



Statement of Accounts

Unaudited

For the period 1 April 2024 to 31 March 2025





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Narrative Report by the Director of Finance, Commercial and Performance Services

1) INTRODUCTION

Purpose of the Narrative Report

Local government accounts can be technical and complex. This narrative report aims to provide a comprehensive overview of Sheffield City Council's financial position, performance, strategic direction and future outlook.

The Statement of Accounts contains all the financial statements and disclosure notes required by statute. These statements and notes have been prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting (the Code) together with disclosure notes as published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

A glossary can also be found towards the end of these accounts to help explain some of the accounting terms used.

2) SHEFFIELD – OUR CITY





Sheffield inspires places, organisations and people all over the world.

Sheffield inspires. Always has. Always will.

The city has earned accolades such as being named the UK's Foodie Capital and one of Europe's top city-break destinations. Sheffield boasts a strong educational presence with two major universities—The University of Sheffield and Sheffield Hallam University—contributing to research, innovation, and a skilled workforce.

Sheffield has also been recognised as the best place in the UK to start a business, with strong support for entrepreneurs and Small and Medium Enterprises (SMEs) through initiatives like the Launchpad programme, which has helped create over 60 new businesses and more than 50 jobs in just two years.

We inspire the capital of modern manufacturing

The Advanced Manufacturing Innovation District (AMID) spans the border of Sheffield and was the first of its kind in the UK, which hosts global giants like Boeing, Rolls-Royce, and McLaren. This 2,000 acre cluster of inventiveness, alongside the world-leading heavy industry and engineering expertise still present in the city, inspires and powers the future of a £200 billion sector in the UK alone. There are many cities and regions which talk about advanced manufacturing sites, however, when it comes to cities which actually have the capabilities, facilities, talent, research, apprenticeship programmes and investment, ours is second to none.

We inspire the art of climbing

Sheffield inspires the development of one of the fastest growing sports in the world. From the roots of UK rock climbing in the 1880s, through to devising routes for the inaugural Olympic Games 2020. We are the home of the originators of 'bouldering', the most creative and progressive forms of the modern sport, attracting thousands of people every year including current world, Olympic and Team GB athletes as well as designers and manufacturers.

We inspire a global health tech revolution

Just as we were, and still are, a trailblazer in industry and modern manufacturing, shaping how the world makes products, Sheffield is now also doing the same in the world of health tech, especially for young people. What's really changing the game on a global level is the fact that Sheffield's Olympic Legacy Park will be the location for the National Centre for Child Health Technology (NCCHT), which will radically transform healthcare delivery in the future.





We inspire greener cities

We inspire other major cities around the world through the inclusion and development of the outdoors as part of urban environments, while also striving to solve climate, sustainability and nature challenges faced by civilisation globally. With 1/3 of Sheffield located in the Peak District National Park, plus 800 managed spaces, we are incredibly privileged to have so much green and blue space in our city boundary. So much so that at 91% we aren't just the greenest city in the UK but the second greenest city in the world, after Oslo. 'The Outdoor City' is our moniker that connects our culture and nature and inspires people to put down roots here.

We inspire the beautiful game

Alongside the drama of the modern, globalised, popular culture of football there is also the importance of health and wellbeing, and hard economics on a global scale. When you consider that the Sheffield Rules inspired the modern game, the world's first football club is still here, along with the world's oldest ground, with the world's oldest cup match, it's no overstatement to say that Sheffield inspires so much in 'the beautiful game'.

We inspire the evolution of electronic music

The influence of electronic music on popular culture in the UK has been well documented to have been inspired by Sheffield in the late 70s and early 80s. Still today Sheffield artists, performers, producers and festivals are at the forefront of pioneering how the industry develops and people hear new sounds and have unforgettable experiences.

Culturally, Sheffield is a powerhouse. It hosts a wide array of festivals and events, including the World Snooker Championship held annually at the Crucible Theatre, the Sheffield DocFest, one of the world's leading documentary festivals, and the Crossed Wires Podcast Festival, celebrating the best in audio storytelling. The city is also home to the largest theatre complex outside London, a thriving live music scene, and a strong independent spirit seen in its food halls, microbreweries, and street art.

This unique blend of heritage, innovation, and lifestyle makes Sheffield a truly compelling place to live, work, and visit. Sheffield is a thriving city. Inventive, inclusive, resilient and determined. The fourth biggest city in England, we are a city of makers rooted in our history and full of ambitious spirit for the future.

Visit welcometosheffield.co.uk/inspires for more information.



3) SHEFFIELD – OUR COUNCIL

In 2022 Sheffield City Council transitioned to a new governance system meaning all councillors, irrespective of party affiliation, now actively engage in strategic decision-making as members of citywide Policy Committees, operating within the revamped committee system. In addition to this and to enhance community involvement, we established seven new Local Area Committees in 2021, aimed at decentralising decision-making processes and bringing governance closer to residents. Throughout 2024/25, these reforms have been firmly embedded, leading to increased transparency, stronger local engagement, and more inclusive decision-making across Sheffield. These initiatives continue to reflect our commitment to empowering both councillors and citizens to collaboratively shape the future of our city.

We remain committed to tackling racial inequality in Sheffield, following the recommendations of the Race Equality Commission. In 2024/25, we took further steps to embed anti-racist practices across the Council and the city. This included launching the Race Equality Partnership, strengthening inclusive recruitment, improving workforce data transparency, and enhancing Equality Impact Assessments. Mandatory Equality, Diversity and Inclusion training continued for all staff and councillors, and we supported targeted initiatives to improve representation and opportunity for Black, Asian, and Minority Ethnic communities. These actions reflect our ongoing commitment to becoming an anti-racist organisation and improving outcomes for all Sheffield residents.

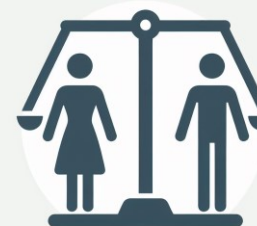
In February 2023, Sheffield City Council launched its Clean Air Zone (CAZ) as part of the national Clean Air Strategy. By 2024/25, the CAZ had delivered measurable improvements in air quality across the city. Nitrogen dioxide levels fell by 16% within the zone, with some areas, like Arundel Gate, seeing reductions of up to 27%, bringing them within legal limits. The financial assistance scheme supported the upgrade of over 1,000 vehicles, and compliance rates among commercial fleets continued to rise. While progress has been strong, the Council recognises that further investment in public transport and cleaner technologies is essential to sustaining long-term improvements. These efforts reflect Sheffield's ongoing commitment to a healthier, cleaner future for all residents.





Our Ethical Procurement Policy continues to guide how we spend public money, ensuring our procurement practices deliver social value for Sheffield. In 2024/25, we strengthened our focus on increasing the proportion of suppliers paying the real Living Wage, supporting local businesses, and growing the Sheffield '£'. Recent updates to the policy introduced enhanced social value tests and clearer expectations for ethical conduct across our supply chain. These measures help ensure that our spending power supports fair employment, local economic growth, and long-term community benefit.

The Council employs around 9,000 staff, with an additional 4,100 working in Sheffield schools. We remain committed to building a workforce that reflects the diversity of our communities. In 2024/25, we continued to strengthen inclusive recruitment, workforce planning, and employee development to improve representation and opportunity across all levels of the organisation. Apprenticeships remain a key part of our workforce strategy. Funded through the apprenticeship levy, we offer a wide range of roles, from entry-level to degree-standard qualifications, supporting both new recruits and existing staff. In 2024/25, through our Social Value commitments, Council contractors delivered over 300 careers interventions in schools, created 42 new apprenticeships, and supported the creation of over 180 new jobs across Sheffield. These outcomes reflect our ongoing commitment to upskilling the city's workforce and creating inclusive, long-term employment pathways.



In 2024/25, Sheffield City Council launched the Sheffield Role Review Programme, a comprehensive initiative to ensure fairness and transparency in how roles are evaluated and paid. This follows concerns raised in 2023 about potential disparities in the implementation of the Council's previous job evaluation scheme. Working in close partnership with trade unions (GMB, Unison, and Unite), the Council commissioned an independent review, which confirmed the need for a new approach. As a result, we are transitioning to the National Joint Council (NJC) job evaluation scheme, widely used across the public sector. This new process will reassess every role within the Council, including senior leadership, to ensure all employees are graded appropriately and equitably. This work is central to our commitment to equal pay and fairness. While the review is expected to take up to two years, we are taking proactive steps to ensure that any historical disparities are addressed and that our workforce is treated with fairness and respect.

The Council remains ambitious for Sheffield's future, with major regeneration projects continuing to transform the city centre. The £470 million Heart of the City II programme, led by Sheffield City Council, has redefined what a modern city centre can be. By 2024/25, the scheme had delivered new homes, offices, retail, and public spaces, while preserving Sheffield's historic character. Key highlights include the opening of the Radisson Blu hotel, offering rooftop dining and conference facilities overlooking the Peace Gardens, and the Cambridge Street Collective, Europe's largest purpose-built food hall, featuring 24 independent kitchens. Pound's Park, a new green space in the heart of the city, has become a popular destination for families and residents alike. It was awarded the Open Space Award at the 2024 Sheffield Design Awards for its inclusive,





vibrant design. Overlooking the park is 'Reverie', a striking mural by artist Peachzz, which became Sheffield's tallest piece of street art and was voted 2nd Best Street Art in the World by Street Art Cities in 2024. Inspired by Sheffield's waterways and wildlife, the mural has become a symbol of the city's creativity and pride in place.

The Council continues to work closely with central government, including the Ministry of Housing, Communities and Local Government (MHCLG) and Homes England, to shape Sheffield's levelling up priorities and secure long-term investment. In 2024, Sheffield was confirmed as the location for the UK's first Civil Service Policy Campus, reinforcing the city's role as a national centre for policymaking.

The campus will support new career pathways, including regional fast streams and policy apprenticeships, while strengthening links with local universities and employers. This initiative reflects a broader ambition to decentralise government, drive inclusive growth, and ensure future developments contribute to a low-carbon, sustainable Sheffield.

Sheffield continues to attract major investment and deliver transformative regeneration across the city, working closely with the **South Yorkshire Mayoral Combined Authority (SYMCA)** and national partners:

- **Innovation District & Investment Zone:** In partnership with the University of Sheffield, Sheffield Hallam University, and the private sector, the Innovation District and South Yorkshire Investment Zone are creating high-quality incubation and scale-up space for spin-outs and start-ups. The zone is expected to leverage over £1.2 billion in private investment and support more than 8,000 jobs by 2030.
- **Castlegate:** As a key anchor of the Innovation District, Castlegate is being revitalised with new education, cultural, and business spaces. The area has secured £17.5 million in Levelling Up funding, including for the restoration of the Grade II-listed Harmony Works as a regional youth music hub.
- **West Bar:** The £300 million West Bar development is progressing, with No.1 West Bar Square, a 100,000 sq ft office building, set to complete in 2025. Phase one also includes the £78 million Soho Yard residential scheme.
- **Moorfoot:** Plans are advancing to create a new central neighbourhood, with the potential to deliver up to 2,880 new homes, continuing the transformation of the city centre.
- **Neepsend & Furnace Hill:** Backed by £67 million in funding, this area will see the creation of 1,300 new homes and new commercial space, building on the industrial heritage of Kelham Island.
- **Station Quarter:** In partnership with Homes England, Network Rail, and others, the Council is developing a long-term vision to transform the gateway around Midland Station, unlocking new homes and business opportunities.
- **Tram/Train Expansion:** In 2024, the Supertram network returned to public control under South Yorkshire Future Trams Ltd, a new arms-length company established by SYMCA. This marks the start of a £1.5 billion regional transport investment programme, which includes tram renewal, infrastructure upgrades, and plans to extend the network to areas such as Stocksbridge and Chesterfield.
- **Leisure & Sport:** A £117 million investment is modernising Sheffield's leisure and sports venues. In 2024/25, the Council appointed new operators to manage key venues, ensuring they are inclusive, financially sustainable, and capable of hosting national and international events.
- **Graves Gallery & Central Library:** Work is underway to secure the future of this historic building and develop a vision for a modern, 21st-century central library and cultural hub.



- **Attercliffe Waterside:** A new zero-carbon neighbourhood is being developed, blending heritage with innovation. The scheme will deliver new homes, commercial space, and a revitalised high street, serving as a model for sustainable urban living.

4) SHEFFIELD'S CITY GOALS & THE COUNCIL PLAN

The Council has worked closely with over 70 key partners to co-develop [Sheffield's City Goals](#), a shared vision for the city's future. Through extensive engagement, including surveys, workshops, and focus groups with communities, businesses, and civic organisations, the process brought together diverse perspectives and lived experiences. This collaborative effort helped shape nine long-term goals that reflect Sheffield's values and aspirations—from inclusive economic growth and climate resilience to community wellbeing and democratic participation

The City Goals now underpin strategic planning across the Council and its partners, guiding investment, policy, and service delivery to ensure a more equitable, sustainable, and prosperous future for all who live and work in Sheffield.

The organisations committed to making change happen in the city include:



They are working on behalf of the city to enable an open, inclusive and collaborative process.



In March 2024, Sheffield City Council launched its new four-year strategy: **“Together we get things done”**— [Sheffield City Council Plan 2024-28](#). This plan sets out the Council's role in delivering Sheffield's City Goals and outlines a clear vision from elected members for the city's future.

Focusing on a small number of ambitious outcomes and priorities, the plan provides a shared direction for the whole organisation. It helps staff, partners, and residents understand what the Council is here to achieve—supporting long-term prosperity, fairness, and sustainability for Sheffield.



Our mission is clear and simple: **“together we get things done.”** It reflects our core values and our commitment to work together across the city to deliver five strategic outcomes for Sheffield.

The outcomes were informed by the things Sheffield people said really matter to them. Every directorate has a role in achieving each outcome, and these outcomes will in turn represent our organisation's contribution to the City Goals.

The five outcomes will be the structure for the Council's priorities, for the money we spend and our performance framework so that we can be held to account for delivering for the city.

We will challenge ourselves to make a positive contribution to the city's future through our triple lock: three policy drivers that together will guide everything we do.

All three pillars must be tied together and drive everything we do:

People – listening to and involving people in our decisions and helping everyone in Sheffield to achieve their potential.

Prosperity – prioritising Sheffield's long-term prosperity, in a way that makes every part of our city better off.

Planet – protecting the environment for future generations.



5) THE CURRENT ECONOMIC CLIMATE

The 2024/25 financial year unfolded against a backdrop of ongoing economic uncertainty. While inflation eased from its 2022 peak, these pressures persisted throughout the year. The Consumer Price Index (CPI) remained volatile, with a temporary rise projected into mid-2025 due to increases in energy, food, and utility costs. The Bank of England maintained a cautious monetary stance, with the base rate starting the year at 5.25% and gradually reducing to 4.5% by the close of the financial year. These adjustments aimed to support economic stability while addressing inflation risks, including wage pressures and global geopolitical tensions.

Despite these efforts, the cost-of-living crisis continued to affect residents. Real incomes remained under pressure, and demand for essential council services, particularly in social care and housing, continued to grow. At the same time, councils faced rising operational costs and constrained budgets.

In response, the Council has remained focused on prudent financial management, ensuring resources are directed where they are most needed. Our approach balances immediate service demands with long-term financial resilience, enabling us to support our communities through challenging times.

6) PERFORMANCE

Sheffield City Council continues to work in close partnership with communities, businesses, and public services to support residents, particularly those most in need, while protecting the essential services people rely on every day. Despite ongoing financial pressures, we remain focused on delivering for Sheffield.

Over the past 15 years, the Council has absorbed significant funding reductions from government resulting in reduced spending power of 26% or £858 per resident. This is higher than the national average reduction of 18% or £556 per resident. In 2024/25, we faced £79 million in budget pressures, with £49 million of this relating to Social Care services. These pressures were driven by rising demand, inflation, and the increasing complexity of need.

Looking ahead to 2025/26, the Council began the year with a projected budget gap of £31.4 million. Through the business planning process, services identified £22.4 million in additional savings, supported by the ongoing Future Sheffield transformation programme, which focuses on modernising services, improving efficiency, and aligning resources with the Council Plan's strategic outcomes.

The 2025/26 budget continues to prioritise early intervention and prevention, particularly in the city's most disadvantaged communities. The Council has adopted a Priority-Based Budgeting approach, aligning spending with the five strategic outcomes set out in the Council Plan. This ensures that limited resources are focused on the areas that will have the greatest long-term impact.

To help manage rising costs and service pressures, the Council approved a 2.99% increase in Core Council Tax, alongside a 2% Adult Social Care precept for 2025/26. These decisions were made to protect essential services while maintaining financial resilience in a challenging economic



environment. We remain committed to strong financial stewardship. If savings targets are not met, the Strategic Leadership Team will work with elected members to implement mitigation plans to ensure the Council remains on a sustainable financial footing.

BUDGET CONSULTATION

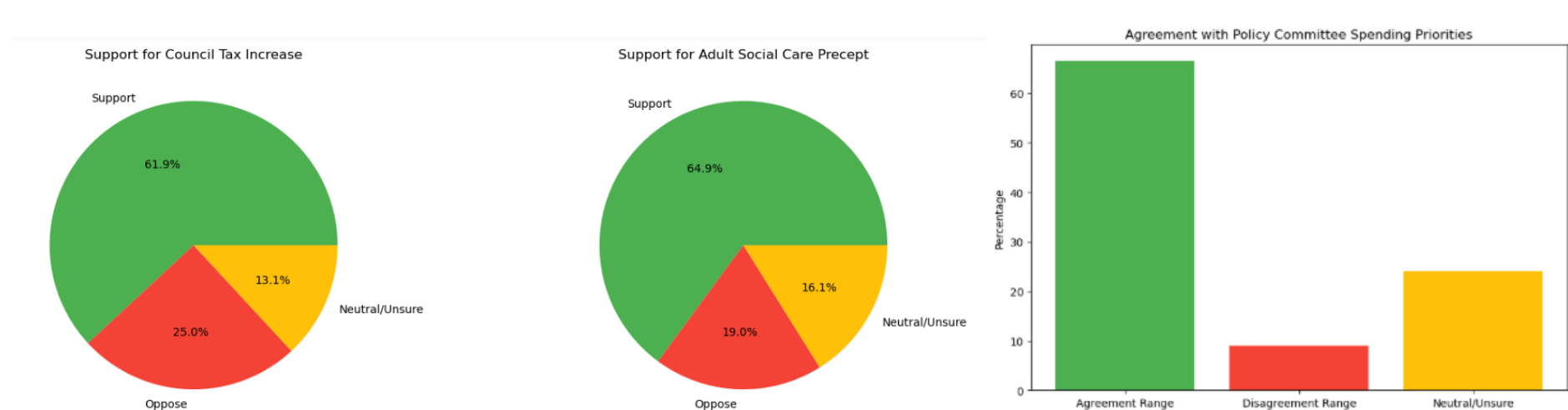
As part of our commitment to transparency and inclusive decision-making, Sheffield City Council consulted the public on its 2025/26 budget proposals during December 2024 and January 2025. The consultation included an online survey introduced by the Leader of the Council, Cllr Tom Hunt, and invited residents to share their views on how the Council should prioritise spending in line with the Council Plan 2024–28.

Key findings from the consultation included:

- **Investment Priorities:** Respondents consistently prioritised investment in critical services such as adult social care, children's services, education, housing, and public health.
- **Committee Proposals:** The majority of respondents supported the spending priorities proposed by Policy Committees, with agreement levels ranging from 62% to 71%. Disagreement was low (4%–14%), with some respondents seeking more detail or expressing uncertainty.
- **Council Tax and Precept:**
 - 61.9% supported a Council Tax increase to protect services, while 25% opposed it, citing concerns about household affordability.
 - 64.9% supported the Adult Social Care precept, recognising the importance of social care and the need for sustainable funding.
- **Service Charges:** 58.9% agreed with proposed increases in service charges, acknowledging inflationary pressures. However, concerns were raised about affordability, especially for vulnerable residents and small businesses, with suggestions for targeted concessions.

Feedback by committee highlighted strong support for independent living, education and skills, affordable housing, climate action, and improved public transport. Residents also emphasised the importance of libraries, parks, and community spaces.

To ensure fairness and compliance with the Equality Act 2010, all budget proposals were subject to Equality Impact Assessments (EIAs). These assessments help identify and mitigate any potential adverse impacts on people with protected characteristics.



PERFORMANCE FRAMEWORK

Aligned with the Council Plan 2024–28, Sheffield City Council has implemented a strengthened [performance framework](#) to monitor delivery against strategic priorities. This framework supports a culture of transparency, accountability, and continuous improvement, enabling directorates to assess progress, identify areas for development, and respond effectively to emerging challenges.

The [Q4 2024/25 performance report](#), presented to the Finance and Performance Policy Committee in June 2025, highlights several key achievements:

- **Customer Services:** Call waiting times reduced by 30% year-on-year, with 85% of calls answered within five minutes.
- **Workforce:** Staff engagement scores improved, with 72% of employees reporting a positive view of internal communications and wellbeing support.
- **Financial Management:** The Council delivered a balanced budget despite inflationary pressures, supported by targeted savings and service transformation.
- **Service Delivery:** Notable improvements in housing repairs and waste collection performance, with customer satisfaction exceeding 80% in both areas.

This framework ensures that performance data is regularly reviewed by senior leadership and policy committees, reinforcing our commitment to delivering high-quality services and maintaining public trust.





7) FINANCIAL HIGHLIGHTS

The financial year 2024/25 presented notable fiscal challenges for Sheffield City Council, resulting in a final outturn **overspend of £34.7m**.

The net revenue budget for 2024/25 was £543.8m. The net expenditure was budgeted to be funded by £46.5m of Revenue Support Grant, £243.3m of Council Tax, £200.8m of the Council's share of National Non-Domestic Rates (NNDR) including top up grant, £40.7m of Social Care Precept and £12.5m of Collection Fund surplus and included savings from General Fund services of £42.8m.

The breakdown of savings by committee and category are shown in Figures 2 and 3 below. Figure 4 presents the performance against savings targets which was reported at 94%, a shortfall of £2.6m.

The overspend reflects the continued impact of rising demand and complexity in social care, homelessness, and Special Educational Needs & Disabilities (SEND) transport services, alongside inflationary cost increases.

Key financial highlights include:

- **Education, Children and Families** budgets accounted for the largest overspend at **£16.6m**. The largest single pressure was a £6.1 million overspend in Home to School Transport, driven by a sustained increase in demand with more than 1,000 more children being transported compared to pre-pandemic levels. Placement costs continued to exceed budget by £1.9m, and rising demand led to a £1.9m overspend in support for children with disabilities. Pressures in the children's directorate highlight persistent demand growth, challenges in delivering planned savings, and the need for service transformation to ensure long-term sustainability.
- **Adult Health and Social Care** recorded a **£13.6m** million overspend, driven by rising demand, increasing complexity of service user needs, and significant cost inflation. Contributing factors included higher provider fees linked to the uplift in the National Living Wage, increased National Insurance contributions, and broader inflationary pressures across the care sector.
- **Homelessness Services** accounted for a **£6.3m** overspend, primarily due to unfunded costs associated with temporary and supported accommodation.

The Council utilised reserves to fund the 2024/25 budget overspend, including **£26.8m** from the budget contingency reserve and a **£7.9m** provision made in the 2024/25 budget to manage the spiralling costs associated with temporary accommodation. However, the Council's **usable revenue reserves** declined from **£335.7m** to **£330.9m**, and only **£15.1m** remains un-earmarked, at the minimum recommended prudent level. Meanwhile, **usable capital reserves** increased slightly to **£248.4m**.



Sheffield City Council has not issued a Section 114 notice in 2024/25. This outcome reflects the Council's continued ability to meet its statutory duty to set and maintain a balanced budget, supported by the use of reserves and robust financial planning. The Council's usable revenue reserves remain adequate, and its budget estimates are considered robust, as confirmed through internal monitoring and external audit scrutiny.

The Council's assessment of the risk of issuing a Section 114 notice in future years is based on several key assumptions:

- **Delivery of planned savings** in 2025/26, including those linked to the Future Sheffield transformation programme.
- **Containment of demand-led pressures**, particularly in social care, homelessness, and SEND transport.
- **Stability in government funding**, including continuation of the Social Care Grant and no further reductions in core funding.
- **No significant new unfunded burdens** arising from national policy changes.

This assessment is sensitive to changes in government policy, inflationary trends, and the broader economic environment. A failure to deliver savings or contain costs could rapidly erode the Council's remaining financial resilience.

To mitigate this risk, the Council has committed to robust in-year financial management. If overspends emerge during 2025/26, the Strategic Leadership Team (SLT) will be required to develop and implement immediate mitigation plans, in consultation with elected Members. This will include reprioritisation of resources, acceleration of transformation activity, and potential service redesigns.

The Council continues to progress its Future Sheffield transformation programme, which aims to deliver long-term financial sustainability through digital innovation, early intervention, and service redesign. However, the scale of the financial challenge means that decisive action is essential to avoid further deterioration and to safeguard the Council's ability to deliver core services in the years ahead.

