

London Borough of Haringey
Draft Statement of Accounts 2022/23

31 July 2023

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CONTENTS

Contents	Page
Narrative Report	5
Independent External Auditor's Report.....	14
Statement of Responsibilities.....	18
The Core Financial Statements	
- Comprehensive Income and Expenditure Statement.....	19
- Movement in Reserves Statement.....	21
- Balance Sheet.....	22
- Cash Flow Statement.....	23
Notes to the Statements	
Note 1 - Accounting policies.....	24
Note 2 - Accounting standards issued but not yet adopted.....	37
Note 3 - Critical judgements in applying accounting policies.....	37
Note 4 - Assumptions made about the future and other major sources of estimation uncertainty.....	38
Note 5 - Events after the balance sheet date.....	39
Note 6 - Expenditure and Funding Analysis and Notes.....	40
Note 7 - Other operating expenditure.....	44
Note 8 - Financing and investment income and expenditure.....	45
Note 9 - Taxation and non-specific grant income.....	46
Note 10 - Adjustments between accounting basis and funding basis under regulation.....	47
Note 11 – Movements in earmarked reserves.....	50
Note 12 - Property, plant and equipment.....	52
Note 13 - Investment properties.....	57

CONTENTS

Note 14 - Financial instruments.....	58
Note 15 - Nature and extent of risks arising from financial instruments.....	62
Note 16 - Debtors.....	65
Note 17 - Cash and cash equivalents.....	68
Note 18 - Creditors.....	68
Note 19 - Provisions.....	69
Note 20 - Unusable reserves.....	69
Note 21 - Cash Flow Statement – operating activities.....	73
Note 22 - Cash Flow Statement – investing activities.....	74
Note 23 - Cash Flow Statement – financing activities.....	75
Note 24 - Members allowances.....	76
Note 25 - External audit costs.....	76
Note 26 - Pooled budgets.....	77
Note 27 - Officers remuneration.....	79
Note 28 - Termination benefits.....	81
Note 29 - Dedicated Schools Grant.....	82
Note 30 - Grant income.....	83
Note 31 - Related parties.....	84
Note 32 - Capital expenditure and capital financing.....	86
Note 33 - Leases.....	86
Note 34 - Service Concession Arrangements.....	88
Note 35 - Pension schemes accounted for as defined contribution schemes.....	89
Note 36 - Defined benefit pension schemes.....	89
Note 37 - Contingent liabilities.....	96

CONTENTS

Note 38 - Adjustments between group accounts and single entity accounts.....	96
Housing Revenue Account and Notes.....	99
Collection Fund and Notes.....	103
Pension Fund Accounts and Notes (including independent auditor's opinion)	105
Annual Governance Statement.....	129
Glossary.....	161

NARRATIVE REPORT



**Statement from Jon Warlow, Director of Finance
(Section 151 Officer)**

INTRODUCTION

This Narrative Report provides the context upon which to understand the financial performance of the council. The report covers both a summary of the financial performance for the financial year 2022/23 coupled with a narrative of the non-financial performance over the past 12 months.

The report provides the reader with key contextual information about the authority including its main objectives and strategies, the principal risks that it faces and plans in place to manage and mitigate these. It also provides a commentary on how the Council (including the Group Accounts) has used its resources to achieve its desired outcomes in line with its objectives and strategies.

ABOUT HARINGEY

Haringey continues to be a great place to live for families. It has great opportunities, with enormous potential for growth. Our facilities are good, with a range of cultural events and good transport links. The borough has a growing economy, more and better housing and flourishing communities. We are part of one of the world's greatest cities and benefit hugely from that – but more than this, we believe that, with our potential for growth, we are the future of London. We are already home to institutions of national and international significance, including Tottenham Hotspur and Alexandra Palace.

Haringey now has 25 Green Flag Parks; and variety of housing available which meant that people who cannot afford other parts of the city have been able to make Haringey their home. A high percentage (78%) of residents say they have good friendships and/or associations in their local area, while 83% say relations between different ethnic and religious communities are good.

Haringey is a highly diverse borough, with young, ethnically diverse population. The total resident population in Haringey is 264,300 and BME or Other White ethnic groups account for 67% of the resident population. Children between the ages of 0-17 years accounts for 21% of the population. Residents aged 65+ accounts for 10% of the population.

Over 180 languages are spoken by Haringey residents, and 30% of Haringey residents do not speak English as their main language. Haringey's population is expected to increase by 6.3% in the next 10 years, to 280,100, with the largest percentage growth in older age groups (65+), Other ethnic groups and Other White ethnic groups. The over 65+ population will see increased concentration in the West

NARRATIVE REPORT

of the Borough, while the proportion of residents aged under 18 is not expected to change substantially.

Haringey is ranked 49 out of the 317 local authorities in England with respect to deprivation and is the 4th most deprived in London. Relative deprivation has reduced since 2015, though Haringey's London ranking has not shifted significantly. The most deprived areas are more in the east of the borough. By comparison, in the west a very small proportion fall into the deprived category.

Despite this, we embrace change and transformation, and we are keen to engage in best practice and actively seek out opportunities to make Haringey a better place to live for our residents. There are several examples where we are working innovatively with partners to improve service delivery and to create better pathways of support for our residents and businesses.

CORPORATE PLAN

Haringey is the world in one borough. A place of creativity, personality, radicalism, diversity, and community.

Haringey's people are a huge asset, with knowledge, expertise, and passion. With all the challenges we face locally and globally, we know that we need to tap into those strengths.

Haringey, like all Councils, have some big challenges ahead. We are faced with the challenges of tackling the climate emergency, supporting residents through the cost-of-living crisis, dealing with the long-term impacts of the pandemic on resident's health and well-being; and striving to reduce the unacceptable inequalities in our borough, ensuring every resident can live a secure, healthy, and fulfilling life.

To achieve our aspirations for a fairer, greener borough that works for everyone, we have launched "The Haringey Deal". This sets out

what we think that new way of working will be. If we get this right, we will truly be able to build a better future for Haringey, together.

This has informed a new way of working with residents - listening better, sharing power, drawing on residents and staff passion and expertise.

We have replaced the existing borough plan with corporate delivery plan. This Corporate Delivery Plan sets out our organisational delivery plans for the first two years of this new administration (up until April 2024). The Delivery Plan includes the outcomes we are working towards as an organisation; the activity planned to deliver these outcomes; how we will work to deliver it; and the key delivery dates. The plan is organised around the following themes: 1. Resident experience, participation, and collaboration 2. Responding to the climate emergency 3. Children and young people 4. Adults, health, and welfare 5. Homes for the future 6. Safer borough 7. Culturally Rich Borough 8. Place and economy.

HOW HARINGEY HAS HELPED RESIDENTS IN 2022/23

Haringey has been developing its expertise with innovative use of data to target help to the residents who might benefit from it most. We are proud of the progress we are making in this area and are seeing some fantastic results.

We have established a framework for monitoring progress against commitments and intermediate outcomes as set out in our Corporate Delivery Plan. We use "Monday.com" as a tool for tracking progress and will be publishing regular updates with the first one expected to be published in October 2023.

We have been able to support residents in several ways translating insight into action; not limited to some of these listed below:

NARRATIVE REPORT

Council Tax Reduction Scheme (CTRS):

27,264 residents got help with their council tax. 41% of residents eligible paid zero tax, while 59% paid reduced rate. This benefited those households receiving CTRS.

Discretionary Housing Payments:

650 Households received discretionary housing payments. Over £1.16m was paid out at end of March and committed to pay another £31.7k, bringing the total value of support to residents to £1.19m.

Financial Support:

Haringey financial support team received over 24,000 calls/ emails; and identified over 3,800 financial solutions. It helped over 1,400 residents improve their finances; helping residents claim over £435,000 worth of benefits. Furthermore, our online benefit calculator was used 2,790 times. We helped residents identify over £6.7m worth of benefit they could claim.

Haringey Support Fund:

The fund received applications from all 21 wards in the borough. There was 40% rise in application with 50% awarded for support with basic living needs. 25% awarded for essential appliances and 25% awarded for items of furniture. 1,860 applications awarded and over £372,000 awarded to vulnerable households.

Pension Credits:

Through our benefit maximisation campaigns we supported older residents to claim their entitlement worth over £1.3m – equivalent of £13.5m over the lifetime of those residents and ensuring that they received the Government's cost of living payments. 176 households claimed pension credit and 20% of residents claiming pension credit no longer had cash shortfall each month.

HIGHLIGHTS AND ACHIEVEMENTS

Ofsted Inspection:

Ofsted published the judgements and findings from the inspection that took place in Feb 2023 [Ofsted | London Borough of Haringey](#).

Haringey was judged as '**Overall 'Good'**' for the first time since the formation of Children's Service following the 2004 Children Act.

Ofsted said that since the last full inspection in 2018, when Haringey were judged as Requires Improvement, "**that much of the service is now transformed**" and that "**the transformation seen is making a positive difference to most children's lives**".

Improvement in Free for 2's nursery placement uptake:

Through effective use of data, Haringey has managed to increase the number of 'new' potentially eligible families and improve free for two nursery places take up. Take up has increased 18 percentage points from 49% in Autumn term 20/21 (below national average and statistical neighbours' performance) to 67% in 2022/23, a massive improvement. The latest figures for the spring term at 65% show sustained improvement, we are now targeting ward level data and communities with the lowest take-up including the issuing of free passes to the most vulnerable families.

Rising Green Youth Hub:

In August 2022 we opened a second youth hub in the borough – called Rising Green. It is located in the Noel Park ward of Haringey (in Wood Green town centre). Rising Green was co-designed and co-produced by a group collectively known as the Wood Green Young Voices, who – through working in partnership with architects Freehaus, JA Projects and Haringey Council – had a major say on many aspects of this project from technical design, branding to

NARRATIVE REPORT

delivery of service provision.

With their lived experiences of growing up in Wood Green, the Young Voices influenced the colour palette, logo and name of the hub, as well as the building designs and the programme of activities and events that will be on offer there throughout.

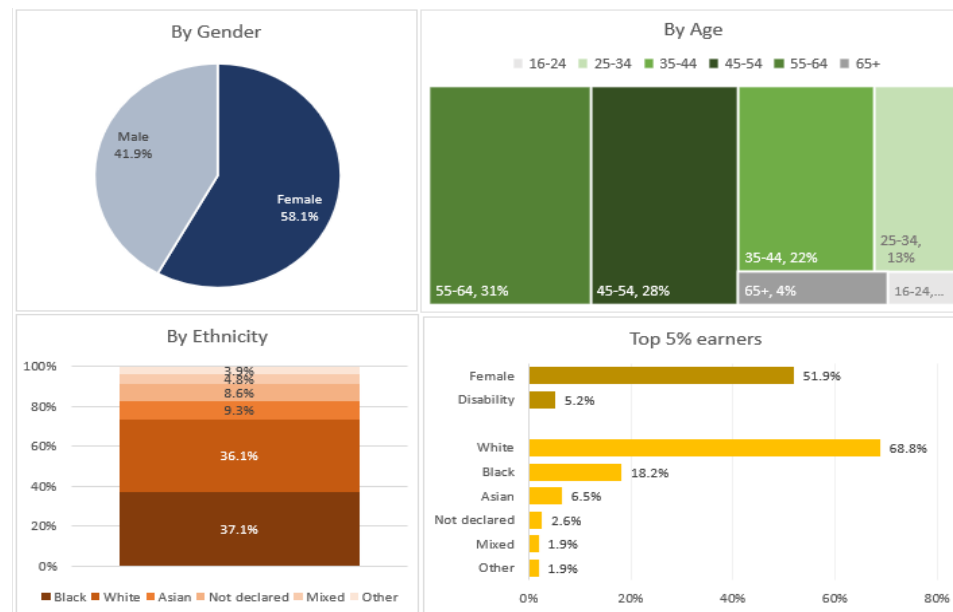
We are particularly proud that we are building our youth offer at a time when many local authorities have had to retrench.

HARINGEY WORKFORCE

On the 1st June 2022, Haringey Council brought in the Housing management function provided by Homes for Haringey (HfH). This meant that HfH staff were transferred into the main council workforce.

The Council now employs 3,295 people on full and part time contracts, equating to a full-time equivalent of 3,050 as at the end of 2022/23. This represents a 29% increase in the workforce compared with the staff headcount at the end of 2021/22. Filling of vacant positions and insourcing of Housing management function (HfH) are the main driving factors behind this increase.

The Haringey Council Employment Profile gives an overview of the organisation's workforce covering the various diversity strands such as disability, gender, ethnicity, and age. The profile helps us to understand the impact of people management practices on employees; to review and implement policy; and to enable the council to fulfil its obligations under the Equality Act 2010.



THE COUNCIL'S STATEMENT OF ACCOUNTS

The Statement of Accounts for the London Borough of Haringey summarises the Council's financial transactions for 2022/23 and its position as at 31st March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (revised) in accordance with proper accounting practices. Proper practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), supported by International Financial Reporting Standards (IFRS). The format and content of the accounts is largely prescribed and is, in some parts, complex, although we try to balance the statutory reporting requirements with the desire to make them clear and understandable to all interested parties. The Statement of Accounts has been prepared on the basis that the council is a going concern.

NARRATIVE REPORT

FINANCIAL PERFORMANCE

Overview

Haringey Council is responsible for managing cash flows and assets totalling over £5bn. Key figures for 2022/23 include:

- Gross revenue expenditure (spending on day-to-day services) of around £1.1bn;
- Income from fees, charges and grants of £799m;
- Billing of around £214m in council tax and business rates;
- Maintenance of fixed assets with a value over £3bn, including capital investment of £274m in housing, schools, highways and regeneration projects;
- Management of the £1.7bn Haringey Pension Fund.

The Council aims to minimise financing costs and maximise returns from surplus cash balances, within a low-risk treasury management strategy. The Strategy was reviewed and approved during the financial year. External borrowing at 31 March 2023 was £793m.

In common with the rest of local government, the Council continues to operate within an environment of ongoing reductions in core funding and increasing demand for its services.

Against this backdrop, the Council has maintained sound financial stewardship whilst at the same time developed innovative and collaborative approaches to service delivery, transformation and regeneration to help ensure future financial sustainability.

Revenue spending in 2022/23

The Council's final general fund revenue outturn for 2022/23 showed a stable position in the Council unearmarked general fund balance of £15.1m (£15.1m as at 31 March 2022).

General fund balances (including schools) were £97.2m at 31 March 2023 (£119.1m as at 31 March 2022). This decrease is mainly attributed to the drawdown of the Collection fund smoothing reserve to offset the expected drop in income from the Council's collection funds during the year, and reduction in schools reserves due to schools in-year deficits.

Housing Revenue Account

- The Council owns approximately 15,500 homes formerly managed by Homes for Haringey (wholly owned by Haringey Council) and now by the council.
- £107m was collected in rents and service charges in 2022/23 (£103m in 2021/22)
- Revenue spending on repairs, maintenance and management was £67m (£57m in 2021/22)
- Capital investment in the housing stock was £142m (£121m in 2021/22)

HRA usable reserves were £21.6m as at 31 March 2023 (usable reserves as at 31 March 2022 were £20.8m).

Capital Investment

Each year the Council approves its Medium-Term Financial Strategy (MTFS) which includes the Council's capital investment programme which spans the forward-looking five-year period. The Council has an ambitious capital programme of over £1bn to deliver on its priorities within the borough plan.

NARRATIVE REPORT

In 2022/23, £274m was invested in the council's capital programme including schools and HRA. Capital planning is, by its nature complex and often dependent on negotiation and external approvals. This means that the precise timing of spend is often uncertain.

Haringey Council Balance Sheet Position for Single Entity 31 March 2023

The Council's balance sheet increased by **£722m** in 2022/23, the high-level movements being:

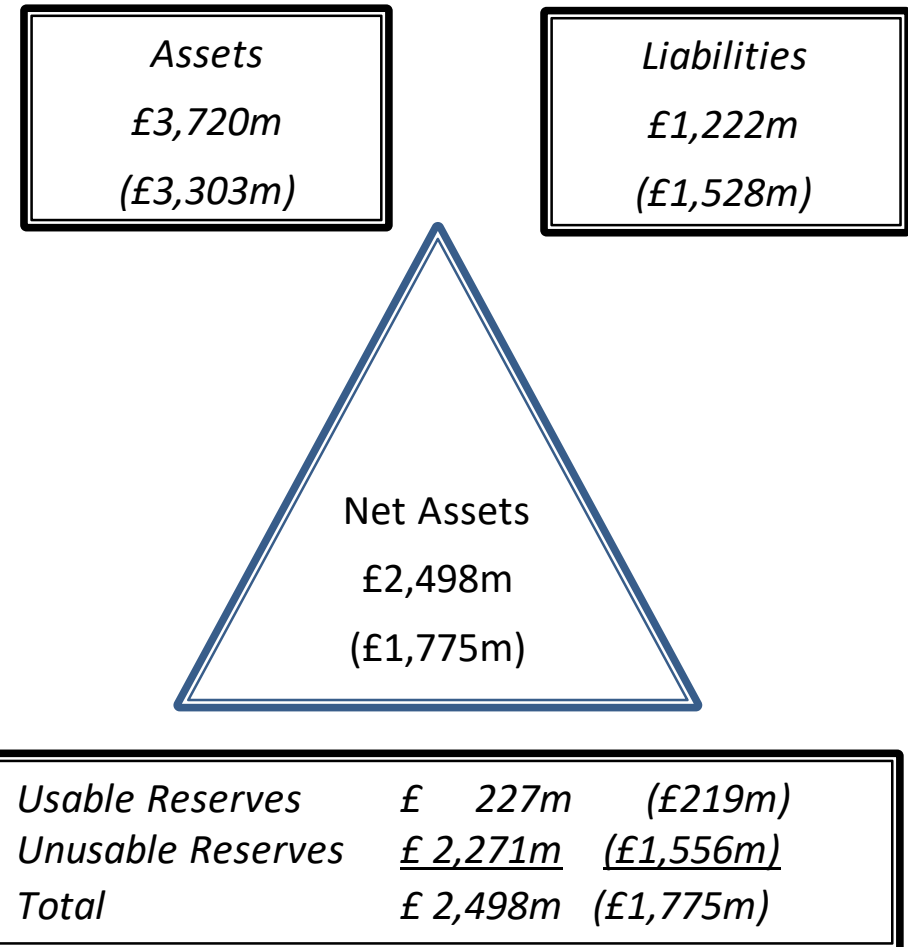
Increases

- Capital expenditure investment and property plant and equipment valuation increases, increasing the Council's long-term assets by £389m.
- favourable movements in the actuarial assumptions used in the valuation of the council's pension liabilities, decreasing net liabilities overall by £448m.
- Decrease in long- and short-term creditors by £34m.
- Increases in cash and cash equivalents, increasing short term assets by £21m.
- Increase in short-term debtors by £11m.
- Increase in other net assets by £2m.

Decreases

- Increases in Council borrowing, increasing long and short-term liabilities by £85m.
- Increase in capital and revenue grants received in advance by £98m.

The following summarises the Council's single entity balance sheet as at 31 March 2023



(Figures in brackets relate to position at 31 March 2022)

NARRATIVE REPORT

Pension Liabilities

- The net pension liability (£34m resulting from a net reduction of £448m from last year) in these accounts represents the difference between the estimated cost of pensions payable in the future (£1,638m), and the value of assets in the pension fund (£1,604m). This is calculated based on rules set by accounting standards and not on an actuarial basis which gives a more accurate estimate of the pension fund's financial position.
- The Pension Fund is revalued every three years to set future contribution rates. The last valuation was at 31st March 2022. The next valuation will be carried out as at 31st March 2025.
- On an actuarial basis, the funding level at 31 March 2023 for Haringey Council was assessed as 98% (overall the Haringey Pension Fund was 100% funded);
- The revenue cost of pensions was £19.98m for the year (£33.7m in 21/22)

KEY STRATEGIC RISKS FOR 2023/24

A risk management strategy is in place to identify and evaluate risks. The Annual Governance Statement (AGS) that is incorporated into the Statement of Accounts includes the key Corporate Risks and governance issues that have been identified during 2022/23 along with key actions to mitigate these down and a defined senior officer to take responsibility for delivering these and report back to Corporate Board as required.

Of course, in the context of this statement of accounts, the main risk we would highlight is the financial duress under which the Council found itself.

Progress against agreed actions will be regularly reviewed by the Council Leadership Team during 2023/24, as will the identification of any new emerging risks or issues.

Addressing future challenges in 2024/25 and beyond

The coming years will still be challenging especially with the effects of COVID-19 pandemic, and BREXIT still lingering, and impacting on Council's operations.

Worsening economic conditions in particular rising inflation is presently one of the biggest challenges facing us and the entire nation. With the growing levels of inflation, and wider economic pressures unlikely to abate to any extent this financial year, we are ensuring that we maximise the delivery of our challenging savings programme whilst focusing on mitigating actions that will bring down the current spend estimates.

Our outturn report to Cabinet of July 11, 2023 makes clear the extent of financial stress on the Council at the start of 2023/24 which at this

NARRATIVE REPORT

time must be assumed to continue into future years. The Council needs to take urgent steps to respond to the situation.

The statutory deadlines to produce the draft accounts and audited accounts have been changed from 1 August to 31 May for the draft, and from 30 September to 31 July for the audited accounts. This puts further pressure on Local authorities and audit firms to ensure that these deadlines are met, even as they are still struggling to finalise the audit of prior years' accounts by the required deadline.

There is also continued uncertainty over government funding as the demand for services looks to continue to increase over the short to medium term.

We also know that more of our residents are living longer and/or often have more complex needs which continues to put pressure on our Adult Social Care budgets that Central Government funding has not adequately addressed. A similar position exists for Children's services.

Over the coming year the Council will undertake a review of its priorities and the design and delivery of its services.

The delivery of agreed savings set out in the March 2023 MTFS budget report will be critical to the Council meeting its corporate objectives. The Council annually reviews the adequacy of its reserves and continues to make strategic use of the reserves as it works to develop long-term solutions and invest in the transformative activity required to improve efficiency to make our money go further.

The Council has a few earmarked reserves, which are set aside to provide contingency against unplanned events, fund one-off planned expenditure and help smooth uneven spend patterns. Our reserves also provide capacity to manage a level of risk associated with the delivery of our savings programme.

Our strategic application of the flexible use of capital receipts also will help us to fund one-off investment to deliver the sustained revenue savings built into our MTFS. Our capital strategy, a mix of regeneration growth and asset availability, will also underpin delivery of savings.

Whilst we recognise that we will continue to face challenging times, we will continue to focus on our key role in building strong communities, using the resources at our disposal to support economic growth and tackle inequality.

NARRATIVE REPORT

EXPLANATION OF THE KEY ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Council's income and expenditure for the year and its financial position as at 31 March 2022. It comprises core and supplementary statements together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which in turn is underpinned by International Financial Reporting Standards.

The Core Statements comprise:

- The **Comprehensive Income and Expenditure Statement** – this statement records all the Council's income and expenditure for the year. The top half of the statement shows the cost of providing services, analysed across the Council's priorities. The bottom half of the statement deals with corporate transactions and funding.
- The **Movement in Reserves Statement** is a summary of the changes in the Council's reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable', which must be set aside for specific purposes.
- The **Balance Sheet** is a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The council's net assets are matched by its reserves. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e those reserves that the authority may use to provide services. The second category of reserves is those that the authority is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become

available to provide services if the assets are sold) and reserves that hold timing differences shown in the 'adjustments between accounting basis and funding basis' Note.

- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year and whether the change is due to operating activities, new investment or financing activities (such as borrowing and other long-term liabilities)

The **Group Accounts** combine the financial activities for the Council for the year with those of Homes for Haringey and Alexandra Park and Palace Charitable Trust and Alex House Wood Green Limited, all of which are treated as subsidiaries of the Council.

The **Supplementary Financial Statements** comprise:

- The **Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989
- The **Collection Fund** summarises the collection of council tax and business rates, and the distribution of that money between the Council, the Greater London Authority (GLA) and central government.
- The **Pension Fund Account** reports the contributions received, the payments made to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of Council employees, past and present.

Also published with the Statement of Accounts is the **Annual Governance Statement (AGS)**. The AGS sets out the governance structure of the Council and its key internal controls.

INDEPENDENT EXTERNAL AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE COUNCIL OF LONDON BOROUGH OF HARINGEY

INDEPENDENT EXTERNAL AUDITOR'S REPORT

INDEPENDENT EXTERNAL AUDITOR'S REPORT

INDEPENDENT EXTERNAL AUDITOR'S REPORT

STATEMENT OF RESPONSIBILITIES

The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, the Chief Financial Officer is the Director of Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code of Practice.

The Chief Financial Officer has also:

- kept proper accounting records which are up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification by Chief Financial Officer

I certify that the accounts give a true and fair view of the financial position of the Council at 31 March 2023 and its income and expenditure for the year then ended.



