

Audit and Governance Committee

Date of Meeting:	17th January 2022
Report Title:	Statement of Accounts 2020/21
Report of:	Alex Thompson, Director of Finance & Customer Services
Report Reference No:	AG/7/21-22
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The 2020/21 Statement of Accounts provide information on the financial assets and transactions of the Cheshire East Group for the period 1st April 2020 to 31st March 2021 and comparative data for the preceding year. The Group consists of Cheshire East Council and the companies that are either wholly or partly owned by the Council.
- 1.2. This report contributes to the Council's strategic objective of being an open and enabling organisation.

2. Executive Summary

- 2.1 The draft Statement of Accounts was prepared and submitted for external audit on 20th September 2021. The external audit of these Accounts is now complete and the external auditors, Mazars LLP, anticipate providing an unqualified opinion.

3. Recommendations

- 3.1. That the changes to the draft Accounts, in accordance with the Audit Completion Report, be noted.
- 3.2. That the Chairman of Audit and Governance Committee be given delegated authority to sign off the final Accounts on behalf of the Committee, in consultation with the Director of Finance and Customer Services.

4. Reasons for Recommendations

- 4.1. To ensure compliance with the Accounts and Audit Regulations 2015 and the Accounts and Audit (amendment) Regulations 2021.

5. Other Options Considered

- 5.1. Not applicable.

6. Background

- 6.1. The amendments reported in Section 6 of the Audit Completion Report have been reflected in the final Statement of Accounts.
- 6.2. The summary statements for the Group are provided in this report.
- 6.3. Group Comprehensive Income and Expenditure Account

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

Summarised Comprehensive Income and Expenditure Statement	2020-21			2019-20
	Spend £000	Income £000	Total £000	Total £000
Cost of Services	736,372	(377,664)	358,708	354,865
Other Operating Income & Expenditure	35,879	(4,534)	31,345	14,981
Financing and Invt Income and Expenditure	16,287	(3,286)	13,001	21,691
Taxation and Non-Specific Grant Income	0	(391,242)	(391,242)	(365,502)
(Surplus)/Deficit on Provision of Services	788,538	(776,726)	11,812	26,035
Tax Expenses	70		70	43
(Surplus)/Deficit of the Group	788,608	(776,726)	11,882	26,078
Surplus on revaluation of non-current assets			(6,695)	(30,623)
Surplus on revaluation of financial assets			(2,657)	5,315
Remeasurements of the net defined pensions benefit liability			207,842	(181,644)
Total			210,372	(180,874)

6.4. Group Movement in Reserves Statement

This statement shows the movement in year on the different reserves held by the Authority, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other 'unusable' reserves.

Summarised Movement in Reserves Statement	General Fund £000	Earmarked Reserves £000	Other Usable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Council's Share of Subsidiary Reserves £000	Total Reserves £000
Opening Balance 1/4/20	10,316	45,443	50,190	105,949	323,291	1,092	430,332
Reporting of Schools Budget Deficit to new Adjustment Account at 1st April 2021		2,560		2,560	(2,560)		0
Surplus / (Deficit) of the Group	(12,603)			(12,603)		721	(11,882)
Other Expenditure and Income	64,995		2,661	67,656	(67,656)		0
Accounting Adjustments	(51,192)	51,192		0			0
Transfer to Earmarked Reserves							
Closing Balance 31/3/20	11,516	99,195	52,851	163,562	54,585	1,813	219,960
Movement							210,372

6.5. Group Balance Sheet

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

Summarised Balance Sheet	31 March 2021 £000	31 March 2020 £000	Change £000
Property, Plant & Equipment	1,035,540	1,014,563	20,977
Investment Property	29,227	30,768	(1,541)
Other Non-Current Assets	1,751	1,207	544
Long Term Investments and Debtors	45,637	36,256	9,381
Long Term Assets	1,112,155	1,082,794	29,361
Short Term Investments	302	214	88
Debtors	112,244	68,554	43,690
Cash & Cash Equivalents	35,231	33,743	1,488
Other Current Assets	3,371	3,820	(449)
Current Assets	151,148	106,331	44,817
Creditors	(203,275)	(124,260)	(79,015)
Short Term Borrowing	(112,700)	(117,325)	4,625
Cash & Cash Equivalents	(3,488)	0	(3,488)
Other Current Liabilities	(11,110)	(11,473)	363
Current Liabilities	(330,573)	(253,058)	(77,515)
Provisions	(6,128)	(4,899)	(1,229)
Long Term Borrowing	(78,747)	(85,402)	6,655
Net Pension Liability	(574,275)	(355,605)	(218,670)
Other Long Term Liabilities	(53,620)	(59,829)	6,209
Long Term Liabilities	(712,770)	(505,735)	(207,035)
Net Assets	219,960	430,332	(210,372)
<i>Usable Reserves</i>			
Capital Receipts Reserve	0	3,000	(3,000)
Capital Grants Unapplied	52,851	47,190	5,661
Schools Reserves & Balances	7,758	4,565	3,193
Earmarked Reserves	91,437	40,878	50,559
General Fund Reserve	11,516	10,316	1,200
Profit and Loss Account	1,813	1,092	721
Total Usable Reserves	165,375	107,041	58,334
<i>Unusable Reserves</i>			
Revaluation Reserve	229,358	232,177	(2,819)
Capital Adjustment Account	448,437	448,605	(168)
Pensions Reserve	(574,275)	(355,605)	(218,670)
Other Unusable Reserves	(48,935)	(1,886)	(47,049)
Total Unusable Reserves	54,585	323,291	(268,706)
Total Reserves	219,960	430,332	(210,372)

- 6.6.** The final audited version of the Statement of Accounts will be published on the Cheshire East website following receipt of the necessary approvals.

7. Consultation and Engagement

- 7.1.** In accordance with the Accounts and Audit (amendment) Regulations 2021 (SI 2021/263) the accounts were made available for public inspection between 1st October to 11th November 2021.

8. Implications

8.1. Legal

- 8.1.1.** The Statement of Accounts has been completed as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (amendment) Regulations 2021.

8.2. Finance

- 8.2.1.** As covered in the report.

8.3. Policy

- 8.3.1.** There are no policy implications identified.

8.4. Equality

- 8.4.1.** There are no equality implications identified.

8.5. Human Resources

- 8.5.1.** There are no human resource implications identified.

8.6. Risk Management

- 8.6.1.** The Local Government Act 2003 and the Local Government and Housing Act 1989 require the Statement of Accounts to be produced in line with recommended accounting practices. Failure to do so could result in a qualification of the accounts which may lead to further audit costs in future as well as an adverse impact on the Council's reputation.

8.7. Rural Communities

- 8.7.1.** There are no direct implications for rural communities.

8.8. Children and Young People/Cared for Children

- 8.8.1.** There are no direct implications for children and young people.

8.9. Public Health

8.9.1. There are no direct implications for public health.

8.10. Climate Change

8.10.1. There are no direct implications for climate change.

Access to Information	
Contact Officer:	Joanne Wilcox Head of Financial Management Joanne.wilcox@cheshireeast.gov.uk
Appendices:	Not applicable
Background Papers:	Statement of Accounts 2020-21 DRAFT (cheshireeast.gov.uk)