Figure 1. 2024/25 Final Outturn Position by Directorate & Committee

Full Year Outturn by Directorate £m	Outturn	Budget	Variance
Neighbourhood Services	137.1	134.8	2.3
Adults	163.0	149.2	13.8
Children's	163.7	149.6	14.1
City Futures	38.6	38.7	(0.1)
Strategic & Enabling Services	23.9	21.2	2.7
Public Health & Integrated Commissioning	7.6	5.7	1.9
Corporate	(499.2)	(499.2)	0.0
Total	34.7	0.0	34.7

Full Year Outturn by Committee £m	Outturn	Budget	Variance
Adult Health & Social Care	165.5	151.9	13.6
Communities Parks and Leisure	39.1	39.7	(0.6)
Economic Development & Skills	9.2	9.9	(0.7)
Education, Children & Families	158.6	142.0	16.6
Housing	14.8	10.5	4.3
Strategy & Resources	22.8	23.2	(0.4)
Finance & Performance	(483.2)	(478.0)	(5.2)
Transport, Regeneration & Climate	31.3	31.0	0.3
Waste & Street Scene	76.7	69.8	6.9
Total	34.7	0.0	34.7

Figure 2.

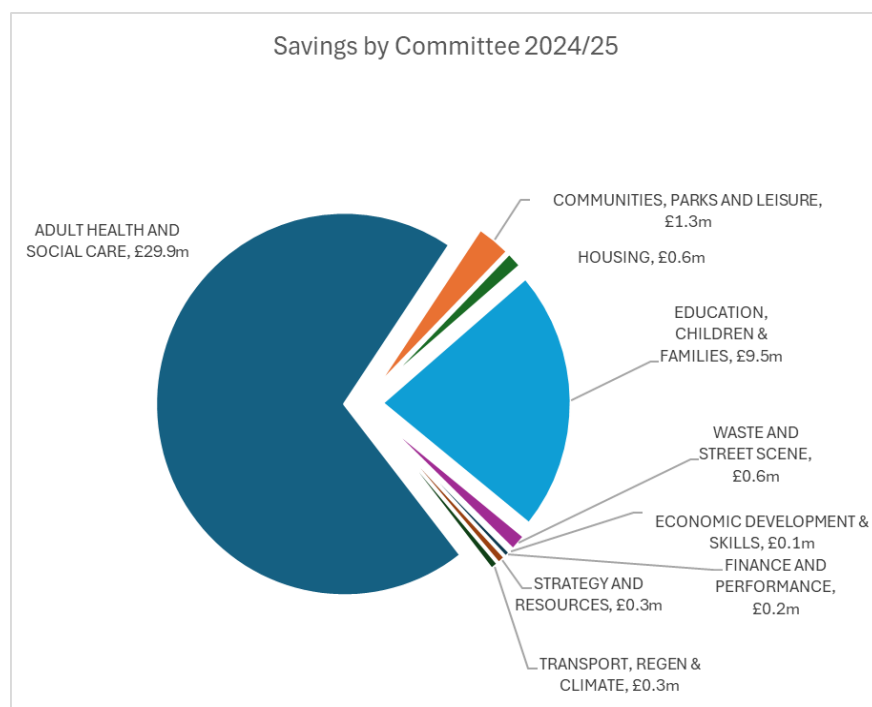


Figure 3.

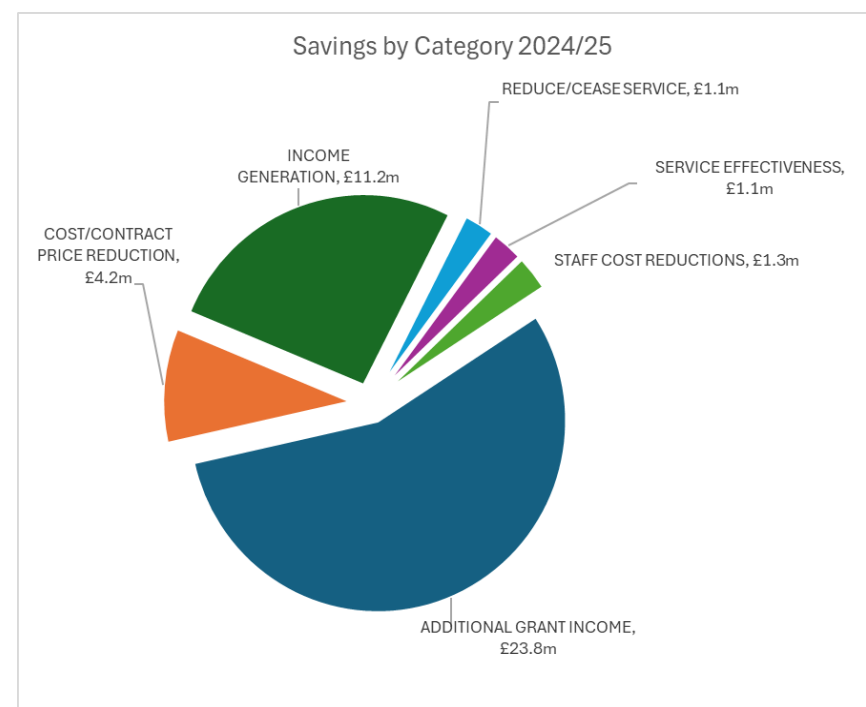


Figure 4. 2024/25 Savings performance by Committee

£m	Total Savings	Savings Delivered in Year	Gap	Savings Deliverable Next Year (Slippage)	Undeliverable Savings
Committee					
Adult Health & Social Care	29.9	29.4	0.5	0	0.5
Communities, Parks & Leisure	1.3	1.3	0	0	0
Economic Development & Skills	0.1	0.1	0	0	0
Education, Children & Families	9.5	7.4	2.1	0	2.1
Finance and Performance	0.2	0.2	0	0	0
Housing	0.6	0.6	0	0	0
Strategy & Resources	0.3	0.3	0	0	0
Transport, Regeneration & Climate	0.3	0.3	0	0	0
Waste & Street Scene	0.6	0.6	0	0	0
Grand Total	42.8	40.2	2.6	0	2.6
		93.9%	6.1%	0.0%	6.1%

Figure 4 reports the delivery performance of savings against 2023/24 budget targets, slippage and reported undeliverable savings.

The Council's net worth (value of total assets less total liabilities) increased by £148.2m (or 6.0%) between 31 March 2024 and 31 March 2025.

Total usable revenue reserves decreased from £335.7m at 31 March 2024 to £330.9m at 31 March 2025. £26.8m of these reserves have been identified to fund the 2024/25 overspend of £34.7m and to act as a buffer against future overspends and potential budget gaps.

Total usable capital reserves increased by £26.2m from £222.2m to £248.4m. Usable revenue reserves comprise both those which are earmarked for specific purposes and those which are un-earmarked. Only £15.1m of the Council's reserves are un-earmarked, which is at the minimum recommended prudent level.

CAPITAL EXPENDITURE

Capital expenditure can broadly be defined as spending which creates and enhances assets that have a life of more than one year. The Council has an ambitious five-year capital programme which as at 31 March 2025 was valued at £714.2m. Our investment programme is driven by our [Capital Strategy](#), which is linked to the Council Plan. Covering all areas of the city, this investment will deliver a range of improvements across the city, including:

- Upgrading our transport infrastructure - to improve air quality and safety and deliver sustainable economic growth.
- Regenerating our city centre – to support Sheffield's position as a thriving city with an attractive employment, leisure, retail and residential offer



- Building more social housing for our citizens – to enable more residents to live in high quality homes and regenerate brownfield sites.
- Improving existing council housing stock – ensuring our housing stock is fit for purpose, improving tenants' quality of life and delivering energy efficiency improvements.
- Enhancing parks and public spaces – to ensure people have access to high quality green spaces and improve biodiversity.
- Improving youth provision – investing in our young people and their communities
- Protecting the city from flooding – to improve our resilience to climate change.
- Ensuring sufficient school places in well-maintained schools

Sheffield has declared a climate emergency, and our capital programme reflects our desire to reach net zero. Whilst this presents us with many challenges – particularly in the current climate of rising prices and supply chain difficulties - we continue to focus on minimising our negative impacts on the environment in everything we do.

The 2024/25 Capital Outturn is £138.4m against a revised budget of £170.3m, a variance of £31.9m (18.7%). The main reason for this difference is 'slippage,' the extent to which, in terms of expenditure, capital projects are behind their original schedule. This will be carried forward into future years, along with the resources identified to fund the schemes and reprofiling of allocations for themes of work or schemes not yet in delivery.

The [2024/25 final capital outturn report](#) presented to the Council's Finance and Performance committee in June 2025 provides further details of the full programme spend for the financial year and details on a scheme by scheme basis. The below images give a flavour of some of the work delivered as part of the programme during 2024/25.





Images 1 & 2: Berners and Daresbury Council Houses



Completion of 73 new-build council homes at Berners Road and Daresbury View, Arbourthorne—delivered as part of Sheffield City Council's Housing Capital Programme, with final investment totalling £15.6 million to support affordable housing in the city

Images 3 & 4: City Centre Active Travel – Bike Hub



Launch of the City Centre Cycle Hub at Charter Row, providing secure storage for over 140 bikes and supporting Sheffield's 2024/25 Active Travel Strategy to promote greener, safer, and more accessible transport options.





Images 5 & 6: Castlegate Regeneration



Major regeneration of the historic Castlegate site underway uncovering the River Sheaf, revealing remains of Sheffield's medieval castle and creating a new public park and events space

Image 7: Wharncliffe Side Nursery



Opening of the new Wharncliffe Side Nursery building in Autumn 2024, delivered to enhance early years education and expand provision for children aged 2 to 5

Image 8: Upper Hanover Street MUGA



Refurbishment of the Upper Hanover Street Multi-Use Games Area (MUGA) commenced in early 2025—funded through developer contributions and the 2024/25 Capital Programme to enhance playability, safety, and accessibility for local communities





Image 9: Tinsley Canal Public Art



Installation of a striking floating sculpture by artist Alex Chinneck on the Sheffield & Tinsley Canal—part of the 2024/25 Capital Programme, celebrating the city's industrial heritage through a full-sized, loop-the-loop canal boat artwork co-funded by E.ON and British Land.





8) KEY SECTIONS INCLUDED IN THE STATEMENT OF ACCOUNTS

Statement of Responsibilities

This sets out the respective responsibilities of the City Council and the Director of Finance, Commercial and Performance Services for the Accounts.

Comprehensive Income and Expenditure Statement

This account summarises the revenue costs of providing all Council services and the income and resources received in financing the expenditure.

Revenue expenditure is reported in the Council's Accounts under the Comprehensive Income and Expenditure Statement (CIES). The CIES takes a wider view of financial performance than that shown in the General Fund and shows the accounting position for the year, namely a surplus of £148.2m. This surplus represents the total amount by which the Council's net worth has increased during the year as shown in the Balance Sheet.

Movement in Reserves Statement

This statement shows the movement during the year of the different reserves held by the Council.

Balance Sheet

The Balance Sheet includes information on the Council's non-current and current assets, short term and long-term liabilities and the balances at its disposal at the reporting date.

Cash Flow Statement

This statement provides a summary of the flow of cash into and out of the Council for revenue and capital purposes, based on the indirect method of presentation.

Expenditure and Funding Analysis Statement

The statement shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

Notes to the Core Financial Statements

These notes expand on important points shown in the core statements and provide further explanation of movements and balances.





Housing Revenue Account (HRA)

This account reflects the statutory obligation under the Local Government and Housing Act 1989 to show separately the financial transactions relating to the provision of local council housing.

Collection Fund Statement

This statement summarises the transactions of Sheffield as a Billing Authority in relation to National Non-Domestic Rates and Council Tax, and illustrates the way in which income has been distributed to the Precepting Authorities (e.g. South Yorkshire Fire and Police).

Usable Reserves (Note 33)

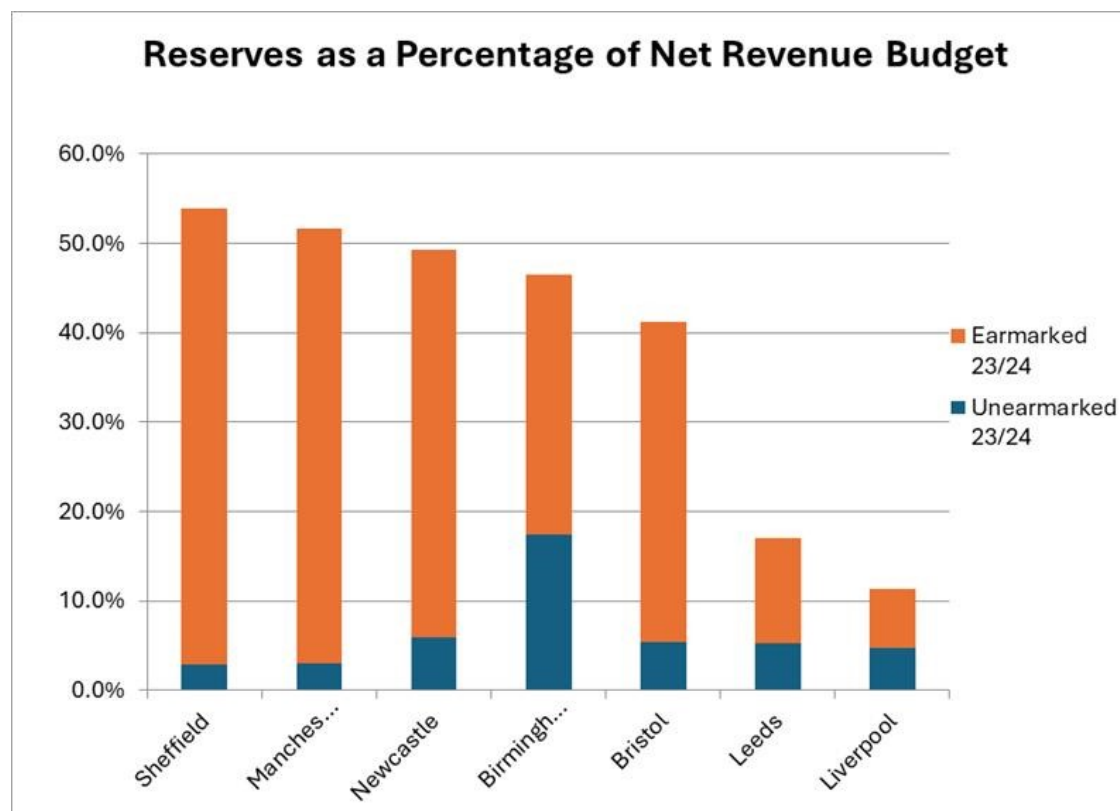
Reserves are reported in two categories, usable and unusable. This section is concerned with usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The note shows a breakdown of usable reserves. Of the different components shown in the table, the General Fund is the only component which is not earmarked for a specific purpose. At £15.1m or around 2.8% of the net budget requirement, the General Fund is low in comparison to most other Core Cities (see Figure 6). If this were ever used, it would have to be replaced as soon as possible as the Council would always need a minimum level of emergency reserves. At this stage, our reserves remain adequate and at an appropriate level.





Figure 6. Core Cities Reserves position as a % of Net Revenue Budget



N.B. Reserve levels based on the latest published Statement of Accounts - Nottingham (2022/23), Birmingham (2021/22) and everyone else (2023/24). NRB data based on 2024/25 RA data.

Significant changes in accounting policies

The Council's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the CIPFA Code of Practice on Local Authority Accounting 2024/25. The accounting policies presented on pages 142 to 169 are compliant with IFRS and have been applied in preparing the financial statements and the comparative information.





The main changes to Accounting Policies for 2024/25 were to comply with the implementation of IFRS16 (Leases) as per the CIPFA Code of Practice for 2024/25.

9) FINANCIAL OUTLOOK

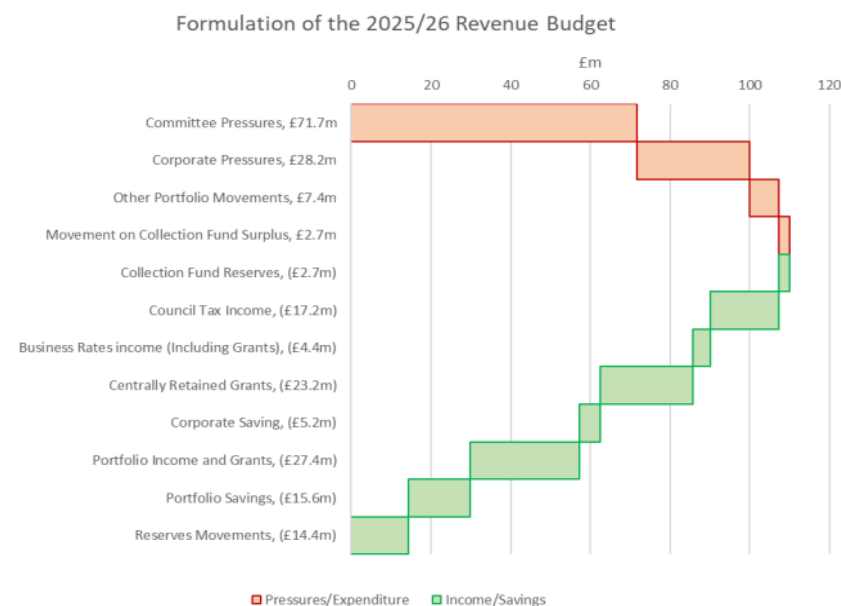
This section provides a summary of what the future holds for the Council's finances. Further details can be found in the [2025/26 Revenue Budget](#) (approved by Full Council on 5 March 2025) and the [Medium Term Financial Strategy](#) 2025/26 to 2028/29 approved by Strategy & Resources Committee on 19 March 2025. Based on the mid-case assumptions detailed in the report, the Council estimated a cumulative net budget gap of £52.3m by 2028/29. Significant budget pressures such as contract inflation and the increasing demand for services continue to outstrip available resources over the medium term. Consequently, budget savings, service efficiencies, service transformation and increased income will have to be delivered during 2025/26 and beyond, in order to achieve a balanced budget over the medium-term and protect our front-line services.



The 2025/26 Revenue Budget shows the Council's Net Revenue Budget of £563.8m is funded as shown in Figure 7 below:

Figure 7. Sheffield City Council Net Revenue Budget Financing

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Service Expenditure	500,762	543,815	563,842
Total Expenditure	500,762	543,815	563,842
Financed by:			
Revenue Support Grant	-43,611	-46,500	-47,556
Business Rates (including Grants)	-185,047	-200,767	-205,201
Council Tax	-267,801	-284,037	-301,256
Collection Fund Surplus	-4,303	-12,511	-9,829
Budget Requirement	-500,762	-543,815	-563,842
Band D Council Tax (City Council)	£1,840.69	£1,932.56	£2,028.99



The table on the left shows the total net expenditure and financing split over the past three years and the chart on the right illustrates the 2025/26 financing breakdown graphically.

After releasing details of the Provisional Local Government Finance Settlement on 18 December 2024, the final Local Government Finance Settlement figures for 2025/26 were confirmed on 3 February 2025.

As shown in Figure 7 (above), the net revenue budget for 2025/26 totals £563.8m and comprises four main sources of income, including a one-off amount of £9.8m Collection Fund Surplus. This surplus was primarily due to exceeding performance on the collection fund as a whole, plus a reconciliation of previous years surplus.

When compared to the early 2010s, the proportion of each of these income sources has changed significantly. Revenue Support Grant (RSG), funding from Central Government, has steadily reduced over the past decade, reducing from £192m in 2013/14 to £47.6m for 2025/26. As a result, RSG now accounts for 8% of the net revenue budget, compared to 40% in 2013/14. Resources raised from local residents and businesses are now overwhelmingly



the main sources of funding the Council's net revenue budget, with Council Tax, including the Social Care Precept, at 54%, and Business Rates and the Collection Fund Surplus totalling 38% of net revenue budget.

The Council's available resources have improved compared to 2024/25, with Sheffield seeing an increase to its Core Spend Power (CSP) of 9.4%. However, whilst some Central Government grant funding has been provided for 2025/26, some of this is funded through a one-off Recovery Grant, resulting in funding uncertainty for 2026/27. This above average increase in CSP for 2025/26 must be taken into context with the cuts in Central Government funding since 2010. Sheffield has over 22.3% (or £753 per household) less funding in real terms to provide services when compared 2010. This is well above the national average of 15.9% and partly the reason the Council has again taken the difficult decision to increase local taxation, as overall funding is still insufficient to cope with the nationally acknowledged demand and cost pressures in Children's and Adult Social Care. It is the demand for these services, coupled with inflationary cost pressures, which, if left unchecked or underfunded, will create long term financial sustainability issues for the Council. The Council will continue to lobby for additional funding for Local Government and for the recognition that deprivation is a key driver of the costs of local authorities.

Until funding increases, the Council will continue to prioritise protecting services for the most vulnerable, will continue to seek to deliver its services as efficiently as possible and will make a prudent use of its reserves to cash-flow the transformation of its services towards a more preventative and personalised model. The Council will also look to integrate services as far as possible with its key partners, in particular its social care services with the NHS. Figure 8 below shows how an increasing percentage of the Council's spending has been devoted to social care services over the past eleven years, whilst other service areas have not experienced proportional increases over the same time period. Navigating this situation is challenging because it requires balancing the growing demand for social care against limited resources which may result in neglecting other essential services and make it exceedingly difficult and sensitive for the Council to re-allocate resources to other areas.





Figure 8. Proportion of Sheffield City Council's spend by area.

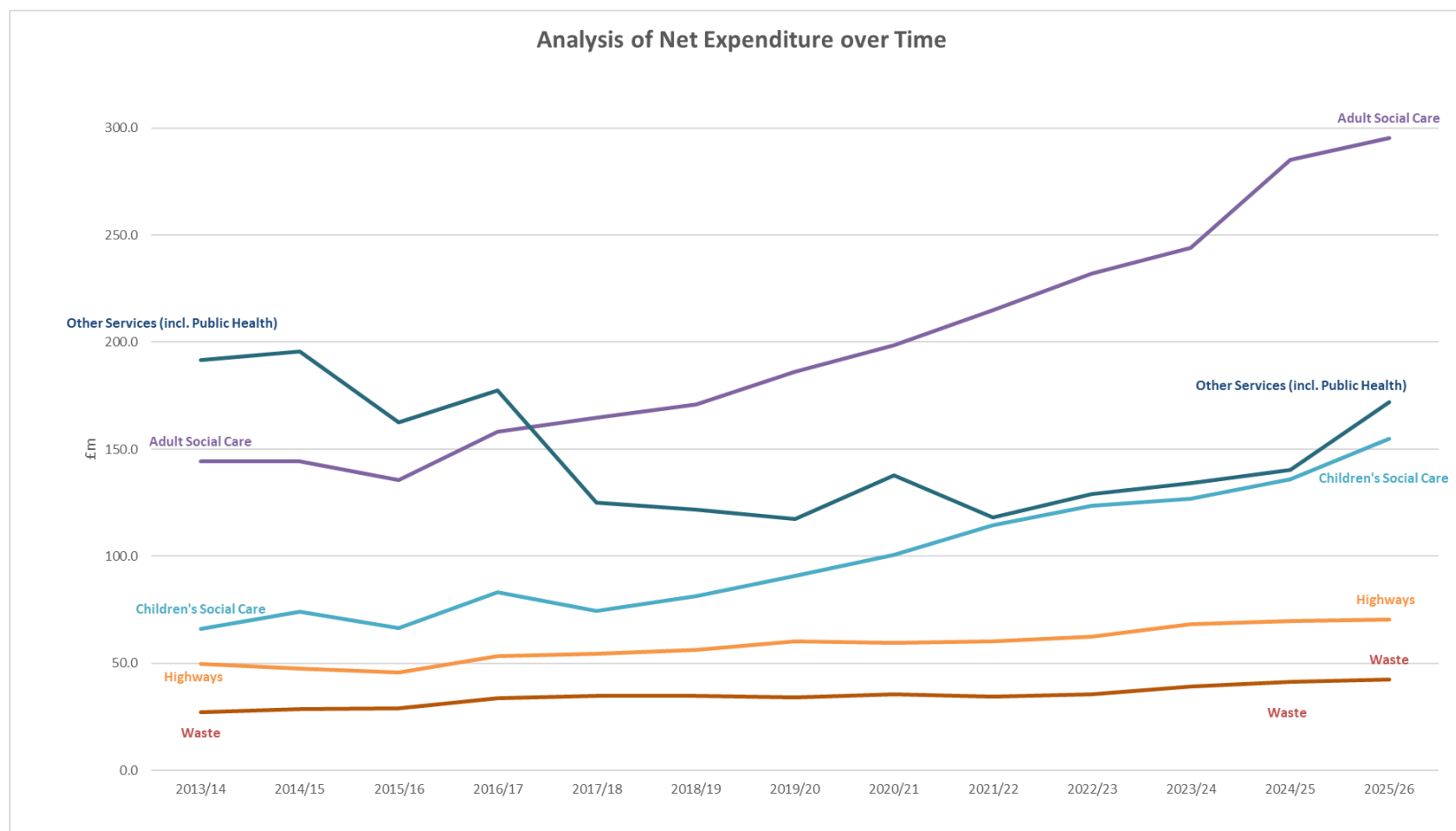


Figure 8 shows the Council's net spending by key area over the past decade.





10) KEY RISKS

The Council has a risk management strategy in place to identify and evaluate risk. It includes clearly defined steps to support better decision making through the understanding of risks, whether they represent a threat or a positive opportunity. These risk management processes are subject to regular review and updating.