Jon Warlow
Director of Finance (S151 Officer)

31 July 2023

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Single Entity	2022/23			2021/22 Restated		
	Gross	Gross	Net	Gross	Gross	Net
	Expenditure	Income	Expenditure	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	154,837	(53,689)	101,148	150,234	(48,224)	102,010
Adults, Health & Communities	235,820	(127,297)	108,523	232,356	(127,126)	105,230
Environment & Resident Experience	96,654	(57,257)	39,397	96,246	(49,539)	46,707
Placemaking & Housing	44,061	(9,523)	34,539	50,502	(9,184)	41,318
Culture, Strategy & Engagement	223,554	(199,919)	23,635	214,947	(199,541)	15,406
Corporate Budgets - Non Service	20,498	(15,138)	5,360	37,219	(37,869)	(650)
Corporate Budgets - Service	9,765	(5,001)	4,764	10,334	(4,142)	6,192
Dedicated Schools Grant	211,558	(220,513)	(8,955)	205,874	(202,385)	3,488
Housing - HRA	94,392	(110,681)	(16,290)	123,269	(102,548)	20,721
Cost of Services	1,091,139	(799,018)	292,121	1,120,981	(780,558)	340,423
Other operating expenditure (Note 7)	8,798	(17,431)	(8,633)	12,592	(6,299)	6,293
Financing and investment income and expenditure (Note 8)	46,976	(18,207)	28,769	39,172	(12,438)	26,735
Taxation and Non-Specific Grant Income (Note 9)		(336,873)	(336,873)		(288,808)	(288,808)
(Surplus) or Deficit on Provision of Services	1,146,913	(1,171,529)	(24,616)	1,172,746	(1,088,103)	84,642
(Surplus) or deficit on revaluation of property, plant and equipment (Note 20)			(184,602)			(165,770)
Remeasurement of net defined benefit liability (Note 20,36)			(513,242)			(244,196)
Other Comprehensive Income and Expenditure			(697,844)			(409,966)
Total Comprehensive Income and Expenditure			(722,460)			(325,324)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Group Accounts	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	154,837	(53,689)	101,148	150,234	(48,224)	102,010
Adults, Health & Communities	235,820	(127,297)	108,523	232,356	(127,126)	105,230
Environment & Resident Experience	96,654	(57,257)	39,397	96,246	(49,539)	46,707
Placemaking & Housing	60,958	(28,116)	32,841	62,583	(23,599)	38,984
Culture, Strategy & Engagement	223,554	(199,919)	23,635	216,702	(197,631)	19,070
Corporate Budgets - Non Service	20,498	(15,138)	5,360	34,149	(39,778)	(5,630)
Corporate Budgets - Service	9,765	(5,001)	4,764	10,334	(4,142)	6,192
Housing - HRA	211,558	(220,513)	(8,955)	126,722	(96,062)	30,660
DSG	93,252	(109,541)	(16,289)	205,874	(202,385)	3,488
Cost of Services	1,106,895	(816,471)	290,424	1,135,199	(788,487)	346,711
Other operating expenditure	8,798	(17,431)	(8,633)	12,592	(6,886)	5,706
Financing and investment income and expenditure	46,976	(18,107)	28,869	40,213	(11,905)	28,309
Taxation and Non-Specific Grant Income	0	(362,912)	(362,912)	0	0	(288,811)
(Surplus) or Deficit on Provision of Services	1,162,669	(1,214,922)	(52,253)	1,188,005	(807,278)	91,915
(Surplus) or deficit on revaluation of property, plant and equipment			(195,848)			(174,047)
Remeasurement of net defined benefit liability (Note 36)			(509,576)			(281,090)
Other Comprehensive Income and Expenditure			(705,424)			(455,137)
Total Comprehensive Income and Expenditure			(757,677)			(363,222)

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Major Repairs Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Single Entity Reserves £'000	Group Reserve Restated £'000	Total Group Reserves Restated £'000
2022/23	(119,098)	(20,809)	(41,454)	(37,120)	(615)	(219,096)	(1,556,149)	(1,775,245)	(102,162)	(1,877,407)
<u>Movement in reserves during 2022/23</u>										
Total Comprehensive Income and Expenditure	28,178	(52,794)	0	0	0	(24,616)	(697,844)	(722,460)	(35,217)	(757,677)
Adjustments between accounting basis & funding basis under regulations (note 10)	(6,312)	52,035	(10,964)	(18,782)	600	16,578	(16,578)	0	0	0
(Increase) / Decrease in 2022/23	21,866	(759)	(10,964)	(18,782)	600	(8,038)	(714,422)	(722,460)	(35,217)	(757,677)
Balance as at 31/03/2023 carried forward	(97,232)	(21,567)	(52,419)	(55,902)	(15)	(227,134)	(2,270,569)	(2,497,705)	(137,379)	(2,635,084)
2021/22										
Balance as at 31/03/2021	(132,277)	(14,870)	(41,913)	(40,135)	(615)	(229,810)	(1,220,111)	(1,449,921)	(59,757)	(1,509,679)
<u>Movement in reserves during 2021/22</u>										
Total Comprehensive Income and Expenditure	80,760	3,882	0	0	0	84,642	(409,967)	(325,325)	(42,405)	(367,730)
Adjustments between accounting basis & funding basis under regulations (note 10)	(67,581)	(9,820)	459	3,015	0	(73,928)	73,928	0		0
(Increase) / Decrease in 2021/22	13,179	(5,938)	459	3,015	0	10,714	(336,039)	(325,325)	(42,405)	(367,730)
Balance as at 31/03/2022 carried forward	(119,098)	(20,809)	(41,454)	(37,120)	(615)	(219,096)	(1,556,149)	(1,775,245)	(102,162)	(1,877,407)

BALANCE SHEET

	Notes	Single Entity		Group Accounts	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		£'000	Restated £'000	£'000	Restated £'000
Property, Plant and Equipment	12	3,319,602	2,947,103	3,457,246	3,072,928
Heritage Assets		6,206	6,192	6,206	6,192
Investment Property	13	112,641	99,386	112,641	99,386
Intangible Assets		9,561	7,365	9,561	7,365
Long-term Debtors	14,16	8,863	7,380	2,811	1,461
Long Term Assets		3,456,873	3,067,426	3,588,466	3,187,332
Assets Held for Sale		0	1,000	0	1,000
Short-term Investments	14	154	5,004	154	5,004
Inventories		617	8	761	2,024
Short-term Debtors	16	157,094	145,895	158,656	144,913
Cash and Cash Equivalents	17	104,876	84,086	111,880	90,266
Current Assets		262,741	235,993	271,451	243,207
Short-term borrowing	14	(129,738)	(114,689)	(129,738)	(114,689)
Short-term Creditors	18	(192,339)	(226,558)	(196,449)	(230,403)
Grants Receipts in Advance	30	(133,992)	(37,112)	(133,992)	(37,112)
Provisions	19	(4,746)	(3,494)	(4,746)	(3,494)
Current Liabilities		(460,815)	(381,853)	(464,925)	(385,698)
Long-term Creditors	18	(17,179)	(17,515)	(17,599)	(17,515)
Provisions	19	(11,514)	(15,142)	(11,514)	(15,571)
Long-term Borrowing	14	(663,301)	(593,548)	(663,301)	(593,548)
Pension Liabilities	36	(34,292)	(482,038)	(17,878)	(502,724)
Other Long Term Liabilities - PFI and Finance Leases	14	(17,878)	(21,968)	(32,685)	(21,968)
Grants Receipts in Advance - Capital	30	(16,931)	(16,110)	(16,931)	(16,110)
Long-term Liabilities		(761,095)	(1,146,320)	(759,908)	(1,167,435)
Net Assets		2,497,705	1,775,245	2,635,084	1,877,407
Usable Reserves		(227,134)	(219,096)	(257,066)	(226,438)
Unusable Reserves	20	(2,270,571)	(1,556,149)	(2,378,018)	(1,650,969)
Total Reserves		(2,497,705)	(1,775,245)	(2,635,084)	(1,877,407)

CASH FLOW STATEMENT

	Note	Single Entity		Group Accounts	
		2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Net surplus or (deficit) on the provision of services		24,616	(84,642)	52,253	(93,231)
Adjustments to net surplus or (deficit) on the provision of services for non-cash movements	21	44,018	187,716	18,199	180,547
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	21	(112,939)	(53,306)	(112,939)	(53,306)
Net cash flows from Operating Activities		(44,305)	49,766	(42,487)	34,010
Investing Activities	22	(22,965)	(134,100)	(23,959)	(119,047)
Financing Activities	23	88,060	152,274	88,060	152,274
Net increase or (decrease) in cash and cash equivalents		20,790	67,940	21,614	67,237
Cash and cash equivalents at the beginning of the reporting period		84,086	16,146	90,266	23,029
Cash and cash equivalents at the end of the reporting period		104,876	84,086	111,880	90,266

NOTES TO THE STATEMENTS

1. Accounting Policies

1.1 General Principles

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

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Accrual de minimis are generally £20,000 (revenue) and £50,000 (capital). However, where it is clear that the total owed or due from a single supplier/customer exceeds these amounts, an accrual will be raised. Exceptions to these levels are made where expenditure is funded by a time-limited grant.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a specified period no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of changes in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance called Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two.

NOTES TO THE STATEMENTS

1.5 Collection Fund

The council act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. The council is required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, the council, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6 Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages, salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave e.g., time off in lieu) earned by employees, but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated at the wage and salary rates applicable in the following accounting year being the period in which the employee takes the benefit, with interim values on an estimated basis. To prevent fluctuations from impacting on council tax, the year-on-year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the MiRS so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council has concluded that there is no material benefit in undertaking an annual determination of the accrual and has established a policy to undertake a review of the accrual every three years unless, in the intervening period, there is evidence of a change in circumstances which would materially affect the amount to be disclosed. A review was done in 2020/21. The next review will be in 2023/24.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the

NOTES TO THE STATEMENTS

normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are predominantly members of two separate pension schemes:

- the Local Government Pensions Scheme (LGPS), administered by Haringey Council and
- the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)

Both schemes provide defined benefits to members (which include annual pensions and other benefits) earned as employees worked for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance

Sheet.

i. The Local Government Pension Scheme

All employees (other than teachers) subject to certain qualifying criteria are able to join the Local Government Pension scheme (LGPS). The Scheme is accounted for as a defined benefit scheme. The Scheme is known as the London Borough of Haringey Pension Fund and is administered by Haringey Council in accordance with the Local Government Pension Scheme Regulations 2013 (and other LGPS Regulations) on behalf of all participating employers.

The liabilities of the Haringey pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees. Liabilities are discounted to their value at current prices.

The assets of Haringey pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value

The change in the net pension's liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked.

NOTES TO THE STATEMENTS

- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES
- Net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Haringey Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year not the amount calculated according to the relevant accounting standards.

In the MiRS, this means that there are appropriations to and from the

Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

ii. Teachers' Pension Scheme

This scheme is administered by Capita Teachers' Pensions, on behalf of the Department for Education (DfE). Although the scheme is unfunded, the Government operates a notional fund as the basis for calculating employers' contributions. This scheme is accounted for on a defined contribution basis – no liability for future payments is recognised in the Balance Sheet and the Children's Services line in the CIES is charged with the employer's contributions payable in the year. In addition, the Council is responsible for any payments relating to early retirements outside of the standard scheme. This scheme holds no assets.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the

NOTES TO THE STATEMENTS

reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- a) Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- b) Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect such events but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

The Council will only usually disclose items where they are considered material i.e., those which carry a value in excess of £10 million.

1.8 Fair Value Measurement

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

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

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

economic best interest.

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

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

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

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

1.9 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability multiplied

NOTES TO THE STATEMENTS

by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the MiRS.

Financial Assets

Financial assets are initially measured at fair value and carried at their amortised cost. Annual credits to the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and accrued interest, and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12-month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council. Impairment losses are calculated to reflect the

expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12-month expected losses.

1.10 Government Grants and Contributions

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

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

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contributions have been satisfied.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

NOTES TO THE STATEMENTS

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MiRS.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.11 Interests in companies and other entities

The Council has reviewed its key financial relationships and assessed them against the Code of Practice and deemed the following to be within the Haringey group; Homes for Haringey Limited (HfH), Alexandra Park and Palace Charitable Trust (APPCT) and Alex House Wood Green Limited. Therefore, consolidated Group accounts have been created in which all intra-group transactions have been removed. Investments in subsidiaries are held at cost less impairment.

1.12 Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions. Gains and losses on revaluation are posted to

the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MiRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

1.13 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as lessee

i. Finance Leases

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

NOTES TO THE STATEMENTS

expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the CIES).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period). The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two.

ii. Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as lessor

Operating Leases

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

1.14 Property, Plant and Equipment

Assets that have a physical substance and are held for operational reasons i.e., in the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment. This category excludes certain assets such as properties which are held solely for the purpose of generating financial return (Investment Properties and Assets for Sale).

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council has a capitalisation threshold of £10,000 and allows the capitalisation of staffing costs that are directly associated with delivering of the capital schemes.

NOTES TO THE STATEMENTS

Measurement

Assets are initially measured at cost, comprising:

- the purchase prices
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

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

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings at current value, determined using the basis of existing use value for social housing (EUV-SH)
- school buildings, libraries, children centres, leisure centres, care homes – current value but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets at fair value, estimated at highest and best use

from a market participant's perspective

- all other assets at current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Prior to 1 April 1994, the carrying value of Infrastructure assets was deemed to be balance sheets at amounts of capital undischarged for sums borrowed as at the end of the 1993/94 financial year. This was deemed at that time to be historical cost. Subsequently, expenditure of acquisition and enhancement incurred after this date were added to form the carrying values. Local authorities are therefore unable to accurately identify the gross cost and accumulated depreciation of Infrastructure assets.

Subsequent changes in value

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated

NOTES TO THE STATEMENTS

gains)

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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

Impairment

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss and adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated, after the year of acquisition or enhancement, on the following basis:

- Council Dwellings and operational buildings – straight-line allocation over the useful life of the property as estimated by the Valuer, within the range of 20 to 60 years.
- Vehicles, plant and equipment – straight-line allocation over the useful economic life of the asset, within the range of 3 to 7 years.
- Infrastructure – based on the useful economic life of the asset, within the range of 5 to 88 years.

The residual value, useful life and depreciation method are reviewed on a regular basis. If expectations differ from previous estimates, the changes will be accounted for as a change in accounting estimates.

Depreciation is calculated on the current value of an asset. Where this valuation is above the historic cost, the difference between depreciation as calculated on current value and that calculated on historic cost is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation of valuations

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components should be depreciated separately.

There are a number of circumstances where componentisation will not apply, including:

- Vehicles and Equipment (immaterial)
- Infrastructure assets
- Investment properties are not depreciated but will be considered for componentisation where enhancement expenditure is incurred.

In accordance with the Local Authorities (Capital Finance and

NOTES TO THE STATEMENTS

Accounting) (England) (Amendment) Regulations 2022, when expenditure is incurred on an Infrastructure asset being replaced, the carrying amount to be derecognised is nil since these assets are rarely replaced before the part has been fully consumed.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are payable to the Government. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the MiRS.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the

MiRS.

Schools Assets

The council has schools in the following categories: community schools, foundation schools, voluntary aided schools, voluntary controlled schools and academies. Community and foundation schools are treated on Balance Sheet based on the risks and rewards the council is deemed to have, and voluntary aided schools and academies are excluded from the council's Balance Sheet. This means that the council recognises the Property, Plant and Equipment of the following categories of locally maintained schools in the financial statements:

- Community and community special schools
- Foundation and Foundation Trust schools (other than those owned by religious bodies)
- Voluntary controlled schools (where land & building are owned by the council)

The Property, Plant and Equipment of voluntary aided schools are not recognised in the council's financial statements. In most cases, the council has ownership of the playing fields for these categories of schools, which are recognised on the council's balance sheet.

This issue is under constant review and is updated in line with guidance from CIPFA.

Schools Income and Expenditure

All locally maintained schools (i.e. community, foundation, voluntary controlled, voluntary aided, community special and foundation special schools) are deemed to be under the Council's control. For this reason, schools' transactions and balances attributable to the governing bodies are consolidated into the Council's financial

NOTES TO THE STATEMENTS

statements, applying accounting policies for recognition and measurement consistent with those applied by the Council to its own income, expenditure, cash flows, assets and liabilities. Transactions and balances between the Council and the schools have been eliminated. Assets provided to a school without the right to continuing use, such that they can be taken back by the owners at some point, are not recognised in the Council's financial statements.

Academy and free schools are independently managed. None of these schools' income and expenditure, assets, liabilities, or reserves are included within the Council's financial statements.

1.15 Provisions and Contingent Liabilities

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

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation considering relevant risks and uncertainties.

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

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

A contingent liability arises where a past event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed as a note to the accounts.

1.16 Reserves

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions either statutory or voluntary which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves to earmark available funds for future policy purposes, to cover contingencies or manage cash flow.

Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS. When expenditure to be financed from a reserve is incurred it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against Council Tax for the expenditure.

A number of reserves exist to manage the accounting processes for

NOTES TO THE STATEMENTS

non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies and notes.

1.17 Revenue expenditure funded from capital under statute (REFCUS)

REFCUS expenditure represents expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in a Council asset being created. The expenditure may support a third party's asset (e.g. home improvement grants) or may be capitalised based on a capitalisation order from the Government. This expenditure is charged to the relevant service within the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or borrowing, a transfer is undertaken by charging to the Capital Adjustment Account and crediting the General Fund Balance in the MiRS. The purpose of this is to enable the expenditure to be funded from capital resources rather than charged to the General Fund and impact on the level of Council Tax.

1.18 Revenue recognition

Income received by the Council is recognised in accordance with the relevant financial regulations and accounting standards. The major income streams include Council tax, business rates, housing rents and parking income.

Council tax and business rate income included in the CIES is the total of the precept on the collection fund and the Council's share of the surplus/deficit on the collection fund at the end of the current year, adjusted for the Council's share of the surplus/deficit on the fund at the preceding year end that has not been distributed or recovered in the current year.

Housing Rent income included in the CIES is the total of all rent charged to tenants for Council Housing. The rents have been based on a formula prescribed by Government. The formula creates a "formula rent" for each property, which is calculated based on the relative value of the property, relative local income levels and the size of the property. Landlords are expected to move the actual rent of a property to this formula rent, when the property is re-let following a vacancy.

1.19 Service Concession Arrangements

Private Finance Initiative (PFI) and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. The Council has several schools subject to PFI contracts, albeit the current PFI scheme is suspended. The PFI buildings for maintained schools are shown on the Council's balance sheet. The buildings for the voluntary aided, voluntary controlled, foundation and academy schools are derecognised as the control of the right to use the buildings has passed to the school trustees and foundation bodies. The PFI liabilities are in respect of all PFI schools, regardless of the school's status, and remain on the Council's balance sheet as the Council is the party to the contract with the PFI Operator. The Council continues to receive government support in the form of a grant which is used to meet current and future liabilities in respect of the PFI scheme.

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

The amounts payable to the PFI operator consist of

- a) Fair value of the services received during the year-debited to the

NOTES TO THE STATEMENTS

relevant service in the CIES.

- b) Finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- c) Payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).

1.20 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.21 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

2. Accounting Standards Issued, but not yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not adopted.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom and will be adopted in 23/24:

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors will be amended to define accounting estimates as

'monetary amounts in financial statements that are subject to measurement uncertainty'. This change is not anticipated to significantly impact on the amounts held in the Council's financial statements.

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 will be amended to give more guidance on the disclosure of accounting policies in financial statements. This change is not anticipated to significantly impact on the amounts held in the Council's financial statements.
- IAS 12 Income Taxes will be amended in relation to deferred tax but no relevant transactions in group accounts have been identified.
- IFRS 3 Business Combinations will be amended in terms of references to conceptual framework. As no acquisitions have happened or are planned in the relevant time period, this has no impact on the Council's financial statements.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The Council incorporates its subsidiaries, Homes for Haringey, and Alexandra Palace Charitable Trust within these accounts to present group financial statements. They are consolidated on the basis of control over relevant activities. Please refer to Note 38 for further details.

NOTES TO THE STATEMENTS

4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet as at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are:

Non-Current Assets

The council's Property Plant and Equipment (PPE) are held on a long term basis and require regular valuation to ensure the council's financial statements accurately reflect the true worth of its assets. Valuations are undertaken by qualified professionals (note 12) to provide up to date assessments using accepted valuation bases and methods.

Investment property, surplus assets and assets held for sale were valued at fair value. The objective of this measurement approach is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

In respect of operational non-specialised properties, the current value for the assets has been interpreted as the amount that would be paid for the asset in its existing use. The valuers have met this requirement by providing a valuation based on existing use value (the value agreed between a willing buyer and a willing seller for an

owner-occupied property/premises).

In respect of specialised properties, the valuers have adopted the depreciated replacement cost (DRC) method of valuation to assess current value in existing use. This method provides the cost of replacing an asset with its modern equivalent asset using the 'instant build' (or overnight) approach at the valuation date.

Broadly, it has been assumed for each valuation, that there are no encumbrances to title, buildings are in a 'fair' condition, building services are in working order, there are no planning or statutory constraints, there is no contamination or hazardous substances, and there are no environmental or sustainability factors that may affect the property's value.

The net book value of non-current assets subject to potential revaluation is £3 billion.

A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's land and buildings were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately £119m.

An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

A reduction in the estimated value of HRA dwellings would be a reduction in the revaluation reserve or a loss in the CIES. If the value of dwellings were to reduce by 10%, this would lead to a reduction in value of about £178m.

NOTES TO THE STATEMENTS

An increase in estimated valuations would result in increases to the Revaluation Reserve or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

Pension Fund Liability

The net pensions liability is estimated by professional actuaries based on complex assumptions relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Any variation in these assumptions would lead to a significant change in the value of the net pension liability.

During 2022/23, the Council's actuaries advised that the net pension liability had decreased by £448m as a result of estimates being revised and the updating of assumptions. The liability held on the balance sheet is subject to actuarial estimation; some of the detail behind the estimates used by the actuary is shown in note 36.

Impairment allowance for doubtful debt

As at 31 March 2023, the Council had an outstanding balance of short-term debtors totalling £285m. Against this debtors' balance, there is an impairment allowance of £128m, £27m on account of expected credit loss for non-statutory debt and £101m for incurred credit loss on statutory debt (refer to note 16 for breakdown). It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The economic impact of the high inflation and cost of living crisis has made it more difficult to estimate the debt impairment as there is

more uncertainty about the economic viability of debtors and hence their ability to settle their debts. Please refer to Note 16.

Provision for Business Rates Appeals

The value of National Non-Domestic Rates (NNDR) income included in the accounts is reduced by a provision for the estimated value of appeals against valuation decisions. These estimates have been calculated using information from the Valuation Office Agency on outstanding appeals and experience of successful appeal rates.

5. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on **31 July 2023**. There have been no material post balance sheet events that would require disclosure or an adjustment to these financial statements.

NOTES TO THE STATEMENTS

6. Expenditure Funding Analysis and Notes

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Single Entity	2022/23			2021/22 Restated		
	Income and Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis (Note 6)	Net expenditure in the CIES	Income and Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis (Note 6)	Net expenditure in the CIES
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	82,608	18,540	101,148	69,471	32,539	102,010
Adults, Health & Communities	98,189	10,333	108,523	99,100	6,130	105,230
Environment & Resident Experience	19,113	20,284	39,397	26,593	20,114	46,707
Placemaking & Housing	10,299	24,240	34,539	9,875	31,443	41,318
Culture, Strategy & Engagement	13,622	10,013	23,635	10,980	8,090	19,070
Corporate Budgets - Non Service	4,241	1,119	5,360	(3,209)	(1,105)	(4,314)
Corporate Budgets - Service	1,226	3,538	4,764	4,221	1,971	6,192
Dedicated Schools Grant	(8,955)	0	(8,955)	3,488	0	3,488
Housing - HRA	(16,577)	288	(16,289)	(15,694)	36,415	20,721
Net Cost of Services	203,766	88,355	292,121	204,825	135,598	340,424
Other income and expenditure	(182,657)	(134,079)	(316,736)	(197,583)	(58,196)	(255,781)
(Surplus) or Deficit on Provision of Services	21,108	(45,724)	(24,616)	7,242	77,401	84,642
Opening General Fund and HRA Balance	(139,906)			(147,147)		
Less/Plus deficit/(surplus) on General Fund and HRA balance in year (see Movement in Reserves Statement)	21,108			7,241		
Reclassification of DSG Reserve						
Closing General Fund and HRA Balance	(118,798)			(139,906)		

NOTES TO THE STATEMENTS

6a) Adjustments between Funding and Accounting Basis

	2022/23				2021/22			
	Adjustments for Capital Purposes (Note 1)	Net change for Pensions Adjustments (Note 2)	Other Differences (Note3)	Total Adjustment	Adjustments for Capital Purposes (Note 1)	Net change for Pensions Adjustments (Note 2)	Other Differences (Note3)	Total Adjustment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	5,117	22,222	(8,799)	18,540	13,735	15,003	3,801	32,539
Adults, Health & Communities	3,944	6,392	(3)	10,333	3,109	2,997	24	6,130
Environment & Resident Experience	15,360	4,927	(3)	20,284	16,631	3,454	29	20,114
Placemaking & Housing	20,279	3,963	(3)	24,240	28,263	3,155	25	31,443
Culture, Strategy & Engagement	3,272	6,746	(5)	10,013	3,722	4,322	46	8,090
Corporate Budgets - Non Service	6	1,116	(3)	1,119	1,943	(3,049)	1	(1,105)
Corporate Budgets - Service	3,658	0	(120)	3,538	6	1,942	24	1,971
Housing - HRA	(6,412)	6,289	411	288	36,167	246	2	36,415
Net Cost of Services	45,224	51,655	(8,524)	88,355	103,576	28,072	3,950	135,598
Other income and expenditure	(129,763)	13,841	(18,157)	(134,079)	(55,301)	13,738	(16,633)	(58,196)
Difference between General Fund surplus or deficit and the CIES surplus or deficit on the provision of services	(84,539)	65,496	(26,681)	(45,724)	48,275	41,810	(12,683)	77,401

NOTES TO THE STATEMENTS

Note 1 - Adjustments for capital purposes

'Adjustments for capital purposes' adds depreciation, impairment and revaluation gains and losses in the service lines, and for:

Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and investment income – the statutory charges for capital financing, i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. This line is credited with capital grants receivable without conditions or for which conditions were satisfied in the year.

Note 2 – Net Change for the Pension Adjustments

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

For services, this represents the removal of the employer contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income – the net interest on the defined benefit liability is charged to the CIES.

