(3,017)	2,754	534	9,723	(62,927)	(53,205)
Rounding										1
Balance in 21/22 published draft accounts	(4,569)	(10,351)	(2,257)	(425)	(4,890)	(1,573)	(606)	(24,671)	(651,722)	(676,393)
Subsequent adjustments	1	-	(1)	(1)	-	1	-	-	(5,015)	(5,015)
Balance at 31 March 2022	(4,568)	(10,351)	(2,258)	(426)	(4,890)	(1,572)	(606)	(24,671)	(656,737)	(681,408)

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

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 Strategic Director - Customer, Business and Corporate Support. Events taking place after that date will not be reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. No events leading to adjustments have occurred as of 30th June 2023.

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. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CI&ES).

See overleaf

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Notes to the Accounts

Expenditure and Funding Analysis 2022/23	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	1,694		-	(12)	1,706
Finance and Legal	4,271		2,522	-	1,749
Community Services	5,774		64	(1,967)	7,677
Commercial & Development	1,637		329	(10,142)	11,450
Corporate Services	655		-	(143)	798
Planning & Building Control	3,067		-	(18)	3,085
Housing General Fund	1,061		-	(765)	1,826
Housing Revenue Account		1,622	9,119	(858)	(6,639)
Net Cost of Services	18,159	1,622	12,034	(13,905)	21,652
Other Income and Expenditure	3,253	-		6,266	(1,762)
Financing & Investment Income and Expenditure	7,222	9,344	(12,034)	7,214	5,801
Taxation and other non-specific grant income and expenditure	(19,435)			2,301	(22,780)
Deficit/(surplus) on Provision of Services	9,200	10,966	-	1,876	2,911
	General Fund	HRA	Total		
Opening General Fund and HRA Balances	(14,919)	(2,684)	(17,603)		
Less/plus surplus or deficit on General Fund and HRA Balance in year	9,200	10,966	20,166		
Closing General Fund and HRA Balances at 31 March	(5,719)	8,282	2,563		

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Notes to the Accounts

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

2022/23	Adjustments for Capital Purposes £000's	Net change for the Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's
Chief Executive and Policy	(12)	-	-	(12)
Finance and Legal	-	-	-	-
Community Services	(1,967)	-	-	(1,967)
Commercial & Development	(10,142)	-	-	(10,142)
Corporate Services	(143)	-	-	(143)
Planning & Building Control	(18)	-	-	(18)
Housing General Fund	(765)	-	-	(765)
Housing Revenue Account	(858)	-	-	(858)
Net Cost of Services adjustments	(13,905)	-	-	(13,905)
Other Income and Expenditure	6,266	-	-	6,266
Financing & Investment Income and Expenditure	7,214	-	-	7,214
Taxation and other non-specific grant income and expenditure	7,737	-	(5,436)	2,301
Difference between General Fund and HRA surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	7,312	-	(5,436)	1,876

Adjustments Relating to Internal Management Reporting

2022/23	Interest £'000	MRP £'000	RCCO £'000	Trading Accounts £'000	Total £'000
Chief Executive and Policy	-	-	-	-	-
Finance and Legal	12	2,454	56	-	2,522
Community Services	-	-	-	64	64
Commercial & Development	-	-	-	329	329
Corporate Services	-	-	-	-	-
Planning & Building Control	-	-	-	-	-
Housing General Fund	-	-	-	-	-
General Fund Total	12	2,454	56	393	2,915
Housing Revenue Account	4,117	5,000	2	-	9,119

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Notes to the Accounts

Segmental income

2021/22 £'000		2022/23 £'000
	Services	
(10,762)	Chief Executive and Policy	(1,165)
(7,624)	Community Services	(12,141)
(3,508)	Commercial & Development	(5,879)
(3,541)	Corporate Services	(3,857)
(4,306)	Finance and Legal	(8,149)
(25,109)	Housing General Fund	(22,720)
(29,766)	Housing Revenue Account	(30,184)
(2,469)	Planning & Building Control	(2,406)
(87,086)	Total Income analysed on a segmental basis	(86,502)
(21,623)	Non-segmental	(23,074)
(108,709)	Total Income	(109,576)