We have identified the following key risks:

Risk description	Impact	Mitigations
Medium Term Financial Pressures/ Budget Pressures – Lack of Financial Sustainability	<p>Areas of pressure identified in 2024/25 - 2027/28 mean a demanding programme of service transformation and cost reductions must be achieved.</p> <p>Three key areas of pressure identified:</p> <ul style="list-style-type: none"> • Inflation - mainly related to fee pressures in social care (linked to National Living Wage), pay award for SCC staff and major contract inflation. • Social Care - growth in core funding and costs increased for all types of care, increased children's placement costs and SEND transport costs • Investment 	<p>A robust business planning process is in place with formal updates of our 4 year position annually, and monthly reporting to SLB on the in-year position, BIP delivery and MTFs. Although the programme is demanding, we have managed to deliver a good proportion of savings in recent years whilst maintaining satisfactory level of reserves.</p>
Equal Pay Challenge	<p>Following challenge, the Council's pay arrangements have been reviewed. As a result, the Sheffield Role Review Programme is in operation to address the weaknesses and bring about long-term sustainability.</p> <p>If the programme of work is not delivered to time and within a set budget this could result in costs being unmanageable, reputational risk for the Council and morale issues amongst employees.</p>	<p>A number of activities in place such as: Programme Board and Trade Union Working Group created and in operation, with the following in place:</p> <ul style="list-style-type: none"> • Communications and engagement plan developed including detailed stakeholder analysis • Project plans for each workstream • Governance arrangements in place.





Risk description	Impact	Mitigations
2030 – Carbon Neutral Targets Failure & Climate Risks	<p>The Council has voiced its ambition to be carbon neutral by 2030. A corporate approach to delivering this work and a suitable framework to underpin it is required.</p> <p>Failure to implement this will result in the Council and the city being unable to achieve this ambition.</p>	<p>SCC Council Plan now explicit about need to protect environment and promote sustainability through ‘Planet’ core mission. Climate Oversight Board in operation to provide corporate governance, oversee activities and develop accountability in directorates.</p> <p>Increasing focus on improving green finance and other climate investment to meet the funding challenges faced by the Council.</p>
Clean Air Plan - non compliance	<p>Linked to the risk above, a Clean Air Charging Zone is now in operation in the city. Following its introduction there is a risk that the CAZ and the other Clean Air Plan measures do not achieve compliance with legal limits.</p>	<p>Ongoing liaison with relevant Government departments including the Joint Air Quality Unit in relation to monitoring the scheme and factors outside our control- including target feasibility.</p> <p>Continue to lobby Government to ensure they consider the clean air solutions required in locations where indicators show that NO₂ exceedance is likely to occur to ensure mitigating interventions can be agreed and implemented in good time.</p>
Cyber Security Breach	<p>Potential Council-wide loss or unavailability of information due to malicious software.</p>	<p>There is ongoing preventative, technical and resilience work to address this ever-present risk.</p> <p>Cyber Task Force to be set up with appropriately skilled and estate wide representation to manage the cyber threat.</p>





Risk description	Impact	Mitigations
Health & Safety & Wellbeing in the Workplace Failure	Having inadequate health, safety and wellbeing arrangements in place and failing to comply with statutory duties under Health & Safety legislation could lead to prosecution, intervention fees, litigation and reputational risk.	<p>Amongst other activities to mitigate:</p> <ul style="list-style-type: none"> • Reviewing arrangements for audit and inspection and Health, Safety and Wellbeing training. • Developing a performance framework for health, safety and wellbeing and additional Standard Operating Procedures for key health, safety and wellbeing topics. • Development of an annual audit plan. • Development of an inspection plan for line management and the HSW Team.
Failure of Financial Sustainability of the Independent Care Provider Market	Multiple or unmanaged closures present significant risks to vulnerable residents required to move, impact heavily on SCC resources and could result in market failure or a failure in our duty to ensure a sustainable market.	<p>Our commissioning strategies promote longer term contracts to try to improve provider financial stability and the ability to invest in care in the City.</p> <p>Exploring new models of care for complex residential provision, working with providers to balance the available resources with the cost of provision.</p>
Adult Services - Local Offer Failure	The Council is not able to fulfil its Care Act duties resulting in risk to the wellbeing of vulnerable people, poor rating by the regulator and reputation damage to the Council.	<p>Risk is reducing, with a full agenda of mitigations in place and planned including:</p> <ul style="list-style-type: none"> • Developing plans for each service area to address growing timescales relating to annual reviews. • Commissioning strategy for Learning Disabilities in place and regular updates provided to Committee. <p>A review of data from different data sources will be undertaken in early 2025 to fine tune the Directorate's understanding of the issues and to inform the next iteration of the Commissioning Strategy.</p>





Risk description	Impact	Mitigations
Building Maintenance Backlog Costs - Disruption	The backlog in building maintenance for the Council's corporate estate has the potential to cause serious disruption or closure of key buildings due to potential failing elements e.g. mechanical & electrical systems.	A number of financial and operational activities are being undertaken to ensure that this area is addressed, including a review of the current estate and prioritisation of essential and non-essential works.
Schools risk – deficit balance liability	If an academy is a sponsored conversion, the Council retains any closing deficit balance that remains in the Council's accounts. Due Academy conversions in September 2024 and January 2025, the estimated cost in 2024/25 is high and remains a risk for any future conversions.	Ongoing discussion within the council to reduce the level of schools deficits. To identify across SCC means and funding streams to deal with these deficits.
Academisation risk to funding of central finance resources	A proportion of the Council's Dedicated Schools Grant (DSG) is de-delegated back to the Council to fund central services as agreed with Schools Forum. Academies can choose whether to buy into those services thereby creating a risk to centrally funded services.	Discussions with Schools Forum on the review and potential delegation/devolution to schools of centrally managed and retained services in order that such services may be bought back or delivered by schools. Marketing the benefits of services provided by the council to Academies.
PFI Expiry in Schools – Deadline 2026 Not Achieved	<p>The first tranche of 6 Sheffield schools built under PFI are due for contract expiry in August 2026, when the buildings, services and personnel will need to be returned to the LA (or the Academy Trust).</p> <p>Assets must be returned in acceptable condition with all maintenance undertaken.</p> <p>This return presents a legal, logistical and continual service delivery challenge, and if not achieved may potentially lead to disruption of service, or the unavailability of buildings or services to manage the schools.</p>	Project team established, including representatives of all LA Services involved in the hand back arrangements. Work is also being undertaken to liaise with and communicate to the schools/trusts their roles, obligations, and actions in the hand back process. Support is being provided by an external legal team and by technical consultants. Support is also being provided by the Department for Education and Infrastructure and Projects Authority (IPA) to help guide the LA through the expiry process.





Risk description	Impact	Mitigations
Rising Exclusions in Schools	Exclusions are continuing to increase, and numbers are at an all-time high. Rising exclusions means council failing Section 19 legal duty.	Pupils are receiving part-time offers and tuition.
Mainstream Secondary Sufficiency - longer term 2025/26-2029/30	Potential breach of our statutory sufficiency duty. Capacity of team and schools/trusts means engagement isn't timely possible impacts on longer-term strategic expansion plans.	Delivery plan in place for negotiations, fortnightly steering meeting in place, regular communication to sector through key forums, engaging Department for Education.
Funding Pressure - Special Educational Needs and Disabilities (SEND) Learners	The rising demand for Special Educational Needs and Disabilities (SEND) services, coupled with insufficient funding from the national government, is leading Sheffield City Council towards a potential High Needs Block overspend.	A multi-agency group approach is in place, considering all funding streams and to ensure we are working within statutory duties. From September 2025 a review of all SEN funding resource to commence considering finance and Education, Health and Care resources.
SEND demand increase to home to school transport costs	Increase in demand for special school places means that additional places are required and an increase in home to school transport which creates a pressure on the General Fund.	Management of SEND growth pressures have not been possible within available resources due to unprecedented demand for services. A transformation review of SEND/Transport has taken place to determine an appropriate level of General Fund provision to pay for Transport expenditure.
CQC Inspection Readiness Failure	Risk that the Adults Care and Wellbeing directorate is not adequately prepared for CQC inspection at the point the inspection is announced. This could damage the reputation of SCC. The people of Sheffield and partner organisations could lose confidence in our ability to provide quality care services.	Initiatives underway to mitigate this, including: <ul style="list-style-type: none"> • Learning from Peer Review will help us implement relevant change and improvements in preparation for CQC. • Additional resourcing and support available and planned to be from colleagues as part of dress rehearsal for CQC. • Weekly assurance meetings taking place and looking at priorities as these change in preparation.





Risk description	Impact	Mitigations
Budget for Hostel subsidy loss	The Council does not have the resources to cover the gap between the cap on subsidy and the actual cost of the hotel/bed & breakfast provision due to an increase in homelessness nationally.	<p>Activity in place to mitigate this risk includes:</p> <ul style="list-style-type: none"> • More cost-effective supported housing and private sector leasing options. • Progressing new build of 100 units that will be covered by Housing Benefit. • Allocations Policy Review. • Business case to develop targeted early prevention service. • Mentoring from MHCLG Specialist Adviser on improving prevention outcomes in homeless service.
Council fails to meet the required regulatory housing standards	The Council is subject to a number of external inspection and validation processes each year for some of its statutory and non-statutory services – some at short-notice. There is a risk that individual services are not prepared for these inspections.	<p>Work to mitigate includes:</p> <ul style="list-style-type: none"> • Assurance testing of all non-compliance areas being carried out through workshops with recovery/improvement plans being developed. • Procure mock inspection to be carried out late 2025 / early 2026. • Review governance framework. • Review and restructure housing services in order to meet demand, current legislation and regulation.





Risk description	Impact	Mitigations
Non-Compliance - General Data Protection Regulations (GDPR)	The risk of non-compliance could result in large fines and non-monetary sanctions, such as warnings and orders from the Information Commissioner's Office (ICO), damaged reputation and temporary or long-term ban on processing.	<p>An action plan has been produced to cover the key areas, which includes:</p> <ul style="list-style-type: none"> • a record of processing activity to identify business processes involving personal data and the lawful bases for processing; • an information sharing register to identify at high level the data flows; • an information asset register / retention schedule; • standard contractual clauses and data processing agreements when using contractors and third party data processors; • privacy notices and responding to data subject requests; • registering its Data Protection Officer with the Information Commissioner's Office.

11) GOVERNANCE

The Council's governance arrangements are discussed in the Annual Governance Statement which accompanies these accounts.

12) CONCLUSION

Sheffield City Council has successfully delivered significant General Fund budget savings over the past ten years to mitigate significant grant reductions as well as increased demand for services and inflation cost pressures over the same period. Despite these pressures, the Council has managed to produce a balanced budget for 2025/26, which includes additional General Fund savings of £43m. These savings include £16m of service efficiencies and process improvements and £27m of external income from grants, partners and increases to fees and charges.

Persistent inflation in the UK and globally has placed upward pressure on Sheffield City Council's cost base, particularly in the absence of corresponding increases in government funding to offset these inflationary impacts. This pressure is twofold: rising prices and wages directly affect the Council's operating costs, while the broader economic strain on lower-income households drives increased demand for Council services.

Looking ahead to 2025/26, the financial landscape is expected to remain challenging unless substantial and sustainable mitigations are implemented to address recurrent overspending. The uncertainty surrounding future central government funding, particularly in the context of government's





Spending Review and the potential for multi-year financial settlements, adds to the complexity. Despite these pressures, the Council enters this period from a position of relative financial resilience, supported by a robust base and a commitment to managing demand and delivering value for money.

13) FURTHER INFORMATION

Further information about the Council's Statement of Accounts is available upon request from the following e-mail address:

financialaccounting@sheffield.gov.uk

The Statement of Accounts can be downloaded from the Council's website:

<http://www.sheffield.gov.uk/home/your-city-council/statement-accounts>

If you have any problems understanding this publication or have any suggestions as to how it may be improved, please contact us via the e-mail address above. Please note that local electors and taxpayers have a statutory right to inspect the Council's Statement of Accounts and all related books, deeds, contracts, bills, vouchers and receipts before the external audit has been completed, and to question the auditor. The public notice confirming availability of the accounts for such inspection is advertised on the Council's website and in public notice areas.





Statement of Accounts

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, that officer is the Director of Finance, Commercial and Performance Services.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Responsibilities of the Director of Finance, Commercial and Performance Services

The Director of Finance, Commercial and Performance Services 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).

Philip Gregory
Director of Finance, Commercial and Performance Services (Section 151 Officer)
7 July 2025

In preparing this Statement of Accounts, the Director of Finance, Commercial and Performance Services has:

- Selected suitable accounting policies and then applied them consistently,
- Made judgements and estimates that were reasonable and prudent,
- Complied with the Local Authority Code.

The Director of Finance, Commercial and Performance Services has also:

- Kept proper accounting records, which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.
- Assessed the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Used the going concern basis of accounting on the assumption that the functions of the Council will continue in operational existence for the foreseeable future and maintained such internal control as determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





The Core Financial Statements

Comprehensive Income and Expenditure Statement (CI&ES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (Council Tax). Councils raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (EFA) Statement and the Movement in Reserves Statement.

2023/24			Notes	2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Continuing Operations:						
362,096	(210,700)	151,396	Adults	403,852	(227,507)	176,345
295,742	(143,253)	152,489	Childrens	342,251	(180,198)	162,053
191,810	(186,761)	5,049	Schools	186,585	(185,249)	1,336
67,490	(23,364)	44,126	City Futures	78,439	(37,519)	40,920
426,499	(140,988)	285,511	Neighbourhood Services (excluding HRA)	393,330	(98,383)	294,947
61,085	(49,303)	11,782	Public Health & Integrated Commissioning	61,464	(54,121)	7,343
179,404	(162,925)	16,479	Strategic & Enabling Services	188,726	(163,858)	24,868
13,299	(10,627)	2,672	Corporate	9,257	(6,312)	2,945
1,597,425	(927,921)	669,504		1,663,904	(953,147)	710,757
263,515	(174,553)	88,962	Housing Revenue Account (HRA)	132,120	(189,728)	(57,608)
1,860,940	(1,102,474)	758,466	(Surplus) / Deficit on Continuing Operations	1,796,024	(1,142,875)	653,149
		12,461	Other Operating Expenditure	9		18,434
		45,549	Financing and Investment Income and Expenditure	10		39,989
		(640,646)	Taxation and Non-Specific Grant Income	11		(691,471)
		175,830	(Surplus) / Deficit on Provision of Services			19,101
		(139,817)	(Surplus) / deficit on revaluation of non-current assets			(183,826)
		180,256	Re-measurements of the pension net defined benefit liability			15,362
		0	Any other (gains) and losses required to be included			1,200
		40,439	Other Comprehensive (Income) and Expenditure			(167,264)
		216,269	Total Comprehensive (Income) and Expenditure			(148,163)



Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. It includes both revenue and capital usable reserves, most of which are held pending future spending commitments.

The (Surplus) / Deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The net (increase) / decrease before transfers to earmarked reserves line shows the statutory General Fund and Housing Revenue Account Balance before any discretionary transfers (to) or from earmarked reserves undertaken by the Council.

2024/25		General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account Balance £'000	Earmarked Housing Revenue Account Reserve £'000	HRA Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Notes		33	33	33	33	33	33	33	33	34	
Balance at 31 March 2024		(15,051)	(304,048)	(14,319)	(2,303)	(79,097)	(106,406)	(36,746)	(557,970)	(1,896,561)	(2,454,531)
Movement in reserves during 2024/25:											
Total Comprehensive (Income) and Expenditure		75,885	0	(56,784)	0	0	1,200	0	20,301	(168,464)	(148,163)
Adjustments between accounting basis and funding basis under regulations	8	(68,795)	0	37,839	0	5,683	(16,112)	117	(41,268)	41,268	0
Net (increase) / decrease before transfers to reserves		7,090	0	(18,945)	0	5,683	(14,912)	117	(20,967)	(127,196)	(148,163)
Transfers (to) / from reserves	32	(7,090)	6,733	16,278	724	(17,002)	0	0	(357)	357	0
(Increase) / decrease in year		0	6,733	(2,667)	724	(11,319)	(14,912)	117	(21,324)	(126,839)	(148,163)
Balance at 31 March 2025		(15,051)	(297,315)	(16,986)	(1,579)	(90,416)	(121,318)	(36,629)	(579,294)	(2,023,400)	(2,602,694)

2023/24		General Fund Balance £'000	Earmarked General Fund Reserves £'000	Housing Revenue Account Balance £'000	Earmarked Housing Revenue Account Reserve £'000	HRA Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
	Notes	33	33	33	33	33	33	33	33	34	
Balance at 31 March 2023		(15,051)	(330,630)	(8,661)	(2,364)	(84,829)	(94,784)	(38,506)	(574,825)	(2,095,975)	(2,670,800)
Movement in reserves during 2023/24:											
Total Comprehensive (Income) and Expenditure		81,581	0	94,249	0	0	0	0	175,830	40,439	216,269
Adjustments between accounting basis and funding basis under regulations	8	(56,572)	0	(111,178)	0	18,364	(11,622)	1,760	(159,248)	159,248	0
Net (increase) / decrease before transfers to reserves		25,009	0	(16,929)	0	18,364	(11,622)	1,760	16,582	199,687	216,269
Transfers (to) / from reserves	32	(25,009)	26,582	11,271	61	(12,632)	0	0	273	(273)	0
(Increase) / decrease in year		0	26,582	(5,658)	61	5,732	(11,622)	1,760	16,855	199,414	216,269
Balance at 31 March 2024		(15,051)	(304,048)	(14,319)	(2,303)	(79,097)	(106,406)	(36,746)	(557,970)	(1,896,561)	(2,454,531)



Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

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





As at 31 March 2024		As at 31 March 2025	
£000	Notes	£000	
3,391,856	Property, Plant and Equipment	3,652,446	23/23A
55,718	Heritage Assets	55,947	25
18,500	Investment Properties	18,340	26
121,487	Long term Debtors	4,690	16
101,962	Pension Asset	53,271	44
3,689,523	Long Term Assets	3,784,694	
110,000	Short Term Investments	35,500	14
2,070	Inventories	2,219	
186,809	Short Term Debtors	278,768	17
80,524	Cash and Cash Equivalents	128,112	14 / 18
1,008	Assets Held for Sale	13,293	28
380,411	Current Assets	457,892	
(19,456)	Short Term Borrowing	(25,514)	14
(239,112)	Short Term Creditors	(262,984)	19
(11,674)	Short Term Provisions	(10,019)	20
(19,651)	PFI / PPP Finance Lease Liability	(23,262)	14 / 24
(70,463)	Capital Grants Receipts in Advance	(71,449)	12
(360,356)	Current Liabilities	(393,228)	
(857,321)	Long Term Borrowing	(814,363)	14
(8,388)	Long Term Provisions	(12,600)	20
(281,855)	PFI / PPP Finance Lease Liability	(291,025)	14 / 24
(51,540)	Pension Liability	(45,236)	44
(13,659)	Other Long Term Liabilities	(41,303)	21
(6,621)	Revenue Grants Receipts in Advance	(6,112)	12
(35,663)	Capital Grants Receipts in Advance	(36,025)	12
(1,255,047)	Long Term Liabilities	(1,246,664)	
2,454,531	Net Assets	2,602,694	
(557,970)	Usable Reserves	(579,294)	33
(1,896,561)	Unusable Reserves	(2,023,400)	34
(2,454,531)	Total Reserves	(2,602,694)	

The Statement of Accounts was approved and authorised for issue by the Director of Finance, Commercial and Performance Services, in accordance with the Accounts and Audit (England) Regulations 2015 on 7 July 2025.

Philip Gregory
Director of Finance, Commercial and Performance Services
(Section 151 Officer)
7 July 2025





Cash Flow Statement

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

2023/24 £000		Notes	2024/25 £000
(175,830)	Net surplus or (deficit) on the provision of services		(19,101)
192,935	- Adjustment to surplus or (deficit) on the provision of services for non-cash movements	35	199,712
(90,300)	- Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	35	(116,171)
(73,195)	Net cash flow from operating activities		64,440
11,370	Investing activities	36	49,874
(79,652)	Financing activities	37	(66,726)
(141,477)	Net increase / (decrease) in cash and cash equivalents		47,588
222,001	Cash and cash equivalents at 1 April	18	80,524
80,524	Cash and cash equivalents at 31 March	18	128,112



Expenditure and Funding Analysis (EFA) Statement

The Expenditure and Funding Analysis (EFA) Statement is a supporting statement to the primary statements and shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax and Business Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2024/25		Outturn Position Reported to Internal Management	Adjustments for Items Not Reported to Internal Management	Net Expenditure Chargeable to the General Fund and HRA Balances Under Statutory Funding Provisions	Adjustments between the Funding and Accounting Basis	Other Adjustments	Net Expenditure in the CI&ES
		£000	£000	£000	£000	£000	£000
	Notes				5		
Adults		163,013	(402)	162,611	13,734	0	176,345
Childrens		163,713	(28)	163,685	(1,632)	0	162,053
Schools		0	1,580	1,580	(244)	0	1,336
City Futures		38,634	(209)	38,425	1,377	1,118	40,920
Neighbourhood Services (excluding HRA)		137,054	(116)	136,938	159,181	(1,172)	294,947
Public Health & Integrated Commissioning		7,613	0	7,613	(270)	0	7,343
Strategic & Enabling Services		23,856	(56)	23,800	1,068	0	24,868
Corporate		(507,081)	(20,481)	(527,562)	(104,419)	634,926	2,945
Total General Fund (GF)		26,802	(19,712)	7,090	68,795	634,872	710,757
Housing Revenue Account (HRA)		0	(18,945)	(18,945)	(37,839)	(824)	(57,608)
Net Cost of Services	5	26,802	(38,657)	(11,855)	30,956	634,048	653,149
Other Income & Expenditure GF		0	0	0	0	(634,872)	(634,872)
Other Income & Expenditure HRA		0	0	0	0	824	824
Other Income & Expenditure		0	0	0	0	(634,048)	(634,048)
(Surplus) / Deficit	5	26,802	(38,657)	(11,855)	30,956	0	19,101
Opening General Fund and HRA Balance at 1 April		(335,721)					
(Surplus) / Deficit on General Fund and HRA Balance at 31 March		(11,855)					
Other Movements		16,645					
Closing General Fund and HRA Balance at 31 March*		(330,931)					

* For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement

2023/24 – Comparative Information		Outturn Position Reported to Internal Management	Adjustments for Items Not Reported to Internal Management	Net Expenditure Chargeable to the General Fund and HRA Balances Under Statutory Funding Provisions	Adjustments between the Funding and Accounting Basis	Other Adjustments	Net Expenditure in the CI&ES
		£000	£000	£000	£000	£000	£000
	Notes				5		
Adults		148,645	(3,290)	145,355	6,041	0	151,396
Childrens		143,721	15	143,736	724	0	144,460
Schools		0	4,199	4,199	850	0	5,049
City Futures		44,183	651	44,834	12	(720)	44,126
Neighbourhood Services (excluding HRA)		153,434	(663)	152,771	141,769	(1,482)	293,058
Public Health & Integrated Commissioning		12,208	0	12,208	220	0	12,428
Strategic Support		16,399	(35)	16,364	(49)	0	16,315
Corporate		(503,008)	8,551	(494,457)	(92,995)	590,124	2,672
Total General Fund (GF)		15,582	9,428	25,010	56,572	587,922	669,504
Housing Revenue Account (HRA)		0	(16,930)	(16,930)	111,178	(5,286)	88,962
Net Cost of Services	5	15,582	(7,502)	8,080	167,750	582,636	758,466
Other Income & Expenditure GF		0	0	0	0	(587,922)	(587,922)
Other Income & Expenditure HRA		0	0	0	0	5,286	5,286
Other Income & Expenditure		0	0	0	0	(582,636)	(582,636)
(Surplus) / Deficit	5	15,582	(7,502)	8,080	167,750	0	175,830
Opening General Fund and HRA Balance at 1 April		(356,706)					
(Surplus) / Deficit on General Fund and HRA Balance at 31 March		8,080					
Other Movements		12,905					
Closing General Fund and HRA Balance at 31 March*		(335,721)					

* For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement



Notes to the Core Financial Statements

The following notes contain further information to that presented in the main statements. They provide narrative descriptions, disaggregation of items presented in the statements and information about items that do not qualify for recognition in the statements.

01. Prior Period Restatement

Refer to [section VI](#) of the Accounting Policies for further information which supports this note.

The prior period is restated so that 2023/24 is presented in a comparable way to 2024/25, as a result of the following organisational restructures:

- Community Services (including Youth Services, Family Hubs and Early Intervention and Prevention) has moved from the Neighbourhood Services directorate to the Children's Services directorate,
- the Child and Adolescent Mental Health Service (CAMHS) Contract has moved from the Public Health and Integrated Commissioning directorate to the Children's Services directorate,
- certain Adult Mental Health Partnership Contracts have moved from the Adult Care and Wellbeing directorate to the Public Health and Integrated Commissioning directorate,
- the Strategic Support Services directorate has been renamed to the Strategic & Enabling Services directorate, which also includes Business Systems, Data & Applications, formerly part of the Neighbourhood Services directorate, and
- the Housing Repairs and Maintenance (HR&M) service has moved from the General Fund to the Housing Revenue Account (HRA). This restatement has not altered the Net Expenditure in the CI&ES for the prior period, as the HR&M Net Expenditure was previously recharged to the HRA, however it has altered the Gross Expenditure and Gross Income for the prior period.

02. Events After the Reporting Date

Refer to [section IX](#) of the Accounting Policies for further information which supports this note.

The Statement of Accounts was authorised for issue by Philip Gregory, Director of Finance, Commercial and Performance Services on 7 July 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

03. Material Items of Income and Expense

Refer to [section V](#) of the Accounting Policies for further information which supports this note.



There were no exceptional items in the year to 31 March 2025 (2023/24 – none).