Note 3 – Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure, the other differences column recognises adjustments for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the timing difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

NOTES TO THE STATEMENTS

6b) INCOME AND EXPENDITURE ANALYSED BY NATURE

Note 1. Income by Nature

	2022/23	2021/22
Income Category	£000	£000
Fees, charges & other service income	(237,521)	(229,238)
Grants & Contributions	(699,441)	(647,513)
Income from Council Tax & NNDR	(200,564)	(194,629)
Interest and investment income	(11,554)	(9,825)
Gain on disposal of assets	(17,431)	(6,299)
Gain in FV of Investment Properties	(5,017)	(599)
	(1,171,529)	(1,088,103)

Note 2. Expenditure by Nature

	2022/23	2021/22
Expenditure Category	£000	£000
Depreciation, amortisation, impairment	44,904	112,159
Employee Benefits expenses	383,226	329,296
Other Service Expenses	680,700	697,245
Levies	8,798	10,865
Payments to Housing Cap Receipts Pool	0	1,727
Interest payable & similar charges	23,695	19,139
ECL Impairment Allowances	5,590	2,315
	1,146,913	1,172,745

(Surplus) or Deficit on

Provision of Service	(24,616)	84,642
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NOTES TO THE STATEMENTS

7. Other operating expenditure

Other operating expenditure Includes all levies payable, total payments made to the Government Housing Receipts Pool in line with statutory arrangements for certain property sales within the HRA and gains/losses generated from in-year disposals of non-current assets:

	2022/23			2021/22		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Levies - North London Waste Authority (NLWA)	7,202	0	7,202	9,000	0	9,000
Levies - Others	1,596	0	1,596	1,865	0	1,865
Payments to Govt. Housing Capital Receipts Pool	0	0	0	1,727	0	1,727
Gains on disposal of non-current assets	0	(17,431)	(17,431)		(6,299)	(6,299)
	8,798	(17,431)	(8,633)	12,592	(6,299)	6,293

NOTES TO THE STATEMENTS

8. Financing and investment income and expenditure

Financing and investment income and expenditure includes interest receivable and payable on the Council's investment portfolio. The Council's net rental income on the properties it holds purely for investment purposes is also included net of fair value movements. It also includes the interest element of the pension fund liability and expected credit loss impairment (previously known as bad debt provisions).

	2022/23			2021/22		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Interest payable and similar charges	23,695		23,695	19,139	0	19,139
Net interest on the net defined benefit liability	13,841		13,841	13,738	0	13,738
Expected Credit Loss-Impairment Allowances	5,590		5,590	2,315	0	2,315
Net Income & Expenditure and changes in the fair values of investment properties	3,798	(15,193)	(11,395)	3,933	(10,779)	(6,846)
Interest Income	0	(1,678)	(1,678)	0	(323)	(323)
Other investment income and expenditure	52	(1,336)	(1,284)	48	(1,336)	(1,288)
	46,976	(18,207)	28,769	39,172	(12,438)	26,735

NOTES TO THE STATEMENTS

9. Taxation and non-specific grant income

This note consolidates all non-specific grants and contributions receivable that cannot be identified to particular service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service specific. The note also identifies the Council's proportion of council tax and business rates used to fund in year service activities:

	2022/23	2021/22
	£'000	£'000
Council tax income	(119,986)	(114,408)
Non domestic rates	(80,578)	(80,221)
Non-ringfenced government grants:		
Covid-19		
Covid-19 Business Rate Retail & Nursery Discount	0	(7,854)
Covid-19 75% Tax Income Guarantee Compensation	(1,223)	215
Covid-19 LA Support Grant	(812)	(13,481)
Covid-19 Income Loss Compensation	0	(2,428)
Covid-19 Other Support	0	(425)
Other		
Revenue Support Grant	(22,797)	(22,115)
Section 31 BR relief	(14,060)	(6,618)
Services Grant	(5,652)	0
Other general grants/ contributions	(1,827)	(1,791)
Capital grants and contributions	(89,938)	(39,467)
	(336,873)	(288,593)

The non-domestic rates income under the Government's business rates retention arrangement consists of £20.108 million (£14.441 million in 2021/22) collected locally and the amount re-distributed from a national pool including 'top-up' is £60.471 million (£58.616 million in 2021/22, restated).

NOTES TO THE STATEMENTS

10. Adjustments between accounting basis and funding basis under regulation

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

General Fund Balance

The General Fund is the statutory fund into which all the Council's receipts are paid and out of which all liabilities are to be met, except to the extent that statutory rules provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund, which is not necessarily in accordance with proper accounting practice. The balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account (HRA) Balance

The HRA Balance reflects the statutory obligation to maintain a revenue account for local authority Council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure that is available to fund future expenditure relating to the Council's landlord function or, where in deficit, that is required to be recovered from tenants in future years.

Capital Receipts Reserve (CRR)

The CRR holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied Account (CGUA)

The CGUA holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Major Repairs Reserve (MRR)

The Council is required to maintain the MRR, which controls the application of the resource arising from depreciation on HRA assets or the financing of historical capital expenditure. The balance shows the resource that has yet to be applied at the year-end.

NOTES TO THE STATEMENTS

Movement during 2022/23	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources					
<u>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</u>					
- Pensions costs (transferred to / from the Pensions Reserve)	(57,568)	(7,928)	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	231	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	17,926	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	(543)	(411)	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	9,359	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	5,047	16,228	0	(92,732)	
Total Adjustments to Revenue Resources	(25,548)	7,889	0	(92,732)	0
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the CRR	7,749	17,458	(25,207)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(44)	(202)	246	0	0
- Payments to the government housing receipts pool (funded by a transfer from the CRR)	0	0	0	0	0
- Posting of HRA resources from revenue to the MRR	0	20,926	0	0	(20,926)
- Statutory provision for the repayment of debt (transfer from the CAA)	11,412	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	0	5,965	0	0	0
Total Adjustments between Revenue and Capital Resources	19,117	44,147	(24,960)	0	(20,926)
Adjustments to Capital Resources					
- Use of the CRR to finance capital expenditure	0	0	14,290	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	21,526
- Application of capital grants to finance capital expenditure	0	0	0	73,951	0
- Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments between Revenue and Capital Resources	0	0	14,290	73,951	21,526
Other Movements	120	0	(294)	0	0
Total Adjustments	(6,312)	52,035	(10,964)	(18,782)	600

NOTES TO THE STATEMENTS

Movement during 2021/22	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources					
<u>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</u>					
- Pensions costs (transferred to / from the Pensions Reserve)	(41,455)	(355)	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	229	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	16,446	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	(460)	(2)	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	(3,489)	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(45,732)	(44,882)	0	(42,427)	0
Total Adjustments to Revenue Resources	(74,461)	(45,239)	0	(42,427)	0
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the CRR	267	10,612	(10,879)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	0	(140)	140	0	0
- Payments to the government housing receipts pool (funded by a transfer from the CRR)	(1,727)	0	1,727	0	0
- Posting of HRA resources from revenue to the MRR	0	22,664	0	0	(22,664)
- Statutory provision for the repayment of debt (transfer from the CAA)	8,098	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	241	2,283	0	0	0
Total Adjustments between Revenue and Capital Resources	6,879	35,419	(9,012)	0	(22,664)
Adjustments to Capital Resources					
- Use of the CRR to finance capital expenditure	0	0	9,611	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	22,664
- Application of capital grants to finance capital expenditure	0	0	0	45,442	0
- Cash payments in relation to deferred capital receipts	0	0	(141)	0	0
Total Adjustments between Revenue and Capital Resources	0	0	9,471	45,442	22,664
Other Movements					
Total Adjustments	(67,581)	(9,820)	459	3,015	0

NOTES TO THE STATEMENTS

11. Movement in earmarked reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2022/23.

	Note	Balance at 31/03/21	Transfer In 2021/22	Transfer Out 2021/22	Balance at 31/03/22	Transfer In 2022/23	Transfer Out 2022/23	Balance at 31/03/23
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve	i	(17,095)	(96)	2,050	(15,141)	0	0	(15,141)
General Fund earmarked reserves:								
Schools reserve	ii	(12,946)	(4,074)	4,187	(12,833)	(1,633)	6,619	(7,847)
Transformation reserve	iii	(13,702)	(27)	3,344	(10,385)	(153)	2,421	(8,117)
Services reserve	iv	(8,857)	(1,337)	972	(9,222)	(4,315)	2,340	(11,196)
PFI lifecycle reserve	v	(16,472)	(1,386)	0	(17,858)	(1,368)	0	(19,226)
Debt repayment reserve	vi	(5,046)	0	0	(5,046)	0	3,973	(1,073)
Insurance reserve	vii	(9,051)	0	803	(8,248)	0	713	(7,535)
Unspent grants reserve	viii	(9,183)	(1,592)	3,950	(6,825)	(8,040)	3,400	(11,465)
Labour market growth resilience reserve	ix	(446)	0	0	(446)	0	73	(373)
Strategic Budget Planning Reserve	x	(10,491)	0	0	(10,491)	(800)	4,564	(6,727)
Resilience reserve	xi	(7,303)	0	0	(7,303)	0	0	(7,303)
Other reserves	xii	(726)	0	0	(726)	0	726	0
Collection Fund Smoothing reserve	xiii	(20,963)	(9,122)	15,509	(14,576)	(1,223)	14,567	(1,231)
GF earmarked reserves:		(115,186)	(17,538)	28,765	(103,959)	(17,531)	39,397	(82,093)
Total General Fund Usable Reserves		(132,281)	(17,634)	30,815	(119,098)	(17,531)	39,397	(97,234)
Housing Revenue Account		(14,162)	(6,598)	786	(19,973)	(757)	210	(20,520)
					0			0
Housing Revenue Account earmarked Reserves:					0			0
HRA Smoothing reserve		0	(786)	0	(786)	(210)	0	(996)
Homes for Haringey		(708)	0	658	(50)	0	0	(50)
HRA earmarked reserves		(708)	(786)	658	(836)	(210)	0	(1,047)
Total HRA Usable Reserves		(14,870)	(7,384)	1,444	(20,809)	(967)	210	(21,567)

NOTES TO THE STATEMENTS

i. The purpose of the general fund reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should militate against immediate service reductions if there were any unforeseen financial impacts.

ii. This balance represents the net balances held by the Council's 64 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools, a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

iii. This reserve is earmarked for the costs associated with the Council's Transformation programmes including the investment necessary to deliver longer term efficiencies and change, together with the associated costs of redundancies and decommissioning.

iv. It is Council policy that services may request funds to be carried forward, this is subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained.

v. The PFI reserve is increased by PFI grant received in excess of contractual payments. This will be utilised to fund future years' costs on school assets on which PFI works were completed.

vi. The Debt Repayment (Treasury) reserve represents funds the Council has set aside for debt related costs including the potential repayment of debt and for funding of future capital expenditure, and management of risk inherent within the Council's treasury management activities.

vii. The Council self-insures several risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account. The increase to the reserve level has been made possible by a reduced provision requirement. As the

Council carries relatively high levels of excess, it is deemed prudent to provide for greater resilience against future claims.

viii. This reserve holds grant income which has been received and recognised in the year they have been allocated to the authority, but which will finance related expenditure in future years. These come with conditions setting out how the funding must be used.

ix. It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

x. The Strategic Budget Planning reserve will be used to smooth the MTFs over the medium term.

xi. This reserve will be used as a one-off measure to offset non-delivery / delay of planned savings contained within the MTFs. It provides additional robustness and financial resilience for the Council.

xii. This reserve represents other small reserve balances held by the Council.

xiii. The Collection Fund reserve is to manage the impact of C19 on the Collection Fund in terms of losses (including potential losses from the London Pool), but also in terms of the profiling of when the impact of government support and arrears hit the Council's General Fund.

NOTES TO THE STATEMENTS

12. Property, plant and equipment

Since 2012/13, all valuations of dwellings, land and buildings and investment properties have been undertaken by external surveyors Wilks Head & Eve (an independent partnership of Chartered Surveyors and Town Planners) who are fully qualified with the Royal Institute of Chartered Surveyors (RICS). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The surveyors carry out valuations as at 31st March of each year to identify any significant changes since the previous valuation. The latest valuation was carried out during 2022/23 with an effective date of 31 March 2023.

Due to historical reporting requirements and information deficits local authorities do not to have reliable, meaningful information to accurately report gross historical cost and accumulated depreciation for infrastructure assets. Historical practices also mean that information required to evidence the derecognition of replaced components of infrastructure assets will not practicably be able to be produced.

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets for Scottish Local Authorities] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The net book value for total Property, Plant and Equipment on the Balance Sheet is shown below

NOTES TO THE STATEMENTS

Net Book Value of Property, Plant and Equipment		
	2022/23	2021/22
	£'000	£'000
Infrastructure assets	197,664	190,550
Other PPE assets	3,121,930	2,756,553
	3,319,594	2,947,103

Details of movement in Infrastructure Assets are shown below.

Movements in Infrastructure Assets		
	2022/2023	2021/2022
	£'000	£'000
Net book value (modified historical cost) at 1 April	190,550	184,833
Additions	19,278	17,090
Depreciation	(12,164)	(11,374)
Net Book Value at 31st March	197,664	190,550

Movements in Other Property, Plant and Equipment are shown below.

NOTES TO THE STATEMENTS

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2022	1,602,647	1,075,466	33,144	23,870	131,593	19,983	2,886,704	13,927
Additions	75,085	62,396	2,627	2,111	74,680	1,734	218,633	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	100,653	54,635	0	0	0	1,431	156,719	2,383
Revaluation increases / (decreases) recognised in SDPOS	6,412	(3,134)	0	0	0	(1,417)	1,861	0
Derecognition - disposals	(6,616)	0	0	0	0	0	(6,616)	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in cost or valuation	0	0	0	0	0	0	0	0
At 31 March 2023	1,778,181	1,189,362	35,771	25,981	206,274	21,732	3,257,301	16,310
Accumulated Depreciation and Impairment at 1 April 2022	(95,612)	(8,240)	(16,219)	(1,895)	(8,094)	(91)	(130,151)	0
Depreciation charge	(19,433)	(11,006)	(3,275)	0	0	0	(33,713)	(318)
Accumulated Depreciation written out	19,346	9,060	0	0	0	0	28,406	318
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	0	0	0	0	0	0	0
Derecognition - disposals	87	0	0	0	0	0	87	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in depreciation & impairment	0	0	0	0	0	0	0	0
At 31 March 2023	(95,612)	(10,186)	(19,494)	(1,895)	(8,094)	(91)	(135,371)	0
Net Book Value at 31 March 2023	1,682,570	1,179,177	16,277	24,086	198,179	21,641	3,121,930	16,310

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £137.6m as of 31 March 2023 (£125.8m as at 31 March 2022). Further details are in Note 38.

NOTES TO THE STATEMENTS

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2021	1,541,957	913,268	27,690	22,997	103,231	17,309	2,626,452	13,812
Additions	40,683	54,746	4,199	873	78,663	6	179,170	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	26,844	106,710	0	0	0	1,253	134,807	115
Revaluation increases / (decreases) recognised in SDPOS	(35,862)	(26,424)	0	0	0	(2,690)	(64,976)	0
Derecognition - disposals	(4,299)	0	(16)	0	0	0	(4,315)	0
Reclassifications and transfers	1,554	507	0	0	(1,483)	(2,752)	(2,174)	0
Other movements in cost or valuation	31,769	26,660	1,271	0	(48,818)	6,857	17,740	0
At 31 March 2022	1,602,647	1,075,466	33,144	23,870	131,593	19,983	2,886,704	13,927
Accumulated Depreciation and Impairment at 1 April 2021	(95,612)	(7,564)	(12,981)	(1,895)	(8,101)	(91)	(126,243)	(314)
Depreciation charge	(21,247)	(10,414)	(3,251)	0	0	0	(34,912)	314
Accumulated Depreciation written out	21,219	9,656	0	0	0	0	30,875	
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	89	0	0	0	0	89	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	0	0	0	0	0	0	0
Derecognition - disposals	28	0	13	0	0	0	41	
Reclassifications and transfers	0	0	0	0	0	0	0	
Other movements in depreciation & impairment	0	(7)	0	0	7	0	0	
At 31 March 2022	(95,612)	(8,240)	(16,219)	(1,895)	(8,094)	(91)	(130,151)	0
Net Book Value at 31 March 2022	1,507,035	1,067,226	16,925	21,976	123,499	19,893	2,756,553	13,927

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £125.8m as of 31 March 2022 (£126.1m as at 31 March 2021). Further details are in note 38.

NOTES TO THE STATEMENTS

Capital Commitments

At 31 March 2023, the Council has entered into several contracts for the construction or enhancement of Property, Plant and Equipment in 2022/23 and future years, budgeted to cost £214.9 million (£181.9 million as at 31 March 2022). The major commitments at 31 March 2023 were:

- External/Communal Works - £16.4 million
- New build homes & development of Residential Accommodation - £198.5 million

Revaluations

The council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Investment Properties and any Asset held for sale are subject to a revaluation review on annual basis to ensure that their carry values are reflective of the latest market value.

HRA dwellings are valued at their existing use based on 'Beacon' valuation principles and then have a social housing adjustment made thus reducing the balance sheet value to 25% of the beacon value as directed by the Department for Levelling Up, Housing & Communities (DLUHC).

Revaluations	Council Dwellings	Other Land and Buildings	Infrastructure Assets	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	-	-	197,664	16,277	24,086	198,179	-	436,206
Valued at fair value as at:								-
31-Mar-23	1,682,570	111,951					21,641	1,816,161
31-Mar-22		971,947						971,947
31-Mar-21		95,279						95,279
31-Mar-20								-
31-Mar-19								-
Total Cost or Valuation	1,682,570	1,179,177	197,664	16,277	24,086	198,179	21,641	3,319,594

NOTES TO THE STATEMENTS

13. Investment properties

The fair value for investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy. Typical valuation inputs which have been used in arriving at our Fair Valuations include Market Rental and Sale Values, Yields Void, Letting Periods and condition of the assets.

The values at 31 March are analysed as follows.

	31/03/23	31/03/22
	£'000	£'000
Office units	4,435	4,550
Commercial units	79,926	67,978
Land	22,928	20,965
Other investment property	5,352	5,893
Total	112,641	99,386

There were no transfers between any of the three levels during 2022/23 or the preceding year.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

The following items have been accounted for in the Financing and Investment Income and Expenditure line in the CIES.

	2022/23	2021/22
	£'000	£'000
Rental income from investment property	(10,176)	(10,180)
Direct operating expenses arising from investment property	3,798	3,933
Net gain	(6,378)	(6,247)

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

The following table summarises the movements in the fair value of investment properties over the year.

	2022/23	2021/22
	£'000	£'000
Balance at start of the year	99,386	89,212
Subsequent Expenditure	8,238	7,412
Disposals	0	(10)
Net gain / (losses) from FV adjustments	5,017	599
Transfers to/from AHFS & PPE	0	2,173
Balance at the end of the year	112,641	99,386

The fair value of the Council's investment property is measured annually at each reporting date.

NOTES TO THE STATEMENTS

14. Financial instruments

A financial instrument is a contract that gives rise to a financial asset and liability between two parties. This note discloses the Council's financial instruments. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial instruments are disclosed based on considerations around the business model for holding the instruments, and contractual cashflow characteristics. All of the Council's financial instruments are classified as held at 'amortised cost', and none at 'fair value through profit or loss' (FVTPL) or 'fair value through other comprehensive income' (FVOCI).

Financial liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's liabilities held during the year are measured at amortised cost and comprised:

- Borrowing: Long term loans from the Public Works Loans Board and commercial lenders, short term loans from other local authorities, plus accrued interest on these loans
- Finance leases detailed in note 33
- Private Finance Initiative contracts detailed in note 34
- Trade payables for goods and services received

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories.

	Long Term		Short Term	
	31/03/23	31/03/22	31/03/23	31/03/22
Financial liabilities at amortised cost:	£'000	£'000	£'000	£'000
Borrowing (including accrued interest)	(663,301)	(593,548)	(129,738)	(114,689)
PFI liabilities	(5,924)	(9,308)	(3,722)	(3,418)
Finance lease liabilities	(11,954)	(12,660)	(1,367)	(1,316)
Payables	(17,179)	(17,515)	(93,450)	(105,462)
Total Financial Liabilities	(698,358)	(633,031)	(228,277)	(224,885)

The short-term creditors line in the Balance Sheet includes £93.8 million (31 March 2022 £117.7 million, restated) of items that do not meet the definition of a financial liability and are therefore not included in the above table. See note 18 for further information.

Financial assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset. The financial assets held by the Council during the year are held under the following classifications:

- Cash and cash equivalents, including current account deposits with Barclays Bank, and short-term investments with other local authorities and the Debt Management Office (DMO) maturing within 3 months of the balance sheet date, Bank current and deposit accounts

NOTES TO THE STATEMENTS

- Short Term Investments - Loans to other local authorities maturing 3 months or more after the balance sheet date (including accrued interest), Loans made to community organisations and other bodies for service purposes (including soft loans)
- Trade receivables for goods and services delivered

Allowances for impairment losses for trade receivables are calculated using the simplified approach recognising lifetime expected losses. Allowances for impairments on loans made for service purposes are made on the expected loss model.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Long Term		Short Term	
	31/03/23	31/03/22	31/03/23	31/03/22
Financial assets at amortised cost:	£'000	£'000	£'000	£'000
Cash and cash equivalents	0	0	104,876	84,086
Short Term Investments	0	0	154	5,004
Loans made for service purposes	8,795	7,312	0	0
Trade receivables	68	68	118,038	98,112
Total Financial Assets	8,863	7,380	223,068	187,202

The short-term debtors' line in the Balance Sheet includes £39.1 million (31 March 2022 £47.8 million) of items that do not meet the definition of a financial asset and are therefore not included in the above table.

Income, expense, gains and losses

The income and expense recognised in the CIES in relation to financial instruments consist of the following items. There were no gains or losses on revaluation, or items recognised in other comprehensive income and expenditure.

	Financial Liabilities measured at amortised cost	Financial Assets carried at amortised cost	Financial Liabilities measured at amortised cost	Financial Assets carried at amortised cost
	2022/23	2022/23	2021/22	2021/22
	£'000	£'000	£'000	£'000
Interest expense	23,695	0	19,139	0
Impairment losses (Non-HRA)	5,590	0	2,315	0
Total expense in SDPOS	29,285	0	21,454	0
Interest and investment income	0	(1,678)	0	(323)
Total income in SDPOS	0	(1,678)	0	(323)
Net (gain) / loss for the year	29,285	(1,678)	21,454	(323)

Financial instruments – fair values

Financial assets and liabilities are carried in the Balance Sheet at amortised cost. The fair values for all financial assets are the same as the carrying values, reported earlier in this note to the accounts. Fair values for financial liabilities are estimated by calculating the present values of remaining contractual cash flows as at 31 March 2023, using the following methods and assumptions:

NOTES TO THE STATEMENTS

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans
- The value of 'Lender's Option Borrower's Option' (LOBO) loans has been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield
- No early repayment or impairment is recognised for any financial instrument
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount

Fair values are shown in the tables below, split by their level in the fair value hierarchy as follows:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability e.g. interest rates or yields for similar instruments

- Level 3 – fair value is determined using unobservable inputs e.g. non-market data such as cash flow forecasts or estimated creditworthiness

	Level	Fair Value		Carrying Amount	
		31/03/23 £'000	31/03/22 £'000	31/03/23 £'000	31/03/22 £'000
PWLB loans	2	(431,513)	(454,751)	(594,174)	(478,097)
LOBO loans	2	(147,266)	(208,736)	(131,844)	(130,094)
Lease payables	2	(17,534)	(17,534)	(13,321)	(13,975)
PFI liability	2	(13,539)	(13,539)	(9,646)	(12,726)
Total		(609,852)	(694,560)	(748,985)	(634,892)
Liabilities for which fair value is not disclosed*				(177,650)	(223,024)
Total financial liabilities				(926,635)	(857,916)
Recorded on balance sheet as:					
- short term creditors				(98,539)	(110,196)
- short term borrowing				(129,738)	(114,689)
- long term creditors				(17,179)	(17,515)
- long term borrowing				(663,301)	(593,548)
- other long term liabilities				(17,878)	(21,968)
Total financial liabilities				(926,635)	(857,916)

*This includes £65m short-term borrowing to other local authorities (£100m for 2021/22).

The fair value of financial liabilities held at amortised cost is higher than their Balance Sheet carrying amount because the Council's portfolio of loans includes several loans where the interest rate payable is higher than the current rates available for their similar loans as at the Balance Sheet date.

NOTES TO THE STATEMENTS

	Level	Fair Value		Carrying Amount	
		31/03/23	31/03/22	31/03/23	31/03/22
		£'000	£'000	£'000	£'000
Cash and Cash Equivalents	2	93,900	66,180	93,900	66,180
Short Term Investments	2	154	5,004	154	5,004
Total		94,054	71,184	94,054	71,184
Assets for which fair value is not disclosed				137,877	123,398
Total financial assets				231,931	194,582
Recorded on balance sheet as:					
- short term debtors				118,038	98,112
- short term investments				154	5,004
- long term debtors				8,863	7,380
- cash and cash equivalents				104,876	84,086
Total financial assets				231,931	194,582

NOTES TO THE STATEMENTS

15. Nature and extent of risks arising from financial instruments

The Council has adopted the latest CIPFA Code of Practice on Treasury Management and complies with the Prudential Code of Capital Finance for Local Authorities

The Council approves a Treasury Management Strategy before the beginning of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also maintains Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. The Treasury Management Strategy Statement (TMSS) for 2022/23 can be found on the Council's website www.haringey.gov.uk.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on prioritising security and liquidity, with investment return being a secondary objective.

The Council's activities expose it to a variety of financial risks, including:

- **credit risk** – the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- **liquidity risk** – the possibility that the Council might not have the cash available to make contracted payments on time.
- **market risk** - the possibility that unplanned financial loss will materialise as a result of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the TMSS. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £5 million is placed on the amount of money that can be invested with a single counterparty (other than the UK government, through the Debt Management Office (DMO)). In addition to this, the Council has set limits on investments in certain sectors and group limits. Full details of the Council's approved counterparties, along with the relevant investment and term limits, are included in the Treasury Investment Strategy section of the TMSS.

As of 31 March 2023, the nominal value of the Council's investment portfolio was £93.9 million. The entire amount was deposited with the DMO, over a variety of maturities. All investments made during the financial year were in accordance with the Council's approved credit rating criteria. In addition to this, at 31 March 2023, no loss allowances related to treasury investments.