Expenditure/Income by nature

2021/22 £'000		2022/23 £'000
	Expenditure	
19,226	Employee benefits expenses	20,971
53,342	Other Service Expenses	54,518
10,485	Support Service recharge expenditure	11,636
13,000	Revaluation gains, depreciation, amortisation and impairment	21,826
4,752	Interest payments	212
938	Pension adjustment	-
2,882	Precepts and levies	3,253
934	Payments to Housing Capital Receipts Pool	-
4,677	Gain or Loss on Disposal of Fixed Assets and derecognition of replaced asset components	-
110,235	Total expenditure	112,416
	Income	
(37,138)	Fees, charges & other service income	(45,928)
(3,005)	Other capital receipts and income	-
(10,580)	Support Service recharge income	(11,708)
(16)	Interest and investment income	(403)
(14,318)	Income from council tax	(15,485)
11,786	Income from business rates	1,432
(55,438)	Government grants and other contributions	(37,482)
(108,709)	Total Income	(109,576)
1,526	(Gain) or Loss on the Provision of Services	2,840

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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	
2022/2023	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources						
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)	-	-				
Council Tax and NDR (transfers to/(from) the Collection Fund Adjustment Account)	5,436					(5,436)
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)	(13,666)	(12,763)			(3,120)	29,549
Total Adjustments to Revenue Resources	(8,230)	(12,763)	-	-	(3,120)	24,113
Adjustments between Revenue and Capital Resources						-
Transfer of non-current asset sales proceeds from revenue to the Capital Receipts Reserve	3,410	6,138	(9,540)			(8)
Administration costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	(8)	(39)	29			18
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		6,663		(6,663)		-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	2,454	5,000				(7,454)
Other capital receipts taken to the CI&ES	(819)	11	(10)			818
GF Asset Disposal NBV (transfer to Capital Adjustment Account)	-					-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	56	2				(58)
Total Adjustments between Revenue and Capital Resources	5,093	17,775	(9,521)	(6,663)	-	(6,684)
Adjustments to Capital Resources						
Use of Capital Receipts Reserve to finance capital expenditure			4,933			(4,933)
Use of Major Repairs Reserve to finance capital expenditure				2,214		(2,214)
Application of capital grants to finance capital expenditure					3,137	(3,137)
Cash payments in relation to deferred capital receipts	-					-
Total Adjustments to Capital Resources	-	-	4,933	2,214	3,137	(10,284)
Total Adjustments	(3,137)	5,012	(4,588)	(4,449)	17	7,145

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

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
Cost or Valuation						
At 1 April 2022	642,736	256,366	18,033	3,129	62,432	982,696
Transfers	-	-	-	-	-	-
Additions	7,865	1,329	681	309	18,079	28,263
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	(26,789)	-	-	-	(26,789)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	(8,811)	-	-	-	(8,811)
Write off - disposals	(1,831)	(1,964)	-	-	-	(3,795)
Write off - replaced components	-	-	-	-	-	-
Assets reclassified (to)/from	-	2,750	-	-	(2,750)	-
Assets reclassified (to)/from assets held for sale	-	-	-	-	-	-
Impairment (losses)/reversals recognised in the surplus/deficit on the Provision of Services	-	-	-	-	-	-
Impairment (losses)/reversals recognised in the Revaluation Reserve	-	-	-	-	-	-
At 31 March 2023	648,770	222,881	18,714	3,438	77,761	971,564
Accumulated Depreciation and Impairment						
At 1 April 2022	(7,816)	(6,584)	(13,491)	(1,669)	-	(29,561)
Transfers	-	-	-	-	-	-
Depreciation charge	(8,568)	(3,169)	(904)	(147)	-	(12,788)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
Depreciation written out to the Surplus/(Deficit) on the Provision of Services	-	-	-	-	-	-
Write off - disposals	45	-	-	-	-	45
Impairment (losses)/reversals recognised in the Surplus/(Deficit) on the Provision of Services	-	-	-	-	-	-
Reclassification Transfers	-	-	-	-	-	-
At 31 March 2023	(16,339)	(9,753)	(14,395)	(1,816)	-	(42,304)
Net Book Value						
At 31 March 2022	634,924	249,783	4,543	1,460	62,423	953,133
At 31 March 2023	632,431	213,128	4,319	1,622	77,761	929,260