04. Acquired and Discontinued Operations

Refer to [section III](#) of the Accounting Policies for further information which supports this note.

Acquired Operations

No operations were acquired in the year to 31 March 2025 (2023/24 – none).

Discontinued Operations

No operations were discontinued in the year to 31 March 2025 (2023/24 – none).

05. Note to the Expenditure and Funding Analysis (EFA) Statement

2024/25				
Adjustments from General Fund to arrive at the CI&ES Amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustment £000	Other Differences £000	Total Adjustments £000
Adults	15,749	(1,966)	(49)	13,734
Childrens	(99)	(1,781)	248	(1,632)
Schools	0	(244)	0	(244)
City Futures	125	(403)	1,655	1,377
Neighbourhood Services (excluding HRA)	192,096	(2,655)	(30,260)	159,181
Public Health & Integrated Commissioning	0	(145)	(125)	(270)
Strategic & Enabling Services	12,426	(904)	(10,454)	1,068
Corporate	(132,264)	(9,644)	37,489	(104,419)
Total General Fund (GF)	88,033	(17,742)	(1,496)	68,795
Housing Revenue Account (HRA)	(37,839)	0	0	(37,839)
Net Cost of Services	50,194	(17,742)	(1,496)	30,956
Other Income & Expenditure	0	0	0	0
Difference between General Fund Surplus / Deficit and CI&ES Surplus / Deficit	50,194	(17,742)	(1,496)	30,956

2023/24 – Comparative Information				
Adjustments from General Fund to arrive at the CI&ES Amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustment	Other Differences	Total Adjustments
	£000	£000	£000	£000
Adults	6,892	35	(886)	6,041
Childrens	(7)	(748)	1,479	724
Schools	0	850	0	850
City Futures	25	13	(26)	12
Neighbourhood Services (excluding HRA)	165,982	91	(24,304)	141,769
Public Health & Integrated Commissioning	0	5	215	220
Strategic Support	13,967	221	(14,237)	(49)
Corporate	(127,497)	(1,786)	36,288	(92,995)
Total General Fund (GF)	59,362	(1,319)	(1,471)	56,572
Housing Revenue Account (HRA)	111,178	0	0	111,178
Net Cost of Services	170,540	(1,319)	(1,471)	167,750
Other Income & Expenditure	0	0	0	0
Difference between General Fund Surplus / Deficit and CI&ES Surplus / Deficit	170,540	(1,319)	(1,471)	167,750

Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains and losses in the services line, 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 and expenditure – 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 receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

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 pension 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 and expenditure - the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NNDR 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.

06. Segmental Income

Income received on a segmental basis has not been disclosed separately but further analysis can be seen in the Comprehensive Income and Expenditure Statement (CIES).





07. Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

2023/24 £000		2024/25 £000
Income:		
(867,413)	Revenue Grants & Other Contributions	(945,570)
(51,786)	Capital Grants & Contributions	(69,028)
(271,419)	Income from Council Tax	(288,908)
(96,526)	Income from Non-domestic Rates	(102,784)
(14,675)	Interest and Investment Income	(14,336)
(8,773)	Sales	(12,235)
(164,461)	Fees and Charges	(176,872)
(139,641)	Recharges	(92,562)
(162,657)	Dwelling Rents	(177,143)
0	Donated Assets	(3,552)
(57,861)	Other Income	(49,833)
(1,835,212)		(1,932,823)
Expenditure:		
524,177	Employee Expenditure	544,144
122,444	Premises Expenditure	70,721
30,821	Transport Expenditure	34,369
337,029	Supplies & Services	363,454
430,576	Third Party Payments	478,284
140,274	Transfer Payments	140,877
43,046	Support Services	47,179
311,568	Depreciation, Amortisation & Impairment	212,846
661	Precepts & levies	676
67,556	Interest payable & Similar Charges	72,816
0	Payment to the Housing Capital Receipts Pool	0
10,343	(Gain) / loss on the disposal of assets	16,236
(7,135)	Pension interest cost, administration expenses and return on plan assets	(15,981)
2,267	(Surplus) / deficit on Trading Operations	(751)
(2,585)	Other Expenses	(12,946)
2,011,042		1,951,924
175,830	(Surplus) / Deficit on the Provision of Services	19,101



08. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2024/25	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Capital Receipts Reserve £000	Capital Grants Un- applied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Notes						33	34	
Reversal of items debited or credited to the CI&ES:								
Depreciation of Non-current assets	(53,271)	0	(26,404)	0	0	(79,675)	79,675	0
Revaluation losses charged to the CI&ES	(137,661)	31,877	0	0	0	(105,784)	105,784	0
Movements in fair value of Investment Properties	(160)	0	0	0	0	(160)	160	0
Capital grants and contributions credited to the CI&ES	94,923	0	0	0	(2,884)	92,039	(92,039)	0
Donations credited to the CI&ES in respect of Right-of-Use assets	3,552	0	0	0	0	3,552	(3,552)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve	0	0	0	0	3,001	3,001	(3,001)	0
Revenue expenditure funded from capital under statute	(27,227)	0	0	0	0	(27,227)	27,227	0
Costs of disposal funded from capital receipts	(141)	0	0	141	0	0	0	0
Net gain / (loss) on sale of non-current assets	(22,171)	5,935	0	(21,420)	0	(37,656)	37,656	0
Amount by which finance costs calculated in accordance with the code are different from the amount of finance costs calculated in accordance statutory requirements	1,261	0	0	0	0	1,261	(1,261)	0
Reversal of items relating to retirement benefits debited or credited to the CI&ES	(39,138)	0	0	0	0	(39,138)	39,138	0
Amount by which Council Tax and non-domestic rates income adjustment included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation	(3,493)	0	0	0	0	(3,493)	3,493	0
Amount by which officer remunerations costs calculated in accordance with the code are different from the amount of costs calculated in accordance with statutory requirements	176	0	0	0	0	176	(176)	0
Insertion of items not debited or credited to the CI&ES:								
Statutory provision for repayment of debt (MRP)	57,705	0	0	0	0	57,705	(57,705)	0
Voluntary provision for repayment of debt (VMRP)	0	27	0	0	0	27	(27)	0
Revenue Contribution to Major Repairs Reserve	0	0	0	0	0	0	0	0
Transfer of Capital Receipts (<£10k) to the General Fund and HRA	(30)	0	0	30	0	0	0	0
Transfer from Capital Receipts Reserve equal to the amount payable into the Housing Capital Receipts Pool	0	0	0	0	0	0	0	0
Employer's contribution to pension scheme	56,880	0	0	0	0	56,880	(56,880)	0
Capital Financing:								
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	0	5,137	0	5,137	(5,137)	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	32,087	0	0	32,087	(32,087)	0
Total	(68,795)	37,839	5,683	(16,112)	117	(41,268)	41,268	0



2023/24 – Comparative Information

	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Capital Receipts Reserve £000	Capital Grants Un- applied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Notes						33	34	
Reversal of items debited or credited to the CI&ES:								
Depreciation of Non-current assets	(50,534)	0	(26,359)	0	0	(76,893)	76,893	0
Impairment losses charged to the CI&ES	0	0	0	0	0	0	0	0
Revaluation losses charged to the CI&ES	(99,669)	(113,860)	0	0	0	(213,529)	213,529	0
Movements in fair value of Investment Properties	(130)	0	0	0	0	(130)	130	0
Capital grants and contributions credited to the CI&ES	72,308	0	0	0	(3,941)	68,367	(68,367)	0
Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve	0	0	0	0	5,701	5,701	(5,701)	0
Revenue expenditure funded from capital under statute	(21,018)	0	0	0	0	(21,018)	21,018	0
Costs of disposal funded from capital receipts	(20)	0	0	20	0	0	0	0
Net gain / (loss) on sale of non-current assets	(12,998)	2,655	0	(18,064)	0	(28,407)	28,407	0
Amount by which finance costs calculated in accordance with the code are different from the amount of finance costs calculated in accordance statutory requirements	1,257	0	0	0	0	1,257	(1,257)	0
Reversal of items relating to retirement benefits debited or credited to the CI&ES	(54,908)	0	0	0	0	(54,908)	54,908	0
Amount by which Council Tax and non-domestic rates income adjustment included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation	1,657	0	0	0	0	1,657	(1,657)	0
Amount by which officer remunerations costs calculated in accordance with the code are different from the amount of costs calculated in accordance with statutory requirements	(1,443)	0	0	0	0	(1,443)	1,443	0
Insertion of items not debited or credited to the CI&ES:								
Statutory provision for repayment of debt (MRP)	52,750	0	0	0	0	52,750	(52,750)	0
Voluntary provision for repayment of debt (VMRP)	0	27	0	0	0	27	(27)	0
Revenue Contribution to Major Repairs Reserve	0	0	0	0	0	0	0	0
Transfer of Capital Receipts (<£10k) to the General Fund and HRA	(52)	0	0	52	0	0	0	0
Transfer from Capital Receipts Reserve equal to the amount payable into the Housing Capital Receipts Pool	0	0	0	0	0	0	0	0
Employer's contribution to pension scheme	56,228	0	0	0	0	56,228	(56,228)	0
Capital Financing:								
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	0	6,370	0	6,370	(6,370)	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	44,723	0	0	44,723	(44,723)	0
Total	(56,572)	(111,178)	18,364	(11,622)	1,760	(159,248)	159,248	0





09. Other Operating Expenditure

The following table provides a breakdown of Other Operating Expenditure:

2023/24		2024/25
£000		£000
661	Precepts (paid to non-principal authorities)	676
10,343	(Gain) / loss on the disposal of non-current assets	16,236
1,457	Pension Administration Expenses	1,522
12,461	Total	18,434

10. Financing and Investment Income and Expenditure

The following table provides a breakdown of Financing and Investment Income and Expenditure:

2023/24		2024/25
£000		£000
67,556	Interest payable and similar charges	72,816
(8,592)	Pensions interest cost and expected return on pensions assets	(17,503)
(14,675)	Interest receivable and similar income	(11,817)
0	Dividends receivable	(2,519)
2,267	(Surplus) / Deficit on Trading Undertakings	(751)
(1,007)	Income and Expenditure in relation to Investment Properties and changes to their fair value	(1,237)
45,549	Total	39,989



11. Taxation and Non Specific Grant Income

Refer to [sections XIII](#) and [XXVIII](#) of the Accounting Policies for further information which supports this note.

The following table provides a breakdown of Taxation and Non-Specific Grant Income:

2023/24		2024/25	
£000	£000	Notes	£000
	(271,419)		(288,908)
	(96,526)		(102,784)
	<i>Non-ring fenced government grants</i>	12	
(43,612)	- Revenue Support Grant (RSG)		(46,500)
(51,146)	- Business Rates Top Up Grant		(55,654)
(1,214)	- Business Rates Levy Account Surplus		(1,214)
(2,692)	- New Homes Bonus		(1,097)
(74,438)	- Private Finance Initiative (PFI) Grant		(73,732)
(85)	- New Burden Grant		(14)
(7,984)	- Small Business Rates Relief		(8,100)
(25,058)	- Business Rates Multiplier Cap		(33,290)
(6,508)	- Retail, Hospitality & Leisure Grant		(6,473)
(5,855)	- Services Grant		(1,011)
27	- COVID Additional Relief Fund		4
(1,138)	- Household Support Fund		0
(1,212)	- Other		(118)
	(220,915)		(227,199)
	0		(3,552)
	(588,860)		(622,443)
	(51,786)	12	(69,028)
	(640,646)		(691,471)



12. Grant Income

Refer to [section XIII](#) of the Accounting Policies for further information which supports this note.

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
Credited to Services:		
(29,319)	NHS South Yorkshire Integrated Care Board (formerly Clinical Commissioning Group)	(27,332)
(303)	Department for Energy Security and Net Zero (formerly Department for Business, Energy and Industrial Strategy)	0
(156,652)	Ministry of Housing, Communities & Local Government (formerly Department of Levelling Up, Housing, Communities)	(190,100)
(1,440)	Department for Culture, Media & Sport (formerly Department for Digital, Culture, Media & Sport)	(721)
(314,692)	Department for Education	(338,278)
(284)	Department for Environment, Food and Rural Affairs	(155)
(143,944)	Department for Work and Pensions	(142,556)
(44,861)	Department of Health & Social Care	(45,029)
(292)	Department for Transport	(821)
(9,611)	English Local Government	(20,189)
(5,684)	Home Office	(6,593)
(1,625)	Ministry of Justice	(1,932)
(2,165)	Other	(2,950)
(710,872)	Total	(776,656)
Credited to Taxation and Non Specific Grant Income:		
<i>Non-ring fenced Government Grants:</i>		
(196,856)	Ministry of Housing, Communities & Local Government (formerly Department of Levelling Up, Housing, Communities)	(203,225)
(23,974)	Department for Education (formerly Education Funding Agency)	(23,974)
(85)	Other	0
(220,915)		(227,199)
<i>Capital Grants and Contributions:</i>		
(14,180)	Ministry of Housing, Communities & Local Government (formerly Department of Levelling Up, Housing, Communities)	(10,862)
(5,405)	Department for Education	(4,930)
(283)	Department of Health & Social Care	(574)
(735)	Department for Energy Security and Net Zero (formerly Department of Energy & Climate Change)	(711)
(25)	National Heritage Memorial Fund	(17)
(1,459)	Department for Transport	(692)
(19,637)	South Yorkshire Mayoral Combined Authority	(35,837)
(10,062)	Other	(15,405)
(51,786)		(69,028)
(272,701)	Total	(296,227)



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

31 March 24 £000		31 March 25 £000
	Revenue Grants Receipts in Advance:	
(347)	Department for Energy Security and Net Zero (formerly Department for Business, Energy and Industrial Strategy)	0
(25,035)	Ministry of Housing, Communities & Local Government (formerly Department of Levelling Up, Housing, Communities)	(13,150)
(5,227)	Department for Education	(6,813)
(220)	Department for Environment, Food and Rural Affairs	(199)
(326)	Department of Health & Social Care	(320)
(2,594)	Department for Work and Pensions	(2,518)
(1,722)	Home Office	(1,717)
(158)	Department for Transport	(309)
(12,736)	Other	(13,472)
(48,365)	Total	(38,498)

31 March 24 £000		31 March 25 £000
	Capital Grants Receipts in Advance:	
(372)	Department for Energy Security and Net Zero (formerly Department for Business, Energy and Industrial Strategy)	(469)
(66)	Department for Culture, Media & Sport (formerly Department for Digital, Culture, Media & Sport)	(62)
(32,236)	Ministry of Housing, Communities & Local Government (formerly Department of Levelling Up, Housing, Communities)	(14,595)
(26,916)	Department for Education	(23,477)
(103)	Environment Agency (formerly Department for Environment, Food and Rural Affairs)	(569)
(65)	Homes England	(5,943)
(10,768)	Department for Transport	(9,977)
(1,771)	Department of Health & Social Care	(1,197)
(7,200)	South Yorkshire Mayoral Combined Authority	(9,330)
(6)	Sport England	(33)
0	NHS England	(19,845)
(26,623)	Other	(21,977)
(106,126)	Total	(107,474)

13. Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped to by the Department to fund academy schools in the Council's area.

DSG is ringfenced and can only be applied to meet expenditure properly included in the School's Budget, as defined in the School Finance and Early Years (England) Regulations 2011. The School's Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable are as follows:

2024/25	Central Expenditure £000	Individual Schools Budget £000	Total £000	2023/24 - Comparative Information	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG before Academy recoupment	38,720	588,382	627,102	Final DSG before Academy recoupment	41,253	529,974	571,227
Academy figure recouped	(3,610)	(357,983)	(361,593)	Academy figure recouped	(2,968)	(327,975)	(330,943)
Total DSG after Academy recoupment	35,110	230,399	265,509	Total DSG after Academy recoupment	38,285	201,999	240,284
Brought forward from prior year	12,514	0	12,514	Brought forward from prior year	11,346	0	11,346
Carry forward to next year agreed in advance	0	0	0	Carry forward to next year agreed in advance	0	0	0
Agreed initial budgeted DSG distribution	47,624	230,399	278,023	Agreed initial budgeted DSG distribution	49,631	201,999	251,630
In year adjustments	0	(242)	(242)	In year adjustments	0	(338)	(338)
Final budgeted distribution	47,624	230,157	277,781	Final budgeted distribution	49,631	201,661	251,292
Less Actual central expenditure	(39,310)	0	(39,310)	Less Actual central expenditure	(37,117)	0	(37,117)
Less Actual ISB deployed to schools	0	(230,157)	(230,157)	Less Actual ISB deployed to schools	0	(201,661)	(201,661)
Plus Local Authority contribution	0	0	0	Plus Local Authority contribution	0	0	0
Carry forward to next year	8,314	0	8,314	Carry forward to next year	12,514	0	12,514

14. Financial Instruments

Refer to [section XI](#) of the Accounting Policies for further information which supports this note.

Financial Instruments are initially measured at fair value and carried at their amortised cost, unless otherwise stated below.

Financial Instrument Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

31 March 2024			31 March 2025		
Current	Long Term		Current	Long Term	
£000	£000		£000	£000	
		Financial Assets			
110,000	0	- Investments	35,500	0	
2,171	0	- Accrued Interest	806	0	
112,171	0	Total Investments	36,306	0	
71,885	0	- Short-Term Deposits	125,845	0	
461	0	- Accrued Interest	455	0	
72,346	0	Total Short-Term Deposits	126,300	0	
122,580	3,782	- Debtors (at amortised cost)	149,451	2,455	
0	115,058	- Debtors (at FVPL)	0	0	
122,580	118,840	Total Debtors	149,451	2,455	
307,097	118,840	Total Financial Assets	312,057	2,455	
		Financial Liabilities			
(12,000)	(850,418)	- Borrowings	(18,369)	(807,549)	
(7,456)	0	- Accrued Interest	(7,145)	0	
0	(6,903)	- Accounting Adjustments	0	(6,813)	
(19,456)	(857,321)	Total Borrowing	(25,514)	(814,363)	
(19,651)	(281,855)	PFI Lease Liabilities	(23,262)	(291,025)	
0	0	Other Lease Liabilities	(445)	(28,615)	
(39,107)	(1,139,176)	Total Lease Liabilities	(23,707)	(319,640)	
(86,666)	0	Creditors	(156,556)	(13,213)	
(125,773)	(1,139,176)	Total Financial Liabilities	(205,777)	(1,147,216)	
0	40	Soft Loans Provided	0	21	

Note 1 - Carrying amounts of financial instruments in the Balance Sheet include principal borrowed / lent, adjustments for breakage costs and accrued interest. For clarity accrued interest is identified separately.

Note 2 - The value of debtors and creditors reported in the table are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and Notes 16, 17 and 19 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

Note 3 - Total borrowing has decreased, primarily due to the call of £24.5m across two LOBO loans which were repaid in year.

Soft Loans

The Council made a £141k cash flow loan to Manor & Castle Development trust at 0% interest which was less than market rates of approximately 1.65%. The soft loan balance and movement in 2024/25 consists exclusively of this loan.

The detailed soft loans information is shown in the table below:

31 March 2024 £000		31 March 2025 £000
59	Opening Balance	40
1	Increase /(Decrease) in the Discounted Amount	1
(20)	Loan Repayment	(20)
40	Balance Carried Forward	21
41	Nominal Value Carried Forward	21

Capitalisation of Interest

The Council has chosen to capitalise borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets as part of the cost of those assets, as permitted by IAS 23 Borrowing Costs. This is in line with the accounting policy for Property, Plant & Equipment set out in [section XX](#) of the Accounting Policies.

However, no interest has been capitalised in 2024/25 (£3.44m 2023/24).

Financial Instrument Gains / Losses

The Financial Instrument gains and losses recognised in the Comprehensive Income and Expenditure Statement are:

Financial Liabilities	2023/24 Financial Assets Loans and Receivable	Total		Financial Liabilities	2024/25 Financial Assets Loans and Receivable	Total
£000	£000	£000		£000	£000	£000
(33,386)	0	(33,386)	Interest expense	(32,289)	0	(32,289)
(34,344)	0	(34,344)	Interest on PFI scheme liabilities	(40,145)	0	(40,145)
4	0	4	Expected credit loss impairment	41	0	41
(67,726)	0	(67,726)	Interest payable and similar charges	(72,393)	0	(72,393)
0	13,761	13,761	Interest income	0	11,629	11,629
0	13,761	13,761	Interest and investment income	0	11,629	11,629
(67,726)	13,761	(53,965)	Net gain / (loss) for the year	(72,393)	11,629	(60,764)



Fair Value of Assets and Liabilities Carried at Amortised Cost

The borrowings and investments disclosed in the Balance Sheet are shown at amortised cost. Their fair value can be assessed by calculating the net present value (NPV) of the cash flows that take place over the remaining life of the instruments which provides an estimate of the value of payments in the future in today's terms. The calculations have been made using the following assumptions:

- The discount rate used was the market rates as at 31 March 2024 (using bid prices where applicable) for instruments with the same duration (i.e. equal to the outstanding period from valuation date to maturity), loan structure and terms as that of the comparable instrument.
- For loans from the Public Works Loan Board (PWLB) payable, new borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. This is because the premature repayment rate includes a margin which represents the lender's profit as a result of rescheduling the loan, which is not included in the fair value calculation since any motivation other than securing a fair price should be ignored.
- For non-PWLB loans payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures.
- As the purpose of the fair value disclosure is to provide a comparison with the carrying value in the Balance Sheet, accrued interest has been included in the fair valuation calculation as this is also reflected in the carrying amount. The accrued interest figure is calculated up to and including the valuation date.
- For loans receivable, the prevailing benchmark market rates have been used to provide the fair value.
- Interest is calculated using the most common market convention ACT/365.
- Where an instrument has a maturity of less than 12 months, the fair value is taken to be the carrying amount.
- For fixed term deposits it is assumed that interest is received on maturity, or annually if duration is > 1 year.

The fair values calculated are:

31 March 2024 Carrying Amount £000	Fair Value £000	Fair Value of Liabilities	31 March 2025 Carrying Amount £000	Fair Value £000
(596,605)	(479,930)	PWLB debt	(584,590)	(423,913)
(273,268)	(241,962)	Non-PWLB debt	(248,473)	(194,837)
(301,506)	(301,506)	PFI / PPP Liabilities	(329,092)	(329,092)
(86,666)	(86,666)	Creditors	(169,769)	(169,769)
(1,258,045)	(1,110,064)	Total Financial Liabilities	(1,331,924)	(1,117,611)

The table above reflects the aggregate position of Sheffield City Council's loan portfolio as at the Balance Sheet date. The fair value is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is now lower than the rates applicable to similar loans in the market at the Balance Sheet date. This shows a notional future gain (based on economic conditions at the Balance Sheet date) arising from the commitment to pay interest to lenders below current market rates.



31 March 2024 Carrying Amount £000	Fair Value £000	Fair Value of Assets	31 March 2025 Carrying Amount £000	Fair Value £000
71,885	71,885	Short term deposits & Accrued Interest (at amortised cost)	125,845	125,845
110,000	112,171	Investments (at amortised cost)	35,000	35,806
126,362	126,362	Debtors (at amortised cost)	151,906	151,906
115,058	115,058	Debtors (at FVPL)	0	0
423,305	425,476	Total Financial Assets	312,751	313,557

The Council holds Investments of £35m in short term loans to other local authorities.

Other deposits were held in instant access accounts and Money Market Funds (MMFs) and are classed as Cash or Cash Equivalents.

15. Nature and Extent of Risks Arising from Financial Instruments

Refer to [section XI](#) of the Accounting Policies for further information which supports this note.

Key Risks

The Council's activities expose it to a variety of financial risks, the key risks are:

- *Credit Risk* - the possibility that other parties might fail to pay amounts due to the Council.
- *Liquidity Risk* - the possibility that the Council might not have funds available to meet its commitments to make payments.
- *Re-financing Risk* - the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest or terms.
- *Market Risk* - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the resources available to fund services.



The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code and CIPFA Code of Practice on Treasury Management in Public Services and investment guidance – issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Code of Practice on Treasury Management.
- By the adoption of a Treasury Policy Statement and treasury management clauses within the Council's Financial Regulations / Standing Orders / Constitution.
- By approving annually in advance prudential indicators for the following three years limiting:
 - The Council's overall borrowing.
 - The maximum and minimum exposure in regard to the maturity structure of debt.
 - Its management of interest rate exposure.
 - The maximum annual exposures to investments maturing beyond a year.
- By approving an Investment Strategy for the forthcoming year setting out the criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 6 March 2024 and is available on the Council website.

Risk management is carried out by a central treasury team, under policies approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies (covering areas such as Interest rate risk, credit risk and investment of surplus balances).

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the Council's website.





Credit Risk Management Practices

The authority's credit risk management practices are set out in the Annual Investment Strategy, with particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

This Council uses the creditworthiness service provided by MUFG Corporate Markets (formerly Link Asset Services). This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies.
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for the financial year was approved by Full Council and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in line with internal ratings in accordance with parameters set by the Council.

The authority's maximum exposure to credit risk in relation to its investments in financial institutions is assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the authority's deposits, but there was no evidence at the Balance Sheet date that this was likely to crystallise.