The Council has a statutory duty to provide a wide range of services there is no credit checking of individuals or businesses. The Council does however ensure that debts are collected as quickly and cost

NOTES TO THE STATEMENTS

effectively for each service, as appropriate. When bills are raised a payment due date is triggered and customers have a grace period of 21 to 28 days in which to make payment. Thereafter all debts are considered overdue and debt collection procedures commence. Levels of debt arrears, allowances for non-collection of debt and debt write off are closely monitored.

Between 10 and 20 years	187,809	178,541
Between 20 and 40 years	271,316	259,592
Between 40 and 50 years	182,561	170,285
More than 50 years		
	1,149,820	1,041,549

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board (PWLB) and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than set percentages of the Council's borrowing matures in any one financial year.

Maturing within (years)	31/03/2023	31/03/2022
	£'000	£'000
Public Works Loans Board	953,165	807,988
Market debt	129,971	133,399
Local government	66,684	100,162
Total	1,149,820	1,041,549
Less than 1 year	273,968	181,523
Between 1 and 2 years	56,770	112,044
Between 2 and 5 years	69,452	54,715
Between 5 and 10 years	107,945	84,849

The Council has £125 million (2022: £125m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and these loans are therefore shown in table above as maturing on the next option date.

Market Risk – Interest Rate Risk

The Council is exposed to risks in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have complex impact on the authority. For instance, a rise in interest rates would have the following effects

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited will rise
- investments at fixed rates – the fair value of the assets will fall.

NOTES TO THE STATEMENTS

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit on the 12-month revenue impact of a 1% fall and rise in interest rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31/03/2023	31/03/2022
	£'000	£'000
Increase in interest receivable on variable rate investments	2,280	467
Increase in interest payable on variable rate borrowings	0	0
Impact on Surplus or Deficit on Provision of Services	2,280	467
Decrease in fair value of fixed rate borrowing liabilities	12,184	71,102

The Council has £125m (2022: £125m) of “Lender’s option, borrower’s option” (LOBO) loans with maturity dates in 2023 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

Market Risk – Price Risk

The Council does not invest in equity shares and therefore is not subject to any price risk (i.e., the risk that the Council will suffer loss as a result of adverse movements in the price of this class of financial instruments).

Market Risk – Foreign Exchange Risk

The Council had no direct holdings in financial instruments denominated in foreign currencies. The Council is therefore not exposed to the risk of adverse movements in foreign exchange rates.

NOTES TO THE STATEMENTS

16. Debtors

The following tables provide an analysis of money owed to the Council by other bodies as at 31 March 2023 and which at that date was yet to be received. The Council has considered the collectability of the debt and has impaired the debt for the amounts it may not recover.

Short Term Debtors	31st March 2023			31st March 2022		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£000	£000	£000	£000	£000	£000
Central Government	25,451	0	25,451	32,119	0	32,119
Commercial Waste	100	(100)	0	86	(86)	0
Health Authorities	25,706	0	25,706	47,961	0	47,961
Housing Benefit Overpayments	26,234	(23,275)	2,959	27,673	(23,957)	3,716
Housing/ HRA Rent Payers	54,339	(39,608)	14,731	47,224	(33,955)	13,269
Local Taxation	37,932	(29,622)	8,310	35,485	(29,852)	5,633
Other Local Authorities	52,372	0	52,372	20,141	0	20,141
Other Receivables	27,385	(7,585)	19,800	22,741	(8,622)	14,119
Parking	24,198	(20,500)	3,698	28,071	(25,660)	2,411
Payment in Advance	1,691	0	1,691	1,183	0	1,183
Trade Receivables	9,234	(6,856)	2,378	7,096	(1,753)	5,343
Total Short Term Debtors	284,642	(127,547)	157,094	269,780	(123,885)	145,895

Long Term Debtors	31st March 2023	31st March 2022
	Net Debtor	Net Debtor
	£'000	£'000
Advances & Deposits	68	68
Service Loans	8,795	7,312
Total Long Term Debtors	8,863	7,380

NOTES TO THE STATEMENTS

Short Term Debtors	Group Amounts			Group Amounts		
	31st March 2023 Expected Credit Loss/ Incurred	31st March 2022 Expected Credit Loss/ Incurred		31st March 2023 Expected Credit Loss/ Incurred	31st March 2022 Expected Credit Loss/ Incurred	
	Gross Debtor	Credit Loss	Net Debtor	Gross Debtor	Credit Loss	Net Debtor
	£000	£000	£000	£000	£000	£000
Central Government	25,451	0	25,451	32,119	0	32,119
Commercial Waste	100	(100)	0	86	(86)	0
Health Authorities	25,706	0	25,706	47,961	0	47,961
Housing Benefit Overpayments	26,234	(23,275)	2,959	27,673	(23,957)	3,716
Housing/ HRA Rent Payers	54,339	(39,608)	14,731	47,224	(33,955)	13,269
Local Taxation	37,932	(29,622)	8,310	35,485	(29,852)	5,633
Other Local Authorities	52,372	0	52,372	20,141	0	20,141
Other Receivables	28,947	(7,585)	21,361	21,759	(8,622)	13,137
Parking	24,198	(20,500)	3,698	28,071	(25,660)	2,411
Payment in Advance	1,691	0	1,691	1,183	0	1,183
Trade Receivables	9,234	(6,856)	2,378	7,096	(1,753)	5,343
Total Short Term Debtors	286,203	(127,547)	158,656	268,798	(123,885)	144,913

Long Term Debtors	31st March	31st March
	2023	2022
	Net Debtor	Net Debtor
	£000	£000
Advances & Deposits	68	68
Service Loans	2,743	1,393
Total Long Term Debtors	2,811	1,461

NOTES TO THE STATEMENTS

Expected credit loss is based on the expectation that the future cash flows might not take place because the borrower could default on their obligations. This applies to all of the council's contractual Financial Instrument Assets apart from statutory and tax-based debt.

2022/23 Expected Credit Loss/ Incurred Credit Loss Movement, Restated	Opening balance 01/04/2022	(Additional Provisions)/ Released during the Year	Amount Used During the Year	Closing Balance 31/03/2023
	£000	£000	£000	£000
Expected Credit Loss:				
Housing Rent	(14,704)	(1,133)	111	(15,726)
Other (Sundry/ Commercial)	(6,777)	(4,457)	491	(10,743)
	(21,480)	(5,590)	602	(26,469)
Incurred Credit Loss:				
Housing Other	(19,350)	(4,770)	171	(23,949)
Housing Benefit Overpayment	(23,957)	303	378	(23,275)
Local Taxation	(29,852)	(311)	541	(29,622)
Parking	(25,660)	(11,898)	17,058	(20,500)
Other	(3,586)	(151)	5	(3,732)
	(102,405)	(16,827)	18,153	(101,079)
	(123,885)	(22,417)	18,755	(127,547)

2021/22 Expected Credit Loss/ Incurred Credit Loss Movement	Opening balance 01/04/2021	(Additional Provisions)/ Released during the Year	Amount Used During the Year	Closing Balance 31/03/2022
	£000	£000	£000	£000
Expected Credit Loss:				
Housing Rent	(11,602)	(3,225)	121	(14,706)
Other (Sundry/ Commercial)	(9,447)	910	1,675	(6,862)
	(21,048)	(2,315)	1,796	(21,567)
Incurred Credit Loss:				
Housing Other	(15,192)	(4,158)	86	(19,264)
Housing Benefit Overpayment	(27,385)	2,909	520	(23,957)
Local Taxation	(27,754)	(2,602)	505	(29,851)
Parking	(29,267)	(11,076)	14,683	(25,661)
Other	(2,724)	(867)	4	(3,586)
	(102,322)	(15,794)	15,798	(102,318)
	(123,371)	(18,109)	17,594	(123,885)

16a Debtors for Local Taxation

The past due net of impairments for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

Council Tax	31/03/2023	31/03/2022, Restated
	£'000	£'000
One year or less than one year	4,961	3,159
More than one year	2,376	2,008
Total	7,337	5,167

Non-Domestic Rates	31/03/2023	31/03/2022
	£'000	£'000
One year or less than one year	484	281
More than one year	489	185
Total	973	466

NOTES TO THE STATEMENTS

17. Cash and cash equivalents

The net balance of cash and cash equivalents is made up of the following elements at the balance sheet date.

	Single Entity		Group Amounts	
	31/03/23 £'000	31/03/22 £'000	31/03/23 £'000	31/03/22 £'000
Cash in hand and at bank	10,976	17,906	17,980	24,086
Short-term deposits	93,900	66,180	93,900	66,180
Total	104,876	84,086	111,880	90,266

18. Creditors

The following tables provide an analysis of money owed by the Council as at 31 March 2023.

	Long Term		Short Term	
	31/03/23 £'000	31/03/22 £'000	31/03/23 £'000	31/03/22 £'000
Central Govt bodies		0	(29,367)	(81,250)
Other local authorities		0	(14,607)	(3,554)
NHS bodies		0	(10,267)	(16,855)
Receipt in Advance		0	(30,401)	(30,890)
Trade Payables	(17,179)	(17,515)	(16,188)	(17,801)
Other Payables		0	(66,874)	(55,374)
PFI		0	(3,722)	(3,418)
Council Tax, NNDR & Housing Benefit Overpayments		0	(20,913)	(17,416)
Total	(17,179)	(17,515)	(192,339)	(226,558)

	Single Entity		Group Amounts	
	31/03/23 £'000	31/03/22 £'000	31/03/23 £'000	31/03/22 £'000
Central Govt bodies	(29,367)	(81,250)	(29,367)	(81,250)
Other local authorities	(14,607)	(3,554)	(14,607)	(3,554)
NHS bodies	(10,267)	(16,855)	(10,267)	(16,855)
Receipt in Advance	(30,401)	(30,890)	(30,401)	(30,890)
Trade Payables	(33,367)	(35,316)	(33,367)	(35,316)
Other Payables	(66,873)	(55,374)	(71,403)	(59,218)
PFI	(3,722)	(3,418)	(3,722)	(3,418)
Council Tax, NNDR & Housing Benefit Overpayments	(20,913)	(17,416)	(20,913)	(17,416)
Total	(209,518)	(244,073)	(214,048)	(247,917)

NOTES TO THE STATEMENTS

19. Provisions

Provisions are analysed on the face of the Balance Sheet as either short term or long term. The amounts below are estimates based on the best information available:

	Insurance	NDR appeals	Thames Water	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	(7,400)	(4,938)	(5,323)	(976)	(18,636)
Provisions made in 2022/23	(2,771)	0	0	(349)	(3,120)
Amounts used in 2022/23	1,458	1,714	2,082	242	5,496
Balance at 31 March 2023	(8,713)	(3,224)	(3,241)	(1,083)	(16,260)
Of which:					
Long Term	(7,397)	(502)	(3,241)	(374)	(11,514)
Short Term	(1,316)	(2,722)	0	(708)	(4,746)

The **insurance provision** is required as some of the Council's insurance policies are met by deposit premiums under which insurers ask for additional sums some years after the original claim. Furthermore, balances are accrued each year to meet future known claims where the Council self-insures. Depending on the claims, these payments may be made over a period of many years.

The **Non-Domestic Rates (NDR) provision** reflects the potential liabilities of the repayments to businesses based on current outstanding appeals and an estimate of any future appeals.

The **Thames Water provision** represents management's judgement of reasonable estimate required should tenants reclaim excess water charges.

20. Unusable reserves

	2022/23	2021/22
	£'000	£'000
Collection Fund Adjustment	(3,081)	14,845
Revaluation Reserve	(1,178,412)	(1,003,596)
Pensions Reserve	34,292	482,038
Capital Adjustment Account	(1,149,255)	(1,084,964)
Deferred Capital Receipts	(51)	(51)
Financial Instruments Adjustment	3,408	3,640
Dedicated School Grant Adjustment	11,550	20,505
Accumulated Absences	10,977	10,023
Total	(2,270,571)	(1,557,560)

Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of Council tax income in the CIES as it falls due from Council taxpayers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

	2022/23	2021/22
	£'000	Restated £'000
Balance as at 1 April	14,845	24,127
Amount by which council tax and non domestic rates income credited to the CIES is different from council tax and non domestic rates income calculated for the year in accordance with statutory requirements	(17,926)	(9,282)
Balance as at 31 March	(3,081)	14,845

NOTES TO THE STATEMENTS

Revaluation reserve

The revaluation reserve contains the gains made by the Council since April 2007 arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, used in the provision of services and the gains are consumed through depreciation or disposed of and the gains are realised. The Revaluation Reserve includes the figures from the Single Entity only but excludes those from the Group Entity. This is an additional £88.9m as at 31 March 2022 (£76.9m at 31 March 2021).

	2022/23	2021/22
	£'000	£'000
Balance as at 1 April	(1,003,596)	(852,482)
(Surplus) or deficit on revaluation of property, plant and equipment	(185,125)	(165,771)
Difference between fair value depreciation and historical cost depreciation	8,835	8,709
Revaluation losses & impairments written off to previous gains		4,696
Revaluation balances on disposed assets	1,474	1,252
Balance as at 31 March	(1,178,412)	(1,003,596)

Pension reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pay any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2022/23	2021/22
	£'000	£'000
Balance as at 1 April	482,038	684,424
Remeasurements recognised in Other Comprehensive Income and Expenditure	(513,242)	(244,196)
Reversal of items relating to retirement benefits debited or credited to SDPOS	65,496	41,810
Balance as at 31 March	34,292	482,038

NOTES TO THE STATEMENTS

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 therefore represents amounts set aside to finance expenditure on fixed assets or for the repayment of external loans and certain other financing transactions.

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.

	2022/23	2021/22
	£'000	£'000
Balance as at 1 April	(1,083,552)	(1,113,739)
<i>Reversal of items relating to capital expenditure debited or credited to CIES</i>		
- charges for depreciation and impairment of NCA	45,869	46,286
- revaluation gains and reversals of losses on PPE	(1,861)	64,976
- amortisation of intangible assets	880	986
- REFCUS	24,057	17,053
- amounts of NCA written off on disposal or sale as part of the gains/loss on disposal to CIES	7,529	4,440
	76,474	133,741
Adjusting amounts written out of Revaluation Reserve	(10,309)	(9,961)
Net written out amount of the cost of NCA consumed in the year	66,165	123,780
<i>Capital financing applied in the year</i>		
- Capital Receipts	(14,290)	(9,611)
- Major Repairs Reserve	(21,526)	(22,664)
- Capital Grants	(73,951)	(45,442)
- Revenue Contributions	(5,965)	(2,524)
- Minimum revenue provision	(11,412)	(8,098)
	(127,144)	(88,339)
Movements in the market value of Investment Properties debited or credited to CIES	(5,017)	(599)
Other adjustments	294	(4,655)
Balance as at 31 March	(1,149,255)	(1,083,552)

NOTES TO THE STATEMENTS

Dedicated Schools Grant (DSG) Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools' budget. Where the authority has incurred a deficit on its schools budget in years beginning 1 April 2020, 1 April 2021 or 1 April 2022, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

	2022/23	2021/22
	£'000	£'000
Balance as at 1 April	20,505	17,016
(Surplus)/Deficit for the year	(8,955)	3,489
Balance as at 31 March	11,550	20,505

As part of the high level of deficit on the High Needs Block, intervention support (Safety Valve) was agreed with the DfE to reduce the cumulative DSG deficit, including the deficit for 2022/23, and reach a positive position by 2027/28. To deliver the required improvement over the next five years, the Council has developed a DSG Management Plan which is being coproduced with various stakeholders. The plan has been approved by DfE and as a result financial support of £29.9m is being provided, front loaded with £11.96m in 2022/23 and annually thereafter. As a result of the funding, the cumulative High Needs Block DSG deficit at 31st March 2023 is £11.550m.

Accumulated Absences

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

	2022/23	2021/22
	£'000	£'000
Balance as at 1 April	10,023	9,561
Settlement / cancellation of accrual made at the end of the preceding year	(10,023)	(9,561)
Amounts accrued at the end of the current year	10,977	10,023
Amount by which officer remuneration charged to the CIES on an accruals basis is different from charges in accordance with statute	954	462
Balance as at 31 March	10,977	10,023

NOTES TO THE STATEMENTS

21. Cash Flow Statement - Operating Activities

	Single Entity 2022/23	Group 2022/23	Single Entity 2021/22	Group 2021/22
			£000	£000
Interest received	1,529	1,529	365	365
Interest paid	(21,778)	(21,778)	(18,858)	(18,858)

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

	Single Entity 2022/23	Group 2022/23	Single Entity 2021/22	Group 2021/22
			£000	£000
Depreciation	45,869	47,598	46,286	48,063
Impairment and downward valuations	(1,861)	(1,861)	64,976	64,976
Amortisation	880	880	986	986
Increase/(decrease) in creditors	(42,046)	(48,425)	50,766	35,989
Increase/(decrease) in provisions	(2,376)	(2,805)	(5,865)	(5,719)
(Increase)/decrease in debtors	(22,749)	(17,462)	(15,052)	(14,558)
(Increase)/decrease in inventories	(610)	1,263	20	(417)
Movement in pension liability	65,496	65,577	41,810	51,220
Carrying amount of non-current assets disposal	7,529	7,529	4,440	4,440
Movement in fair value of investment properties	(4,418)	(5,017)	(599)	(599)
Other non-cash items charged to the net surplus or deficit on the provision of services	(1,696)	(29,078)	(53)	(3,836)
	44,018	18,199	187,716	180,547

NOTES TO THE STATEMENTS

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

	Single Entity 2022/23	Group 2022/23	Single Entity 2021/22	Group 2021/22
			£000	£000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	5,000	5,000	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(25,207)	(25,207)	(10,879)	(10,879)
Capital Grants credited to SDPOS	(92,732)	(92,732)	(42,427)	(42,427)
	(112,939)	(112,939)	(53,306)	(53,306)

22. Cash Flow Statement - Investing Activities

	Single Entity 2022/23	Group 2022/23	Single Entity 2021/22	Group 2021/22
	£000	£000	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	(238,032)	(237,656)	(206,889)	(208,798)
Purchase of short-term and long-term investments	0	0	(16,469)	0
Other Investing activities	0	(1,370)	(1,271)	(778)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	25,207	25,207	10,879	10,879
Proceeds from short-term and long-term investments	0	0	0	0
Capital Grants and Other Investments received	189,860	189,860	79,650	79,650
Net cash flows from investing activities	(22,965)	(23,959)	(134,100)	(119,047)

NOTES TO THE STATEMENTS

23. Cash Flow Statement - Financing Activities

	Single Entity 2022/23	Group 2022/23	Single Entity 2021/22	Group 2021/22
			£000	£000
Cash receipts of short- and long-term borrowing	192,833	192,833	219,500	219,500
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(4,249)	(4,249)	(4,662)	(4,662)
Repayments of short- and long-term borrowing	(109,947)	(109,947)	(73,500)	(73,500)
Other payments for financing activities	9,422	9,422	10,936	10,936
Net cash flows from financing activities	88,060	88,060	152,274	152,274

23a Reconciliation of Financial Liabilities from financing activities

	Opening Balance as at 01/04/2022	Financing Cash Flows	Non Cash Changes	Closing Balance as at 31/03/2023
	£'000	£'000	£'000	£'000
Long Term Borrowings	593,548	69,797	(44)	663,301
Short Term Borrowings	114,688	13,088	1,961	129,737
Lease Liabilities	13,976	(1,169)	(852)	11,955
On Balance sheet PFI liabilities	12,725	(3,080)		9,645
Total	734,937	78,636	1,065	814,638

NOTES TO THE STATEMENTS

24. Members allowances

The total of Members' allowances paid in 2022/23 was £1.141 million compared to £1.134 million in 2021/22. These figures are included in the 'Corporate Budget- Service' line of the CIES.

25. External audit costs

BDO are the Council's appointed auditor under the Local Audit and Accountability Act 2014. Fees payable in respect of the annual audit of the Statement of Accounts are indicated below.

	2022/23	2021/22
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year	159	159
Fees to BDO for HB subsidy claims audit	47	47
Fees payable to BDO in respect of grant claims and other services provided during the year	7	7
Rebate from the Public Sector Audit Appointments	0	(31)
Total	213	182

NOTES TO THE STATEMENTS

26. Pooled budgets

In 2022/23, Haringey Council (the Council) entered into 2 pooled budget arrangements with Haringey Clinical Commissioning Group (the CCG) established under Section 75 (s75) of the NHS Act 2006:

- Better Care Fund which provides the financial support to jointly plan and deliver local services.
- Commissioning and provision of integrated learning disabilities service

2022/23 Section 75 Pooled Budget

	Gross Expenditure 2022/23	CCGS Contribution 2022/23	Haringey Contribution 2022/23	TOTAL Contribution 2022/23
	£'000	£'000	£'000	£'000
Adult Learning Disabilities Support	63,786	(47,191)	(16,595)	(63,786)
Adults Mental Health	43,348	(12,452)	(30,896)	(43,348)
Better Care Fund (BCF)	2,935	(1,785)	(1,150)	(2,935)
Disabled Facilities Grant (DFG) & Winter Pressures	23,467	(23,467)	0	(23,467)
Improved Better Care fund (iBCF)	3,869	(101)	(3,768)	(3,869)
Child and adolescent mental health services (CAMHS)	9,806	0	(9,806)	(9,806)
Violence Against Women and Girls (VAWG)	41	(21)	(21)	(42)
Children & Young Persons (CYP)	7,225	(297)	(6,928)	(7,225)
TOTAL	154,478	(85,314)	(69,164)	(154,478)

2021-22 Section 75 Pooled Budget

	Gross Expenditure 2021/22	CCGS Contribution 2021/22	Haringey Contribution 2021/22	TOTAL Contribution 2021/22
	£'000	£'000	£'000	£'000
Adult Learning Disabilities Support	44,249	(13,353)	(30,896)	(44,249)
Adults Mental Health	62,292	(45,579)	(16,713)	(62,292)
Better Care Fund (BCF)	21,021	(21,021)	0	(21,021)
Disabled Facilities Grant (DFG) & Winter Pressures	2,780	(101)	(2,679)	(2,780)
Improved Better Care fund (iBCF)	9,519	0	(9,519)	(9,519)
Child and adolescent mental health services (CAMHS)	2,200	(1,280)	(920)	(2,200)
Violence Against Women and Girls (VAWG)	45	(23)	(23)	(45)
Children & Young Persons (CYP)	6,972	(290)	(6,682)	(6,972)
TOTAL	149,078	(81,648)	(67,430)	(149,078)

NOTES TO THE STATEMENTS

Haringey and CCG contribution is presented net of recharges for both prior and current year.

In 2022/23, the Council and the CCG continued the expanded and unified partnership agreement, under Section 75 of the NHS Act 2006, to support the implementation of strategic plans for more integrated commissioning and provide for:

- a) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of learning disability services for eligible adults' resident in Haringey.
- b) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of mental health services for eligible adults' resident in Haringey.
- c) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of older people's services for eligible adults' resident in the London Borough of Haringey.
- d) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of child and adolescent mental health services for the residents of the London Borough of Haringey.
- e) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of the Independent Domestic Violence Advocacy Service and the Identification and Referral to Increase Safety Service for eligible adults' resident in Haringey.
- f) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of a range of young people's health and wellbeing services for eligible young people resident in

Haringey.

It should be noted that whilst the Partnership Agreement allows for all budgets mentioned above to be pooled, it is only the BCF, DFG, Winter Pressures Grant and the learning disability staffing budgets which are in fact pooled, all other budgets are aligned. The partnership agreement for the Better Care Fund comprises the CCG and the Council for the provision of services to facilitate closer integration of health and social care for local people. Haringey CCG, as the host Authority, held the revenue element whilst the Council held the capital element of the pooled budget.

The gross expenditure of the Better Care Fund (not including Improved Better Care Fund) was £28.5m in 2022/23 to which the Council's contribution was £5.2m and £23.5m was the contribution of Haringey ICB. In relation to the improved Better Care Fund the Council utilised the entire amount of £9.8m.

NOTES TO THE STATEMENTS

27. Officers' Remuneration

The following table sets out the remuneration for senior officers whose salary is £150,000 or more per year.

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Chief Executive - A Donald (Appointed on 25/04/2022)	2022-23	223,202	0	0	223,202
	2021-22	0	0	0	0
Chief Executive - Z Etheridge (Left 13/02/2022)	2022-23	0	0	0	0
	2021-22	175,550	0	44,025	219,575
CEO AM Hartney (Gladesmore Community School & Crowland Primary School, Left 31/08/2022)	2022-23	66,150	0	0	66,150
	2021-22	157,761	0	0	157,761
Director of Finance - JR Warlow	2022-23	174,680	0	43,495	218,175
	2021-22	167,883	0	42,642	210,525
Director of Placemaking & Housing - D Joyce*	2022-23	154,494	0	38,469	192,964
	2021-22	148,220	0	37,648	185,867
Director of Adults, Health & Communities - B Tarka**	2022-23	153,279	0	38,166	191,445
	2021-22	140,781	0	35,758	176,539

Due to a change in the management structure, the following directors have had a change in the scope of their responsibilities:

* *Director of Housing, Regeneration & Planning is replaced by Director of Placemaking & Housing.*

** *Director of Adults & Health is replaced by Director of Adults, Health & Communities.*

NOTES TO THE STATEMENTS

The following table sets out the remuneration disclosures for senior officers reporting to the Chief Executive whose salary is more than £50,000 but less than £150,000:

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Director of Childrens Services	2022-23	142,706	0	35,534	178,240
	2021-22	136,824	0	34,753	171,577
Director of Environment & Residents Exp (Appointed on 09.01.2023)	2022-23	121,531	0	16,545	138,076
	2021-22	0	0	0	0
Director of Environment & Neighbourhoods (Retired w.e.f. 29.05.2022)*	2022-23	22,707	0	5,654	28,361
	2021-22	136,824	0	34,753	171,577
Director of Culture, Strategy & Engagement (Appointed on 27.06.2022)	2022-23	108,615	0	27,045	135,660
	2021-22	0	0	0	0
Director of Customers, Trans & Resources (Retired W.e.F. 11.07.2021)**	2022-23	0	0	0	0
	2021-22	51,544	0	9,849	61,394
Head of Legal & Governance	2022-23	113,454	0	28,250	141,704
	2021-22	97,438	0	24,749	122,187

Due to a change in the management structure, the following directors have had a change in the scope of their responsibilities:

* *Director of Environment & Neighbourhoods is replaced by Director of Environment & Residents Experiences.*

** *Director of Customers, Trans & Resources is replaced by Director of Culture, Strategy & Engagement.*

NOTES TO THE STATEMENTS

The number of employees whose remuneration including redundancy payments but excluding pension contributions was £50,000 or more is detailed in the table below. These numbers cover all Council activities, including schools-based staff (it excludes senior officers who are disclosed in the previous tables):

	2022/23	2021/22
	No. of employees	No. of employees
£50,000 - £54,999	384	297
£55,000 - £59,999	269	258
£60,000 - £64,999	195	125
£65,000 - £69,999	122	57
£70,000 - £74,999	11	48
£75,000 - £79,999	36	34
£80,000 - £84,999	20	24
£85,000 - £89,999	39	16
£90,000 - £94,999	0	18
£95,000 - £99,999	15	13
£100,000 - £104,999	11	8
£105,000 - £109,999	7	11
£110,000 - £114,999	8	8
£115,000 - £119,999	7	4
£120,000 - £124,999	5	3
£125,000 - £129,999	2	2
£130,000 - £134,999	0	1
> £145,000	2	0
Total	1,133	927

28. Termination benefits

The tables below show the number of exit packages including pension strain contributions agreed in the year together with the total cost per band (including schools-based staff):

2022/23	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	30	21	51	373,697
£20,001 - £40,000	10	4	14	371,789
£40,001 - £60,000	2	0	2	104,237
£60,001 - £80,000	0	1	1	66,759
£100,001 - £150,000	1	1	2	186,095
Total	43	27	70	1,102,577

2021/22	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	34	24	58	411,737
£20,001 - £40,000	10	8	18	500,397
£40,001 - £60,000	1	4	5	232,414
£60,001 - £80,000	2	0	2	134,518
£100,001 - £150,000	1	0	1	107,970
Total	48	36	84	1,387,036

NOTES TO THE STATEMENTS

29. Dedicated Schools Grant (DSG)

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2021. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2021/22 are as follows.