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

Notes to the Accounts

5. Members' Allowances

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

2021/2022 £000	Members' Allowances	2022/2023 £000
436	Allowances	426
0	Expenses	2
436		428

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

6. Officers' Remuneration

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

2021/2022 £'000	Post Title	2022/23				Total Remuneration including pension contributions £'000
		Salary, fees and allowances £'000	Benefits in kind £'000	Total Remuneration excluding pension contributions £'000	Employer's pension contribution £'000	
144.8	Chief Executive and Head of Policy	112.2	-	112.2	20.7	132.9
(New)	Strategic Director - Strategy, Policy and Transformation (Deputy Chief Executive)	92.1	-	92.1	17.0	109.1
14.4	Strategic Director - Community & Place Delivery	101.1	-	101.1	18.7	119.8
10.4	Strategic Director - Customer, Business & Corporate Support	100.9	-	100.9	18.7	119.6
		406.3	-	406.3	75.1	481.4
2021/2022		542.7	-	542.7	154.0	696.7

Note: A new structure introduced three Directors to replace Heads of Service from 1 April 2022. The 2021/22 comparatives are for the previous structure which was based on 6 Heads of Service.

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

Notes to the Accounts

Remuneration	2021/22		2022/23	
	Number ex. redundancies	Number inc. redundancies	Number ex. redundancies	Number inc. redundancies
£50,000 - £54,999	5	5	24	24
£55,000 - £59,999	8	8	6	6
£60,000 - £64,999	5	5	8	8
£65,000 - £69,999			3	3
£70,000 - £79,999	4	4		
£80,000 - £89,999				
£90,000 - £99,999			1	1
£100,000 - £109,999			2	2
£110,000 -£119,999	1	1	1	1
Total	23	23	45	45

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

7. Termination Benefits

Exit package cost (including special payments)	Number of compulsory redundancies		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22 £'000	2022/23 £'000
£0 - £20k	1	1	4.9	6.7
£20k - £60k	1	0	28.3	0.0
£60k plus	1	2	65.6	188.2
Total	3	3	98.8	194.9

All redundancies were compulsory.

8. 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,

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

Notes to the Accounts

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 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.

We are not yet in a position to determine the cost of benefits earned in 2022-23 as we are yet to receive critical information from our actuarial advisers.

The approach we adopt in due course will follow the approach for the 2021/2022 accounts.

9. 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). Many of these bodies are not considered to be related parties (eg the East of 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).

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

Notes to the Accounts

In assessing whether a related party relationship might exist, the value of the transaction to both parties is considered. For instance, a number of 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 2022/23 are disclosed below. Expenditure & income is net of VAT. Further details of these transactions can be provided on request.

Organisation	Type	SADC person	22/23 Exp £000	22/23 Inc £000	Bal 31/3/23 £000 Note 1	Comments
Charity of Sarah Duchess of Marlborough	1	Cllr J Taylor Cllr A Wren		10	11	See note 2
Citizens Advice St Albans	1	Cllr S Howland	190	5	3	See note 3
Lionel Annesley Dorant for Almshouses	1	Cllr S Howland Cllr J Murray		5	23	See note 2
Oak Tree Gardens	3	C O'Callaghan	0		0	
St Albans BID	1	Cllr C White (Observer)	29	62	(88)	See note 4
St Albans City and District Estates	3	L Parker D Phillipson			30	
St Albans Cycle Hub	1	Cllr R Everall	5		15	
St Albans for Refugees	4	Cllr L Needham				See note 5
St Albans Museums & Galleries Trust	2	Cllr L Cunnigham		5	5	
West Herts Crematorium Joint Committee	1, 3	Cllr A Rowlands			(1,500)	See note 6

Notes:

1. Balances: () = Monies owed. Where notes 2 or 4 apply, includes these balances.
2. The Council collects rents on behalf of these two Charities, acting as their agent. £189k was remitted to the Charity of Sarah Duchess of Marlborough and £113k was remitted to Lionel Annesley Dorant for Almshouses.
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. £569k was remitted to the BID. The £88k payable at year end comprised

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

Notes to the Accounts

£108k due to the BID for collected levy and £20k due from the BID for rent 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. Oak Tree Gardens (St Albans) Management Company Limited: the council had significant influence over this company until 2 August 2022 and a member of staff was a Director until 20 July 2022.
2. St Albans City and District Estates Limited: the Council owned this company but subsequent to the year end the company was dissolved; during the year the company was inactive and two members of staff were Directors at various times.
3. 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. It is expected that Three Rivers District Council will take over operation of the Crematoria in the near future (as provider of a shared service to the other five current members)
4. 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 2022/23 is shown in note 5. 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.

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

Notes to the Accounts

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 each Councillor's profile). As at 22 August 2023 there were 5 declarations outstanding from current 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).

10. 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 of the claims paid from 1 October 1993. The balance of un-provided claims MMI could ask for as at 31 March 2023 is £0.50m (31 March 2022 £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

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

Notes to the Accounts

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.

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

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.

2021/22 £'000	Movement on the Housing Revenue Account Statement	2022/23 £'000
(3,871)	Balance on the HRA at the end of the previous year	(2,258)
(785)	(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	(6,566)
Adjustments between accounting basis and funding basis under statute		
1,080	Transfer (from)/to the Capital Adjustment Account for the impairment of dwellings	(759)
10,000	Transfer to the Capital Adjustment Account for debt repayment provision	5,000
(4,500)	Loan repayment funded by MRR	(2,200)
(564)	Transfer from the Capital Adjustment Account for Revenue expenditure funded from capital under statute	(936)
(20)	Contribution from the Capital Receipts Reserve towards the administrative costs of non-current asset disposals	(39)
411	Revenue contribution to capital	2
2,462	Gain on sale of HRA non-current assets	3,503
(6,175)	Write-off of replaced asset components	-
182	Capital grants and Contributions	430
-	Other Capital Receipts	11
(566)	HRA share of contributions to or from the Pensions Reserve	-
1,525	Net (increase)/decrease before transfers to or from reserves	(1,554)
88	Transfers to/(from) reserves	76
1,613	(Increase)/decrease in year on the HRA	(1,478)
(2,258)	Balance in 21/22 published draft accounts	
-	Subsequent adjustments	
(2,258)	Balance on the HRA at the end of the current year	(3,736)

Note: the entries to write off replaced asset components and to reverse revaluation gains reversing prior year losses are yet to be processed.

St Albans City & District Council: Statement of Accounts 2022/2023
Housing Revenue Account

2021/22 £'000	Movement on the Housing Revenue Account Statement	2022/23 £'000
(3,871)	Balance on the HRA at the end of the previous year	(2,258)
(785)	(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	(6,566)
	Adjustments between accounting basis and funding basis under statute	
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-	Subsequent adjustments	
(2,258)	Balance on the HRA at the end of the current year	(3,736)

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

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.