The changes in loss allowance for investments at amortised cost during the year are as follows:

Asset Class – Investments at Amortised Costs	Lifetime Expected Credit Losses - Simplified Approach	Total
	£000	£000
Opening balance as at 1 April 2024	4,034	4,034
Adjustment – ECL taken but omitted from note	8	8
Changes in models/risk parameters	(41)	(41)
As at 31 March 2025	4,001	4,001

The table below shows that the Council's outstanding investment balance as at 31 March 2025 was £35.5m (£110m at 31 March 2024):

31 March 2024 – Comparative Information				31 March 2025			
Financial Institution	Rating of Counter-party	Country	Gross Carrying Amount (£000)	Financial Institution	Rating of Counter-party	Country	Gross Carrying Amount (£000)
Barclays Bank	A+	UK	20,000	Local Authorities	AA-	UK	35,000
Local Authorities	AA-	UK	90,000	Radisson Blu Hotel	N/A	UK	500

Other funds held at the year-end of £125.8m (£71.9m in 2023/24) were deposited with AAA Money Market Funds (MMFs) and an instant access account. As these funds offer instant access these deposits have been classified as Cash and Cash Equivalents in the accounts.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to its deposits.

The Council does not allow credit for customers therefore the value of £79.6m (£26.4m for 2023/24) shown in the following table are all debtors which are past their due date for payment. The past due amounts can be analysed by age as follows:

31 March 2024			31 March 2025
		£000	£000
10,198	Less than three months		57,598
1,368	Three to six months		2,942
4,586	Six months to one year		3,853
10,208	More than one year		15,176
26,360	Total		79,569



The Council's bad debt impairment at 31 March 2025 is £119.9m (£111.4m for 2023/24). Of this, £8.8m (£6.2m for 2023/24) relates to the above outstanding debt (please refer to Note 17 for further details).

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through comprehensive cash flow management system as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow needs and, whilst the PWLB provides access to longer term funds, the Council is also required to set a balanced budget in accordance with the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

All sums owing to the Council from funds deposited in MMFs and instant access account is £125.8m as at 31 March 2025 (£71.9m as at 31 March 2024) and offer instant repayment.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved Treasury and Investment strategies address the main risks and the Treasury Management team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs and the spread of longer-term investments provide stability of maturities and returns in relation to the longer term cash flow needs.



The maturity analysis of financial liabilities is:

2023/24				2024/25		
Principal £000	Accrued Interest £000	Principal plus Interest £000		Principal £000	Accrued Interest £000	Principal plus Interest £000
12,000	14,359	26,359	Less than 1 year	18,369	13,958*	32,327
18,369	0	18,369	Between 1 & 2 years	11,699	0	11,699
43,945	0	43,945	Between 2 & 5 years	50,119	0	50,119
87,223	0	87,223	Between 5 & 10 years	78,972	0	78,972
700,882	0	700,882	More than 10 years	666,759	0	666,759
862,418	14,359	876,776	Total	825,918	13,959	839,876

* This includes £7,145k of accrued interest, the remaining balance is for the effective interest rate adjustment which reduces over the life of the underlying loans.

The maturity analysis of financial assets is:

2023/24				2024/25		
Principal £000	Accrued Interest £000	Principal plus Interest £000		Principal £000	Accrued Interest £000	Principal plus Interest £000
90,000	2,171	92,171	Less than 1 year	35,500	806	36,306
90,000	2,171	92,171	Total	35,500	806	36,306

Cash and Cash Equivalents are not shown in the above table.

All trade debtors and other payables are due to be paid in less than one year and are not shown in the above table.

Market Risk

Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowing at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowing at fixed rates - the fair value of the borrowing liability will fall (no impact on revenue balances).
- Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates - the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. 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 and affect the General Fund. Movements in the fair value of fixed rate instruments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has several strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy a prudential indicator is set which provides maximum limits for fixed and variable interest rate exposures. The Treasury Management team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns and the drawing of longer-term fixed rate borrowing would be postponed.

In order to minimise the Council's exposure to loan interest functions the Council's Treasury Management Strategy has set a limit of £160m worth of variable rate debt. As at 31 March 2025, the amount of variable rate debt was £107.5m.

If interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings *	1,075
Increase in interest receivable on variable rate investments **	(1,683)
Impact on Surplus or Deficit on the Provision of Services	(608)
Share of overall impact debited to the HRA***	(214)
 Decrease in fair value of fixed rate investment assets****	 0
Impact on Other Comprehensive Income and Expenditure *****	0
 Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	 66,347

Notes:

* All of the borrowing raised from the PWLB and £138m of Market loans were at fixed rates in 2024/25 and as a result a change in interest rate on these loans would have no actual effect on the interest actually payable, or on the Comprehensive I&E Statement or HRA. There are a number of LOBO loans (£107.5m) which are out of their "fixed" period and onto calls which are shown in the accounts as variable (although in reality they are fixed at each call period until the next call, so are only affected by a change of interest rates when the loan is "called" at which point the Council would have the option to repay the loan with any premiums being payable). There were two LOBOs called during 2024/25, both of which were repaid. For the purposes of this note the average rate of these loans (4.6%) has been inflated by 1% to show the impact this may have.

** Based on a 1% increase on the weighted average interest rate and investment balance for 2024/25.

*** HRA share is 35.11% of total interest payable which is charged to the HRA. Note that under Self Financing it is assumed that no investment balances are attributable to the HRA and therefore they do not benefit from an increase in interest receivable.

**** There were £35m of fixed term investments held at the year end which were classified as fixed held with other local authorities. Other investments held by the Council at the year end were in Money Market Funds (MMFs) or bank accounts which offer instant access to funds and therefore classified as Cash or Cash Equivalents on the Balance Sheet.

***** The 1% increase in the market rates, as provided in the MUFG Corporate Markets (formerly Link Asset Services) Fair Value sensitivity analysis, reduces the net market value of the deposits.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the note – Fair Value of Assets and Liabilities carried at Amortised Cost.

Foreign Exchange Risk

The Council has no material financial assets or liabilities denominated in foreign currencies and therefore no exposure to loss arising from movements in exchange rates. As at 31 March 2025 the Council has a euro denominated account although the balance was zero.

16. Long Term Debtors

The following is an analysis of Long Term Debtors:

31 March 2024		31 March 2025
£000		£000
2,673	Up Front Contributions for Private Finance Initiative (PFI) Schemes	2,234
31	Housing Advances	31
531	Charges Over Assets	531
115,058	Sheffield City Trust	0
1,183	Grosvenor House Lease Rental	472
0	Urban Trees - Nether Edge and Sharrow Sustainable Transformation	21
	<i>Loans to Third Parties:</i>	
107	- Manor and Castle Development Trust	107
28	- Business Improvement District	14
1,877	- Sheffield Housing Company	1,280
121,487	Total	4,690

Sheffield City Trust

The debtor of £115.1m as at 31 March 2024 represented the value of the Major Sporting Facilities property assets, which were revalued in 2023/24 and were previously held by Sheffield City Trust. The Major Sporting Facilities property assets were returned to the Council in December 2024, from which point they have been accounted for as Property, Plant and Equipment.



17. Short Term Debtors

31 March 2024			31 March 2025		
Total Debtors Gross £000	Less Impairments for Bad Debts £000	Net of Impairments £000	Total Debtors Gross £000	Less Impairments for Bad Debts £000	Net of Impairments £000
50,548	0	50,548	62,604	0	62,604
5,038	0	5,038	25,595	0	25,595
4,785	0	4,785	36,347	0	36,347
13,546	(9,784)	3,761	13,004	(9,154)	3,850
136,780	(82,951)	53,829	152,103	(91,119)	60,984
2,597	0	2,597	3,596	0	3,596
84,915	(18,665)	66,251	105,398	(19,606)	85,792
298,209	(111,400)	186,809	398,647	(119,879)	278,768
			Total Debtors		

18. Cash and Cash Equivalents

Refer to [section IV](#) of the Accounting Policies for further information which supports this note.

The following is an analysis of Cash and Cash Equivalents shown on the Balance Sheet:

31 March 2024 £000		31 March 2025 £000
8,766	Cash at Bank	2,243
19	Petty Cash Floats	24
71,885	Short Term Deposits	125,845
(146)	Other	0
80,524	Total	128,112

The Council does not include third party balances in the Balance Sheet, but as at 31 March 2025 these amounted to £16.9m (£15.3m as at 31 March 2024).





19. Short Term Creditors

31 March 2024 £000		31 March 2025 £000
(47,595)	Central Government Bodies	(34,968)
(11,493)	Other Local Authorities	(14,123)
(3,034)	NHS Bodies	(4,139)
(4,745)	Housing Tenants	(6,015)
(60,905)	Local Taxpayers and NNDR	(59,930)
(11,509)	Capital Projects	(8,494)
(12,706)	Accumulated Absences	(12,531)
0	Lease Liabilities	(445)
(87,125)	Other Entities and Individuals	(122,339)
(239,112)	Total	(262,984)

20. Provisions and Deferred Credits

Refer to [section XXIII](#) of the Accounting Policies for further information which supports this note.

The Council maintains the following provisions:

	Insurance £000	Business Rates Appeals £000	Termination Benefits £000	HRA - Week 53 Rent Deferred Credit £000	Other £000	Total £000
At 1 April 2024	(3,843)	(9,333)	0	(564)	(6,322)	(20,062)
Additional Provisions	(1,180)	(1,424)	(153)	(3,544)	(5,879)	(12,180)
Amounts Used	0	4,445	0	564	4,614	9,623
Unused Amounts Reversed	0	0	0	0	0	0
At 31 March 2025	(5,023)	(6,312)	(153)	(3,544)	(7,587)	(22,619)
Comprising of:						
Short Term	(3,750)	(2,681)	(153)	(591)	(2,844)	(10,019)
Long Term	(1,273)	(3,631)	0	(2,953)	(4,743)	(12,600)
	(5,023)	(6,312)	(153)	(3,544)	(7,587)	(22,619)

Insurance

The Council operates an Internal Insurance Account covering a variety of risks.





The Council does not in general insure against the theft of the contents of its buildings and other property, although it does provide theft cover for computers in schools and for Art and Museum exhibits on loan to the Council.

Business Rates Appeals

This provision covers Sheffield City Council's share of the national non-domestic rates appeals provision located within the Collection Fund. This is provided against outstanding appeals on the rateable value of properties within the city.

Termination Benefits

This provision represents the termination benefits due to individuals who the Chief Officer Panel have approved to leave the Council via voluntary early retirement and voluntary redundancy, but who as at 31 March have not yet left the Council.

HRA - Week 53 Rent Deferred Credit

This account is used to annualise HRA rent. It is used to equalise out the 52 / 53 week years, giving greater stability to the HRA.

Other

This balance represents the Council's other provisions and includes provisions for equal pay claims, business rates appeals, grant claw back, risks relating to the waste contract and various other smaller provisions.

21. Other Long Term Liabilities

The Other Long Term Liabilities figure on the Balance Sheet is made up of:

31 March 2024		31 March 2025
£000		£000
(13,659)	Deferred liabilities – PFI deferred revenue	(12,688)
0	Lease Liabilities	(28,615)
(13,659)	Total	(41,303)



Deferred Liabilities

As at 31 March 2025 the Council has recognised deferred revenue of £7.3m that relates to the Council's Waste PPP scheme and £5.4m that relates to the Council's Highways PFI scheme.

22. Contingent Liabilities

Refer to [section XXIII](#) of the Accounting Policies for further information which supports this note.

When it can estimate potential costs with some certainty, the Council accrues them into the financial statements. This note summarises contingent liabilities, which may result in future costs but cannot be estimated accurately or are considered sufficiently uncertain.

Sheffield Museums Trust

In the event of a service determination notice the Council would have to pick up all of its assets and liabilities.

Academies

Before a school converts to an academy, its board of governors signs a Commercial Transfer Agreement with the Council. This agreement is intended to ensure that all information on the staff, assets and contracts that are transferring to the academy is recorded and transferred to the academy trust so that the appropriate arrangements for payment of salaries, pension contributions, etc can be made. In relation to certain recent academy conversions, the Council agrees to consider in good faith reasonable requests on an individual basis to indemnify the relevant academies against losses reasonably incurred in connection with various employment claims. At this stage, there is no indication that the Council is exposed to a specific liability and in terms of the Sheffield Role Review Programme (SRRP) the impact on the Council's financial position is not yet known.

Pensions

There are a number of organisations, such as Sheffield Museums Trust and Veolia, who have admitted body status with South Yorkshire Pension Authority (SYPA) for which the Council has guaranteed payments under the Local Government Superannuation Regulations 1995. This admitted body status is given, usually under TUPE (Transfer of Undertakings Protection of Employment) regulations, where the new employer of the staff transferred from the Council is not a Local Government Organisation and therefore not eligible to become an employing organisation within SYPA.

It is not possible to estimate the extent of the Council's liability under these agreements and in the normal course of events the Council believes that no calls on this contingent liability will arise. The indemnity is in place in case of unforeseen events happening whereby the new employing organisation cannot meet its obligation to the fund. The financial performance of the organisation having admitted body status and SYPA are monitored as a result.



Business Rates Appeals

The Council is required to provide an estimate of how much business rates income it will collect and therefore how much it will rely upon in setting the budget every year. This involves the Council's own assumptions about the levels of refunds that may be given and the levels of outstanding appeals. Both of these carry significant risk and will involve assumptions about performance in 2023/24 that will be based on experience of recent years and the most recent trends in how appeal cases have been settled over the last year.

The total Collection Fund provision for losses due to appeals amounted to £19.1m in 2023/24. In 2024/25 the total Collection Fund provision has been reduced to £12.9m based on the currently outstanding cases.

It is extremely difficult to predict when new appeals may be lodged by ratepayers and what the likely outcome and cost implications of these new appeals may be. Furthermore, the Council is affected by national issues outside of its control, for example due to case law or new legislation. It is not possible to estimate with certainty what the probable cost of these issues may be.

Sheffield Role Review Programme (SRRP)

Equal pay concerns around the Council's current job evaluation scheme were raised in Autumn 2023. An independent, external review was undertaken to look into the Council's scheme, its processes and its data, and to identify where changes should be made. As a result, a programme of work known as the Sheffield Role Review Programme (SRRP), was established to develop a new job evaluation system for the Council and within maintained schools. This has continued in partnership with the recognised trade unions to ensure any potential disparities are addressed and to future proof job evaluation processes. As part of the SRRP, the Council is also working closely with Trade Unions to address possible cases of historical inequity in pay. The impact on the Council's financial position is not yet known, as the intensive work continues.



23. Property, Plant and Equipment (PPE)

Refer to [section XX](#) of the Accounting Policies for further information which supports this note.

Movements in 2024/25	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment (VPFE) £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total PPE £000	Total PFI Assets included in PPE £000
Cost or Valuation:								
At 1 April 2024	1,636,822	586,052	94,749	7,051	287,945	168,301	2,780,920	85,356
Opening balance adjustment	0	27,136	71	0	0	0	27,207	22,043
Revised Cost or Valuation at 1 April 2024	1,636,822	613,188	94,820	7,051	287,945	168,301	2,808,127	107,399
Additions - programmed investment	40,164	47,291	1,287	2,176	4,098	16,842	111,858	4,888
Revaluation increases / (decreases) recognised in the Revaluation Reserve	77,788	75,654	(3,373)	43	(415)	0	149,697	(11,024)
Revaluation increases / (decreases) to Surplus / Deficit on the Provision of Services	21,491	(133,588)	(30)	(2,176)	(4,581)	0	(118,884)	(18,100)
De-recognition – disposals	(13,072)	(21,296)	(299)	0	(3,747)	0	(38,414)	(3,333)
Reclassifications and transfers	(16,164)	341,116	0	9,207	(100,454)	(131,025)	102,680	6,102
At 31 March 2025	1,747,029	922,365	92,405	16,301	182,846	54,118	3,015,064	85,932
Accumulated Depreciation and Impairment:								
At 1 April 2024	0	(2,908)	(36,155)	(496)	(1,104)	0	(40,663)	(615)
Depreciation charge	(25,214)	(13,373)	(6,865)	0	(4,760)	0	(50,212)	(4,604)
Depreciation written out to the Revaluation Reserve	14,675	15,621	3,455	0	148	0	33,899	5,166
Depreciation written out to the Surplus / Deficit on the Provision of Services	10,539	2,342	0	0	417	0	13,298	264
Impairment (losses) / reversals recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment (losses) / reversals recognised in the Surplus / Deficit on the Provision of Services	0	0	0	0	0	0	0	0
De-recognition - disposals	0	570	252	0	29	0	851	36
Reclassifications and Transfers	0	(4,284)	0	0	4,284	0	0	(247)
At 31 March 2025	0	(2,032)	(39,313)	(496)	(986)	0	(42,827)	0
Net book value:								
At 31 March 2025	1,747,029	920,333	53,092	15,805	181,860	54,118	2,972,237	85,932
At 31 March 2024	1,636,822	583,144	58,594	6,555	286,841	168,301	2,740,257	84,741

Movements in 2023/24 – Comparative Information	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment (VPFE) £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total PPE £000	Total PFI Assets included in PPE £000
Cost or Valuation:								
At 1 April 2023	1,634,626	597,710	97,754	1,014	247,816	235,324	2,814,244	86,304
Additions - programmed investment	45,193	6,588	2,003	2,837	21,247	31,580	109,448	50
Revaluation increases / (decreases) recognised in the Revaluation Reserve	80,022	3,625	(4,279)	174	31,518	0	111,060	(1,415)
Revaluation increases / (decreases) to Surplus / Deficit on the Provision of Services	(126,205)	(1,628)	(90)	(2,854)	(100,611)	0	(231,388)	417
De-recognition – disposals	(11,245)	(13,909)	(639)	0	(3,428)	0	(29,221)	0
Reclassifications and transfers	14,431	(6,334)	0	5,880	91,403	(98,603)	6,777	0
At 31 March 2024	1,636,822	586,052	94,749	7,051	287,945	168,301	2,780,920	85,356
Accumulated Depreciation and Impairment:								
At 1 April 2023	0	(2,155)	(33,467)	0	(559)	0	(36,181)	0
Depreciation charge	(25,330)	(13,436)	(6,320)	0	(3,804)	0	(48,890)	(4,108)
Depreciation written out to the Revaluation Reserve	13,302	9,067	2,993	0	3,258	0	28,620	3,280
Depreciation written out to the Surplus / Deficit on the Provision of Services	12,028	2,917	0	0	19	0	14,964	213
Impairment (losses) / reversals recognised in the Revaluation Reserve	(357)	0	0	0	0	0	(357)	0
Impairment (losses) / reversals recognised in the Surplus / Deficit on the Provision of Services	357	0	0	0	0	0	357	0
De-recognition - disposals	0	165	639	0	20	0	824	0
Reclassifications and Transfers	0	534	0	(496)	(38)	0	0	0
At 31 March 2024	0	(2,908)	(36,155)	(496)	(1,104)	0	(40,663)	(615)
Net book value:								
At 31 March 2024	1,636,822	583,144	58,594	6,555	286,841	168,301	2,740,257	84,741
At 31 March 2023	1,634,626	595,555	64,287	1,014	247,257	235,324	2,778,063	86,304

The opening balance adjustments in 2024/25 were the result of the implementation of IFRS 16 at 1 April 2024. This required right-of-use assets to be brought onto the Balance Sheet in respect of arrangements previously accounted for as operating leases, to be matched by lease liabilities. The change in the value of right-of-use assets held under leases by the Council during 2024/25 is shown in more detail in Note 29.

In addition, the brought forward historical costs of PFI assets were adjusted to reflect the remeasurement of the associated liabilities required by the application of IFRS 16. This is shown in more detail in Note 24.

The total reclassifications and transfers shown in the tables above net to nil with the total reclassifications of Assets Held for Sale shown in Note 27, and additionally for 2024/25, the reclassification of the Sheffield City Trust long term debtor in respect of the Major Sporting Facilities property assets, as shown in Note 16.

Depreciation

Depreciation is charged on a straight line basis over the useful life of the asset.

Depreciation is not charged in the year of acquisition. Likewise, depreciation on revaluations is only charged at the revised amount in the year following valuation.

Capital Commitments

At 31 March 2025 the Council has entered into a number of construction contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 onwards. Future years committed costs are £66.6m. The major commitments are:

31 March 2024		Notes	31 March 2025
£000			£000
2,122	Schools Refurbishment / Education Provision	1	1,048
36,425	Council Housing Investment / Growth	2	39,510
255	Leisure		171
12,704	Regeneration	3	9,777
8,492	Highways Infrastructure		8,550
23	Other Infrastructure	4	494
860	Social Care		570
0	Healthcare	5	6,507
60,881	Total		66,627



The main changes since 2023/24 are:

1. Schools Refurbishment / Education Provision

Reduction due to completion of primary school expansion scheme

2. Council Housing Investment / Growth

Increase due to letting of New Build Council Housing contract

3. Regeneration

Reduction due to Heart of The City II regeneration scheme moving into final phases

4. Other Infrastructure

Increase due to works on dams and watercourses

5. Healthcare

Increase due to new commission as developers of GP Practices

Revaluations

The Council carries out a rolling programme of valuations that ensures all Property, Plant and Equipment required to be measured at Fair Value is revalued at least every five years. All valuations were carried out by Sheffield City Council Property Services in 2024/25, except for the following:

- Agricultural Land and Buildings, which were valued by Carter Jonas,
- Heart of the City II properties, which were valued by Cushman & Wakefield,
- Leisure & Entertainment facilities (formerly operated by Sheffield City Trust), which were valued by Cushman & Wakefield,
- Plant and Equipment associated with the Energy Recovery Facility at Bernard Road (namely, the waste incinerator) and the District Network Heating System, which required a specialist plant valuation, carried out by Charterfields, and
- Land and Buildings forming the Energy Recovery Facility at Bernard Road and the District Network Heating System, which were valued by White & Co.

Valuations were carried out under the supervision of Angela Glentworth (MRICS / Registered Valuer – Land and Property Manager) who has overall responsibility.



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 (RICS). Valuations of vehicles, plant, furniture and equipment are based on current prices, with the exception of the waste incinerator mentioned above.

Individual asset lives were assessed having regard to the structural condition of the building, age and state of repair, compliance with current legislation and suitability for existing use.

Council Dwellings are measured at Existing Use Value - Social Housing based on freehold vacant possession values by Beacon and adjusted by a regional adjustment factor of 41%, as determined by the Ministry of Housing, Communities & Local Government (MHCLG).

As part of the 5 year rolling programme, 20% of the beacons have been revalued this year, as at 31 March 2025. A general market adjustment of 8.316% (0.200% in 2023/24) has then been applied to all remaining Council dwellings to give a value as at 31 March 2025.

For those categories reported at Fair Value or Current Value, the Council re-values the assets at least every five years, on a rolling programme of valuations.

The following table splits the value of those asset categories, into the years the assets were most recently valued:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Surplus Assets	Total
	£000	£000	£000	£000	£000
Carried at Historical Cost	0	16,693	11,769	33,217	61,679
Valued at Fair Value as at:					
31 March 2025	1,747,029	901,985	41,323	122,630	2,812,967
31 March 2024	0	755	0	2,629	3,384
31 March 2023	0	114	0	8,133	8,247
31 March 2022	0	591	0	7,025	7,616
31 March 2021	0	195	0	8,226	8,421
Total Cost or Valuation	1,747,029	920,333	53,092	181,860	2,902,314

Fair Value Hierarchy – Surplus Assets

Following the 2015/16 implementation of IFRS 13, Fair Value Measurement, the Council's surplus assets have been revalued to fair value as per the Council's 5 year rolling programme of valuations.

Details of the Council's Surplus Assets and information about the fair value hierarchy are as follows:

2024/25				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2024
	£000	£000	£000	£000
Assets valued using Market Approach	0	125,167	1,979	127,146
Assets valued by Income Approach - Ground Rents	0	36,123	0	36,123
Assets valued by Income Approach - Other	0	18,581	10	18,591
Total	0	179,871	1,989	181,860

2023/24 - Comparative Information				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2023
	£000	£000	£000	£000
Assets valued using Market Approach	0	174,486	1,883	176,369
Assets valued by Income Approach - Ground Rents	0	33,172	0	33,172
Assets valued by Income Approach - Other	0	21,506	55,794	77,300
Total	0	229,164	57,677	286,841

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during the year. The transfers between levels 2 and 3 are reconciled below.

Reconciliation of movements between Levels 2 and 3:

	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£000	£000	£000
At 1 April 2024	229,164	57,677	286,841
Transfers between levels	9	(9)	0
Additions	3,889	209	4,098
Revaluation increases / (decreases)	(4,193)	(238)	(4,431)
De-recognition (disposals)	(3,718)	0	(3,718)
Transfers (to) / from other PPE categories	(43,103)	(53,067)	(96,170)
Depreciation charge	(2,177)	(2,583)	(4,760)
At 31 March 2025	179,871	1,989	181,860



Valuation Techniques used to Determine Level 2 and 3 Fair Values for Surplus Assets

Significant Observable Inputs – Level 2

Valuations conducted using the market approach and the income approach take account of current market conditions, in that recent sales prices / rentals achieved and other relevant information for similar assets in Sheffield or comparable cities are used as significant inputs to the valuation. Market conditions for these assets are such that similar properties are actively purchased, sold and leased, meaning that the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

All of the assets constructed as part of the Heart of the City II regeneration programme were initially recognised as Surplus Assets and were categorised as Level 2 in the fair value hierarchy (except for Grosvenor House). These assets were transferred from Surplus Assets to Other Land & Buildings in 2024/25 due to a re-evaluation by management of the future economic benefits and service potential that are expected to flow to the Council from the existing use of the assets.