	Central Expenditure	ISB	Total
	£'000	£'000	£'000
Final DSG for 2022/23 before academy and high needs recoupment			287,663
Academy and high needs figure recouped for 2022/23			79,110
Total DSG after academy and high needs recoupment for 2022/23			208,553
Plus: Brought forward from 2021/22			0
Less: Carry-forward to 2023/24 agreed in advance			0
Agreed initial budgeted distribution in 2022/23	73,503	135,050	208,553
In-year adjustments	11,960	0	11,960
Final budget distribution for 2022/23	85,463	135,050	220,513
Less: Actual central expenditure	76,508		76,508
Less: Actual ISB deployed to schools		135,050	135,050
Plus: Local authority contribution for 2022/23	0	0	0
In-year carry-forward to 2023/24	8,955	0	8,955
Plus: Carry-forward to 2023/24 agreed			0
Carry-forward to 2023/24			8,955
DSG unusable reserve at the end of 2021/22			(20,505)
Addition to DSG unusable reserve at the end of 2022/23			0
Total of DSG unusable reserve at the end of 2022/23			(20,505)
Net DSG position at the end of 2022/23			(11,550)

NOTES TO THE STATEMENTS

30. Grant income

The Council credited the following grants, contributions and donations to the CIES in 2022/23.

		2022/23	2021/22
Credited to Services		£000	£000
Dept of Works & Pensions Grants	Housing Benefits Subsidy	(176,348)	(188,879)
	Household Support Fund	(4,813)	(2,407)
	Discretionary Housing payment	(1,193)	(1,683)
Dept for Education Grants	Dedicated Schools Grant	(208,553)	(201,506)
	Safety Valve Payment	(11,960)	0
	Pupil Premium	(9,922)	(8,928)
	Schools Supplementary Grant (SSG)	(3,729)	0
	16+ Learning	(6,660)	(5,831)
	PFI	(5,669)	(5,669)
	Universal Infant school meal	(2,164)	(2,383)
	PE & Sport Grant	(1,025)	(1,028)
Department of Health Grants	Public Health Grant	(21,502)	(20,914)
DHULC Grants	Homelessness Grant	(1,647)	(2,041)
	Tackling Troubled Families	(1,330)	(1,270)
	Council tax Rebate- Energy	(14,685)	0
	Flexible Housing	(9,861)	(10,154)
	Adult Social Care	(21,710)	(18,243)
	Ukraine Refugees Grant	(6,150)	0
GLA Grants	GLA Grants	(1,503)	(1,113)
Home Office Grants	Home Office Grants	(2,852)	(2,852)
	Other Revenue Grants	(13,667)	(10,248)
Covid Related Grants	Covid Grants	(864)	(33,091)
Sub Total Government Grants		(527,805)	(518,240)

		2022/23	2021/22
Credited to Services		£000	£000
Contributions	NHS Bodies	(27,088)	(26,229)
	Other Bodies	(5,730)	(5,893)
Capital Grant to services	Disability Facility Grant	(2,811)	(2,972)
Total		(563,434)	(553,334)

		2022/23	2021/22
Credited to Taxation and Non-Specific Grant Income		£000	£000
	New Homes Bonus	(1,279)	(1,208)
	Revenue Support Grant	(22,797)	(22,115)
	S31 Business Rate Relief	(14,060)	(6,618)
	Services Grant	(5,652)	0
	Covid-19 Grants	(1,414)	(24,188)
	Other General Grants	(1,168)	(583)
Sub Total Government Grants		(46,370)	(54,712)
	Business Rates (NNDR) top up	(60,471)	(58,412)
Sub Total Revenue Grants		(106,841)	(113,124)
	Capital Grants	(89,922)	(39,455)
	Donations	(16)	(12)
Total		(196,778)	(152,591)

NOTES TO THE STATEMENTS

The Council has received a number of capital grants and contributions that have yet to be recognised as income as they have unmet conditions attached to them that will require the money or property to be returned. The balances at the year-end are as follows:

	2022/23	2021/22
Capital Grants & Contributions Received in Ac	£000	£000
Mayors Land Fund	0	(10,000)
New Build Grant	(111,978)	(8,576)
BEIS Funding	(10,789)	(12,223)
Brownfield Land Release Fund	(7,450)	(3,886)
Other capital	(2,075)	(1,831)
S106 Contribution	(16,931)	(16,110)
Total	(149,222)	(52,626)

	2022/23	2021/22
Revenue Grants Received in Advance	£000	£000
DESNZ Energy Bill Support	(791)	0
GLA Revenue Grants	(595)	0
CO - One Pub Est Pship	(315)	(596)
Total	(1,701)	(596)

31. Related Parties

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

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, most of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., housing benefits). Grants received from government departments are set out in note 30 Grant income.

Pooled Budgets

The Council has entered into partnership agreements under Section 75 of the Health Act 2006. The specific details of these partnerships are shown in note 26 relating to Pooled Budgets.

Pension Fund

The pension fund accounts are set out elsewhere in the Statement of Accounts. The pension fund operates a separate bank account and makes investments separately from the Council. The pension fund owed the council £0.345m as at 31 March 2023 and the Council charged the fund £0.885m for administration in 2022/23 (£0.067m and £0.827m respectively in 2021/22).

NOTES TO THE STATEMENTS

Homes for Haringey Limited, Alexandra Park and Palace Charitable Trust Limited

Both are wholly owned subsidiaries of Haringey Council and have been consolidated into the Council's Group Accounts. The net value of payments and receipts in 2022/23 were £18.9 million and £1.4 million respectively (£74.5 million and £7.6 million in 2021/22).

The Total debt owed by Alexandra Park and Palace Charitable Trust at the year-end is £48.9m. Most of these debts (£43.1), are historic debt balances owed by the Trust that have not been legally discharged. The historic debt dates back to previous decades when the Council expended funds on behalf of the Trust. The debt is legally outstanding but does not currently have repayments being made. Although the debt has not been legally discharged, the Council has agreed that it will only seek to recover the debt when the Trust is in a position to repay amounts due. £5.8m of the remainder relates to loans for refurbishment of the Ice Rink facility, West Yard Storage and lighting, which are being repaid by the Trust in line with the agreed loan agreements.

North London Waste Authority (NLWA)

NLWA has seven participating boroughs, and each borough can appoint up to 2 members to the board. The value of the levy paid is disclosed in note 7.

Members and Senior Officers

Members of the Council including the Mayor have direct control over the Council's financial and operating policies. The total of members allowances paid in 2022/23 is shown in note 24. Members of the Council and senior officers participate in and are members of a variety of other public bodies and community groups either in a personal capacity or appointment by the Council.

In 2022/23, Haringey has provided financial support to or purchased services from 14 charitable or voluntary organisations (14 in 2021/22) in which 26 members have declared an interest (25 in 2021/22). 12 of these instances were as a representative of the Council and 14 in a personal capacity (17 and 8 respectively in 2021/22). In 2022/23, the total value of payments made and amounts received was £5.066 million (£4.460 million in 2021/22) and the total value of amounts due was £0.426 million (£0.736 million in 2021/22).

The balance due to Haringey at the end of the year in respect of a loan made to Bernie Grant Centre is £0.340 million. The Centre is a registered charity and performing arts centre in Tottenham set up in memory of MP Bernie Grant.

The Council has well established mechanisms and procedures for preventing undue influence in awarding of contracts or grant funding to organisations. Supporting these mechanisms is the disclosure of interests in the Register of Members' Interest which is open to public inspection at George Meehan House, 294 High Road, Wood Green, London N22 8YX. This note has been compiled using this register and individual declarations made by elected members and senior officers. Two senior officers did not submit a declaration form, of which one has left the Council.

NOTES TO THE STATEMENTS

32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2022/23	2021/22
	£'000	£'000
Capital Financing Requirement at 1 April	973,948	837,034
<i>Capital investment</i>		
- Property, Plant and Equipment	237,397	196,261
- Long term loans	1,327	1,138
- Investment Properties	8,238	7,412
- Intangible Assets	3,077	4,632
- REFCUS	24,057	17,053
	274,096	226,496
<i>Sources of finance</i>		
- Capital receipts	(14,290)	(9,611)
- Government grants and other contributions	(73,951)	(46,684)
- Major Repairs Allowance	(21,526)	(22,664)
- Direct revenue contributions	(5,965)	(2,524)
- Minimum Revenue Provision	(11,412)	(8,099)
	(127,144)	(89,582)
Closing CFR	1,120,900	973,948
Explanation of movements in year		
Provision to reduce underlying need to borrow (MRP)	(11,412)	(8,099)
Increase in underlying need for supported borrowing	158,364	145,014
Increase/(Decrease) in CFR	146,952	136,915

33. Leases

Authority as Lessee - Finance leases

The Council holds several assets under finance leases. The assets acquired under these leases are carried as investment property or property, plant and equipment in the Balance Sheet at the following net amounts.

	31/03/23	31/03/22
	£'000	£'000
Other Land and Buildings	12,900	12,585
Vehicles, Plant, Furniture and Equipment	5,505	6,124
Total	18,405	18,709

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts.

	£'000	£'000
Finance lease liabilities (NPV of minimum lease payments)		
- current	1,367	1,316
- non-current	11,954	12,660
Finance costs payable in future years	19,515	20,024
Total	32,836	33,999

NOTES TO THE STATEMENTS

These minimum lease payments will be payable over the following periods.

	Minimum Lease Payments		Finance Lease Liabilities	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Less than one year	1,996	1,984	1,367	1,316
Between one and five years	5,416	5,826	3,504	3,810
Later than five years	25,424	26,189	8,450	8,850
Total	32,836	33,999	13,321	13,975

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2022/23 £603k contingent rents were payable by the authority (2021/22 £684k).

Authority as Lessee - Operating leases

The Council enters into operating lease agreements to acquire the use of plant, vehicles, equipment and computers. The future minimum lease payments due under non-cancellable leases in future years are as follows:

	31/03/23 £'000	31/03/22 £'000
Not later than one year	761	537
Later than one year and not later than five years	1,568	1,664
Later than five years	205	450
Total	2,533	2,651

There are no material contingent rents or sub-leases in relation to

these operating leases. There were no subleases in relation to these operating leases at the Balance Sheet date.

Authority as Lessor - Operating leases

The Council leases out property and equipment under operating leases for the following purposes:

- Community services, such as sports facilities, tourism services and community centres
- Economic development to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are as follows.

	31/03/23 £'000	31/03/22 £'000
Not later than one year	7,363	6,686
Later than one year and not later than five years	16,382	16,034
Later than five years	82,306	80,748
Total	106,051	103,468

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

NOTES TO THE STATEMENTS

34. Service Concession Arrangements

In 2000, the Council entered into a PFI contract that encompassed major building work and ongoing facilities management for its eight secondary schools. In February 2007, the agreement was suspended, and all of the assets were brought back onto the Council's balance sheet.

The remaining contract that the Council has with the contractor is for the repayment of the outstanding liability of debt incurred when the original PFI works were first undertaken. This debt has also been recognised within the Council's Balance Sheet. Payments to the contractor were £4.301 million in 2022/23 (£4.283million in 2021/22). The PFI arrangement ends in September 2025.

The Council receives a £5.669 million revenue grant annually from the Government to assist in financing the PFI scheme.

Future payments to be made

Future payments to be made in respect of the PFI arrangement are shown below. These future payments take into account any future indexation of the cost that may be agreed between the provider and the Council in future years. However, the impact of any future indexation is minimal as the majority of the unitary charge is fixed.

	Reimbursement of Capital Exp	Interest	Total
	£'000	£'000	£'000
Payable in 1 year	3,722	502	4,224
Payable within 2 to 5 years	5,924	413	6,337
Total	9,646	915	10,561

Movement in PFI liability	£'000
Opening Balance as at 1/4/2022 Restated	13,184
Interest Charge	686
Payment during 2022/23	(4,225)
Closing balance as at 31/3/2023	9,646

NOTES TO THE STATEMENTS

35. Pension schemes accounted for as defined contribution schemes

Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Teachers' Pensions Agency. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2022/23 the Council paid £16.195 million (£16.156 million in 2021/22) to Teachers' Pensions in respect of teachers' pension costs which represented 23.68% of teachers' pensionable pay from April 2022 to March 2023. Expected contributions for 2023/24 is £16.2 million. The Council is responsible for additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in note 36.

36. Defined benefit pension schemes

Participation in the Local Government Pension Scheme (LGPS)

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement 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 Officers' Pension

Fund administered by Haringey Council. This is a funded 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.

Where appropriate, the following disclosures include group amounts in respect of Homes for Haringey and some employees of Alexandra Palace and Palace Charitable Trust. Homes for Haringey is an admitted body of the Council's Pension Fund and pension obligations were transferred to the limited company on 1st April 2006.

Discretionary post-retirement benefits

Discretionary post-retirement benefits on early retirement (added years) are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities. Included within the present value of unfunded liabilities detailed in the following notes is £20.774 million (£15.615 million in 2021/22) in respect of Teachers unfunded pensions. At 31st March 2023 the Scheme had 887 members in respect of LGPS and 343 members in respect of Teachers unfunded pensions (887 and 343 respectively as at 31st March 2022).

NOTES TO THE STATEMENTS

Transactions relating to post-employment benefits

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement in Reserves Statement.

The following transactions have been made in the CIES:

	LGPS		Unfunded	
	2022/23	2021/22	2022/23	2021/22
	Restated			
	£'000	£'000	£'000	£'000
Cost of Services				
- current service cost	71,490	61,672	0	0
- past service cost	143	99	0	0
Total	71,633	61,771	0	0
Net Interest Expense	13,841	12,859	0	879
Total Charged to SDPOS	85,474	74,630	0	879
Other Comprehensive Income and Expenditure				
- return on plan assets	129,629	(99,091)	0	0
- actuarial gains/losses (changes in financial assumptions)	(750,921)	(124,391)	0	(1,230)
- actuarial gains/losses (changes in demographic assumptions)	277	(10,089)	0	(373)
- other	107,773	3,081	0	(1,085)
Total	(513,242)	(230,490)	0	(2,688)

	Group	
	2022/23	2021/22
	£'000	Restated £'000
Cost of Services		
- current service cost	71,510	74,306
- past service cost	143	383
Total	71,653	74,689
Net Interest	13,812	14,771
Total debited to SDPOS	85,465	89,460
Other Comprehensive Income and Expenditure		
- return on plan assets	124,237	(116,559)
- actuarial gains/losses (changes in financial assumptions)	(751,980)	(144,254)
- actuarial gains/losses (changes in demographic assumptions)	343	(11,734)
- other	113,814	2,475
Total	(513,586)	(270,072)

The following transactions have been made in the adjustments between accounting basis and funding basis under regulations line in the MIRS during the year.

	2022/23	2021/22
	£'000	£'000
Reversal of net IAS 19 charges	(85,474)	(75,509)
Actual amount charged for pensions in the year	19,978	33,699

NOTES TO THE STATEMENTS

Pension assets and liabilities recognised in the Balance Sheet

	LGPS		Unfunded	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Present value of obligation	(1,601,135)	(1,883,767)	(37,118)	(40,447)
Fair value of plan assets	1,603,961	1,442,176	0	0
Net liability	2,826	(441,591)	(37,118)	(40,447)

	Single Entity		Group Amounts	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Present value of the defined benefit obligation	(1,638,253)	(1,924,214)	(1,641,421)	(2,179,720)
Fair value of plan assets	1,603,961	1,442,176	1,608,872	1,677,132
Net liability	(34,292)	(482,038)	(32,549)	(502,588)

Reconciliation of Movement in Fair Value of Scheme Assets

Scheme Assets	LGPS		Unfunded	
	2022/23 £'000	2021/22 Restated £'000	2022/23 £'000	2021/22 £'000
Opening fair value	1,442,176	1,326,736	0	0
Interest income	43,522	26,416	0	0
Remeasurement gain / (loss)				
- the return on plan assets	(129,629)	99,091	0	0
- other experience changes	18,768	0	0	0
Employer contributions	38,452	30,369	3,330	3,330
Contributions from employees into the scheme	11,018	8,484	0	0
Benefits paid	(56,179)	(48,920)	(3,330)	(3,330)
Effect of Business combinations & Disposals	235,833	0	0	0
Closing fair value	1,603,961	1,442,176	0	0

NOTES TO THE STATEMENTS

	Single Entity		Group Accounts	
	2022/23	2021/22	2022/23	2021/22
	£'000	Restated £'000	£'000	Restated £'000
Opening fair value of scheme assets	1,442,176	1,326,736	1,677,132	1,538,901
Interest income	43,522	26,416	43,655	30,665
Remeasurement gain / (loss)				
- the return on plan assets	(129,629)	99,091	(124,237)	116,559
- other experience changes	18,768		19,007	
Employer contributions	41,782	33,699	41,918	37,199
Contributions from employees into the scheme	11,018	8,484	11,021	10,239
Benefits paid	(59,509)	(52,250)	(59,624)	(56,431)
Effect of Business combinations & Disposals	235,833		0	
Closing fair value	1,603,961	1,442,176	1,608,872	1,677,132

Reconciliation of Present Value of Defined Benefit Obligation

Scheme Liabilities	LGPS		Unfunded	
	2022/23	2021/22	2022/23	2021/22
	£'000	Restated £'000	£'000	£'000
Balance as at 1st April	(1,883,766)	(1,954,555)	(40,448)	(45,587)
Current service cost	(71,490)	(61,672)	0	0
Past service cost	(143)	(99)	0	0
Interest cost	(57,363)	(39,275)	0	(879)
Contributions from scheme participants	(11,018)	(8,484)	0	0
Remeasurement gain / (loss):				0
- financial assumptions	750,921	124,391	0	1,230
- demographic assumptions	(277)	10,089	0	373
- other experience changes	(126,541)	(3,081)	0	1,085
Effect of Business combinations & Disposals	(257,637)	0	0	0
Benefits paid	56,179	48,920	3,330	3,330
Balance as at 31st March	(1,601,135)	(1,883,766)	(37,118)	(40,448)

NOTES TO THE STATEMENTS

	Single Entity		Group Accounts	
	2022/23	2021/22	2022/23	2021/22
	£'000	Restated £'000	£'000	£'000
Balance as at 1st April	(1,924,214)	(2,000,142)	(2,179,720)	(2,259,300)
Current service cost	(71,490)	(61,672)	(71,510)	(74,306)
Past service cost	(143)	(99)	(143)	(383)
Interest cost	(57,363)	(40,154)	(57,467)	(45,436)
Contributions from scheme participants	(11,018)	(8,484)	(11,021)	(10,239)
Remeasurement gain / (loss):			0	
- financial assumptions	(277)	10,462	751,980	144,254
- demographic assumptions	750,921	125,621	(343)	11,734
- other experience changes	(126,541)	(1,996)	(132,821)	(2,475)
Effect of Business combinations & Disposals	(257,637)	0	0	
Benefits paid	59,509	52,250	59,624	56,431
Balance as at 31st March	(1,638,253)	(1,924,214)	(1,641,421)	(2,179,720)

Analysis of Scheme Assets:

Single Entity

2022/23	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	42,361	0	42,361	3
Private equity	0	122,412	122,412	8
Debt securities	93,454	0	93,454	6
Real estate: UK property	0	189,625	189,625	12
Investment funds and unit trusts				
- equities	933,304	0	933,304	58
- bonds	163,543	0	163,543	10
- infrastructure	0	59,263	59,263	4
Sub-total	1,096,847	59,263	1,156,109	72
Total assets	1,232,661	371,299	1,603,961	100

2021/22	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	15,810		15,810	1
Private equity		113,781	113,781	8
Debt securities	143,207	0	143,207	10
Real estate: UK property	0	150,308	150,308	10
Investment funds and unit trusts				
- equities	832,882		832,882	58
- bonds	143,857		143,857	10
- infrastructure	0	42,331	42,331	3
Sub-total	976,739	42,331	1,019,070	71
Total assets	1,135,756	306,420	1,442,176	100

NOTES TO THE STATEMENTS

Group Accounts

2022/23	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	42,508	0	42,508	3
Private equity	0	122,412	122,412	8
Debt securities	93,454	0	93,454	6
Real estate: UK property	0	190,214	190,214	12
Investment funds and unit trusts				
- equities	936,693	0	936,693	58
- bonds	164,328	0	164,328	10
- infrastructure	0	59,263	59,263	4
Sub-total	1,101,021	59,263	1,160,284	72
Total assets	1,236,983	371,889	1,608,872	100

2021/22	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	20,509	0	20,509	1
Private equity	0	113,781	113,781	7
Debt securities	143,207	0	143,207	9
Real estate: UK property	0	176,154	176,154	11
Investment funds and unit trusts				
- equities	992,652	0	992,652	59
- bonds	188,499		188,499	11
- infrastructure	0	42,331	42,331	3
Sub-total	1,181,151	42,331	1,223,482	73
Total assets	1,344,867	332,266	1,677,133	100

Basis for estimating assets and liabilities.

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. Liabilities are discounted to their value at current prices using a discount rate of 4.8% (2.7% in 2021/22).

The Council's Pension Scheme liabilities as at 31st March 2023 have been assessed by Hymans Robertson, an independent firm of actuaries, and are projections based on data pertaining to the latest full valuation of the scheme as 31st March 2022. There are risks and uncertainties associated with whatever assumptions adopted as these are in effect projections of future investment returns and demographic experience many years into the future. The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and HRA the amounts required by statute as described in the accounting policies note.

NOTES TO THE STATEMENTS

	2022/23	2021/22
Mortality assumptions		
- Longevity at 65 for male current pensioners	21.3 years	21.5 years
- Longevity at 65 for female current pensioners	24.0 years	24.0 years
- Longevity at 65 for male future pensioners	22.6 years	22.9 years
- Longevity at 65 for female future pensioners	25.3 years	25.8 years
Rate of increase in salaries	4.0%	4.2%
Rate of increase in pensions	3.0%	3.2%
Rate for discounting scheme liabilities	4.8%	2.7%

A commutation allowance is included for future retirements to elect to take 52% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation.

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

The impact on the liability of these changes would be as follows.

	Approximate increase to liability	Approximate value
	%	£'000
0.1% decrease in real discount rate	2	26,635
0.1% increase in salary increase rate	0	1,935
0.1% increase in pension increase	2	24,815
1 year increase in member life expectancy	4	65,530

Impact on the Council's Cash Flows

The objectives of the scheme are to achieve and maintain full funding on an ongoing basis and to seek stability of employers' contributions. At its last triennial valuation, the Council and the Fund's actuary agreed a strategy designed to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on a quarterly basis. The next triennial valuation is due to be completed as at 31st March 2025, during 2025/26.

To mitigate the existing funding deficit, the Council anticipates paying contributions of £35.98m for the period to 31st March 2024.

The scheme actuary has estimated that the weighted average duration of the defined benefit obligation for scheme members is 16 years.

NOTES TO THE STATEMENTS

37. Contingent liabilities

There were no material contingent liabilities as at 31st March 2023.

38. Adjustments between group and single entity accounts

The Council uses different forms of service delivery and in some cases, it has created separate companies with its partners to deliver those services. The use of separate companies and Trusts means that the Council's single entity financial statements on their own may not fully reflect the assets and liabilities or income and expenditure associated with all its activities. The aim of the Group Accounts is to give an overall picture of the activities of the Council and the resources used to carry out those activities. The Group Accounts also provide further information on the material financial risks and benefits of all entities over which the Council exercises control, significant influence or joint control.

The Group Accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

To give a full picture of the financial activities of the Council, Group Accounts have been prepared which include those organisations where the Council's interest is considered material. This information is still subject to audit by each organisation's own auditor. Accordingly, the Group Accounts consolidate the Council's accounts with the following subsidiaries:

- Homes for Haringey Ltd
- Alexandra Park and Palace Charitable Trust (APPCT)

The entities have prepared accounts in line with UK GAAP and:

- The Charity SORP, in the case of Alexandra Park and Palace Charitable Trust
- FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland, in the case of Homes for Haringey and Alexandra House Wood Green Ltd.

With the exception of the Alexandra Park & Palace, there are no other material areas where these accounting standards conflict with the Council's accounting policies. The accounting policies applied to the Group financial statements are consistent with those set in Note 1 to the single entity statements. The subsidiaries have been consolidated on a full line by line basis with the financial transactions and balances of the Council.