2021/22 (£'000)			Collection Fund Income and Expenditure Account			2022/23 (£'000)				
Business Rates	Council Tax	Total				Business Rates	Council Tax	Total		
-	(122,273)	(122,273)	Income		Council tax receivable	C1	-	(128,322)	(128,322)	
(47,523)	-	(47,523)			Transfer for Transitional Relief, S13A(1)(C) Reliefs		-	-	-	
330	-	330			Business rates receivable	C2	(52,868)	-	(52,868)	
(47,193)	(122,273)	(169,466)			Less Transitional payment protection payable		82	-	82	
				Total Income		(52,786)	(128,322)	(181,108)		
6,143	90,601	96,744	Expenditure	Precepts, Demands and shares:	Hertfordshire County Council		5,253	96,909	102,162	
-	13,122	13,122				Police and Crime Commissioner for Hertfordshire		-	14,131	14,131
24,572	14,459	39,031				St Albans District Council (including Parishes)		21,012	15,319	36,331
30,715	-	30,715			Central Government		26,265	-	26,265	
180	-	180			Costs of collection		180	-	180	
-	112	112			Write-offs of uncollectable amounts		4	-	4	
(191)	450	259			Allowance for impairment		229	587	817	
(2,724)	-	(2,724)			Provision for appeals		1,777	-	1,777	
112	-	112			Enterprise Zone		105	-	105	
(32,665)	185	(32,480)				Contributions towards previous year's estimated Collection Fund surplus/(deficit)	C3	(15,722)	1,460	(14,261)
26,142	118,929	145,071		Total Expenditure		39,104	128,408	167,511		
(21,051)	(3,344)	(24,395)		Movement on Fund balance		(13,682)	85	(13,596)		
40,873	(820)	40,053		Balance at 1 April brought forward		19,822	(4,164)	15,658		
19,822	(4,164)	15,658		Balance at 31 March carried forward		6,140	(4,079)	2,062		
1,982	(3,190)	(1,208)	Shares of balance		Hertfordshire County Council		614	(3,126)	(2,512)	
-	(470)	(470)			Police and Crime Commissioner for Hertfordshire		-	(460)	(460)	
7,929	(504)	7,425			St Albans District Council (included in reserves)		2,456	(492)	1,964	
9,911	-	9,911			Central Government		3,070	-	3,070	
19,822	(4,164)	15,658		Total carried forward		6,140	(4,078)	2,062		

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

Collection Fund Statement

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	608	0.67	407
B	between £40,001 and £52,000	1,875	0.78	1,463
C	between £52,001 and £68,000	7,238	0.89	6,442
D	between £68,001 and £88,000	13,714	1.00	13,714
E	between £88,001 and £120,000	11,753	1.22	14,339
F	between £120,001 and £160,000	8,707	1.44	12,538
G	between £160,001 and £320,000	7,516	1.67	12,551
H	over £320,000	1,277	2.00	2,554
		52,688		64,008
	Less adjustment for non-collection (1%)			(640)
	Council Tax Base for 2022/23			63,368
	Council Tax Base for 2021/22			61,607

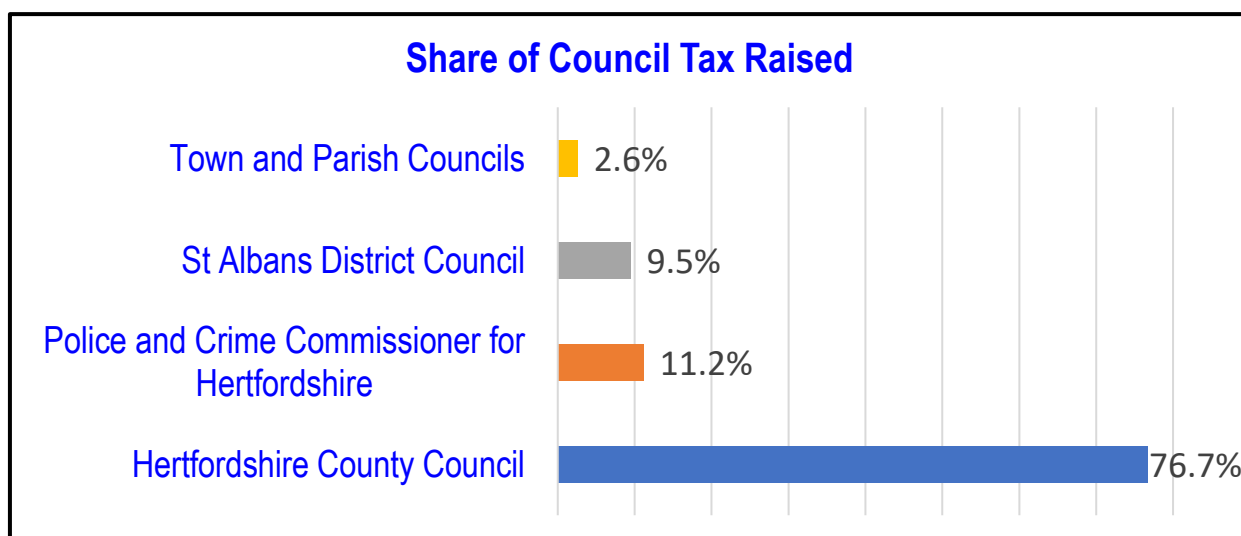
Council Tax Levy at Band D by Precepting Council:

2021/22	Council Tax Levy at Band D	2022/23
£1,470.63	- Hertfordshire County Council	£1,529.31
£213.00	- Police and Crime Commissioner for Hertfordshire	£223.00
£185.41	- St Albans District Council	£190.41
£49.28	- Town and Parish Councils	£51.34
£1,918.32	Average Council tax Levy at Band D	£1,994.06

St Albans City & District Council: Statement of Accounts 2021/2022

Collection Fund Statement

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.



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:

2021/22	Business Rate Factors	2022/23
148,039,308	Rateable value at 31 March as notified by the Valuation Office Agency	177,986,078
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 of 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 2021/2022

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.

2021/22			Precepting Authorities	2022/23		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
(4,329)	159	(4,170)	Hertfordshire County Council	(1,572)	1,118	(454)
-	22	22	Police and Crime Commissioner for Hertfordshire	-	164	164
(12,889)	4	(12,885)	St Albans District Council	(6,289)	178	(6,111)
(15,447)	-	(15,447)	Central Government	(7,861)	-	(7,861)
(32,665)	185	(32,480)	Total surplus/(deficit)	(15,722)	1,460	(14,261)

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



St Albans
City & District Council



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ST ALBANS CITY AND DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

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

St Albans City and District Council – Annual Governance Statement 2022-23

1. Scope of Responsibility

- 1.1 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. That public money is safeguarded and 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.
- 1.2 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.
- 1.3 The Annual Governance Statement (AGS) describes the extent to which the Council has, for the year ended 31 March 2023, 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 2023/24.
- 1.4 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.

2. The Purpose of the Governance Framework

- 2.1 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.
- 2.2 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

2.3 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).

2.4 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.

2.5 The governance framework has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual statement of accounts.

3. The Governance Framework

3.1 Key features of the Council's governance framework during 2022/23 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 Corporate 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.

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- v. **Service Committees** – (Policy Committee, Public Realm Committee, Housing & Inclusion Committee and Regeneration & Business Committee) are responsible for all decisions within their areas of responsibility, which are not otherwise delegated, or which can only be taken by Council.
- vi. **Scrutiny Committee** – supports the work of the Service Committees and the Council as a whole. The committee takes an overview of all the activities that the Council is involved in and can decide to examine in depth (scrutinise) particular issues.
- vii. **Audit Committee** – this and the Standards Committee are Regulatory Committees. The Audit 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 CIPFA review of the Audit Committee has been completed and recommendations implemented, including the appointment of an independent Chair of the Audit Committee
- viii. **Standards Committee** – promotes high standards of conduct and has responsibility for overseeing investigations of complaints against Councillors.
- ix. **Regulatory Committees** – ensure compliance to regulations:
 - Licensing and Regulatory Committee
 - Licensing Sub Committee
 - Planning (Development Control) Committees: and
 - Planning Referrals Committee
- x. **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.
- xi. **The Chief Executive** – (Head of Paid Service) as part of the Strategic Leadership Team has delegated authority to take operational decisions within policies and budgets set by Council. The Director of Strategy, Policy and Transformation is the Deputy Chief Executive
- xii. **The Director of Customer, Business and Corporate Support** – is the Council’s Section 151 Officer leading a finance service which promotes effective financial management so that public money is safeguarded and used economically, efficiently and effectively.
- xiii. **The Solicitor to the Council** – acts as the Council’s Monitoring Officer and 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.
- xiv. **Strategic Leadership Team (SLT)** comprises the Chief Executive and three Strategic Directors and is responsible for the day-to-day management of the

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Council. The current Strategic Directors started in April 2022 and are embedding change. The Customer Delivery Strategy has been implemented.