Since 2018/19, the Council has adopted a portfolio approach to the valuation of its freehold reversionary interests in land leased out on long-term low value ground rents. These assets are measured using the income approach, by means of the discounted cash flow method, whereby the future rental income expected to flow to the Council from the assets is discounted (using a market-derived discount rate) to establish the present value of the net income stream. In most cases, the valuation will also incorporate the present value of the reversion to market value or market rent at the end of the lease term. This approach has been developed using the Council's own data as well as by reference to current market comparables, factoring in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

Significant Unobservable Inputs – Level 3

The majority of the value of assets categorised as Level 3 in the fair value hierarchy as at 1 April 2024 could be attributed to Grosvenor House, which forms part of the Heart of the City II regeneration programme. This asset was transferred from Surplus Assets to Other Land & Buildings in 2024/25 due to a re-evaluation by management of the future economic benefits and service potential that are expected to flow to the Council from the existing use of the asset.

The remainder of the asset valuations categorised as Level 3 in the fair value hierarchy are historical, in that the assets were previously considered de minimis for valuation purposes and are outside of the scope of the portfolio approach detailed above which has been adopted since 2018/19. As these valuations are not based on up-to-date market evidence and conditions, the inputs are considered to be unobservable. These asset valuations will be subject to ongoing review as part of asset register improvement projects with a view to being brought into the Council's 5 year rolling programme of valuations.



23A. Infrastructure Assets

Refer to [section XXI](#) of the Accounting Policies for further information which supports this note.

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets, because historical reporting and records were not kept in the format now required. Until further guidance is available reporting a net position is appropriate and provides the asset position for users of the financial statements.

The Council 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.

2023/24			2024/25	
Infrastructure Assets £000	PFI Assets included in Infrastructure £000		Infrastructure Assets £000	PFI Assets included in Infrastructure £000
		Net Book Value (modified historical cost)		
633,300	273,768	At 1 April	651,599	281,210
0	0	Opening balance adjustment	8,183	8,183
633,300	273,768	Revised Net Book Value at 1 April	659,782	289,393
46,301	15,687	Additions - Programmed Investment	49,889	18,188
(28,002)	(8,245)	Depreciation Charge	(29,462)	(8,637)
651,599	281,210	Net book value at 31 March	680,209	298,944

The brought forward historical costs of PFI assets included in Infrastructure were adjusted to reflect the remeasurement of the associated liabilities required by the application of IFRS 16. This is shown in more detail in Note 24.

2023/24 £000		2024/25 £000
Net Book Value at 31 March		
651,599	Infrastructure Assets	680,209
2,740,257	Other PPE Assets	2,972,237
3,391,856	Total PPE Assets	3,652,446

The Council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.



24. Service Concessions – Private Finance Initiatives (PFI) and Public Private Partnership Arrangements (PPP)

Refer to [section XXII](#) of the Accounting Policies for further information which supports this note.

PFI and Similar Contracts

At 31 March 2025 the Council had seven long term contracts under Private Finance Initiative (PFI) arrangements. No new contracts were entered into in 2024/25. The financing models have the same methodology as set up in 2012/13.

The first PFI contract is for the provision of office accommodation at Howden House for a period of 30 years from February 2001. Payments will continue for the duration of the contract, subject to availability and performance related deductions and to contractually agreed inflation adjustments.

Five other PFI contracts are for the provision of schools. Schools Phase One PFI contract is for the provision of two primary schools and four secondary schools that opened during the financial year 2001/02. The contract is for 25 years. The Schools Phase Two PFI contract is for the provision of two secondary schools. The contract is for 25 years and became fully operational during the financial year 2005/06. The Schools Phase Three PFI contract for the provision of two secondary schools and two primary schools, which is for 25 years, became operational during the financial year 2006/07. The Building Schools for the Future (BSF) Wave One contract is for the provision of two secondary schools and one specialist school for 25 years. It became operational in January 2009. The Bradfield School PFI contract, which is for 25 years, became operational during the financial year 2012/13. The seventh PFI is the Highways PFI which is for 25 years and became operational during the financial year 2012/13. It covers the improvement and on-going maintenance of the city's roads, footways, highway trees, traffic signals, street lights, street furniture and street name plates. It also covers street cleaning, winter gritting and landscape maintenance.

The Council has another long term arrangement that is not PFI funded. This is for the collection and disposal of municipal waste and was entered into in August 2001, originally for 30 years but extended during 2004/05 to 35 years. The contract has now been extended to 37 years in 2017/18 resulting in the re-profiling of the principal and interest payments. In general, future payments are projected to increase in line with inflation, expected waste tonnages and increases in Landfill Tax. In addition the contractor has introduced improved disposal facilities in order to meet statutory recycling and recovery targets, which resulted in peaks in the payments between 2005 and 2010 which have flattened out. The payments may be reduced by any shares in growth in the contractor's third party income and are subject always to any deductions for poor performance. This model has also been restated in year.

In accordance with the accounting policy for Private Finance Initiatives and Similar Contracts set out in [section XXII](#) of the Accounting Policies, the seven PFI contracts and the integrated waste management contract have been reviewed and accounted for in accordance with the provisions of IFRIC 12 Service Concession Arrangements and other relevant CIPFA guidance. The fixed assets relating to these contracts and the liability for these fixed assets have been recognised on the Council's Balance Sheet.



Payments made during the Year

The payments made during the year are summarised in the table below:

2023/24 Total	Repayment of Current Liability	Interest Charge	2024/25 Service Charge	Lifecycle Costs	Total
£000	£000	£000	£000	£000	£000
149,312	23,570	39,321	73,221	18,989	155,101

Note: Actual invoice payments totalled £155,625k. The difference of £524k reflects the deferred element during the year

PFI Assets

The assets held under PFI and similar contracts are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on Property, Plant and Equipment balance in Note 23.

PFI Finance Lease Liability

The value of liabilities resulting from PFI and similar contracts are as follows:

2023/24 £000		2024/25 £000
(320,120)	Value of the liability as at 1 April	(301,506)
0	Opening balance adjustment	(30,226)
0	Remeasurement of liability due to Unitary Charge uplift	(6,125)
18,614	Finance lease rental	23,570
(301,506)	Value of liability as at 31 March	(314,287)
	Comprising of:	
(19,651)	Short Term	(23,262)
(281,855)	Long Term	(291,025)
(301,506)		(314,287)

PFI Payments Due to be Made

Details of the payments due to be made under PFI and similar contracts are as follows:

2023/24 Total		Repayment of Current Liability £000	Interest Charge £000	2024/25		Total £000
£000				Service Charge £000	Lifecycle Costs £000	
156,448	Within one year	23,262	37,179	75,799	18,861	155,101
625,651	Between two and five years	93,449	128,442	267,320	85,164	574,375
766,950	Between six and ten years	120,683	111,937	283,993	99,296	615,909
490,264	Between eleven and fifteen years	76,893	31,177	106,964	40,831	255,865
2,039,313	Total	314,287	308,735	734,076	244,152	1,601,250

Note: Actual payments due total £1,608,591k. The difference of £7,341k reflects the deferred element over the life of the contracts.

The details of the payments due under PFI contracts above are shown based on an estimate of the cash amounts that will actually be paid. Figures for 2024/25 show the estimated payments due calculated by the models in 2024/25 for 2025/26 onwards to the end of the contract's life.



25. Heritage Assets

Refer to [section XIV](#) of the Accounting Policies for further information which supports this note.

Reconciliation of the Carrying Value of Heritage Assets Held by the Council:

2024/25	Reported at Cost		Reported at Valuation				
	Museums and Galleries £000	Civic Collections £000	Museums and Galleries £000	Civic Collections £000	Archives and Libraries £000	Public Realm £000	Total Assets £000
Cost or Valuation:							
At 1 April 2024	22	48	50,000	1,000	4,597	60	55,727
Additions – programmed investment	0	0	187	0	0	50	237
Donated Assets	0	0	0	0	0	0	0
Revaluation increases / (decreases) in the Revaluation Reserve	0	0	0	0	230	0	230
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	0	0	(187)	0	0	(50)	(237)
Reclassification and transfers	0	0	0	0	0	0	0
At 31 March 2025	22	48	50,000	1,000	4,827	60	55,957
Depreciation and Impairment:							
At 1 April 2024	(9)	0	0	0	0	0	(9)
Depreciation	(1)	0	0	0	0	0	(1)
At 31 March 2025	(10)	0	0	0	0	0	(10)
Net Book Value:							
At 31 March 2025	12	48	50,000	1,000	4,827	60	55,947
At 31 March 2024	13	48	50,000	1,000	4,597	60	55,718



2023/24 Comparative Information	Reported at Cost		Reported at Valuation				
	Museums and Galleries	Civic Collections	Museums and Galleries	Civic Collections	Archives and Libraries	Public Realm	Total Assets
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation:							
At 1 April 2023	22	48	50,000	1,000	4,103	60	55,233
Additions – programmed investment	0	0	28	0	2	321	351
Donated Assets	0	0	0	0	0	0	0
Revaluation increases / (decreases) in the Revaluation Reserve	0	0	0	0	494	0	494
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	0	0	(28)	0	(2)	(321)	(351)
Reclassification and transfers	0	0	0	0	0	0	0
At 31 March 2024	22	48	50,000	1,000	4,597	60	55,727
Depreciation and Impairment:							
At 1 April 2023	(8)	0	0	0	0	0	(8)
Depreciation	(1)	0	0	0	0	0	(1)
At 31 March 2024	(9)	0	0	0	0	0	(9)
Net Book Value:							
At 31 March 2024	13	48	50,000	1,000	4,597	60	55,718
At 31 March 2023	14	48	50,000	1,000	4,103	60	55,225

Museums and Galleries

Sheffield Museums

The collections include Fine and Decorative Art, Natural Sciences, Human History and Industrial Heritage. The assets are reported on the Council's Balance Sheet at insurance valuation, which is updated on an annual basis. The policy insures the collections as a whole and includes assets managed by Sheffield Museums Trust, formed in 2021 through the merger of Museums Sheffield and Sheffield Industrial Museums Trust. High value works are valued annually, either through external valuation or with reference to auction guides. Variations are made to the insurance schedule on an annual basis or sooner as appropriate.

Land and buildings assets have been reported on the Council's Balance Sheet at cost. Only assets with a determinable life have been depreciated.

While the collections in their entirety have significant historic value, the majority of items have a relatively low market value. In many cases the costs of conservation exceed market values and investment in the assets is determined on the basis of its unique national and local historic significance.



The collections develop through a combination of acquisition through purchase and donation. Acquisitions are initially recognised at cost and then subsequently recognised at valuation. Donations are recognised at valuation ascertained by the museum's curators.

Sheffield Museums Trust works to the Collections Agreement between the Trust and the Council and a Collections Development Policy that is revised as part of the Arts Council England Accreditation Scheme and is approved by Sheffield Museums Board of Trustees and the Council.

Standards of care are governed by the requirements of the National Museum Accreditation Scheme, with which Sheffield Museums has achieved accreditation.

Sheffield's collections are of local, regional and national importance and are used in research, displays, exhibitions and public programmes. Over one million items are stored at a purpose-built facility and displayed across Sheffield Museums' six sites comprising Abbeydale Industrial Hamlet, Graves Gallery, Kelham Island Museum, Millennium Gallery, Shepherd Wheel and Weston Park Museum and also at the volunteer run Bishops' House. The collections comprise:

- **Designated Metalwork Collection** – some 13,000 items and the most extensive grouping of finished Sheffield made cutlery, flatware and hollowware in existence. The collection has national significance reflected in its designation status and is a powerful illustration of the City's world leadership in metalwork design, production and innovation.
- **Decorative Art Collection** – including approximately 3,000 examples of art, craft and design, British ceramics, glass, horology and an outstanding collection of Chinese carved ivories.
- **Visual Art Collection** – comprises over 6,000 items of British and European Art dating from the 1500s to the present, of which the most significant areas are Modern British art and work associated with the Black Art Group. Significant contemporary acquisitions include work by Lubna Chowdhary, Hew Locke, Sam Taylor-Johnson and Mark Wallinger.
- **Social History Collection** – has strong family and community connections with the people of Sheffield and comprises around 25,000 objects including ephemera, personalia, costume, domestic items, furniture, and approximately 1,500 watercolours, drawings, prints and oil paintings documenting the changing city.
- **Coins, Medals and Token Collection** – number around 8,000 items and owe their origin to the Sheffield Literary and Philosophical Society. It dates from Roman and Greek pieces to 20th century coins from all over the world.
- **Arms and Armour Collection** – consists of Japanese and Indo-Iranian swords, shields and helmets alongside 200 European military, practical and sporting guns from the late 1600s onwards.





- **Archaeology Collection** – is of regional and national importance and comprises material dating from pre-history to the 20th century. It includes the Bateman Collection which features nationally significant Bronze age artefacts and the Anglo-Saxon Benty Grange Helmet.
- **Natural Sciences Collection** – is of major regional significance and comprises: Botany, Entomology, Geology, Osteology, Zoology and extensive data relating to collectors, field recording and meteorology comprising over 60,000 biological and geological records.
- **World Cultures Collection** – was largely acquired by 19th and early 20th Sheffield travellers, missionaries and colonial representatives. It contains 2,000 items from across the globe, some of which were taken without permission.
- **Heavy Industries Collections** – cover the Iron and Steel Industry, the Armaments Industry, the Transport Collection, Scientific and Technological Research, Extraction and Refractory Industries and engineering. The museum holds a comprehensive collection of about 6,000 items which relate to the general production of steel and other metals and the manufacture of metal, particularly steel, products.
- **Light Trades Industries Collections** – are represented by items relating to cutlery manufacture, hollowware and tool making industries.
- **General Trades Collection** – covers a range of non-metal working industries, such as brewing, retail and food production. The collection numbering about 550 items represents Sheffield's other manufacturing industries, including, button making, bookbinding and printing, snuff making, watch and clock making, shoemaking and needle and pin manufacture.
- **Library, Archive and Ephemera Collections** – include the historic documents and plans, the historic photographs, paintings and films, published books and journals and the personal and ephemera of local peoples and companies.

Abbeydale Industrial Hamlet

The Hamlet is a collection of buildings, associated machinery and objects relating to the manufacture of edge tools, especially scythes. The site is designated a Scheduled Ancient Monument (SM 1039) with Grade I and Grade II* buildings. The buildings and machinery include a crucible shop, water powered tilt hammers, grinding hull, scythe riveting shop, blacking shop along with workers cottages and a manager's cottage.

Shepherd Wheel

Shepherd Wheel is a Grade II listed and restored example of a waterwheel that powered grinding workshops for table, domestic, pocket and pen knives. The wheel is 5.5 metres high by 2 meters wide and made of cast and wrought iron, elm and oak and bronze. The water to turn the wheel comes from the large dam where water is diverted from the River Porter. The waterwheel turned twenty grindstones and several 'glazing' stones. The grindstones were used to create a fine, sharp cutting edge on the blade. The final smoothing of the blade was done on the glazing stones, before they left Shepherd Wheel for polishing.





Bishops' House

Bishops' House is a surviving example of a timber-framed house from the fifteenth century, typical of a large farmhouse or small manor house and is a Grade II* listed building. Located at the top of Meersbrook Park, ownership passed to Sheffield City Council in 1886 and was used by the Parks authority until 1974. The house was then restored and has been open as a museum since 1976. It is run by the Friends of s' House voluntary group.

Civic Collections

The Civic Collections include commemorative items and gifts of silverware and paintings given to the city. There are also examples of products manufactured by Sheffield's industries. The artefacts are displayed throughout the Town Hall and include the statue of the first Lord Mayor of Sheffield, the 15th Duke of Norfolk and a marble bust of Queen Victoria located on the main staircase.

Archives and Libraries

Sheffield Archives acts as the archive repository for the City Council and its predecessors from the 13th century to date. It is also an appointed Place of Deposit (POD) by the Ministry of Justice for the storage and management of archives from central government including the NHS, HM Courts and HM Coroner. In addition it is the repository for historical records of South Yorkshire Police, the Diocese of Sheffield and the Roman Catholic Diocese of Hallam. Also stored are the records of the South Yorkshire Archive Service which is funded by all four local authorities. Under the Local Government Act 1972 it also stores private records on loan or gifted to the City Council. Three collections are held on behalf of the Department for Digital, Culture, Media & Sport (DCMS) under the Treasury's Acceptance in Lieu of Inheritance tax scheme. There are also significant collections of printed material from the 17th century onwards within the Central Library collections.

Public Realm

The city's historic parks, grounds, woodlands and cemeteries are categorised as community assets for the purposes of these accounts but the many statues, monuments and archaeological features within and throughout the city are classed as Heritage Assets.

There are several Grade II listed monuments. Examples include the 1832 Cholera Monument in the Cholera Monument Grounds and the Jubilee Monument and Obelisk and statue of Queen Victoria in Endcliffe Park. There are also many listed buildings, lodges, monuments and structures in Hillsborough Park, Firth Park, Graves Park, Weston Park (Trust), Norfolk Heritage Park, Sheffield General Cemetery and the Botanical Gardens (Trust).

There are many war memorials and plaques located around the city, including the cenotaph in the city centre and the Sheffield Battalion Memorial and Sheffield Memorial Park in the village of Serre in Western France.

Wincobank Hill and woods includes the site of an iron-age hill fort, with many other archaeological features recorded in the woodland and the Roman Ridge. Ecclesall Woods, as well as a local designated nature reserve for wildlife, contains a number of prehistoric and early historic monuments. Wheata Woods are also of archaeological importance, with sites ranging from bronze-age field systems, Romano-British settlements, post medieval quarry pits and bomb craters.





There are many contemporary pieces of public art in the city centre resulting from the on-going regeneration projects. The 'Cutting Edge' sculpture is an 81 metre long blade of polished stainless steel and art glass. Located in Sheaf Square, the station gateway, it is one of the largest stainless steel sculptures in the UK and was fabricated using Sheffield steel. Other important water features include the Barkers Pool fountain and 'Rain', nine stainless steel spheres, coated with a constant thin film of water which was commissioned in 2003 for Millennium Square. The prominent 'Goodwin Fountain' outside the Town Hall is dedicated to the philanthropists Sir Stuart and Lady Goodwin and has 89 individual jets of adjustable heights. There are many other examples of public art in the public realm, including sculptures, murals, decorative gates and railings.

26. Investment Properties

Refer to [section XVII](#) of the Accounting Policies for further information which supports this note.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
(1,137)	Rental income from investment property	(1,397)
(1,137)	Net (gain)/loss	(1,397)

The assets held as Investment Properties are known as the small and large format advertising hoardings contract. The Council are under separate Contracts for each format both of which derive a rental income and places responsibility on the company to pay the rates liability in respect of each site. The small format contract also affords the Council space to utilise the advertising space to promote city base events and activities.

The following table summarises the movement in the fair value of investment properties over the year:

2023/24 £000	Cost or Valuation	2024/25 £000
18,630	Balance at 1 April	18,500
(130)	Revaluations	(160)
18,500	Balance at 31 March	18,340

Gains or losses arising from changes in the fair value of the investment property are recognised in Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.



Fair Value Hierarchy

To conform to the requirements of IFRS 13 Fair Value Measurement, details of the Council's investment properties and information about the fair value hierarchy are as follows:

2024/25				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2023
	£000	£000	£000	£000
Advertising Hoardings	0	18,340	0	18,340
Total	0	18,340	0	18,340

2023/24 Comparative Information				
Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2023
	£000	£000	£000	£000
Advertising Hoardings	0	18,500	0	18,500
Total	0	18,500	0	18,500

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels during the year.

Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for the investment properties, i.e. the small and large advertising hoarding contracts, has been measured using the income approach. It has been established by taking the net direct revenue payable under the contract for the unexpired term of each Contract multiplied by a yield determined by market conditions, contractual terms and the covenant strength of the contracted party. They have been categorised at Level 2 in the fair value hierarchy as both Contracts have been subject to individual competitive tender exercises and the resulting revenues are the rate at which the specific sector assesses to be 'market value'.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.



Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties

The fair value of the Council’s investment property is measured annually at each reporting date. All valuations were carried out by Sheffield City Council Property Services under the supervision of Angela Glentworth (MRICS / Registered Valuer – Land and Property Manager) who has overall responsibility. Valuations 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.

27. Assets Held for Sale

2023/24		2024/25
£000		£000
7,795	Balance at 1 April	1,008
916	Assets newly classified as Held for Sale from Property, Plant and Equipment	13,294
(7,693)	Assets declassified as held for sale	(916)
(10)	Assets sold	(93)
1,008	Balance at 31 March	13,293

The large increase in the Assets Held for Sale balance in 2024/25 is primarily due to a large number of Council Dwellings being newly categorised as held for sale as at 31 March 2025. Following the Government’s announcement to reduce the maximum Right to Buy (RTB) discount from £102.4k to £24k in October 2024, there was a significant increase in RTB applications in the weeks leading up to the policy change. This led to a higher volume of applications being carried forward into the next financial year than in previous years.



28. 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 / PPP contracts), together with the resources that have been used to finance it. Where capital expenditure cannot be paid for immediately and is to be financed in future years by charges to revenue as the assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2023/24 £000		2024/25 £000
Capital Investment		
155,749	Property, Plant and Equipment*	197,137
0	Intangible Assets	(39)
351	Heritage Assets*	237
17,607	Sheffield City Trust	0
21,018	Revenue Expenditure Funded from Capital Under Statute	27,227
194,725		224,562
Sources of Finance		
74,067	Government Grants and Other Contributions	98,591
15,687	PFI Lease Liability	54,538
0	Other Lease Liabilities	28,069
44,723	Major Repairs Reserve	32,087
6,370	Capital Receipts Reserve	5,137
53,878	Borrowing	6,140
194,725		224,562
Capital Financing Requirement		
1,591,870	Opening Balance	1,608,658
53,878	Borrowing in year	6,140
(52,777)	Statutory / Voluntary provision for repayment of debt (MRP / VMRP)	(57,732)
15,687	PFI Lease Liabilities recognised in year	54,538
0	Other Lease Liabilities recognised in year	28,069
1,608,658	Closing Balance	1,639,673

* These figures match the additions lines in Notes 23, 23A and 25 detailing movements on the non-current asset balances.

29. Leases and Lease Type Arrangements

Refer to [section XVIII](#) of the Accounting Policies for further information which supports this note.

Council as Lessee

In 2024/25 the Council applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought onto the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.74%
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet.

This has resulted in the following additions to the balance sheet:

- £5.09m Property, plant and equipment – land and buildings (right-of-use assets)
- £0.07m Property, plant and equipment – vehicles, plant, furniture and equipment (right-of-use assets)
- £1.54m Non-current creditors (lease liabilities)
- £0.17m Current creditors (lease liabilities)

The newly recognised lease liabilities of £1.71m compare with the operating lease commitments of £5.05m at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £0.80m (using the incremental borrowing rate at 1 April 2024), there is a difference of £0.91m from the newly recognised lease liabilities. This is explained primarily by the fact that the lease liabilities include amounts for leases which were not previously disclosed in the notes to the 2023/24 financial statements as they have been newly identified through the data gathering process carried out during the IFRS 16 implementation project. The Council has improved its processes for ongoing data capture and monitoring.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the Council:

2023/24			2024/25		
Other Land and Buildings	Vehicles, Plant, Furniture and Equipment (VPFE)		Other Land and Buildings	Vehicles, Plant, Furniture and Equipment (VPFE)	
£000	£000		£000	£000	
		Net Book Value			
0	0	At 1 April	0	0	
0	0	Opening balance adjustment	5,093	71	
0	0	Revised Net Book Value at 1 April	5,093	71	
0	0	Additions - Programmed Investment	26,462	13	
0	0	Revaluation increases / (decreases)	1,365	0	
0	0	Depreciation Charge	(290)	(23)	
0	0	De-recognition – disposals	0	0	
0	0	At 31 March	32,630	61	

Transactions under leases

The Council incurred the following expenses and cash flows in relation to leases:

2023/24	2024/25
£000	£000
Comprehensive income and expenditure statement	
0 Interest expense on lease liabilities	1,575
0 Expense relating to short-term leases	3
0 Expense relating to exempt leases of low-value items	136
0 Variable lease payments not included in the measurement of lease liabilities	0
0 Income from subletting right-of-use assets	0
0 Gains or losses arising from sale and leaseback transactions	0
Cash flow statement	
0 Total cash outflow for leases	720

PFI leases are covered in more detail in note 24.

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2023/24	2024/25
£000	£000
72 Not later than one year	657
189 Later than one year and not later than five years	6,380
4,785 Later than five years	73,306
5,046 Total	80,343



The above principally consists of Council office accommodation leases. The most significant lease is that relating to one of the buildings forming part of the West Bar Square development, which was entered in to during 2024/25.

The lease liabilities disclosed above do not reflect any future cash outflows that the Council is potentially exposed to in relation to any variable elements of the lease payments. In other words, the initial liabilities are measured assuming no inflation, in line with the Code.

Council as Lessor

Transactions under leases

The authority made the following gains and losses as a lessor during the year:

2023/24 £000		2024/25 £000
	Finance leases	
0	Selling gain or loss	0
0	Finance income on the net investment in the lease	0
0	Income relating to variable lease payments not included in the measurement of the net investment in the lease	0
	Operating leases	
0	Total lease income	6,538
0	Share of lease income relating to variable lease payments that do not depend on an index or a rate	0

Net investment in finance leases

The Council has not classified any leases as Finance Leases.

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

2023/24			2024/25		
Finance Leases £000	Operating Leases £000		Finance Leases £000	Operating Leases £000	
0	6,538	Not later than one year	0	7,854	
0	24,191	Later than one year and not later than five years	0	28,552	
0	51,069	Later than five years	0	57,701	
0	81,799	Total	0	94,107	

The above mainly consists of leases of Heart of the City II properties, in addition to a large number of low-value long-term leases, principally of land.