APPCT carry its main asset, the Park and Palace, at £28m on its Balance Sheet (all of which are leaseholder improvements) as allowed under the Charity SORP. Upon consolidation however, the Council is required to value this as an operational asset and depreciate it in accordance with its accounting policy. The Group Balance Sheet therefore includes £135.991 million (£124.146 million as at 31 March 2022) in Property Plant and Equipment in respect of this asset. The basis of valuation is mainly Depreciated Replacement Cost with some elements using the Existing Use Value method.

Key information on a group basis has been included alongside the single entity disclosure notes for debtors, creditors, segmental reporting and defined benefit schemes. The following notes provide additional details of the Council's involvement in the entities consolidated to form the Group Accounts.

NOTES TO THE STATEMENTS

Homes for Haringey Ltd (Registered Company No. 05749092)

HfH Limited is an Arm's Length Management Organisation (ALMO) set up in March 2006 to manage the Council's stock of council dwellings including carrying out improvements. The ALMO also provides amenities and services for residents and carries out activities contributing to regeneration and development of the area. The ALMO is wholly owned by the Council. The company has no share capital and is limited by guarantee. The Council can appoint one third of the board, with the balance of directors being drawn from Council tenants (including leaseholders) and members of the wider community.

On the 1st June 2022, the Council's Housing Management function, delivered through the ALMO, Homes for Haringey, was brought back in-house. Homes for Haringey still exist as a wholly owned subsidiary, delivering other housing functions. From 2022/23, the statement of accounts of Homes for Haringey will continue to be consolidated with the Council's statement of accounts.

The financial performance of HfH Limited is summarised below:

	2022/23	2021/22
		£000
Turnover	(15,690)	(71,798)
(Suplus)/ Deficit for the year	(26,040)	10,980
Accumulated (suplus)/ deficit	(98)	21,692

The accumulated surplus was as a result of the actuarial gain on Pension Scheme of £26.040 million (£36.373 million gain in 2021/22).

A full copy of the company's accounts can be obtained from The Company Secretary, Homes for Haringey Ltd, 4th Floor 48 Station

Road, Wood Green, London N22 7TY. The accounts are audited by PricewaterhouseCoopers LLP.

Alexandra Park and Palace Charitable Trust (Charity No. 281991)

The principal activity of Alexandra Park and Palace Charitable Trust is to maintain and operate the park and palace for the free use and recreation of the public forever as defined in the Alexandra Park and Palace Act 1985. The Council is custodian trustee of the charity. The accounts have been consolidated on the basis that the Council has the power to govern the financial and operating policies of the entity so as to benefit from its activities.

The organisation consists of two elements; Alexandra Park and Palace Charitable Trust responsible for the charitable activities, including maintaining, restoring and repairing the Park and Palace and a wholly owned trading subsidiary, Alexandra Palace Trading Ltd, (APTL), which donates its taxable profit to the Trust in the form of Gift Aid. APTL delivers and manages events, entertainment, leisure and hospitality activities assisting the charitable purposes by providing not just funding but enlivening the venue for the purposes of its creation and encouraging a broad cross section of the public to access and enjoy it.

The financial performance of the Trust is summarised below:

	2022/23	2021/22
	£000	£000
Turnover	(22,030)	(17,842)
(Surplus) / Deficit for the year	45	374
Reserves:		
Unrestricted Reserves	(25,790)	(26,342)
Restricted Reserves	(1,030)	(433)
	<u>(26,820)</u>	<u>(26,775)</u>

NOTES TO THE STATEMENTS

APPCT Property, Plant and equipment consolidated in Group Accounts:

	Palace & Park	Asset Under Construct	Vehicles, plant and equipm't	Total
	£000	£000	£000	£000
Cost at 1 April 2022	124,146	0	2,844	126,990
Additions	480	119	296	895
Revaluations	11,068	178	0	11,246
Disposals	0	0	0	0
Transfers	297	(297)	0	0
At 31 March 2023	135,991	0	3,140	139,131
Depreciation				
At 1 April 2022	0		1,165	1,165
Charge for the year	1,738	0	322	2,060
Disposals	0	0	0	0
Accumulated Dep written out	(1,738)	0	0	(1,738)
At 31 March 2023	0	0	1,487	1,487
NBV as 31 March				
2023	135,991	0	1,653	137,644
NBV as 31 March 2022	124,146	0	1,679	125,825

A full copy of the Trust's accounts can be obtained from the Chief Executive, Alexandra Park and Palace, Alexandra Palace Way, London N22 7AY. The accounts are audited by Haysmacintyre LLP.

HOUSING REVENUE ACCOUNT

HRA Income & Expenditure Statement	2022/23	2021/22
	£'000	£'000
Expenditure		
Repairs and maintenance	30,923	22,247
Supervision and management	36,297	34,661
Rents, rates, taxes and other charges	3,423	2,818
Depreciation, impairment and revaluation losses of non-current assets	20,926	22,664
Revaluation losses	(6,412)	36,167
Debt Management Costs	38	43
Increase in impairment of debtors	4,770	4,158
Total Expenditure	89,965	122,758
Income		
Dwelling rents	(86,521)	(83,352)
Non-dwelling rents	(726)	(720)
Charges for services and facilities	(19,256)	(18,241)
Contributions towards expenditure	(281)	(235)
Total Income	(106,784)	(102,548)
Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	(16,819)	20,210
HRA service share of Corporate and Democratic Core	530	511
Net expenditure or (income) for HRA Services	(16,289)	20,721
HRA share of operating income and expenditure included in the Comprehensive I&E Statement		
Gain on sale of HRA non-current assets	(10,727)	(6,201)
Interest payable and similar charges	13,552	10,569
Interest and investment income	(3,698)	(3,096)
Net interest on the net defined benefit liability	1,639	109
Changes to fair value of investment properties	780	(147)
Capital grants and contributions	(38,051)	(18,073)
	(36,505)	(16,839)
Deficit or (Surplus) for the year on HRA services	(52,794)	3,882

HOUSING REVENUE ACCOUNT

Movement on the HRA Statement	2022/23	2021/22
	£'000	£'000
Balance on the HRA at the end of the previous year	(20,759)	(14,162)
(Surplus) or deficit for the year on HRA Income and Expenditure Statement	(52,794)	3,882
Adjustments between accounting basis and funding basis under the legislative framework		
- Difference between any other item of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	43,272	(17,949)
- Gain on sale of HRA non-current assets	10,727	6,201
- HRA share of contributions to or from the Pensions Reserve	(7,928)	(355)
- Capital expenditure funded by the HRA	5,965	2,283
- Transfer to/(from) Major Repairs Reserve	20,926	22,664
- Transfer to/(from) Capital Adjustment Account	(20,926)	(22,664)
Net (increase)/decrease before transfers to or from reserves	(758)	(5,938)
Transfers to or (from) reserves		
- Homes for Haringey Reserve	0	(659)
(Increase) / decrease in year on the HRA	(758)	(6,597)
Balance on the HRA at the end of the year	(21,517)	(20,759)

HOUSING REVENUE ACCOUNT

1. Vacant possession

As at 31st March 2023, the vacant possession value of dwellings within the HRA was £6,322 million (£5,889 million as at 31st March 2022). The difference between vacant possession value and the Balance Sheet value of dwellings within the HRA shows the economic cost to government of providing council housing at less than open market rents, net of the impairment to the value of the housing Stock.

2. Number and types of dwellings in the housing stock

	31 March 2023	31 March 2022
Hostels	103	124
Houses and bungalows	4,953	4,980
Flats and maisonettes	10,416	10,335
Shared ownership	13	13
Total	15,485	15,452

3. Value of assets held on the balance sheet

Type of assets	31 March 2023	31 March 2022
	£'000	£'000
Dwellings	1,682,570	1,507,035
Other land and buildings	122,707	123,156
Assets under construction	177,755	112,589
Surplus assets	176	0
Investment properties	4,677	4,596
Total	1,987,885	1,747,376

4. Capital expenditure

The following summarises HRA capital expenditure on land, houses and other property during the financial year and the sources of funding used.

	2022/23	2021/22
	£'000	£'000
<i>Capital investments</i>		
Existing dwellings	62,966	46,182
New homes and acquisitions	79,261	74,961
	142,227	121,143
<i>Funded by</i>		
Borrowing	66,457	69,555
Useable capital receipts	8,590	4,583
Revenue contributions	5,965	5,086
Grants and contributions	39,689	19,255
Major repairs reserve	21,526	22,664
	142,227	121,143

5. Capital receipts

The following is a summary of capital receipts from disposals of land, dwellings and other property within the HRA during the financial year.

	2022/23	2021/22
	£'000	£'000
Dwellings	(16,710)	(9,358)
Land and other property	(748)	(1,254)
	(17,458)	(10,612)

HOUSING REVENUE ACCOUNT

6. Depreciation, impairment and revaluation of non-current assets

	2022/23	2021/22
	£'000	£'000
<i>Operational assets:</i>		
Dwellings	19,433	21,242
Other land and buildings	1,493	1,422
	20,926	22,664

7. Major repairs reserve

The HRA capital asset charges are based on building values and asset lives of the property held.

	2022/23	2021/22
	£'000	£'000
Balance at 1st April	(615)	(615)
Amount transferred to Major Repairs Reserve	(20,926)	(22,664)
Capital expenditure on dwellings	21,526	22,664
Balance at 31st March	(15)	(615)

8. Rent Arrears

The rent arrears at the end of the financial year are set out below.

	31 March 2023	31 March 2022
	£'000	£'000
<i>Type of tenancy</i>		
Permanent (including licences)	22,615	18,638
Temporary	918	765
Total arrears	23,533	19,403
Less Provision for bad and doubtful debts	(19,938)	(15,874)
Net Arrears	3,595	3,529

The total provision in the Balance Sheet in respect of all HRA uncollectable debts including leaseholders as at 31 March 2023 is £23.95 million (£19.35 million as at 31st March 2022)

COLLECTION FUND

	2022/23				2021/22			
	BRS	NNDR	Council Tax	Total	BRS	NNDR	Council Tax	Total
	£000	£000	£000	£000	£000	Restated £000	£000	£000
Income								
Council Tax Receivable	0	0	(153,931)	(153,931)	0	0	(145,883)	(145,883)
Business Rates Receivable	0	(58,914)	0	(58,914)	0	(50,630)	0	(50,630)
Business Rates Supplement	(1,283)	0	0	(1,283)	(1,162)	0	0	(1,162)
Transitional Protection Payments	0	577	0	577	0	197	0	197
	(1,283)	(58,337)	(153,931)	(213,551)	(1,162)	(50,433)	(145,883)	(197,478)
Expenditure								
Precepts, Demands and Shares								
Central Government	0	20,066	0	20,066	0	24,350	0	24,350
Greater London Authority	0	22,498	31,371	53,869	0	27,302	27,836	55,138
Billing Authority	0	18,242	117,696	135,938	0	22,137	110,303	132,440
	0	60,806	149,067	209,873	0	73,789	138,139	211,928
Apportionment of PY Surplus / (Deficit)								
Central Government	0	(13,392)	0	(13,392)	0	(15,288)	0	(15,288)
Greater London Authority	0	(15,016)	(402)	(15,418)	0	(17,113)	213	(16,900)
Billing Authority	0	(12,175)	(1,595)	(13,770)	0	(14,596)	879	(13,717)
	0	(40,583)	(1,997)	(42,580)	0	(46,997)	1,092	(45,905)
BRS - Payment to Levying Authorities	1,136	0	0	1,136	945	0	0	945
Charges to Collection Fund								
Increase / (Decrease) in Impairment	141	(3,275)	1,954	(1,180)	211	(185)	3,684	3,710
Increase / (Decrease) in Provision for Appeals	0	(5,714)	0	(5,714)	0	(16,456)	0	(16,456)
Cost of Collection	6	300	0	306	6	300	0	306
	147	(8,689)	1,954	(6,588)	217	(16,341)	3,684	(12,440)
(Surplus) / Deficit arising during the year	0	(46,803)	(4,907)	(51,710)	0	(21,344)	(2,968)	(24,312)
(Surplus) / Deficit arising at start of year	0	38,533	4,138	42,671	0	59,877	7,106	66,983
(Surplus) / Deficit arising at end of year	0	(8,270)	(769)	(9,039)	0	38,533	4,138	42,671

COLLECTION FUND

1. Income from Business Rates

Under the Business Rates Retention Scheme the business rates collected by the Council are distributed so that the Council receives 30%, DLUHC receives 33% and the GLA receives 37%.

The Council collects business rates for its area based on local rateable values and multipliers set by central government. There are two multipliers:

- (i) The small business multiplier was 49.9 pence (49.9 pence in 2021/22); and
- (ii) The standard multiplier was 51.2 pence (51.2 pence in 2021/22).

The total business rateable value for the Council at 31 March 2023 was £192.675million (£195.215 million in 2021/22) of which £53.875 million (£53.542 million in 2021/22) related to small businesses.

2. Council Tax

In 2022/23 the tax base for Haringey was 79,303 properties (76,544 in 2021/22) which was used to calculate the B and D Council Tax of £1,879.72 (£1,804.70 in 2021/22), sufficient to generate the income required to cover the net expenditure of the two authorities which precept on the Collection Fund. The table below shows the number of properties in each band and the number of Band D equivalent properties after allowing for non-collection (the tax base).

Band	Ranges		Number of chargeable dwellings		Proportion	Band D Equivalent No.	
	from	to	2022/23	2021/22		2022/23	2021/22
A	up to	40,000	4,718	4,318	0.67	3,145	2,878
B	40,001	52,000	12,248	11,728	0.78	9,526	9,122
C	52,001	68,000	25,193	24,362	0.89	22,394	21,655
D	68,001	88,000	21,027	20,010	1.00	21,027	20,010
E	88,001	120,000	9,021	8,927	1.22	11,026	10,911
F	120,001	160,000	4,763	4,712	1.44	6,880	6,807
G	160,001	320,000	4,457	4,440	1.67	7,428	7,400
H	320,001	and above	699	684	2.00	1,398	1,368
			<u>82,125</u>	<u>79,181</u>		<u>82,823</u>	<u>80,151</u>
						95.8%	95.5%
						<u>79,303</u>	<u>76,544</u>

Collection rate after allowance for non-collection

Council Tax base used to calculate Band D

PENSION FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON
BOROUGH OF HARINGEY

PENSION FUND

PENSION FUND

2022/23	Pension Fund Account	Note	2021/22
£000			£000
	Dealings with members, employers and others directly involved in the fund		
56,043	Contributions	7	49,872
5,938	Transfers in from other pension funds	8	6,593
<u>61,981</u>			<u>56,465</u>
(56,232)	Benefits	9	(54,106)
(5,617)	Payments to and on account of leavers	10	(6,135)
<u>(61,849)</u>			<u>(60,241)</u>
132	Net additions/(withdrawals) from dealings with members		(3,776)
(8,722)	Management expenses	11	(9,559)
(8,590)	Net withdrawals including fund management expenses		(13,335)
	Returns on Investments:		
19,232	Investment Income	12	17,256
(3)	Taxes on income		(34)
(105,790)	Profit and losses on disposal of investments and changes in market value of investments	14a	161,189
<u>(86,561)</u>	Net return on investments		<u>178,411</u>
(95,151)	Net increase/decrease in the net assets available for benefits during the year		165,076
<u>1,803,329</u>	Opening net assets of the scheme		<u>1,638,253</u>
<u>1,708,178</u>	Closing net assets of the scheme		<u>1,803,329</u>

2022/23	Net Assets Statement	Note	2021/22
£000			£000
150	Long Term Investments	14	150
1,709,824	Investment assets	14	1,804,547
-	Investment liabilities	14	(616)
<u>1,709,974</u>	Total net investments		<u>1,804,081</u>
1,389	Current assets	20	1,779
(3,185)	Current liabilities	21	(2,531)
<u>1,708,178</u>	Net assets of the fund available to fund benefits at the end of the reporting period		<u>1,803,329</u>

PENSION FUND

Notes to the Haringey Pension Fund Accounts for the year ended 31st March 2023

1. Description of the fund

The Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Haringey Council.

a) General

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation.

- The [Local Government Pension Scheme Regulations 2013](#) (as amended)
- The [Local Government Pension Scheme \(Transitional Provisions, Savings and Amendment\) Regulations 2014](#) (as amended)
- The [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#).

It is a contributory defined benefit pension scheme administered by Haringey Council to provide pensions and other benefits for pensionable employees of Haringey Council, a range of other scheduled bodies and admitted bodies within the London Borough of Haringey area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by the Haringey Pension Fund's Combined Pensions Committee and Board, which is a committee of Haringey Council.

b) Fund administration and membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make

their own personal arrangements outside of the scheme.

Organisations participating in the Haringey Pension Fund include the following:

- scheduled bodies, which are automatically entitled to be members of the fund
- admitted bodies, which participate under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable and similar not-for-profit organisation, or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details are set out below:

Haringey Pension Fund	31 March 2023	31 March 2022
Number of employers	69	60
Number of employees in scheme		
Haringey Council	5,373	4,029
Other employers	977	2,248
Total	6,350	6,277
Number of pensions		
Haringey Council	7,687	7,593
Other employers	946	976
Total	8,633	8,569
Deferred pensioners		
Haringey Council	9,392	9,056
Other employers	1,802	1,914
Total	11,194	10,970
Total number of members in pension scheme	26,177	25,816

PENSION FUND

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the [Local Government Pension Scheme Regulations 2013](#) and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2023. Employers' contributions are set based on triennial actuarial funding valuations. The valuation for the period to 31 March 2023 was carried out as at 31 March 2019. The employer contribution rate for the whole fund was 18.6%.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uplifted annually in line with the Consumer Prices Index inflation rate.

A range of other benefits are also provided included early retirement, disability pensions and death benefits, as explained on the LGPS website – see www.lgpsmember.org.

2. Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2022/23 financial year and its financial position at 31 March 2023. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting 2022/23* (the Code), which is based upon International Financial Reporting Standard (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 18.

3. Summary of significant accounting policies

Fund account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body.

Additional employer's contributions in respect of ill-health and early retirements are accounted for in the year the event rose. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years would be classed as long-term financial assets.

PENSION FUND

b) Transfers to and from other schemes

Transfers in and out relate to members who have either joined or left the fund. Individual transfers in/out are accounted for when received or paid. Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment income

- i. Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.
- ii. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- iii. Changes in value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

e) Management expenses

The fund discloses its managements expenses in line with the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses* (2016), as show in the following table. All items of expenditure are charged to the fund on an accrual basis as follows:

Administrative expenses	All staff costs relating to the pensions administration team are charged direct to the fund. The Council recharges for management and legal costs which are also accounted for as administrative expenses of the fund
Oversight and governance	All costs associated with governance and oversight are separately identified, apportioned to this activity, and charged as expenses to the fund
Investment management expenses	<p>Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted from, the reported return on investments. Where fees are netted off returns by investment managers, these are grossed up to increase the change in value of investments.</p> <p>Fees charged by external investment managers and the custodian are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under management and therefore increase or reduce as the value of the investments change.</p> <p>In addition, the fund has negotiated with Pantheon Ventures and BlackRock that an element of their fee be performance related.</p>

f) Taxation

The fund is a registered public service scheme under Section 1 (1) of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

PENSION FUND

Net assets statement

g) Financial assets

All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet completed at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 13. Any gains or losses on investment sales arising from changes in the fair value of the net asset are recognised in the fund account.

The values of investments as show in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes

in value.

j) Loans and receivables

Financial assets classed as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the year-end date plus accrued interest.

k) Financial liabilities

A financial liability is recognised in the net assets statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities relating to investments trading at fair value and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

l) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 18).

PENSION FUND

m) Additional voluntary contributions

The fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. AVCs are not included in the accounts in accordance with Section 4 (1) (b) of the [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#) but are disclosed for information in Note 21.

n) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events.

A contingent liability arises where an event prior to the end of the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the Balance Sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

4. Critical judgements in applying accounting policies

The Council has not applied any critical judgements in applying accounting policies in the preparation of the statement of accounts.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends, and future expectations. However, actual outcomes could be different from assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as follows:

Items	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on a number of complete judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	For instance: <ul style="list-style-type: none"> a 0.1% decrease in the discount rate would increase future pension liabilities by c. £28m (2%) a 0.1% increase in earnings inflation would increase future pension benefits by c. £2m (0%) a one-year increase in assumed life expectancy would increase future pension benefits by c. £67m (4%)

PENSION FUND

Items	Uncertainties	Effect if actual results differ from assumptions
Private equity investments (Note 14)	Private equity investments are valued at fair value in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines</i> (December 2018). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation. For the purposes of estimation, private equity investments include infrastructure and private debt.	Private equity investments are valued at £196m in the financial statements. There is a risk that this that this investment may be under-or overstated in the accounts by up to 5% i.e., an increase or decrease of approximately £10m

6. Events after the reporting date

There were no significant events which occurred after the reporting date.

7. Contributions receivable

2022/23		2021/22
£000	By category	£000
12,483	Employee contributions	10,807
33,411	Employer contributions	28,344
9,644	- Normal contributions	7,857
505	- Deficit recovery contributions	946
43,560	Total employers' contributions	37,147
56,043	Total contributions receivable	47,954

2022/23		2021/22
£000	By type of employer	£000
50,128	Administering authority	37,603
4,900	Scheduled bodies	9,325
1,015	Admitted bodies	1,027
56,043	Total contributions receivable	47,954

On 31 May 2022, Haringey Council (administering authority) completed the bulk transfer of Homes for Haringey (scheduled body) members, following the decision to bring services back under the Council's control. This resulted in an increase in employer contributions during 2022/23 as Homes for Haringey previously paid a lower contribution rate than Haringey Council. The full implications of this bulk transfer on the administering authority's primary contribution rate will be accounted for in the actuarial funding valuation as at 31 March 2022.

PENSION FUND

8. Transfers in from other pension funds

During 2022/23, there were transfers of £5.9 million into the Pension Fund, a decrease compared to £6.6 million in 2021/22. These transfers all related to individuals.

9. Benefits payables

2022/23		2021/22
£000	By category	£000
46,445	Pensions	43,198
8,154	Commutation and lump sum retirement benefits	7,110
1,633	Lump sum death benefits	983
56,232	Total benefits payable	51,291

2022/23		2021/22
£000	By type of employer	£000
50,367	Administering authority	46,235
4,310	Scheduled bodies	3,708
1,555	Admitted bodies	1,348
56,232	Total benefits payable	51,291

10. Payments to and on account of leavers

2022/23		2021/22
£000		£000
116	Refunds to members leaving service	115
5,502	Individual transfers	8,251
5,617	Total	8,366

11. Management Expenses

2022/23		2021/22
£000		£000
1,847	Administrative costs	1,633
6,559	Investment management expenses	7,621
316	Oversight and governance costs	305
8,722	Total management expenses	9,559

11a. Investment Management Expenses

2022/23		2021/22
£000		£000
5,722	Management Fees	5,701
383	Performance Related Fees	1,113
61	Custody fees	57
393	Transaction Fees	750
6,559	Total	7,621

PENSION FUND

12. Investment income

2022/23 £000		2021/22 £000
19,084	Pooled investments - unit trusts and other managed funds	17,254
148	Interest on cash deposits	2
19,232	Total	17,256

13. Investments

Market Value 31 March 2023 £000		Market Value 31 March 2022 £000
Investment assets		
Pooled funds		
843,501	Global equity	864,484
240,878	Fixed income unit trusts	296,387
150,173	Multi-asset absolute return fund	178,788
61,542	Infrastructure funds	52,961
1,296,094		1,392,620
Other investments		
202,014	Pooled property investments	200,618
134,535	Private equity and joint venture funds	123,094
34,500	Infrastructure debt funds	42,288
371,049		366,000
42,681	Cash deposits	45,927
1,709,824	Total investment assets	1,804,547
Long-term investments		
UK unquoted equities		
150	Shares in London CIV asset pool	150
Investment liabilities		
-	Amounts payable for purchases	(616)
1,709,974	Total net investment assets	1,804,081

PENSION FUND

13a. Reconciliation of movements in investments and derivatives

2022/23	Value at 31st March 2022	Purchases at cost	Sales proceeds	Changes in market value	Value at 31st March 2023
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,758,620	74,041	(59,102)	(106,541)	1,667,019
Cash deposits	45,927	62,173	(66,200)	739	42,639
Other investment assets/ liabilities*	(616)	787	(16)	12	166
Total	1,803,931	137,001	(125,318)	(105,790)	1,709,824

2021/22	Value at 31st March 2021	Purchases at cost	Sales proceeds	Changes in market value	Value at 31st March 2022
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,616,504	95,187	(113,956)	160,885	1,758,620
Cash deposits	22,209	78,230	(54,827)	315	45,927
Other investment assets/ liabilities*	(413)	54	(246)	(11)	(616)
Total	1,638,300	173,471	(169,029)	161,189	1,803,931

13b. Investments analysed by fund manager

Market Value 31 March 2023			Market Value 31 March 2022	
£000	%		£000	%
Investments managed by London CIV asset pool:				
943,001	55.2	Legal & General Investment Management	1,007,510	55.9
150,173	8.8	LCIV Absolute Return	178,788	9.9
141,379	8.3	LCIV Multi-Asset Credit	153,361	8.5
29,082	1.7	LCIV Renewable Infrastructure	17,983	1.0
18,190	1.1	London Fund	5,600	0.3
1,281,825	75.0		1,363,242	75.6
Investments managed outside of London CIV asset pool:				
134,535	7.9	Pantheon	123,094	6.8
93,286	5.5	CBRE Global Investors	113,770	6.3
90,536	5.3	Aviva Investors	80,632	4.5
34,500	2.0	Allianz Global Investors	42,288	2.3
20,377	1.2	BlackRock	20,017	1.1
12,084	0.7	CIP	14,961	0.8
42,681	2.5	In house cash deposits	45,927	2.5
427,999	25.0		440,689	24.4
1,709,824	100.0	Total	1,803,931	100.0

PENSION FUND

The following investments represent over 5% of net assets of the fund.