- xv. Corporate Property Board** was introduced during the year to facilitate closer review of the capital programme delivery and the property asset portfolio. The Board comprises SLT 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.
- xvi. Risk Management** – a Corporate Risk Strategy overseen by SLT and Audit Committee. There has been a fundamental review of the risk registers (strategic and operational) following the Council's restructure.
- xvii. Standard committee report format** – that includes specific consideration of all legal, financial, professional, technical, risk management and equalities implications.
- xviii. Medium Term Financial Strategy** – which informs service planning and budget setting.
- xix. A complaints procedure**
- xx. Internal Audit** - a risk-based approach to internal audit, emphasising the need for sound control, governance and risk management arrangements. On 1 November 2022 St Albans joined the Internal Audit shared service hosted by Broxbourne Borough Council, and includes Harlow and Epping Forest District Councils.
- xxi. Whistle blowing policy and process** – sits alongside the anti-fraud, bribery and corruption strategy (last updated October 2022) outlining the Council's zero tolerance approach to fraud, bribery and corruption. The whistleblowing policy is currently being refreshed to take account of the changes in structure of the Council.

4. Review of Effectiveness

4.1 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:

- Review of decision-making by Scrutiny Committee;
- The Standards Committee monitors and reports annually to Council on the operation of the Council's governance arrangements with regard to transparency and accountability;
- Annual reporting to Council on the work of the Audit Committee;
- Assurance checklists from managers and assurance statements from the Strategic Directors provide evidence that the key elements of the system of internal control are operating effectively;

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- 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 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 Committee;
- Consideration of this document by the SLT with reference to the wider aspects of governance; and
- Significant governance issues from previous years and from 2022/23.

5. Overall opinion of St Albans governance arrangements

- 5.1 This AGS demonstrates that the Council's governance arrangements have remained fit for purpose during 2022/23.
- 5.2 The SLT has undertaken an assessment of the arrangements for governance during 2022/23 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.

6. Governance Issues Identified

- 6.1 This final part of the AGS outlines the actions taken, or proposed, to deal with significant governance issues identified. The Council's SLT, 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 2021/22 AGS

Key improvement/review area identified in the 2021/22 AGS	Action taken in 2022/23 to address the issue
<p>Economic issues</p> <p>At the time of writing this AGS, both national and global events have led to a very volatile economic situation.</p> <p>Exceptional increases in inflation are being seen and the availability of raw materials and other inputs is</p>	<p>Implications are being monitored with mitigating strategies being developed and implemented by SLT (Senior Leadership Team). These feature as key considerations in the reports presented to Policy Committee throughout 2022/23 and will</p>

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Key improvement/review area identified in the 2021/22 AGS	Action taken in 2022/23 to address the issue
<p>a problem globally. This has a direct impact on the Council in terms of potential cost increases including major works and projects. There may also be an indirect consequence with a potential increase in demand by those accessing Council services</p>	<p>continue in 2023/24. The budget was approved at the Council meeting on 22 February 2023 and forms the basis of a revised Medium Term Financial Strategy) (MTFS).</p>
<p>Statement of Accounts Nationally, councils continue to have difficulty getting their final accounts audited. This is the same for St Albans</p>	<p>The latest draft published accounts on the Council's website are for the financial year 2020/21. These are still being audited by the Council's External Auditors, BDO. The Audit Committee is being updated on progress</p>
<p>Financial Resilience and Financial Management Code review Rolled over from last year following on from the 2020/21 introduction of CIPFA's Financial Management Code 2019. A key goal of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, an action plan will be developed to address the issues.</p>	<p>The assessment was delayed whilst resources were focussed on the budget setting process and assisting External Audit. An assessment will be undertaken in 2023/24, after the 2020/21 External Audit has been completed. In addition, the financial planning process, and the Council's Medium-Term Financial Strategy in particular, was kept under review as the Council seeks to restore financial stability and maintain sustainability in the longer term. The budget was approved at the Council meeting on 22 February 2023, and this will form the basis of a revised MTFS.</p>