30. Long Term Contracts

Refer to [section XVI](#) of the Accounting Policies for further information which supports this note.

The Council's current significant and long term contracts are the service concession (PFI and PPP) contracts, with further detail disclosed in Note 24.

31. Impairment Losses

There were no impairment charges in 2024/25. However, there were reversals of previous impairments of £35.2m (£23.8m in 2023/24), mainly relating to an improvement to previous impairments on Council Dwellings.

32. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

	Notes	1 April 2023 £000	Transfer Out 2023/24 £000	Transfer In 2023/24 £000	31 March 2024 £000	Transfer Out 2024/25 £000	Transfer In 2024/25 £000	31 March 2025 £000
Earmarked General Fund Reserves:								
Schools Reserves	33	(24,500)	3,031	0	(21,469)	5,781	0	(15,688)
Revenue Grants and Contributions	33	(16,480)	8,063	0	(8,417)	2,439	0	(5,978)
Other Earmarked Revenue Reserves:								
- Collection Fund	33	(33,425)	0	(2,169)	(35,594)	8,631	0	(26,963)
- Capital Charges		(20,285)	0	(10,700)	(30,985)	0	(12,119)	(43,104)
- Major Sporting Facilities		(45,510)	16,898	0	(28,612)	1,744		(26,868)
- Service Area Reserves		(24,140)	1,765	0	(22,375)	0	(3,311)	(25,686)
- PFI Future Expenditure		(25,700)	6,185	0	(19,515)	0	(1,515)	(21,030)
- New Homes Bonus (NHB)		(19,779)	2,395	0	(17,384)	1,041	0	(16,343)
- Budget Contingency		(30,718)	15,582	0	(15,136)	14,289	0	(847)
- Insurance Fund		(10,721)	0	(135)	(10,856)	1,051	0	(9,805)
- Public Health		(6,846)	0	(1,021)	(7,867)	638	0	(7,229)
- Heart of the City II		(5,980)	240	0	(5,740)	2,362	(815)	(4,193)
- Children's and Adult Social Care		(3,043)	1,238	0	(1,805)	0	(1,697)	(3,502)
- Invest to Save		(2,291)	1,981	0	(310)	559	0	249
- Other Reserves		(61,212)	0	(16,771)	(77,983)	0	(12,345)	(90,328)
Total		(330,630)	57,378	(30,796)	(304,048)	38,535	(31,802)	(297,315)

33. Usable Reserves

Refer to [section XXV](#) of the Accounting Policies for further information which supports this note.

The following table summarises the Usable Reserves balances:

31 March 2024 £000		31 March 2025 £000
	Capital Reserves:	
(106,406)	Capital Receipts Reserve	(121,318)
(79,097)	Major Repairs Reserve	(90,416)
(36,746)	Capital Grants Unapplied Reserve	(36,629)
(222,249)		(248,363)
	Revenue Reserves:	
(15,051)	General Fund	(15,051)
	Earmarked General Fund Reserves:	
(21,469)	Schools Reserves	(15,688)
(8,417)	Revenue Grants and Contributions	(5,978)
(274,162)	Other Earmarked Revenue Reserves	(275,649)
(14,319)	Housing Revenue Account Balance	(16,986)
(2,303)	Earmarked Housing Revenue Account Reserve	(1,579)
(335,721)		(330,931)
(557,970)	Total	(579,294)

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Note 32.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might 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 general accounting practice. The General Fund therefore 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. The balance is not available to be applied to fund HRA services.

The table below provides a breakdown of the General Fund:

31 March 2024 £000		31 March 2025 £000
(15,051)	General Balances Available	(15,051)
(15,051)	Total	(15,051)

The General Fund Balance was £15.1m at 31 March 2025, representing 2.8% of the 2024/25 Net Budget Requirement (NBR) of £543.8m. This is in line with the minimum prudent level recommended by the Director of Finance, Commercial and Performance Services of 3% of NBR. If the reserve is used, it will be replenished to the stated minimum level as soon as practically possible; the Council will always need a minimum level of emergency reserves.

External risks will be constantly assessed to ensure the minimum level of General Fund reserves remain appropriate. Sheffield incorporates risks such as revisions to the Fair Funding Formula and wider economic developments in establishing the above reserve level.

Earmarked General Fund Reserves

The table below provides a breakdown of the earmarked reserves balance:

31 March 2024 £000		31 March 2025 £000
(21,469)	Schools Reserves	(15,688)
(8,417)	Revenue Grants and Contributions	(5,978)
	<i>Other Earmarked Revenue Reserves:</i>	
(35,594)	- Collection Fund	(26,963)
(30,985)	- Capital Charges	(43,104)
(28,612)	- Major Sporting Facilities	(26,868)
(22,375)	- Service Area Reserves	(25,686)
(19,515)	- PFI Future Expenditure	(21,030)
(17,384)	- New Homes Bonus	(16,343)
(15,136)	- Budget Contingency	(847)
(10,856)	- Insurance Fund	(9,805)
(7,867)	- Public Health	(7,229)
(5,740)	- Heart of the City II	(4,193)
(1,805)	- Children's and Adult Social Care	(3,502)
(310)	- Invest to Save	249
(77,983)	- Other Reserves	(90,328)
(304,048)	Total	(297,315)



Earmarked reserves are set aside to meet known or predicted future liabilities. These liabilities mean that the earmarked reserves are not normally available to fund the budget or other measures.

Earmarked reserves are available to fund capital or revenue expenditure. This is charged to the revenue or capital account when it is incurred and is financed by an appropriation from the reserve through the Movement in Reserves Statement.

A list of earmarked reserves, their purpose and proposed use are set out below.

- **Schools Reserves:** Schools' Earmarked Reserve consists of money that has been allocated under Local Management of Schools legislation and which remains unspent at the year end. This reserve is not available to support General Fund expenditure.
- **Revenue Grants and Contributions:** Where a revenue grant or contribution (or part thereof) has been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution has been transferred to the Revenue Grants and Contributions reserve to support future spend.
- **Collection Fund:** This reserve covers any unexpected reductions in relation to Business Rates and Council Tax; the Councils two biggest income streams. This has traditionally been required to cover potential reductions in Business Rate income following future successful appeals as well as dealing with large fluctuations in the fund during the Covid pandemic.
- **Capital Charges:** Funds required to support borrowing, Minimum Revenue Provisions (MRP) and other associated costs for capital programmes including the Major Sporting Facilities, Heart of the City 2 project and Highways PFI.
- **Major Sporting Facilities (MSF):** The MSF reserve originally existed because of the need to smooth the future payments due for the MSF debt (re: Ponds Forge, the Arena and Hillsborough Leisure Centre). The remaining money has been set aside to support the city's future leisure strategy.
- **Service Area Reserves:** These are a variety of service specific reserves agreed by Cabinet / Committees in previous years set aside for long term projects, examples include the Workplace Accommodation Strategy and the Flexible Development Fund.
- **PFI Future Expenditure:** The PFI reserve exists due to Government funding being received in advance to pay future years' liabilities. This income is set aside in a reserve until needed to ensure sufficient funds are available to cover the cost of contracts in future years.
- **New Homes Bonus (NHB):** The Government pays all Councils NHB to incentivise them to bring empty properties back into use or encourage new housing to be built. The Council intends to use the payments to promote housing development and to fund economic growth projects. This reserve sets aside the payments until required for agreed projects, which now form part of the wider Community Investment Fund.



- Budget Contingency Reserve – This reserve is to cover budget shortfalls and overspends. £26.8m of this budget was used to cover the 2024/25 overspend.
- Insurance Fund: This reserve contains funds required to cover the Council against potential litigation claims, for which, there is not enough certainty to create a provision in the accounts.
- Public Health: Public Health grant funding is given to the Council on a yearly basis. The conditions of the grant specify that any surpluses must be carried to a reserve for use in future years – and any eventual use of these funds is restricted to public health functions. The balance on this reserve therefore represents underspends in prior years.
- Heart of the City II: Funds set aside for future costs in relation to the city’s Heart of the City regeneration scheme.
- Children’s and Adult Social Care: Social Care reserves are held to deal with transforming Social Care in Sheffield to better meet the much-publicised challenges facing the sector and to deal with unforeseen costs.
- Invest to Save: The Council has delivered a number of business transformation projects that are essential to the future success of the Council’s operations and which have been used to help offset budget pressures over the last few years. This will continue with support to deliver future savings identified, including a number of strategic reviews.
- Other Earmarked Reserves: Other Earmarked reserves include funds which are set aside to cover predicted liabilities such as redundancies, IT upgrades and energy costs.

Housing Revenue Account Reserves

The Housing Revenue Account 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 as defined by the 1989 Act that is available to fund future expenditure in connection with the Council’s landlord function or (where in deficit) that is required to be recovered from tenants in future years.

The table below shows the balance of the Housing Revenue Account Reserves:

31 March 2024 £000		31 March 2025 £000	
(14,319)	Housing Revenue Account Balance	(16,986)	
(2,303)	Earmarked Housing Revenue Account Reserve	(1,579)	
(16,622)	Total	(18,565)	



Capital Receipts Reserve

The Capital Receipts Reserve 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.

The table below shows the balance of the Capital Receipts Reserve:

31 March 2024 £000		31 March 2025 £000
(106,406)	Capital Receipts Reserve	(121,318)
(106,406)	Total	(121,318)

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources required to be used on HRA assets or for capital financing purposes. The balance on the reserve shows the resources that have yet to be applied at the year end.

The table below shows the balance of the Major Repairs Reserve:

31 March 2024 £000		31 March 2025 £000
(79,097)	Major Repairs Reserve	(90,416)
(79,097)	Total	(90,416)

Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve 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.

The table below shows the balance of the Capital Grants Unapplied Reserve:

31 March 2024 £000		31 March 2025 £000
(36,746)	Capital Grants Unapplied Reserve	(36,629)
(36,746)	Total	(36,629)





34. Unusable Reserves

Refer to [section XXV](#) of the Accounting Policies for further information which supports this note.

The following table summarises the Unusable Reserves balances:

31 March 2024 £000		31 March 2025 £000
	Capital Reserves:	
(1,245,556)	Revaluation Reserve	(1,397,901)
(727,874)	Capital Adjustment Account	(702,401)
(53)	Deferred Capital Receipts Reserve	(53)
(1,973,483)		(2,100,355)
	Revenue Reserves:	
38,434	Financial Instruments Adjustment Account	37,173
38,618	Pensions Reserve	36,238
(12,836)	Collection Fund Adjustment Account	(8,986)
12,706	Accumulated Absences Account	12,530
76,922		76,955
(1,896,561)	Total	(2,023,400)

Capital Reserves

Capital Reserves are not available for revenue purposes and certain ones can only be used for specific statutory purposes.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment, Heritage Assets and Intangible Assets. 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 Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.





2023/24 £000		2024/25 £000
(1,130,627)	Balance at 1 April	(1,245,556)
(182,187)	Upward revaluation of assets	(234,385)
42,370	Downward revaluation of assets and impairment losses	50,559
(139,817)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(183,826)
16,789	Difference between fair value depreciation and historical cost depreciation	19,151
8,099	Accumulated gains on assets sold or scrapped	12,330
24,888	Amount written off to the Capital Adjustment Account	31,481
(1,245,556)	Balance at 31 March	(1,397,901)



Capital Adjustment Account

2023/24 £000		2024/25 £000
(865,026)	Balance at 1 April	(727,874)
	Reversal of items relating to capital expenditure debited or credited to the CI&ES:	
76,893	Depreciation of non-current assets	79,675
213,529	Revaluation losses of non-current assets	105,784
130	Movement in fair value of Investment Properties	160
21,018	Revenue expenditure funded from capital under statute	27,227
28,407	Non-current assets written off on disposal	37,656
339,975		250,502
	Adjusting amounts written out of the Revaluation Reserve:	
(16,789)	Difference between fair value depreciation and historical cost depreciation	(19,151)
(8,099)	Accumulated gains on assets sold or scrapped	(12,330)
(24,888)		(31,481)
(549,937)	Net written out amount of the cost of non-current assets consumed in the year	(508,853)
	Capital financing applied in the year:	
(6,370)	Use of the Capital Receipts Reserve to finance new capital expenditure	(5,137)
(44,723)	Use of the Major Repairs Reserve to finance new capital expenditure	(32,087)
(68,367)	Capital grants and contributions credited to the CI&ES	(92,039)
(5,701)	Application of grants and contributions from the Capital Grants Unapplied Reserve	(3,001)
(52,750)	Statutory provision for the repayment of debt	(57,705)
(27)	Voluntary provision for the repayment of debt	(27)
(177,938)		(189,996)
0	Movement in donated assets credited to the Comprehensive Income and Expenditure Statement	(3,552)
(727,874)	Balance at 31 March	(702,401)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

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.

Note 23 (PPE) provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2023/24 £000		2024/25 £000
(53)	Balance at 1 April	(53)
0	Transfer to the Capital Adjustment Account	0
(53)	Balance at 31 March	(53)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is either the unexpired term that was outstanding on the loans when they were redeemed or the term of the replacement loan.

2023/24 £000		2024/25 £000
39,691	Balance at 1 April	38,434
(1,258)	Proportion of premiums incurred in previous financial years to be charged against the General Fund in accordance with statutory requirements	(1,261)
(1,258)	Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(1,261)
38,434	Balance at 31 March	37,173



Pensions 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 Comprehensive Income and Expenditure Statement 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 pension funds or eventually pays 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.

2023/24 £000		2024/25 £000
(140,316)	Balance at 1 April	38,618
180,254	Actuarial (gains) or losses on pensions assets and liabilities	15,362
54,908	Reversal of items relating to retirement benefits debited or credited to the CI&ES	39,138
(56,228)	Employer's pensions contributions and direct payments to pensioners payable in the year	(56,880)
38,618	Balance at 31 March	36,238

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers and Business Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000		2024/25 £000
(10,907)	Balance at 1 April	(12,836)
(1,929)	Amount by which Council Tax and Non-domestic Rate income credited to the CI&ES is different from Council Tax and Non-domestic Rates income calculated for the year in accordance with statutory requirements	3,850
(12,836)	Balance at 31 March	(8,986)

Accumulated Absences Account

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, e.g. 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.





2023/24 £000		2024/25 £000
11,263	Balance at 1 April	12,706
1,443	Amount by which officer remuneration charged to the CI&ES is different from remuneration chargeable in the year in accordance with statutory requirements	(176)
12,706	Balance at 31 March	12,530

35. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
14,384	Interest Received	13,221
(59,307)	Interest Paid	(55,625)
0	Dividends Received	2,519

Adjustment for items in the net surplus / (deficit) on the provision of services for Non-Cash Movements

The following table provides a breakdown of the adjustment for non-cash movements figure shown in the Cash Flow Statement:

2023/24 £000		2024/25 £000
76,890	Depreciation	79,675
213,530	Impairment and downward valuations	105,784
0	Deferred revenue / deferred payment agreements	80
(13,000)	Increase / (Decrease) in creditors	27,860
(21,276)	(Increase) / Decrease in debtors	(79,926)
191	(Increase) / Decrease in inventories	(149)
(90,360)	Movement in pension liability	27,025
28,408	Carrying amount of non-current assets and non-current assets held for sale which have been sold or derecognised	37,656
(1,448)	Other non-cash items charged to the net surplus or deficit on the provision of services	1,707
192,935	Total	199,712





Adjustment for items in the net surplus / (deficit) on the provision of services that are investing or financing activities

The following table provides a breakdown of the adjustment for items that are investing or financing activities figure shown in the Cash Flow Statement:

2023/24 £000		2024/25 £000
(17,992)	Proceeds from the sale of property, plant and equipment, and investment property	(21,249)
(72,308)	Any other items for which cash effects are investing or financing cash flows	(94,922)
(90,300)	Total	(116,171)

36. Cash Flow Statement – Investing Activities

The cash flows for investing activities include the following items:

2023/24 £000		2024/25 £000
(158,477)	Purchase of property, plant and equipment, and investment property	(134,940)
(125,000)	Purchase of short and long term investments	(35,500)
(5)	Other payments for investing activities	(21)
17,992	Proceeds from the sale of property, plant and equipment, investment property, and deferred capital receipts	21,249
170,000	Proceeds from short term and long term investments	110,000
106,860	Other receipts from investing activities	89,086
11,370	Net cash flow from investing activities	49,874

37. Cash Flow Statement – Financing Activities

The cash flows for financing activities include the following items:

2023/24 £000		2024/25 £000
10,000	Cash receipts of short and long term borrowing	0
(18,614)	Cash payments for the reduction of outstanding liabilities relating to finance leases and PFI contracts	(23,570)
(66,578)	Repayment of short and long term borrowing	(37,470)
(4,460)	Other payments for financing activities	(5,686)
(79,652)	Net cash flow from financing activities	(66,726)





38. Pooled Budget Arrangements

Section 75 of the National Health Services Act 2006 allows partnership arrangements between NHS bodies, Local Authorities and other agencies in order to improve and co-ordinate services. Generally, each partner makes a contribution to a pooled budget, with the aim of focussing services and activities for a client group. Funds contributed are those normally used for the services represented in the pooled budget and allow the organisations involved to act in a more cohesive way.

The Better Care Fund was announced by the Government in the June 2013 spending round, to ensure a transformation in integrated health and social care. It creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their wellbeing as the focus of health and care services and shifting resources into social care and community services for the benefit of the people, communities and health and care systems. The Sheffield Better Care Fund pool was constructed around seven themes focussed around the different areas of integration.

NHS Sheffield Clinical Commissioning Group and Sheffield City Council entered into a Section 75 agreement covering the Better Care Fund with effect from 1 April 2015. On 1 July 2022 NHS Sheffield Clinical Commissioning Group became NHS South Yorkshire Integrated Care Board (ICB) / Sheffield Place (SPLC), and as a result the Section 75 agreement was updated to reflect the change to the NHS organisation in year.

The 2024/25 Sheffield City Council value has had £83m of income added back to the position reported in year. This adjustment more accurately shows the gross resources of the pooled budget.

The following table summarises the contributions made by Sheffield City Council and NHS South Yorkshire ICB Sheffield Place.

2023/24			Service Area	2024/25		
NHS SY ICB SPLC	Sheffield City Council	Total		NHS SY ICB SPLC	Sheffield City Council	Total
£000	£000	£000		£000	£000	£000
344,286	225,116	569,401	The Better Care Fund	381,149	266,366	647,514
344,286	225,116	569,401	Total	381,149	266,366	647,514

The NHS net contribution to the Better Care Fund for 2024/25 shown above is included within the expenditure recorded in note 5 to the NHS accounts (Services from foundation trusts £240.7m; Purchase of healthcare from non-NHS bodies £118.7m; GPMS/APMS and PCTMS £576k; Employees £305k; and Purchase of Social Care £20.8m).



The memorandum account for the pooled budget is:

The Better Care Fund

2023/24 £000		2024/25 £000
Income		
344,286	NHS South Yorkshire ICB SPLC	381,149
225,116	Sheffield City Council	266,366
569,402	Total	647,515
Allocation of expenditure		
(13,271)	Theme 1 - People Keeping Well in their Local Community	(10,164)
(63,762)	Theme 2 - Active Support and Recovery	(70,068)
(11,515)	Theme 3 - Independent Living Solutions	(11,170)
(245,416)	Theme 4 - Ongoing Care	(292,710)
(76,907)	Theme 5 - Adult inpatient Medical Emergency Admissions	(80,875)
(145,576)	Theme 6 - Mental Health	(166,480)
(5,783)	Theme 7 - Capital Grants	(4,234)
(7,172)	Additional Discharge Funded Schemes outside of Themes	(11,814)
(569,402)	Total	(647,515)

39. External Audit Fees and Additional Audit Fees (Non Statutory)

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

2023/24 £000		2024/25 £000
226	Fees payable with regard to external audit services carried out by the appointed auditor*	485
78	Fees payable for the certification of grant claims and returns	74
3	Fees payable in respect of any other services provided over and above those listed above	0
307	Total	559

* Includes KPMG's final fees for 2023/24 and the in year fee is only 25% of the total for 2024/25 as per the PSAA's guidance for milestones achieved.



40. Related Party Transactions

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.

For Sheffield City Council, the main categories of related parties are other public bodies, or those organisations over which a Sheffield City Council Member or Chief Officer holds a position of general control or management. Sheffield City Council's material related party transactions in year 2024/25 amounted to net payments of £26.5m (£43.4m for 2023/24). All such material related party transactions are disclosed either individually or in aggregate below.

Council Members

In respect of financial year 2024/25 a number of Council Members had a position of general control or management in organisations which generated related party transactions with the Council. Positions of general control or management can arise by way of ownership, or by acting as a director, trustee, board member, or partner of an organisation.

It may be noted that all members' pecuniary and non-financial interests which could conflict with those of the Council are open to public inspection as required by the Local Authority (Members Interests) Regulations 1992 (SI 1992/618) laid under section 19 of the Local Government Housing Act 1989. In addition, all contracts are required to fully comply with the Council's Standing Orders.

Chief Officers

For the purpose of this disclosure the term 'chief officer' is defined as the Chief Executive and the Strategic Directors. The note also covers members of those officers' close families or households. One of the Council's chief officers declared a position of general control or management in a third-party organisation during the financial year as a Director for Learn Sheffield Ltd.

Related Party	Receipts £000	Payments £000	Net Payments £000	Receivables £000	Payables £000	Net Assets £000
Total Related Parties	(509)	27,005	26,496	205	122	83



2024/25 Related Party	Notes	Receipts £000	Payments £000	Net Payments £000	Receivables £000	Payables £000	Net Assets £000
Amy's House Respite	1	0	266	266	7	0	7
Archdale School	2	(12)	2,644	2,633	(1)	0	(1)
Autism Plus	3	(1)	235	234	1	(17)	19
Brightside Nursery Infant School	4	(1)	14	13	(0)	0	(0)
Canal & River Trust	5	0	125	125	0	0	0
Carfield Primary School	6	(8)	3,234	3,225	3	0	3
City of Sanctuary Sheffield	7	(1)	199	198	0	0	0
Collaborate CIC	8	0	19	19	0	0	(0)
S2 Foodbank	9	(6)	0	(6)	2	0	2
Sheffield City Trust	10	(48)	13,040	12,991	(2)	0	(2)
Sheffield College	11	(107)	2,874	2,767	19	10	9
Sheffield Futures	12	(6)	103	97	(26)	0	(26)
Sheffield Galleries & Museums Trust	13	(209)	3,028	2,819	115	120	(5)
Sheffield Housing Company	14	(85)	0	(85)	82	0	82
Sheffield Parent & Carer Forum	15	0	48	48	(0)	0	(0)
STEP Development Trust	16	(6)	67	62	3	9	(6)
Voluntary Action Sheffield	17	(17)	1,109	1,092	1	0	1

Notes - relating to significant transactions

- £175k Special Needs Inclusion Playcare Service Holiday & Saturday Clubs, £7k Market Sustainability and Improvement
- (£7k) Transport provided, £1.247m Special Needs Top-up funding, £950k Budget share, £140k Special Educational Needs Contingency, £100k Teachers pensions grant, £74k Pupil Premium, £58k Core School Budget Grant
- £100k Care and Support, £65k Shared Prosperity Fund skills & Employability, £47k Community Hub -Specialist, £10k UK Shared Prosperity Fund Project Sheffield
- £13k Special Educational Need High Need Funding
- £125k Attercliffe Aqueduct
- £2.617m Budget share, £200k Pupil premium, £123k Free Early Learning payments, £79k Teachers pensions grant, £54k Universal Infant free school meals, £48k Cashflow loan, £38k General school contingency, £31k Special Educational Need High Need funding, £21k PE & Sports grant, £18k Holidays Activities and Food funding, £5k Covid Catch-up package
- £137k Asylum Dispersal grant, £37k Core grant, £23k Additional grant aid
- £7k Stronger Together leadership group, £6k City Goals facilitation, £5k Training costs
- (£6k) Rent
- (£19k) Commission for conferences booked, (£11k) Pest control, (£10k) Don Valley Bowl usage, £7.549m Sheffield City trust Funding, £2.686m Repairs to SIV/SCT Venues, £44k Hire of hall for election, £20k Holidays Activities and Food funding, £10k LAC funding, £9k City Futures Conference
- (£46k) Premises costs, (£14k) Post 16 Bursary contributions, (£13k) Music tuition, (£12k) Pest control, (£10k) Sheffield Progress, £1.322m Special Needs Top-up funding, £1.086m Refurbishment of Peaks Campus, £301k Funded Early Learning payments, £50k Rent for Seven Hill school, £50k Smokefree Sheffield College payment, £30k City Goals communication and engagement strategy, £9k Reimbursement of taxi fares
- £71k European Social Fund, £22k Star House rent
- (£102k) Insurance for Sheffield Museums, (£56k) Services to Graves Art Gallery, (£23k) Clear Channel Advertising, (£16k) Rent for Sheffield Theatres Crucible, £2.089m Galleries & Museums funding, £714 Sheffield Museum uplift payments, £120k Annual Lifecycle funding, £50k Central Library funding, £25k Annual Grant for Shepherd Wheel, £9k Winter Garden electric recharges, £6k Contribution to Graves Hoardings
- (£17k) Pest control, (£15k) Sustainable drainage systems, (£15k) Bulky collections, (£8k) Contribution to public art, (£7k) License for land
- £48k Delivery of engagement of parents of children with Special Educational Needs and Disabilities