Market Value 31 March 2023			Market Value 31 March 2022	
£000	%		£000	%
352,431	20.6	LGIM MSCI World Low Carbon Index Fund	368,021	20.4
371,973	21.8	LGIM RAFI Multi Factor Climate Transition Fund	372,312	20.6
150,173	8.8	LCIV Absolute Return Fund (Ruffer LLP)	178,788	9.9
119,097	7.0	LGIM Bespoke Low Carbon Emerging Markets Fund	124,152	6.9
99,499	5.8	LGIM Index Linked Gilts (Over 5 year) Fund	143,026	7.9
1,093,173	63.9	Total	1,186,299	65.8

14. Fair Value – Basis of valuation

All investment assets are valued using fair value techniques based in the characteristics of each instrument where possible, using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds, and unit trusts.

Level 2 – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The valuation basis for each category of investment asset is set out below:

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted equities and pooled fund investments	The published bid market price on the final day of the accounting period	Not required	Not Required

PENSION FUND

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted fixed income bond and unit trusts	Quoted market value based on current yields	Not required	Not Required
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not Required
Amounts receivable from investment sales	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Investment debtors and creditors	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Pooled property funds where regular trading takes place	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not Required
Unquoted fixed income bonds and unit trusts	Average broker prices	Evaluated price feeds	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Pooled property funds where regular trading does not take place	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Not required

PENSION FUND

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Shares in London CIV asset pool	Based on the historical cost at acquisition of shares	Not required	Not required
Other unquoted and private equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts.

Sensitivity of assets valued at level 3

The fund has determined that the valuation methods described above for level 3 investments are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2023.

	Potential variation in fair value	Valuation as at 31 March 2023	Value on Increase	Value on Decrease
		£000	£000	£000
Pooled property investments	2%	202,014	206,054	197,974
Private equity and joint venture funds	5%	134,535	141,262	127,808
Infrastructure funds	5%	61,542	64,619	58,465
Total		398,091	411,935	384,247

PENSION FUND

14a. Fair value hierarchy

The following table provides an analysis of the assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values as at 31 March 2023	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial assets / liabilities at fair value through profit and loss				
Pooled investments	1,234,552	34,500	61,542	1,330,594
Pooled property investments	-	93,286	108,726	202,012
Private equity	-	-	134,535	134,535
Cash deposits	42,683	-	-	42,683
Total	1,277,235	127,786	304,803	1,709,824

14b. Transfers between Levels 1 and 2

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

14c. Reconciliation of fair value measurements within level 3

2022/23	Value at 1st April 2022	Purchases in the year	Sales in the year	Unrealised gains (losses)	Realised gains (losses)	Value at 31st March 2023
	£000	£000	£000	£000	£000	£000
Pooled UK property unit trusts	86,232	41,583	(228)	(18,737)	(124)	108,726
Private Equity	123,094	16,695	(9,153)	(2,653)	6,552	134,535
Infrastructure	61,542	11,033	(12,256)	(8,469)	9,692	61,542
Total	376,057	69,311	(21,637)	(29,859)	16,120	304,803

PENSION FUND

15. Classification of financial instruments

	31 March 2023		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,330,594		
Pooled property investments	202,014		
Private equity	134,535		
Equities		150	
Cash		42,681	
Debtors		1,389	
Total financial assets	1,667,143	44,220	0
Financial liabilities			
Other investment balances			
Creditors			(3,185)
Total financial liabilities	0	0	(3,185)
Grand total	1,667,143	44,220	(3,185)

	31 March 2022		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,434,908		
Pooled property investments	200,618		
Private equity	123,094		
Equities		150	
Cash		45,927	
Debtors		1,779	
Total financial assets	1,758,620	47,856	0
Financial liabilities			
Other investment balances			(616)
Creditors			(2,155)
Total financial liabilities	0	0	(2,771)
Grand total	1,758,620	47,856	(2,771)

PENSION FUND

15b. Net gains and losses on financial instruments

All realised gains and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

2022/23		2021/22
£000		£000
	Financial Assets	
(106,541)	Fair value through profit or loss	311,387
751	Financial assets and liabilities at amortised cost	(590)
(105,790)		310,797

16. Nature and extent of risks arising from Financial Instruments

Risk and risk management

The fund's primary long-term risk is that its assets will fall short of its liabilities (i.e., promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The fund manages these investment risk as part of its overall pension fund risk management programme.

Responsibility for the fund's risk management strategy rests with the pension fund's Combined Committee and Board. Risk management policies are established to identify and analyse the risks faced by the

pension fund's operations, then reviewed regularly to reflect changes in activity and market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio's strategic asset allocation across different asset classes, industry sectors, and jurisdictions. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis on a regular basis. The strategic asset allocation is reviewed each quarter and any significant deviations from this are rebalanced as appropriate.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or by factors affect all such instruments in the market.

The fund is exposed to share price risk. The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

Other price risk – sensitivity analysis

PENSION FUND

A significant portion of the pension fund's assets are invested in pooled investment vehicles with underlying assets which can fluctuate daily as market prices change. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns. The assessment of the potential volatilities is consistent with a one standard deviation movement in the change in value of assets over the last three years.

As at 31 March 2023	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	993,675	12.0	1,112,916	874,434
Fixed Income	240,878	11.9	269,542	212,214
Property	202,012	6.3	214,739	189,285
Alternatives	230,578	16.5	268,623	192,533
Cash	42,681	0.0	42,681	42,681
Total Assets	1,709,824		1,908,502	1,468,465

As at 31/03/2022	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	864,484	26.2	1,090,979	637,989
Fixed Income	296,387	5.6	312,985	279,789
Property	200,002	2.9	205,802	194,202
Alternatives	397,131	7.4	426,519	367,743
Cash	45,927	0.0	45,927	45,927
Total Assets	1,803,931		2,082,211	1,479,724

Interest rate risk

The fund recognises that interest rates can vary and can affect both income into the fund and the carrying value of fund assets, both of which affect the value of net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy.

Interest rate risk – sensitivity analysis

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Assets exposed to interest rate risk:

	Interest earned 2022/23	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	148	220	76
Total	148	220	76

	Interest earned 2021/22	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	2	31	(27)
Total	2	31	(27)

PENSION FUND

Currency risk

The fund recognises that interest rates can vary and can affect both income into the fund and the carrying value of fund assets, both of which affect the value of net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy.

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. The table below demonstrates how a 10% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Currency risk – sensitivity analysis

As at 31 March 2023	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	482,112	10.0	530,323	433,901
Fixed Income	141,379	10.0	155,517	127,241
Private equity	134,535	10.0	147,989	121,082
Infrastructure	32,461	10.0	35,707	29,215
Cash	14,610	10.0	16,071	13,149
Total Assets	805,097	10.0	885,608	724,587

As at 31/03/2022	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	496,974	10.0	546,671	447,277
Fixed Income	153,361	10.0	168,697	138,025
Private equity	123,094	10.0	135,403	110,785
Infrastructure	34,978	10.0	38,475	31,480
Cash	19,869	10.0	21,856	17,883
Total Assets	828,276	10.0	911,104	745,448

b) Credit risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the fund to incur a financial loss. Assets potentially affected by this risk are investment assets, cash deposits and third-party loans. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk and the market values of investments generally reflect an assessment of credit risk.

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The pension fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2023 were received within the first two months of the financial year.

Money market funds and bank accounts all have AAA rating from a leading ratings agency, and the pension fund has experienced no defaults from fund managers, brokers or bank accounts over the past five years.

PENSION FUND

Summary	Credit Rating	Balances at 31 March 2023	Balances at 31 March 2022
		£000	£000
Money Market Funds			
Blackrock institutional sterling liquidity fund	AAA	5,000	5,000
Invesco liquidity fund	AAA	5,000	1,215
Bank current accounts			
Northern Trust	A+	30,473	39,704
Barclays Bank plc	A+	2,208	8
Total		42,681	45,927

c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The pension fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments. The fund's policy is to maintain a minimum balance of £5m immediately available in the current accounts or Money Market Funds.

The fund also has access to an overdraft facility for short-term cash needs (up to seven days), in order to cover any timing differences on pension payments. The fund has not used this facility since 2015.

Refinancing risk

The key risk is that the pension fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The pension fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

17. Funding Arrangements

In line with the [Local Government Pension Scheme Regulations 2013](#) the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contributions rates for the forthcoming triennial period. The pensions fund accounts for the period were based on the valuation that took place as at 31 March 2019. The most recent valuation took place as at 31 March 2022.

The key elements of the funding policy are:

- to ensure the long-term solvency of the fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are stable as possible
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its obligations.

The aim is to achieve 100% solvency over a period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Normally this is three years but, in some cases, a maximum period of 12 years can be granted. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable. When an employer's funding level is less than 10% of the 100% funding target, then a deficit recovery plan will be put in place requiring additional employer contributions.

At the 2019 actuarial valuation, the fund was assessed as 100%

PENSION FUND

funded (79% at the March 2016 valuation). Contribution increases will be phased in over the three-year period ending 31 March 2023 for both scheme employers and admitted bodies.

The primary contribution rate (i.e., the rate which all employers in the fund) was due to decrease over a three-year period from 26.4% to 24.9% of pensionable pay.

In addition to the primary contribution rate, most employers also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2019 actuarial valuation report and the funding strategy statement on the fund's website.

The valuation of the fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were as follows.

Financial assumptions

Future assumed rates	31-Mar-16	31-Mar-19
	%	%
Discount rate (annual nominal return rate)	4.0	4.2
Pay increase (annual change)*	2.8	3.3
Pay increase - Pension (annual change)	2.1	2.3
Retail Price Index (RPI)	3.2	3.3

Demographic assumptions

The assumed life expectancy from 65 is as follows:

Life expectancy from age 65		31-Mar-23	31-Mar-22
Retiring today	Males	21.3	21.5
	Females	24.0	24.0
Retiring in 20 years	Males	22.6	22.9
	Females	25.3	25.8

18. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, but taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 17). The actuary has also used valued ill health and death benefits in line with IAS 19.

31 Mar 23		31 Mar 22
£000		£000
(1,685,000)	Present Value of promised retirement benefits	(2,260,000)
1,708,178	Fair Value of scheme assets	1,803,329
23,178	Net (liability)/asset	(456,671)

PENSION FUND

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2019 triennial funding valuation (see Note 17) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Other key assumptions used are:

	31-Mar-23	31-Mar-22
	%	%
Inflation/pension increase rate	2.95	3.20
Salary increase rate	3.95	4.20
Discount rate	4.75	2.70

19. Current assets

31/03/2023	31/03/2022
£000	£000
128 Contributions due - employees	155
908 Contributions due - employers	1,447
353 Sundry debtors	177
1,389	1,779

20. Current liabilities

31/03/2023	31/03/2022
£000	£000
2,382 Sundry creditors	1,718
803 Benefits payable	437
3,185	2,155

21. Additional Voluntary Contributions ("AVCs")

	Contributions Paid 2022/23	Market Value 31 March 2023
	£000	£000
Utmost life and pensions	83	195
Prudential assurance	262	1,053
Clerical and medical	1	17

	Contributions Paid 2021/22	Market Value 31 March 2023
	£000	£000
Prudential assurance	262	1,053
Clerical and medical	1	17

PENSION FUND

22. Related party transactions

Haringey Council

The Haringey Pension Fund is administered by Haringey Council. During the reporting period, the council incurred costs of £0.885m (2021/22 £0.827m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses.

The council is also the single largest employer of members of the pension fund. As at 31 March 2023, an amount £0.365m was due from the Council to the fund.

Each member of the pension fund's Combined Pensions Committee and Board is required to declare their interests at each meeting. Two members of the Combined Pensions Committee and Board were scheme members in the Haringey Pension Fund.

23. Key management personnel

Key management personnel are the Section 151 Officer and the head of pensions. Their remuneration is set out below:

31/03/2023	Key Management Personnel	31/03/2022
£000		£000
26	Short - term benefits	25
7	Post-employment benefits	6
<u>33</u>		<u>31</u>

24. Contingent liabilities and contractual commitments

Outstanding capital commitments (investments) at 31 March 2023 were £131.3m. These commitments relate to outstanding call payments due on unquoted limited partnership funds held within the private equity and infrastructure part of the portfolio. These amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

31 Mar 23		31 Mar 22
£000		£000
43,906	Pantheon Ventures	73,821
42,852	LCIV Renewable Fud	47,017
26,452	LCIV London Fund	39,235
15,669	Copenhagen Infrastructure Partners	23,054
2,410	Blackrock	3,191
<u>131,289</u>	Total	<u>186,318</u>

ANNUAL GOVERNANCE STATEMENT

Annual Governance Statement 2022-23

1. Scope of responsibility

- 1.1 We are responsible for ensuring that our 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. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.1 In discharging this, we are also responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, which includes arrangements for the management of risk.
- 1.2 We have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains our commitments as part of the Local Code of Corporate Governance, together with how we obtain assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which we direct and control the activities of the Council. The framework also comprises the activities through which we are accountable to, engages with and leads the community. Through the framework, we monitor the achievement of our strategic objectives and consider whether those objectives have led to the delivery of appropriate and cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our approved policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.

ANNUAL GOVERNANCE STATEMENT

- 2.3 The governance framework has been in place for the year ended 31st March 2023 and up to the date of the approval of the annual report and accounts.
- 2.4 As a local authority, we operate in a complex and constantly evolving financial, policy and legislative environment and consequently, our responsibilities and operations continue to evolve. An important element of this change is as we emerge from Covid 19 we reflect, learn and recover from the impact of the pandemic. The organisation rightly feels a sense of pride about the way in which it was able to rise the challenges of Covid 19 and feels that in many ways it facilitated closer working relationships with partners. The pandemic highlighted the inequalities impacting on different communities in the borough and understanding this and responding to it will present both opportunities and challenges. We are building on this learning as part of our response to the cost of living crisis, which we know to be hitting Haringey residents, businesses and partners hard.
- 2.5 Following the local elections in May 2022, the new administration committed to being collaborative, competent, and radical. This ambition is captured in the Council's Delivery Plan 2022/23 and 2023/24 with staff, residents and key stakeholders engaged in working towards the realisation of the vision. The Delivery Plan includes the outcomes we are working towards as an organisation; the activity planned to deliver these outcomes; how we will work to deliver it; and the key delivery dates. The plan is organised around the following themes:
- Resident experience
 - Participation and collaboration
 - Responding to the climate emergency
 - Children and young people
 - Adults, health and welfare
 - Homes for the future
 - Safer borough
 - Culturally Rich Borough
 - Place and economy
- 2.6 In November 2022 we launched the Haringey Deal. The Deal is all about forging a different way of working. It builds on the findings of the Fairness Commission and is grounded what we have heard from residents more recently. This includes pledges to focus on building greater trust between the council and residents; learning when mistakes are made and putting things right quickly; empowering communities to make change happen for themselves; and finding new ways to share power with residents and communities. The Deal also recognises the critical importance of 'getting the basics right'. This means delivering the fundamental core services that any local authority provides to ensure residents are safe and supported, and able to live a good life. Services across the council hold, or will be producing, service-level plans which set out the work they do in these core, statutory areas. This plan is primarily focused on what we will do on top of these functions to build a fairer, greener borough by April 2024. It also, importantly, sets out how we will begin to embed the changes in the way we want to work. The Deal has eight core elements, each of which is being embedded and delivered via a series of programmes and pieces of work. Details of the Deal are set out in the chart below.

ANNUAL GOVERNANCE STATEMENT



2.7 A core element of the Haringey Deal has been the launch and roll out of a new set of corporate values. These were developed following a series of staff workshops hosted by the Chief Executive in the autumn of 2022. More than 1,000 staff attended across 15 sessions. The new values are Caring, Collaborative, Community Focused, Courageous and Creative. These were launched via a series of informal staff ‘huddles’ across the corporate estate including depots and neighbourhood offices. Teams have subsequently been asked to think about the behaviours that will need to be adopted in order to make these values come to life in our daily work. These behaviours will be at the heart of refreshed My Conversation (our appraisal approach) guidance.

ANNUAL GOVERNANCE STATEMENT

- 2.8 In June 2022, services delivered by the Council’s Arm’s Length Management organisation (Homes for Haringey) were brought into the Council. Homes for Haringey was responsible for delivering the Council Housing function and managed over 16,000 tenant homes and over 4,500 leasehold properties on behalf of the Council and employed around 750 staff. Following the insourcing of the Housing and Landlord functions from our ALMO in June 2022, it has become clear that the service is currently operating with systemic and significant challenges which means that we are not providing residents with the services they expect or deserve in some core areas. In January 2023, we referred ourselves to the Housing Regulator and in March they issued a Regulatory Notice covering key areas including fire risk assessments, electrical safety and our level of non-Decent homes.
- 2.9 In February 2023, Ofsted carried out an inspection to review the progress we have made over the last four years in respect of our children’s social care services. Ofsted assessed the care, help and protection given to children and young people and their collective experiences of this support. They also examined what was being done by leaders to improve services. On 11 April 2023, OFSTED published its judgment, which rated our Children’s Social Care services as ‘Good’ overall. We are delighted with this outcome and regard the outcome as a watershed moment for Haringey. We have worked hard over many years to build a strong team and put children and young people at the heart of what we do and the judgement is a testament to the hard work and professionalism shown by our dedicated staff and the positive impact they have on the lives of children and young people.
- 2.10 In May 2023, we participated in a Corporate Peer Challenge, organised by the Local Government Association (LGA). The Peer review challenge involves a team of experienced council officers and councillors from other local authorities reviewing our vision, our priorities and plans and the work we are doing as “peers” to provide challenge and share learning. The outcome of the peer challenge will be reported later in the year and captured in the annual governance statement for 2023/24.
- 2.11 The following section highlights each of the seven governance principles set out in the CIPFA / SOLACE framework “Delivering Good Governance in Local Government” and the arrangements in place demonstrating how we meet the governance principles. Any gaps identified as part of the annual review will form an action plan agreed and monitored by the Statutory Officers with all actions to be completed by March 2024.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p><u>Behaving with Integrity</u></p> <p>a) The Council’s Member Code of Conduct is captured in the Council’s constitution under Part 5 – Codes and Protocols, Part 5 Section A (Nov 2019), which requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet: http://www.haringey.gov.uk/sites/haringeygovuk/files/lbh_constitution_part_5_section_a_-_part_1__0.pdf</p> <p>b) The offer of Induction is provided for all new Members when they are elected on expected standards of behaviour. A comprehensive programme has been established since the election in May 2022 to on board new and re-elected members into the Council. The training programme is designed to ensure members are equipped to carry out their role on their committee members. At the Full Council meeting on 27th March 2023, the Council resolved for training for the Audit Committee to be mandated. Members sitting on the following Committees have to attend mandatory training.</p> <p>c) The Officer Code of Conduct was reviewed in 2019 and a new version was published to staff in June 2019 following approval by Members. A copy of the Code is provided to all new officers on appointment and annual reminders are made of the need for employees to make a declaration of a conflict of interest or to declare any offers of gifts or hospitality which are received.</p> <p>d) Haringey Values were updated in 2023 (Caring, Community-Focused, Collaborative, Creative, and Courageous).). The Council ran numerous seminars for staff on what the values meant and how services demonstrated Haringey values. The values are published on the internal website and internet: Haringey Council's new values Intranet</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>e) Decision-making practices for member decisions follow legal and transparency requirements. Officer decisions are also recorded and published on Modern.gov: http://www.haringey.gov.uk/local-democracy/our-standards https://www.haringey.gov.uk/local-democracy/how-decisions-are-made</p> <p>f) Register of interests and gifts and hospitality for members/co-opted checked on election/appointment. Minutes show declarations of interest sought, and appropriate declarations made for each meeting. http://www.haringey.gov.uk/local-democracy/our-standards/register-members-interests</p> <p>g) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a declaration every two years; staff should complete a new form as/when circumstances change. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website, see link in f above. A new system, HALO has been introduced to efficiently manage HR processes under a single portal. For officers, declaration forms are retained in Human Resources and in future will be maintained on HALO.</p> <p>h) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer's advice, including legal and finance advice. Training for report authors on writing clear, logical and objective reports was provided for officers from July 2021 to Jan 2022 and standard templates are held on the internal website.</p> <p>i) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (Sept 2022). The Head of Audit and Risk Management reports on actions,</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>effectiveness and outcomes (and use of the whistle blowing policy) to Corporate Committee and provides awareness presentations to Corporate Management Group. Copies of the policies are on the internet: https://www.haringey.gov.uk/local-democracy/performance-and-finance/fraud-and-corruption</p> <p>j) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council’s Corporate Management Group using Grip Indicators. More information is being published and made easily accessible to customers. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. http://www.haringey.gov.uk/contact/council-feedback/complaints-about-council</p> <p>k) Local Code of Corporate Governance was refreshed in 2018/19 and was approved at Corporate Committee July 2019. It is planned for the Code to be refreshed and be presented at Full Council following update for any significant changes : https://www.minutes.haringey.gov.uk/documents/s110621/App%20B%20Code%20of%20corporate%20Goverance%20for%20legal%20VB%20MJ%2014.11.18%20final.pdf</p> <p><u>Demonstrating strong commitment to ethical values</u></p> <p>l) The Standards Committee, along with the Council’s Monitoring Officer, establishes monitors and maintains the organisation’s ethical standards and performance, reporting to full Council as necessary. The committee deals with allegations of</p>	<p>Refresh the Local Code of Corporate Governance</p>

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern. http://www.haringey.gov.uk/local-democracy/our-standards/standards-committee</p> <p>m) The Council incorporated the Social Value Act requirements into all procurement and contracts; including a standard clause referring to 'PREVENT' in all contracts, as well as safeguarding and health and safety. A broader review of how the authority carries out procurement activity is underway and any change will continue to incorporate the Council's Social Value Act requirements.</p> <p>n) A major review of all the Human Resources policies & procedures began in 2019/20 and is ongoing. The policies for revision undergo extensive discussion with relevant groups within the council and with trade unions before the final version is presented to Members for their approval, only when approved are policies published and details communicated to officers.</p> <p>o) The Council encourages external providers of services to act with integrity and in compliance with high ethical standards expected by the organisation in information sharing: http://www.haringey.gov.uk/community/community-safety-and-engagement/crime-and-disorder-information-sharing-protocol</p> <p>In procurement: http://www.haringey.gov.uk/business/selling-council/council-contracts</p> <p><u>Respecting the rule of law</u></p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>p) The Chief Executive is appointed by full Council. Any disciplinary action or dismissal of the statutory officers is dealt with in line with legal requirements that take into account the need for them to fulfil their responsibilities in accordance with legislative and regulatory requirements. A Statutory Officers Group meets monthly and ensures statutory compliance and is both forward and backward looking and support the organisation and Statutory Officers in fulfilling their roles.</p> <p>q) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed updated and published on the internet: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>r) Breaches of law/financial regulations can be the subject of a report to full Council by the relevant statutory officer. No statutory officer reports have been required in 2022/23.</p> <p>s) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.</p>	
B. Ensuring openness and comprehensive stakeholder engagement	
<u>Openness/ Implementing good practice in transparency</u>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015. http://www.haringey.gov.uk/local-democracy/publications/publication-scheme</p> <p>b) Member decisions are rarely taken in the private (Part 2) section of meetings. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call-in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>c) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. All consultations require a consultation plan, which is posted on the consultation e-plan on the internet. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey. http://www.haringey.gov.uk/local-democracy/have-your-say-haringey/our-commitments-you https://www.haringey.gov.uk/local-democracy/policies-and-strategies/borough-plan-2019-2023-consultation. Under the Haringey Deal, the authority seeks to better understand all its communities including communities that it engages with reduced frequency.</p> <p>More recent examples of consultations include Wood Green Voices in November 2022, and co-production at Down Lane in Tottenham Wood Green Voices </p>	<p>Need to update link to show consultation of delivery plan</p>