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Key improvement/review area identified in the 2021/22 AGS	Action taken in 2022/23 to address the issue
<p>Local Code of Governance</p> <p>It is important that the Council keeps its governance arrangements up to date and relevant. Its Local Code of Governance has not been formally reviewed (for several years) to ensure it reflects the key components set out in the framework produced in 2016 by CIPFA (Chartered Institute of Public Finance and Accountancy) entitled 'Delivering Good Governance in Local Government'</p>	<p>This has been completed. The updated Local Code of Corporate Governance was reviewed by the Audit Committee at their October 2022 meeting.</p>
<p>CIPFA review of the Audit Committee</p> <p>Towards the end of 2021/22 CIPFA undertook a review of the operation of the Council's Audit Committee as the Council was considering the way in which the Committee operated following concerns raised by some Committee members. It was also looking for ways to improve the operation of the Committee.</p>	<p>The recommendations made in the 23 June 2022 CIPFA review of the Audit Committee report have been implemented.</p> <p>One of the key recommendations was the appointment of an Independent Chair of the Audit Committee, who is now in post.</p>
<p>Common themes from the Service Assurance Statements were:</p>	
<p>Risk Management</p> <p>Further work is required to develop and embed operational processes</p>	<p>The Strategic Risk Register has been subject to a fundamental review. The directorate risk registers are in the revised format, consolidated and the first one went to the April 2023 Audit Committee meeting for review.</p>

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Key improvement/review area identified in the 2021/22 AGS	Action taken in 2022/23 to address the issue
<p>Training and awareness</p> <p>A number of areas where further training and awareness was identified in the checklists include budgetary control/financial monitoring, project management and Financial Regulations</p>	<p>All staff training on anti-bribery and corruption has been completed and a series of contract monitoring workshops rolled out across the Council during 2022/23.</p>

6.2 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 2023/24

Key improvement/review area identified in the 2022/23 AGS	Action to be taken in 2023/24 to address the issue
<p>Economic issues</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 will continue to be closely monitored by the Strategic Leadership Team (SLT). Mitigating strategies, will be 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 is being 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>

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Key improvement/review area identified in the 2022/23 AGS	Action to be taken in 2023/24 to address the issue
<p>Statement of Accounts</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 raised from within the Local Government sector.</p>	<p>The Council continues to work with its External Auditors to resolve the current issues. The Section 151 Officer accesses professional guidance and support available through professional networks.</p> <p>The Audit and Governance Committee will continue to be updated on progress</p>
<p>Corporate Peer Challenge Action Plan</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"> 1. Local priorities and outcomes 2. Organisational and place leadership 3. Governance and culture 4. Financial planning and management 5. Capacity for improvement 	<p>The Council needs to publish an action plan within six weeks (of receipt of the final report) in response to the Corporate Peer Challenge report publication. A six month check-in (follow up) will be scheduled, giving an opportunity to discuss progress and next steps.</p> <p>Note – the committee and scrutiny function described in 3.1 were revised by Council in April 2023 to come into effect for the new municipal year.</p> <p>Once created, the Council’s progress against its Corporate Peer Challenge action plan will be monitored by SLT and the Strategy and Resource Committee. and published on the Council’s website.</p>
<p>Financial Management Code review</p> <p>Carried over from last year’s AGS action plan</p>	<p>An assessment will be undertaken in 2023/24, after the 2020/21 External Audit has been completed. 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>

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Common themes from the Service Assurance Statements were:	
<p>Risk Management and business/service planning</p> <p>More work is required to ensure risk management is embedded within services, and within service/business planning processes</p>	<p>Work undertaken in 2022/23 to improve risk management processes, especially at the operational level, will continue, with greater alignment with service/business plans processes.</p>
<p>Equality Impact Statements</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, a number of Equality, Diversity and Inclusion champions are being identified from within the council who will be trained to support staff.</p> <p>The issue is also being recognised as part of the 2022/23 Equality and Diversity Internal Audit. Implementation of the agreed recommendations in that report will help strengthen the overall framework.</p>

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

<p>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.</p>	
<p>Signed:</p> <p>Councillor Chris White (Leader of the Council)</p>	<p>Date: 18/7/23</p>
<p>Signed:</p> <p>Amanda Foley (Chief Executive)</p>	<p>Date: 18/7/23</p>

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Independent Auditor's Report

Independent Auditor's Report

The 2022/23 audit report will be issued once the audit of the accounts has been completed (note: it is yet to start).