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>Haringey Council.</p> <p>The Council publishes 'Performance Wheels' on Delivery Plan priorities and outcomes on the website; feedback on our performance is encouraged through this route: https://www.haringey.gov.uk/local-democracy/policies-and-strategies/building-stronger-haringey-together</p> <p><u>Engaging comprehensively with institutional stakeholders</u></p> <p>d) A partnership with the community sector was approved in December 2015 designed to forge stronger relationships with the local voluntary sector, working with the Moracle Foundation to improve the strength of the voluntary sector, enabling it to attract more funding and investment to support local communities. A voluntary and community sector pledge is included in the Borough Plan.</p> <p>e) Formal and informal partnerships allow for resources to be used more efficiently and outcomes achieved more effectively; the Corporate Delivery Plan incorporates key partnership working across all its priorities, including the Local Safeguarding Children's Board (LSCB), Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=444&Year=0 Examples where the Council participates in partnership include the Joint Health & Wellbeing Partnership with Islington; delivering the STEM commission recommendations; working with our schools to improve outcomes for children.</p> <p>f) Resident engagement also occurs in formal consultation and engagement processes. More information on the Community Engagement Framework is available on our website. https://www.haringey.gov.uk/local-democracy/have-your-say-haringey/haringeys-</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>community-engagement-framework</p> <p>g) The Council also uses social and print media to engage with residents and stakeholders, including the Council website, My Account, Twitter, Facebook, Haringey People and the weekly Haringey People online. The Council also has specific partnerships and stakeholder newsletters including Team Noel Park; and Northumberland Park to engage with residents.</p>	
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and D. Determining the actions necessary to optimise the achievement of the intended outcomes</p>	
<p><u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u></p> <p>a) The Corporate Delivery Plan sets out how the Council will work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering a significant savings programme by 2025. The plan has eight themes , each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues. The Plan was published on the website and following the local authority elections in May 2022 to reflect the manifesto priorities of the new administration: Haringey Council sets out ambitious delivery plan for coming year Haringey Council</p> <p>b) The Council publishes updates on its website to show how the Council and partners are achieving against specific targets every three months. The outcome targets specify the intended impact on service users, residents and other stakeholders.</p> <p>c) The Council has an agreed Medium-Term Financial Strategy (MTFS) and Workforce Plan. These set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing service priorities, and ensure its</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>workforce has the right skills to enable it to achieve the agreed outcomes. Regular reports are provided to the Cabinet: Q3 Finance Update ver3.0 CabinetFINAL.pdf (haringey.gov.uk)</p> <p>d) Robust planning and control cycles cover strategic and operational plans, priorities and targets. An internal process provides regular monitoring and scrutiny of the Corporate Delivery plan and resources applied. Performance against objectives is published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p>e) A five-year capital programme was approved by Full Council on 2 March 2023, which sets out the Council’s longer-term investment requirements linked to policy objectives, updates are provided to Cabinet annually at the February meeting: Agenda for Cabinet on Tuesday, 7th February, 2023, 6.30 pm Haringey Council</p> <p><u>Determining actions and optimising achievement of intended outcomes</u></p> <p>f) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage. High value procurements include a significant weighting in the ‘social value’ section and, where applicable, requirements as to the use of community assets.</p>	
E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it	
<u>Developing the entity’s capacity</u>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>a) The Council’s Workforce Development Strategy 2019 – 2023 aims to create a better place to work and to ensure the Council has the right people in the right places with the appropriate skills to deliver the Council’s priorities. The plan is published on the website: https://www.haringey.gov.uk/search/haringey_cse/workforce%20development%20strategy</p> <p>b) Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements.</p> <p><u>Developing the capability of the entity’s leadership and other individuals</u></p> <p>c) The Council Constitution specifies the types of decisions that is delegated and those reserved for the collective decision making of the full Council or Cabinet. http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>d) The Council’s Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision-making accountabilities. These comply with relevant statutory requirements. It also includes the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet.</p> <p>e) Members who sit on Committees are provided with training specific to their responsibilities for these committees. Training sessions have commenced for member for planning, licensing, audit, finance, pensions and treasury.</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>f) The Council provides a programme of training for all members, and members have access to the Council’s corporate training and development programme, which is published on the internal website.</p> <p>g) During 2016/17 the Council rolled out ‘My Conversation’, a new performance management process, to all staff, which focuses on personal and organisational development and performance; the Staffing and Remuneration Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website. A review is underway to refresh the current performance management process and roll out later in 2023/24.</p> <p>h) The Council’s Workforce Development Strategy 2019 – 2023 aims to create a better place to work. The Council’s corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been run to promote employee health.</p> <p>i) The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: http://www.haringey.gov.uk/local-democracy/about-council/council-constitution</p> <p>j) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Delivery Plan highlights key performance objectives, targets and outcomes, which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>https://www.haringey.gov.uk/environment-and-waste/major-emergencies/emergency-planning</p> <p><u>Managing performance</u></p> <p>d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Delivery Plan and outcome priorities: https://www.haringey.gov.uk/local-democracy/policies-and-strategies/building-stronger-haringey-together</p> <p>e) Overview and Scrutiny takes a detailed look at the Council’s decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not provided by the Council, such as health services. Overview and Scrutiny Committee also reviews the Performance Wheels on a quarterly basis and individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council’s website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?Cid=128&Year=0</p> <p><u>Strong public financial management and robust internal control</u></p> <p>f) The Medium-Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council’s priorities. The MTFS identified savings required to deliver a balanced budget position each year between 2023 and 2028 before being approved by Full Council in February 2023; the reminder has yet to be identified and will form part of the financial planning process during 2023/24. Each Departmental Management Team (DMT) considers finance and budgets at every meeting, looking at both the budget and savings</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>positions and tracking progress on both. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website.</p> <p>g) The Council’s financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts and the Cabinet receives quarterly budget management information.</p> <p>h) The Council operates a ‘zero tolerance’ approach to fraud and corruption. The anti-fraud and corruption policy includes a fraud response plan, anti-bribery and money laundering policies and a whistle-blowing policy. The anti-fraud policy is published on the Council website and regular articles on how to report fraud are published in staff newsletters and Haringey People. In 2022/23, the Council investigated and recovered 41 illegally sublet properties; and prevented 115 potentially fraudulent Right to Buy applications in line with the anti-fraud policy. Referrals made using the whistle blowing policy were all reviewed, investigated and reported to the Corporate Committee, copies of the reports are on the website: https://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=730&Year=0</p> <p>i) The Council’s internal and external auditors produce annual audit reports and the Annual Audit Letter, which were both reported to the Corporate Committee. No significant governance issues were raised by either report; recommendations were made to address some identified control weaknesses.</p> <p>j) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Corporate Committee on a quarterly basis. All high priority recommendations, excluding those covering schools’ audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Corporate Committee fulfilled its terms of reference in relation to audit functions; and reported positive outcomes in relation to pro-active counter-fraud activities in 2022/23. Following the recent CIPFA application note on Audit Committee, the Corporate Committee’s terms of reference have changed and an Audit</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>Committee created. This Committee’s terms of reference are in line with the CIPFA guidance and conforms with CIPFA’s application note. Details of the Committee can be found at Browse meetings - Audit Committee Haringey Council.</p> <p>k) The Council’s internal control arrangements are subject to annual self-assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report. In line with the Public Sector Internal Audit Standards, a peer review was commissioned and reported the Internal Audit Service was fully compliant with the standards Final Report for the external assessment of the internal audit function (haringey.gov.uk)</p> <p><u>Managing data</u></p> <p>l) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the intranet. Data quality policy is published on the website: https://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance?_sm_au_=iHVH14V03WHLnWHq</p> <p><u>Implementing good practices in reporting</u></p> <p>m) The Council produces an annual report to accompany its statement of accounts; for 2019/20, this received an unqualified opinion from the external auditor in 2021/22, who confirmed that the accounts provided a true and fair view of the Council’s financial position; and the arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. The external audit of accounts for the financial year 2020/21 is scheduled to begin in 2023/23. Under the Local Accountability Act, the Council is responsible for appointing its external auditors from 2022/23; approval for the preferred</p>	<p>Review and refresh the Data Quality Policy</p>

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>appointment process was obtained from Corporate Committee in February 2022 and Full Council in March 2022. The Council chose to participate in a sector led procurement exercise using Public Sector Audit Appointments (PSAA) as the Appointing Person. http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=143&MId=7868&Ver=4</p> <p>n) The Council’s Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and the Corporate Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. Significant issues reported in 2023/24 are being addressed.</p> <p>o) As part of the Delivery Plan , Directors are responsible for delivering the Delivery Plan with a responsible manager allocated as owner for each corporate priority. Outcomes and performance against all the priorities’ objectives are published on the website: http://www.haringey.gov.uk/local-democracy/performance-and-finance/council-performance</p> <p><u>Assurance and effective accountability</u></p> <p>p) Internal and external audit provide assurance on the Council’s system of internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of internal audits were reported to the Corporate Committee and from 2023/24, the Audit Committee on a quarterly basis. All outstanding recommendations were reported to Corporate Committee; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored.</p>	

ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
q) The Head of Audit and Risk Management and the internal audit service fully complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self-assessment. Access to officers, members and information is provided by the Constitution.	

ANNUAL GOVERNANCE STATEMENT

4. Significant governance issues

- 4.1 Following our review of governance in 2021/22, we identified some key areas where work would be undertaken in 2022/23 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 March 2023 on this is set out below.

Issue	Agreed Action/ Deadline (as at July 2022)	Progress update (as at March 2023)
<p>We need to ensure we deliver savings identified in our MTFS to manage within our financial means.</p>	<p>The Council has developed a savings programme to respond to the Council's budget envelope from 2022/23 to 2027/28. During 2021/22, c. £5m savings were carried forward into 2022/23 bringing the total savings plus demand mitigation projects to deliver in this financial year to a total of £21m.</p> <p>Notwithstanding the Council's monitoring and delivery arrangements, the continued drive for identifying and delivering new savings proposal is a challenge, particularly inflation levels not reducing at the pace previously forecast by the Government, increasing interest rates, cost of living pressures, covid legacy and high demand for care and housing services.</p>	<p>The Council's directorate budgets as a whole has seen a worsening in net spend compared to quarter 3. This deterioration over the last quarter is predominately within Adults Services. The most significant budget pressure during the year were in the two social care directorates which between them overspent by £16.0m. It must be recognised that inflation has been a key driver, as well as cost of living crisis, interest rates and the step up in demand for support in some areas seen during the Covid pandemic has also not yet abated.</p> <p>Approximately £10m of agreed savings have not been delivered as planned during 2022/23. The majority has either been written out of 2023/24 budgets or re-phased to allow additional time for delivery so should not carry forward into 2023/24 as a pressure.</p> <p>Nevertheless, the delivery of the MTFS Savings continues to be challenging and as a result, increased organisational focus is being brought on the delivery of</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Agreed Action/ Deadline (as at July 2022)	Progress update (as at March 2023)
		<p>previously agreed savings, and further measures are being progressed as alternative savings for those savings deemed to be no longer deliverable. The Council's corporate budget monitoring reports are making clear how challenging it will be to mitigate these effects, especially when coupled with the significant base budget pressures.</p> <p>We recognise Haringey is not alone in seeing this level of overspend pressure at year end; many London boroughs are also highlighting overspends across one or more of Adults or Children's social care and temporary accommodation.</p>
<p>We noted governance weaknesses over the robustness of decision making relating to acquisitions and disposals of property.</p>	<p>During 2021/22, concerns have been raised over the Council's arrangements for the acquisition and disposal of assets. In light of the concerns, an independent investigation has been commissioned to review the governance arrangements for nine property transactions.</p> <p>The outcome of the independent review will be reported in 2022/23 with a view to improving governance within this area.</p>	<p>Mazars have completed a follow up since the original concern and scoring and have provided an adequate assurance in August 2022 with a green direction of travel.</p> <p>An independent review into the Council's property management has reported and the findings with its recommendations will be presented to Cabinet in April 2023.</p>
<p>We need to make sure our social service practice safeguards children.</p>	<p>Ofsted conducted a focus visit in Mar 2021 following their inspection in Dec 2018. Actions arising their visit continue to be progressed.</p>	<p>An Ofsted Inspection took place week commencing 13 February 23, and reviewed the Council's arrangement for children's social care arrangement and will be reporting shortly. The outcome of</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Agreed Action/ Deadline (as at July 2022)	Progress update (as at March 2023)
		this inspection will be reconsidered when the statement is refreshed for 2022/23.
<p>We need to make sure we Insource the Council's Arm's Length Management Organisation, Homes for Haringey (HfH) into Council operations.</p>	<p>Following a Dec 2021 Cabinet decision to bring its Arm's Length Management Organisation (Homes for Haringey) back into the Council, the service was brought in house from 1 June 2022.</p> <p>The Council is progressing with the integration of the functions previously carried out by HfH, and the challenges this possess in the assimilation of the legacy HfH activities.</p>	<p>The authority self-referred itself to the regulator in January 2023 when it was identified the statutory health and safety requirements in some of its homes had not been met.</p> <p>As previously reported, staff from Homes for Haringey have been successfully integrated into the Council. Workstreams have begun in relation to some of the most challenging areas of service improvement, in particular in relation to repairs, income collection and voids.</p> <p>Key management appointments have been made and staff are in post to drive the improvement programme.</p>
<p>We need to strengthen the authority's information governance framework.</p>	<p>The Council is the accountable body for complying with the Data Protection Act 2018 and the UK GDPR. We plan to use</p>	<p>Draft Information Governance Strategy being finalised.</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Agreed Action/ Deadline (as at July 2022)	Progress update (as at March 2023)
	<p>the Information Commissioner’s Accountability Framework to self-assess against its ten categories and to help identify and mitigate any gaps in our governance arrangements to demonstrate compliance with the Act and the Regulation.</p>	<p>Assessment completed and Action Plan being developed in response.</p> <p>Subject Assess Request and information rights drop in sessions were held in October.</p>
<p>Audits identified weaknesses our management of Health and Safety within the Council and its ALMO, Homes for Haringey.</p>	<p>Building Compliance audits of properties managed by the Council and Homes for Haringey identified deficiencies within the operations and record keeping in respect of Health and Safety checks. The auditors have raised recommendations that management have accepted that we will implement.</p>	<p>Record keeping and the systems used to maintain and record inspections have been identified as areas for improvement by internal audit.</p> <p>Compliance system being procured and implemented for regular reconciliations to ensure that the records of the checks reconcile with the core system data.</p> <p>On the general Health and Safety arrangements, the most recent internal audit of the Council’s Health and Safety arrangements assigned an “Adequate” level of assurance, an improvement from the Limited Assurance assigned previously.</p>

ANNUAL GOVERNANCE STATEMENT

4.2 We have identified the following significant governance issues during 2022/23. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
<p>We need to ensure we deliver savings identified in our Medium Term Financial Strategy (MTFS) to manage within our financial means.</p>	<p>There are a number of actions planned to deliver to our Medium Term Financial Strategy: -</p> <ul style="list-style-type: none"> • Further work underway to review 2022/23 pressures carried Forward into 2023/24 and impact of non-delivery of 2022/23 MTFS Savings; • Fortnightly Department Finance DMTs to strengthen forecasting and savings delivery monitoring/reporting; • Implementation of the Corporate Cross-council change portfolio, which is a single change framework and governance structure that will give Corporate Leadership Team shared visibility of progress, issues & risks, & support good quality delivery; and • Corporate Leadership Team are looking to establish a performance CLT aligning the change framework and budget management reporting and decision-making process. 	<p>Director of Finance</p>	<p>31/3/2024</p>
<p>Concerns regarding the robustness of decision making relating to acquisitions and disposals of property.</p>	<p>During 2021/22, concerns have been raised over the Council's arrangements for the acquisition and disposal of assets. In light of the concerns, an independent investigation was commissioned to review the governance arrangements for nine property transactions.</p> <p>The outcome of the independent review was reported to Cabinet in April 2023. The report recognised the improvements that have been made over recent years to our governance and decision making, but also set out a range of recommendations that would strengthen our approach still further. An action plan accompanied the cabinet report, highlighting the responsible senior officer and timeframe for implementation of improvements, which will be completed within 12 months.</p>	<p>Director of Housing, Planning and Regeneration.</p>	<p>31/3/2024</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>The same April 2023 Cabinet also approved the Strategic Asset Management and Property Improvement Plan 2023-28 (SAMPIP), which was already under development, independently of the above external review on one specific area of property. The SAMPIP has 10 action plans for improvements across Property and Asset Management.</p> <p>All of the action plans above are being monitored on a monthly basis through the councils Property and Asset Management Governance structure, which includes scrutiny reviews. The progress will be reported back to cabinet in February 2024.</p> <p>The Property Service team have embraced these recommendations and have an improvement plan in place that will ensure they are fully implemented.</p>		
<p>Following audits that identified weaknesses in our management of Health and Safety risks in Council owned residential properties, we have referred ourselves to the Regulator of Social Housing in January 2023.</p>	<p>We self-referred to the regulator in January 2023 as we identified a failure to meet statutory health and safety requirements for some of our homes. We informed the regulator we had not completed fire and electrical safety checks for every property that needed one and a high number of fire remedial actions were overdue. We noted several blocks were without a communal Electrical Installation Condition Report (EICR), and we were unable to confirm that around 4,000 properties had a domestic EICR completed within the last 10 years.</p> <p>We also noted a large number of residential blocks were without a current Fire Risk Assessment (FRAs) and a significant number of fire remedial actions were overdue. More than 4,000 of these overdue actions were high risk, with over half overdue for more than 12 months. Whilst we have now completed almost all FRAs, there remains a high volume of remedial work to complete.</p> <p>Through the internal audits, we have also noted we need to improve the internal controls and management of our housing stock. We have a new</p>	<p>Director of Housing, Planning and Regeneration.</p>	<p>31/3/2025</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>Housing Improvement Plan, which sets out how we are going to address the challenges we face in our housing landlord services. This covers the full spectrum of the service – fire safety, certification, rent collection, tenant and resident engagement, damp and mould, our decent homes programme, repairs, voids and the way we respond to complaints.</p> <p>We are committed to carrying out an annual assurance statement to cabinet on our performance against the six areas of property landlord compliance. Moreover, a separately a voluntary undertaking with the Regulators will be presented to Cabinet in July 2023 for approval.</p>		
<p>Management of Commercial Property</p>	<p>We manage 944 commercial properties with the Strategic Property Unit (SPU) being responsible for the management of statutory property compliance, management of rental income, repairs and maintenance, and the management of void commercial properties. The annual rental income from commercial property is £8.9m.</p> <p>The internal audit, commissioned by the Director of Housing, Planning and Regeneration, noted there were issues with the control environment for Commercial Property. Audit findings highlight significant failings in all aspects of the management and control of the Council’s Commercial Property. Consequently, Internal Audit raised 32 recommendations (15 priority 1, 10 priority 2 and seven priority 3), and recommended an urgent need for a fundamental change in the operations of Commercial Property.</p> <p>Recommendations from this and the independent review are captured in the Strategic Asset Management and Property Improvement Plan 2023 – 2028 (SAMPIP), which was presented to Cabinet in April 2023. The recommendations will be implemented and their progress reported to regularly as outlined in the above action for acquisitions and disposals.</p>	<p>Director of Housing, Planning and Regeneration.</p>	<p>31/3/2024</p>

ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
<p>We need to strengthen the authority's information governance framework.</p>	<p>The Council is the accountable body for complying with the Data Protection Act 2018 and the UK GDPR. We plan to use the Information Commissioner's Accountability Framework to self-assess against its ten categories and to help identify and mitigate any gaps in our governance arrangements to demonstrate compliance with the Act and the Regulation. To aid this process, Mazars, our internal auditors, were commissioned and have reported on the Council's compliance with the Information Commissioners' Accountability Framework and their audit recommendations will be used to improve compliance.</p>	<p>Head of Legal and Monitoring Officer</p>	<p>31/3/2024</p>
<p>Improve our delivery of Leisure Services</p>	<p>We have a Leisure Management Contract with Fusion Lifestyle Ltd entered on 1st December 2012 for a period of 20 years. This relationship includes the management of three leisure centres (Tottenham Green, Park Road and Broadwater Farm).</p> <p>The delivery of leisure services has not been satisfactory. Since January, the Tottenham Green Pools and Fitness (and Marcus Garvey Library and Customer Service Centre) have been closed due to essential maintenance works being conducted by our leisure partner Fusion Lifestyle. Issues have also been highlighted by the Leisure Services team at the Park Road centre.</p> <p>We are reviewing our arrangements with a view to improving our leisure service offer to our residents and other stakeholders who use the centres regularly for themselves and their family.</p>	<p>Director of Environment & Resident Experience</p>	<p>31/3/2024</p>

ANNUAL GOVERNANCE STATEMENT

5. Review of effectiveness

5.1 We take responsibility for conducting an annual review of the effectiveness of our governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each director and assistant director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and by comments made by the Council's external auditors and other review agencies and inspectorates.

5.2 The Director of Finance holds the Council's statutory section 151 Officer role; the Head of Legal and Governance (the Council's Monitoring Officer) and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2022/23. Their comments on the key governance issues are as follows:

- Director of Finance: The Council's 2022/23 budget was clear on the need to continue our council change agenda, particularly in light of the ongoing impact of covid. It was also recognised that this type of change takes time, and so started to consider how the Council's Delivery Plan 2022-24 should be framed and the already agreed savings strategy of £12m for 2022/23 delivered. Extensive work was carried out to enable informed decisions on where to direct limited resources as not all items of growth put forward were able to be accommodated however proposed budgets were as realistic as possible at the time. A total of £17.589m new service growth was proposed for 2022/23, with additional budget directed into care services following an improved LGFS. The financial planning strategy was to enable the Council to achieve a stronger platform to approach the new programme of change required to address the structural funding gap and align with the priorities identified in the Council's Delivery Plan. The budget process continued to be supported by a regular cycle of budget management and reviews with the Council's Risk Management process underpinning all these activities.

The direction of future government funding policy will also impact on the Council's finances and continues to be a future risk factor. The Council's latest approved 2023/24 budget and MTFS forecasted a significant funding gap in excess of £17m by 2027/28, however this position is expected to have worsened due to continued impact of covid, inflation levels, increasing interest rates and cost of living pressures still manifesting along with high demand for care and housing services. These increased costs are not being met by further direct government resources.

The Council will therefore need to develop immediate and effective plans to significantly reduce its net cost base, deliver a balanced budget over the course of the MTFS, ensuring we live within our means and deliver excellent value for money.

- Head of Legal & Governance (Monitoring Officer): The Monitoring Officer are not aware of any significant governance issues in relation to member code of conduct and complaints for 2022/23. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed during 2022/23.
- Head of Audit and Risk Management: For the audit work completed, most areas were assigned a satisfactory level of assurances although weaknesses in internal controls were identified in some areas. Internal audit highlighted the following areas where management attention was required; the

ANNUAL GOVERNANCE STATEMENT

management of Council properties including Commercial Property; procurement, IT Strategy, Delivery of Medium Term Financial Savings, Early Years Commissioning, internal controls within the Housing Services, record keeping within the organisation and health and safety. Internal Audit also highlighted some Council policies, procedures and practices are out of date and need refreshing. Management have accepted audit recommendations to improve the internal control environment in these areas. Audits performed at Homes for Haringey highlighted a management agreement with the Council has not been agreed. Three schools were assigned Limited assurance though the majority achieved a satisfactory level of assurance for 2022/23.

- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2022/23. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' or 'Nil' assurance, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory
- 5.4 Directorate Management Teams have discussed a statement of assurance covering 2022/23 which is informed by work carried out by Directors; Assistant Directors; heads of service and managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.
- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer (CFO) and the role of the Head of Internal Audit (HoA) in public service organisations have both been incorporated into the Council's overall governance arrangements. During 2022/23, the Council can confirm that both the CFO and HoA fulfilled all the requirements set out within the CIPFA statements, and assurance on this was obtained via internal and external audit reviews. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided concerning the production of the Annual Governance Statement has been considered by the Chief Executive and will be considered by the Council's Audit Committee in July 2023. The Statutory Officers concluded that the Council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive along with the other members of the Corporate Leadership Team are committed to implementing the action plan, strengthening and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

ANNUAL GOVERNANCE STATEMENT

Signed by:



Councillor Peray Ahmet
Leader of the Council
Date:



Andy Donald
Chief Executive
Date: 03/07/2023

GLOSSARY

Accounting Policies are those principles, bases, conventions, rules and practices that specify how the effects of transactions and other events are to be reflected in financial statements. Accounting policies define the process whereby transactions and other events are reflected in the financial statements.

Accruals are amounts included in the accounts for income and expenditure in relation to the financial year but not received or paid at 31 March.

Amortisation is the loss in value of an intangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes.

Assets are all items of significant economic value owned by the Council, including those which can be converted to cash and those held for cultural and other reasons (heritage assets).

Capital expenditure is expenditure on the purchase, construction and enhancement of Council assets such as houses, offices, schools and roads.

Capital financing describes the method of financing capital expenditure, the principal methods now being loan and revenue financing and government grants.

Capital Receipts is income received from the sale of land, buildings or equipment.

Creditors are amounts owed by the Council for goods and services supplied, but for which payment has not been made at the end of the financial year

Community Assets are a class of fixed assets that are expected to be held by the council in perpetuity to deliver services (e.g parks).

Council Tax is a local property tax on domestic dwellings within the borough.

Council Tax Base converts the domestic properties in the borough by council tax band into an equivalent number of band D dwellings for the purpose of setting the council tax.

Debtors are amounts owed to the Council but not received at the end of the financial year.

Defined benefit pension scheme is a type of pension scheme which promises a certain level of retirement income to its members. The amount of retirement income is usually a fraction of the worker's yearly earnings for each year they have been a member of the scheme. For example, it might be 1/49th of final pay for each year.

Defined contribution pension scheme is a type of pension scheme where the retirement income a member gets depends on how much has been contributed, investment returns and the amount of charges over time.

Depreciation is the loss in value of a tangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes. Depreciation is a 'non-cash' charge as it merely reflects accounting assessments of the loss in value.

Events after the balance sheet date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue.

Finance and Operating Leases are financing arrangements with a

GLOSSARY

third party. A finance lease substantially transfers all of the risks and rewards of ownership of a fixed asset to the lessee. Such assets have been valued and included under non-current assets in the Balance Sheet. With an operating lease, the ownership of the asset remains with the leasing company and the annual rent is charged to the relevant service account.

General Fund is the Council's main revenue account that covers the net cost of all services other than the provision of Council housing for rent.

Impairment describes a reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

International Financial Reporting Standards (IFRS) are the accounting standards adopted by the International Accounting Standards Board (IASB). Councils are required to produce their accounts using IFRS.

Materiality of an item is determined by whether its omission, non-disclosure or misstatement in the financial statements could be expected to lead to a distortion of the view given by the financial statements.

Medium Term Financial Strategy (MTFS) is the Council's document which sets out the estimated financial impact of changes to our resources and costs of service provision, taking into account agreed principles and priorities. Typically spanning 3 to 5 years it allows the Council to adopt a strategic approach to planning its finances in the context of significant change.

Minimum Revenue Provision (MRP) is the minimum amount that the Council must charge to the revenue account in the year in respect of the repayment of principal of borrowing for capital purposes. In the

accounts the MRP is included within capital financing charges.

Non-Domestic Rate (NDR) is a levy on businesses, based on a national rate in the pound set by the Government, multiplied by the 'rateable value' of the premises they occupy. It is also known as 'business rates'. The new Business Rate Retention Scheme allows Council's to retain a proportion of the income received.

OFSTED is the Office for Standards in Education, Children's Services and Skills.

Outturn is the actual income and expenditure in a financial year.

Precept is an amount which the Council is required to collect from the Council Tax on behalf of other (non-billing) authorities, such as the Greater London Authority in London, to finance their net expenditure.

Provision is an amount, which is set aside for a liability or loss in respect of a past event, which is likely to be incurred, but where the exact amount and date on which it will arise is uncertain.

Reserves (Unusable) are reserves that cannot be released to spend on services. For example, the Revaluation Reserve records the effect of revaluing fixed assets and is not available for general use in the financing of capital expenditure.

Reserves (Usable) are those reserves that can be released to spend on services or added to for future spending on services.

Soft Loans are loans made by the Council at less than the prevailing market rate of interest.