16. (£6k) Rent, £36k Rental agreement, £20k Low Carbon grant
17. (£11k) Community Meals grant contribution, £421k Voluntary Action Sheffield Grant agreement, £205k Healthwatch, £140k Core Grant, £70k Uk Shared Prosperity funding, £65k Shared Prosperity Fund skills & employability, £47k Develop & evaluate support systems, £35k Sheffield Food Cooperative, £25k Payment for training, £22k Payment for Capacity Building, £20k Rental of office space

2023/24 – Comparative Information	Notes	Receipts £000	Payments £000	Net Payments £000	Receivables £000	Payables £000	Net Assets £000
Related Party							
Amy's House Respite	1	0	87	87	7	0	7
Archdale School	2	(14)	5	(9)	0	0	0
Autism Plus	3	(3)	213	210	1	(17)	(16)
Brightside Nursery Infant School	4	(1)	16	15	(0)	2	2
Carfield Primary School	5	(11)	25	14	1	0	1
City of Sanctuary Sheffield	6	(2)	161	159	0	0	0
Fir Vale Children Centre	7	0	172	172	0	0	0
Football Unites Racism Divides	8	0	12	12	0	0	0
Grimesthorpe Family Centre	9	(0)	2	2	0	2	2
Local Government Association	10	0	2	2	0	1	1
Sheffield City Centre BID	12	(75)	785	710	0	0	0
Sheffield City Trust	13	(36)	36,590	36,554	4	0	4
Sheffield Futures	14	(9)	99	90	(29)	9	(20)
Sheffield Galleries & Museums Trust	15	(196)	2,749	2,553	9	0	9
Sheffield Housing Company	16	(263)	0	(263)	146	0	146
Sheffield International Venues Ltd	17	(1)	109	108	1	0	1
Sheffield Parent & Carer Forum	18	0	49	49	(0)	0	(0)
Sheffield United Community Foundation	19	(2)	123	121	2	(1)	1
SOAR	20	(2)	1,062	1,060	1	0	1
STEP Development Trust	21	(6)	36	30	3	0	3
The River Stewardship Company	11	(0)	144	144	0	0	0
The Source (Meadowhall)	22	0	103	103	0	0	0
Tinsley Forum	23	(4)	38	34	0	0	0
Voluntary Action Sheffield	24	(8)	1,423	1,415	6	0	6

Notes - relating to significant transactions

- £86k Special Needs Inclusion Playcare Service Holiday & Saturday Clubs
- (£6.7k) Transport Provided, (£5.8k) Repairs work carried out, £5.5k Top-up funding
- £99k Care and Support, £47k Community Hub Specialist, £31k Pathways to Success, £14k UK Shared Prosperity Fund Project Sheffield
- £10k Special Educational Needs High Need Funding
- (£9.9k) Alternative Provision, £23k Special Educational Needs High Need Funding
- £100k Asylum Dispersal, £37k Core Service Grant, £23K Core Services Additional Contribution
- £172k Daycare Costs
- £7k Hiring of Youth Club Premises, £3.5k Hiring of Football Pitch
- £2k Cost of Living Grant, £0.3k Poll Station Hire
- £0.6k Annual Conference & Exhibition, £0.7k Place at Local Government Association
- £45k removal of vegetation from the Sheaf and Porter, £42k Ecological Survey, Monitoring and Data Recording of Badger Sett at Regents Court, £19k Flood Alleviation Scheme, £13k Trial Hole Clearances, £7k Hedge Planting Project



12. (£40k) Fringe at Tramlines 2023 Business Improvement District funding, (£20k) 2023/24 Charge for Business Improvement District billing and collection service, (£6k) Contribution to Castlegate Festival, £773k Charge for Sheffield Business Improvement District, £11k Best Bar None Scheme
13. (£8k) Commission for conference booked for Faraday Conference, (£7.8k) Rent for High Hazels Park Land, (£11.3k) Pest Control Contract, £17.32m SCT Bond Principal, £8.9m Repairs to SIV/SCT Venues, £8.8m Quarterly Sheffield City Trust Funding, £1.09m SCT Bond Interest
14. (£5.5k) Domestic Abuse Counselling Project, £42 European Social Fund, £18.3k Room Hire, £7.2k Staying Close Wellbeing Workshop
15. (£85k) Insurance for Sheffield Museum, (£54k) Services to Graves Art Gallery, (£16k) Half yearly charges for Sheffield Theatres Crucible, (£13.5k) Clear Channel digital plays, (£4.8k) Business Improvement District Second Term Year 3, £2.01m Galleries & Museums, £432k Sheffield Museum uplift payments, £120k Annual Lifecycle funding, £62k Grant funding, £25k Annual Grant for Shepherd Wheel, £9k Fire protection scheme
16. (£170k) Community Infrastructure Levy, (£40k) Skye Edge Fields boundary treatments, (£27k) Sheffield Housing Company Services undertaken by Sheffield City Council 2023/24, (£8.7k) Rent charge for the Sustainable Drainage Scheme
17. £90k Euro Para Table Tennis Hosting Fee, £8.8k City Futures all staff conference
18. £49k Engagement with parents of children with Special Educational Needs.
19. £69k Universal youth work grant, £25k City Wide Provider Summer Holiday, £12k Winter Holidays and Food
20. £330k Cold Weather Payments, £290k Holidays and Food, £100k Resilient Communities, £78k People Keeping Well Dementia, £56k Pathways to Success, £26k Library in Learning Zone, £26 UK Shared Prosperity Fund hosting, £21k Hiring of Learning Zone, £20k Local Area Committee project
21. (£5.6k) Half yearly service charges, £36k Premises costs
22. £88k Routeways Project, £15k Advancing Digital Project
23. £14k East Local Area Committee Community Infrastructure Levy, £12k UK Shared Prosperity Fund Project South, £9k Tinsley Library associate grant,
24. (£6.2k) Contribution to Project Officer Costs, £290k Voluntary Action Sheffield Grant agreement, £290k Homes for Ukraine Grant, £193k Healthwatch, £135 Core Grant, £100k Asylum Dispersal Grant, £82k UK Shared Prosperity funding, £65k Payment for training, £53k Funding for refugee provision, £33k Ambition Support, £25k Community Champions, £22k Payment for Capacity Building, £8k Ambition positive change contract.

Transactions with Other Public Bodies

The UK Government exerts significant influence over Sheffield City Council through legislation and grant funding. Transactions with central government and precepts and levies raised on behalf of other public bodies are detailed in notes to the Consolidated Income and Expenditure Account and Collection Fund. However, the following table shows the significant transactions with public bodies in the area:

2024/25 Related Party	Notes	Receipts £000	Payments £000	Net Payments £000	Receivable £000	Payable £000	Net Assets £000
NHS	1	(3,611)	29,598	25,987	1,769	39	1,731
Other Local Authorities	2	(3,808)	131,422	127,614	410	46	364
Sheffield City Region Combined Authority	3	(65,642)	26,563	(39,079)	18,024	0	18,024
South Yorkshire Fire & Rescue Authority	4	(5)	14,796	14,791	5	0	5
South Yorkshire Pensions Authority	5	0	6,311	6,311	(0)	0	(0)
South Yorkshire Police and Crime Commissioner	6	(1,077)	37,625	36,548	5	0	5
SYPT	7	(3,217)	0	(3,217)	0	0	0

Notes - relating to significant transactions

1. (£336k) Future in Mind funding, (£222k) Pest Control service, (£144k) Single Point Access, (£120k) Short Term Intervention Team, (£120k) Lease of land, (£114k) Renal service, (£85k) HIV and Hepatitis service, (£72k) Assessment Case Management & Flow, (£58k) Haemophilia Service, (£51k) Housing Support service, £9.149m Sheffield Children's Hospital Control Account funding, £8.848m Grant Payment for Levelling Up Fund, £4.056m Integrated Sexual Health contract, £1.346m Funded Early Learning payments,





- £1.021m Smokefree contract, £397k Building Successful Families overheads, £392k Steps contract, £363k Start for Life Perinatal/infant mental health workstream activity, £324k Personal Health Budget recovery, £237k Sheffield Children's Hospital extra commissions, £242k Histology and Toxicology, £206k Core care funding, £174k Funding of Alcohol Care team, £148k Domestic abuse counselling services, £142k Homeless Assessment and Support Team, £130k Oral Health, £108k Continuing residential care, £99k Healthy Weight & Nutrition contract, £96k Mental Health info guide, £87k Rent for Sheffield Health and Social Care facilities, £68k Provision of first communication mental health nurse, £64k Continuing Care payment, £60k Funding for Smoking in Pregnancy, £50k Early Years Inclusion funding
2. (£1.521m) Furnishings for Accommodation Rotherham, (£649k) Coroners Service, (£409k) Capital Delivery Service, (£332) International Recruitment Fund bursary, (£145k) Remedi Reparation contract contribution, (£125k) Yorhub payments, (£69k) Local Supported Employment, (£83k) Appropriate Adult contract contribution, £125m Short term loans, £1.952m UK Shared Prosperity Fund, £677k Council Tax Precept, 471k Step up to Social Work bursary, £426k One Adoption South Yorkshire, £310k European Social Fund grant, £263k Emergency Planning Shared Service, £204k Low Carbon Claim, £97k Migration Yorkshire
 3. (£8.311m) Transforming Cities Fund, (£5.403m) UK Shared Prosperity Fund, (£5.038m) Fargate Future High Street Fund, (£4.751m) City Region Sustainable Transport Settlement programme, (£2.880m) Grant funding, (£2.630m) Local and Neighbourhood Transport Complementary Programme, (£2.282m) Housing Fund, (£656k) Sheaf Valley Route claim, (£221k) Low Carbon Claim, (£207k) Criminal Justice Intervention Team, (£172k) Domestic Abuse Contract, (£169k) Capital Delivery Service, (£50k) Salary Costs, £23.552m Integrated Transport Authority Levy, £1.165m EZ Growth, £785k Sheffield Connect city centre busses, £488k Subscription fee, £222k Sheffield Connect bus shelters, £68k Zero fare Bus Passes, £50k Tram stop upgrades
 4. £12.709m Council Tax Precept, £2.087m National Non-Domestic Rates Share Less Deficit
 5. £6.031m Rechargeable Pensions Levy, £113k South Yorkshire Pensions Authority Levy
 6. (£408k) Criminal Justice Intervention Team and Arrest funding, (£292k) Community Safety funding, (£117k) Youth Offending Team Grant, (£109k) Safer Streets funding, (£50k) Violence Reduction Unit, £37.498m Council Tax Precept
 7. (£3.217m) Capital grant funding

2023/24 – Comparative Information	Notes	Receipts £000	Payments £000	Net Payments £000	Receivable £000	Payable £000	Net Assets £000
Related Party							
NHS	1	(3,054)	23,651	20,597	1,026	385	1,411
Other Local Authorities	2	(5,856)	44,875	39,019	645	39	684
Sheffield City Region Combined Authority	3	(48,309)	25,890	(22,419)	869	0	869
South Yorkshire Fire & Rescue Authority	4	(10)	13,951	13,941	5	0	5
South Yorkshire Pensions Authority	5	0	142,619	142,619	(0)	0	(0)
South Yorkshire Police and Crime Commissioner	6	(1,643)	34,967	33,324	45	6	51
SYLTE	7	(2,629)	0	(2,629)	19	0	19

Notes - relating to significant transactions

1. (£522k) Transforming Care 23/24, (£304k) Salary Contributions, (£300k) Capacity Funding 23/24 Service Expansion, (£250k) Fees and Charges for Team Around the Person, (£185k) GP Medical Fees, (£147k) Moor Market Vaccine Clinics, (£144k) Front Door Response Team, (£141k) Agency Staff, (£113k) Contribution to Renal Services full year costs 2023/24, (£107k) Strategic Commissioning Manager, (£83k) TUPE contributions, (£72k) Assessment and Case Management, (£64k) Rent in Moorfoot (£60k) Suicide Prevention, (£56k) Clinical Placement Expansion, £3.81m Sexual Health Specialist, £1.65m Substance Misuse contract, £829k Sheffield Health and Social Care NHS Foundation Trust, £708k Assessment & Care Management Fee, £635k Smokefree Contract, £507k Sunshine Day Nursery, £450k Sheffield Children's Centre, £449k Clinical and Medical goods supplies and services, £360k IC beds, £275k Steps contract, £250k Sexual Health Service for PrEP, £200k Sheffield Health and Social Care NHS services, £174k Expansion of the Alcohol Care Team, £124k Buvidal treatment spend, £120k Oral Health, £119k Sheffield Flourish Recovery, £112k Health Care Partnership, £95k Purchase of FibroScan, £87k Alcohol Care Team, £80k Funding for Speech and Language, £75k Salary Recharges, £60k Funding for Smoking in Pregnancy, £60k Future in Mind.
2. (£1.14m) Furnishings for accommodation in Rotherham, (£1.10m) Accommodation at Aldine House, (£919k) Coroner's Services, (£422k) East Riding of Yorkshire fees, (£380k) European Social Fund Advancing Digital Project, (£236k) European Social Fund BEA, (£93k) Local Supported Employment, (£60k) Silverdale, Nether Green and Archdale school terms, (£58k) Parish elections, (£48k) South Yorkshire Intelligent Transport System, (£40k) Recharges for Salary Costs, (£38k) YORHub dividend, (£31k) Charges for in-house





- foster care, (£31k) South Yorkshire archives, (£30k) YORhub Chair fee, (£60k) South Yorkshire Archaeology Services, (£31k) Oral Health Survey, (£16k) Lincoln Legal Support, £875k European Social Fund Grant, £660k Council Tax Precept, £465k One Adoption South Yorkshire, £230k Emergency Planning Contributions, £185k Repaid Home Loans, £120k DBS Checks, £65k Low Carbon Claim, £55k Out of City transport for Looked After Children, £44k Core Cities annual contribution, £26k Mortuary costs, £55k Step Up to Social Work Bursary, £26k White Rose Children Placements and Joint Commissioning Programme, £24k Advanced Practitioners Fellows Scheme 23/24, £24k Strategic Procurement Group fees, £21k Annual Yorkshire Leader Board
3. (£9.29m) Transforming Cities Fund, (£7.56m) Grant Income, (£2.64m) Local and Neighbourhood Transport Complementary Programme, (£2.48m) UK Shared Prosperity Fund, (£1.01m) Low Carbon funding, £23.09m Integrated Transport Authority Levy, £928k EZ Growth, £756k Zero fare bus passes, £488k Transport Hub Subscription, £161k Tram stop improvements, £107k Bus shelters
 4. £12.04m Council Tax Precept inc Surplus Share, £1.91m National Non-Domestic Rates less Deficit Share.
 5. £6m Rechargeable Pensions Levy, £1.9m APR Approved costs, £240k Early Retirement Payments, £140k SYPA Levy
 6. (£466k) Sheffield Criminal Justice Integrated Teams and Arrest Funding, (£296k) Community Safety, (£233k) Youth Offending Team, (£107k) 2022-23 Sheffield Partnership Contribution, (£215k) Domestic Abuse Contract, (£100k) Violence Reduction Unit, (£79k) Recharge of salary costs, (£72k) Carver Street violent crime reduction, (£32k) Anti-social behaviour hotspot patrolling, (£25k) Funding for target hardening equipment. £34.72m Council Tax Precept inc Surplus Share, £63k Sheffield Tenancy Grant, £39k South Yorkshire Police Op Recover, £33k Recruitment Costs, £30k South Yorkshire Police Hate Crime Co-ordinator, £29k Integrated Offender Management Police Contract
 7. (£68k) Capital Delivery Service, (£50k) MOBO Awards 2024, (£14k) CCTV Maintenance

41. Members' Allowances

The Council paid the following amounts to Council Members and Co-optees during 2024/25:

2023/24 £000		2024/25 £000
	Councillors:	
1,373	Basic Allowance	1,426
355	Special Responsibility Allowance	372
17	Expenses	27
1,745		1,825
	Co-optees:	
2	Basic Allowance	2
1,747	Total	1,827

Further details of this, including the amount paid to each Member, will be published separately as required by Government Regulations.

42. Officers' Remuneration

Under the Accounts and Audit Regulations 2015, Local Authorities are required to disclose information on their employees' remuneration in two sections.

The first section must contain the details of those officers defined in the Regulations as senior employees whose salary is above £50,000 per annum. Senior employees are typically categorised as statutory chief officers or non-statutory chief officers. The latter category typically includes those officers



who report directly to the Chief Executive (excluding those whose duties are solely secretarial). In addition, those senior officers whose salary is above £150,000 are required to be named in this section.

The second section must include a disclosure of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances, etc.) is above £50,000. Pension contributions payable by either employer or employee are excluded.

The remuneration paid to the Council's senior employees is shown in the table below:

2024/25						
Post Holder Information	Notes	Salary – including Fees and Allowances	Expenses Allowances	Total Remuneration exc Pension Contributions	Pension Contributions	Total Remuneration inc Pension Contributions
		£	£	£	£	£
Chief Executive – Kate Josephs		218,790	1,162	219,952	41,570	261,522
Executive Director of City Futures – Kate Martin		168,214	0	168,214	31,961	200,175
Executive Director of Neighbourhood Services – Ajman Ali		168,214	0	168,214	31,961	200,175
Strategic Director of Children's Services – Meredith Dixon-Teasdale		165,403	0	165,403	31,427	196,830
Chief Operating Officer		146,942	0	146,942	27,919	174,861
Director of Public Health and Integrated Commissioning		138,403	0	138,403	19,957	158,360
Director of Finance, Commercial & Performance Services		131,291	0	131,291	24,945	156,236
Strategic Director of Adults' Care and Wellbeing		128,832	0	128,832	24,478	153,310
General Counsel		96,759	0	96,759	19,557	116,316
Director of Policy and Democratic Engagement	1	89,432	0	89,432	16,992	106,424
Total		1,452,280	1,162	1,453,442	270,767	1,724,209

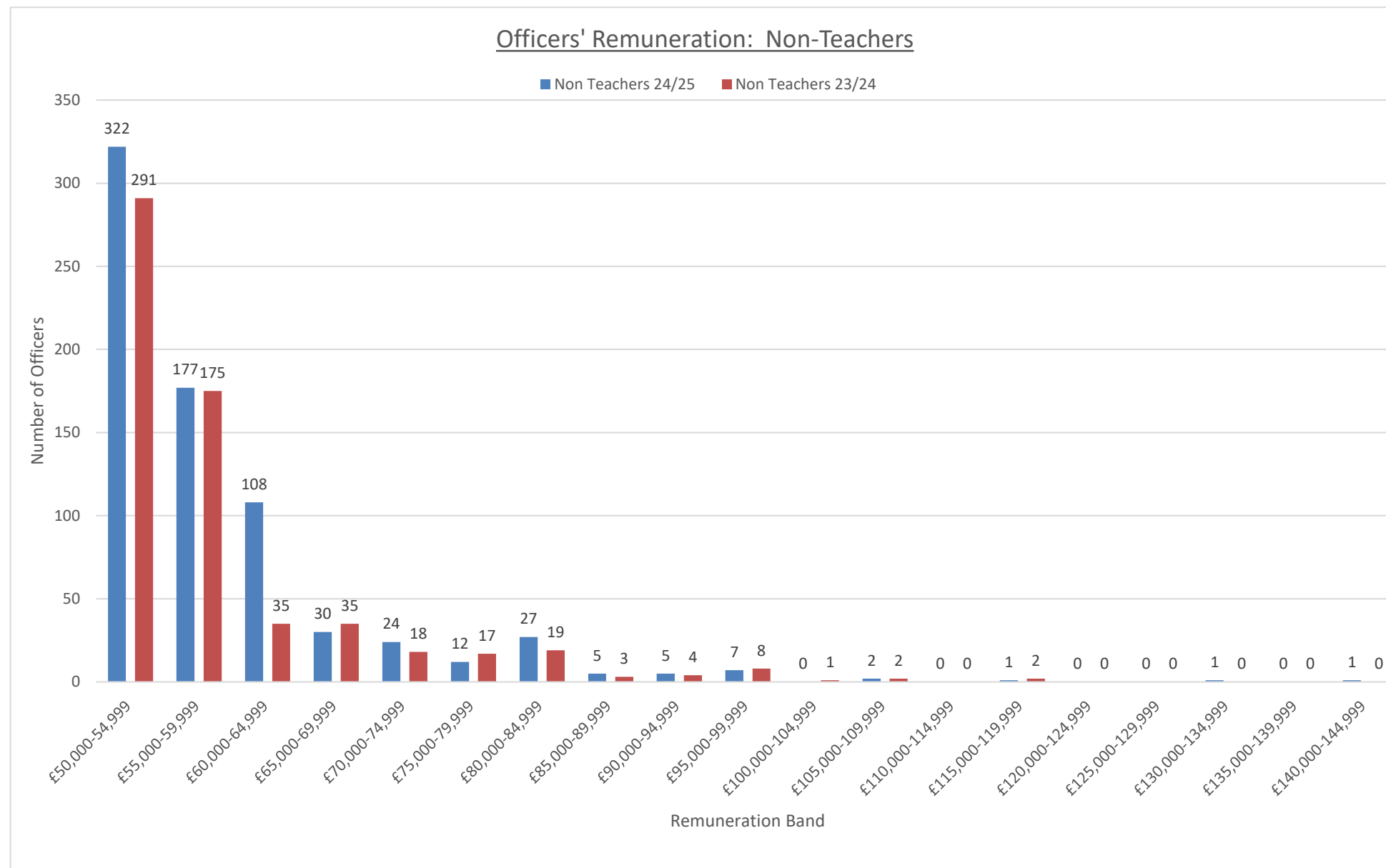
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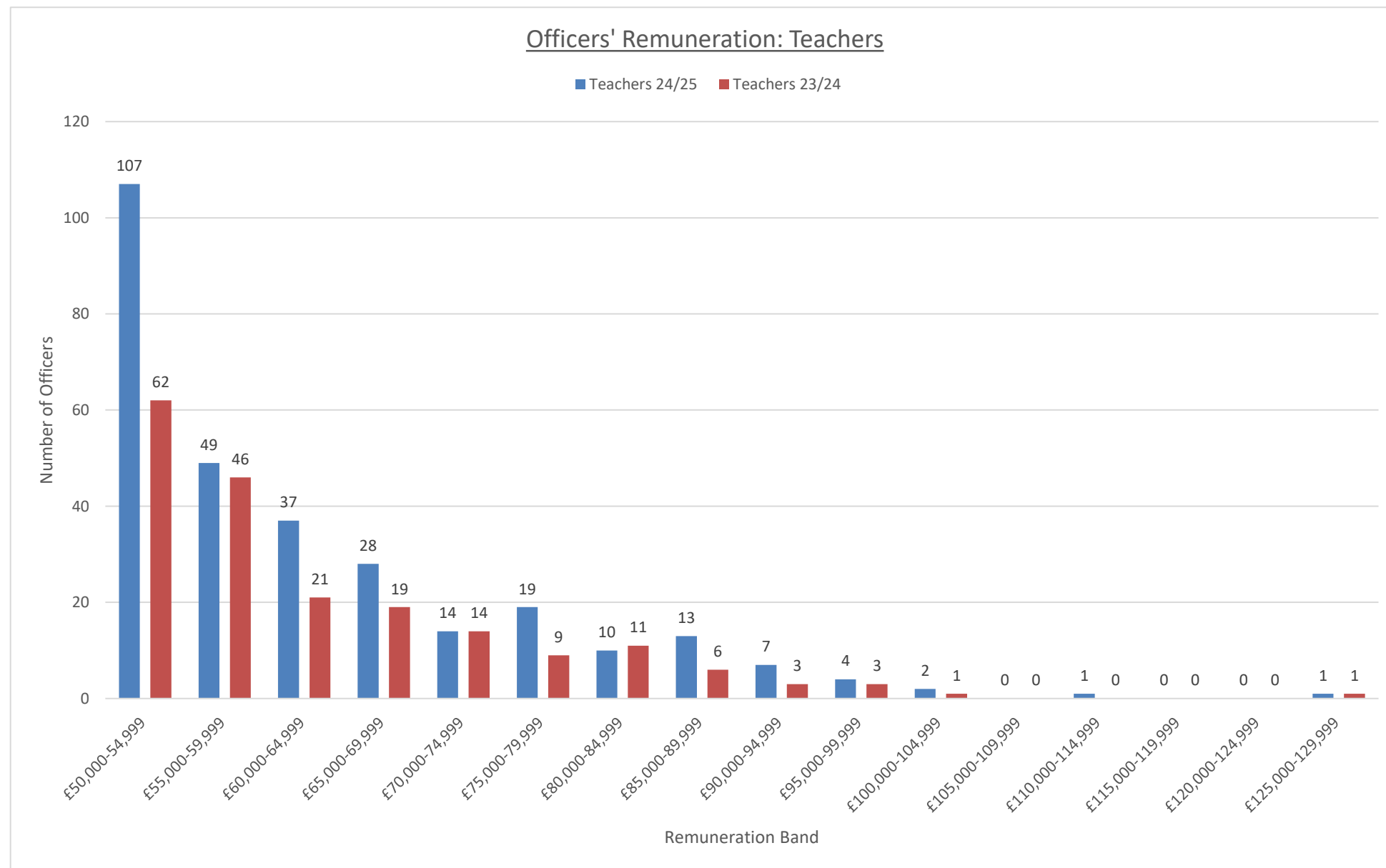
1. The Director of Policy Performance and Democratic Engagement left their position on 21 February 2025.

2023/24 – Comparative Information						
Post Holder Information	Notes	Salary – including Fees and Allowances	Expenses Allowances	Total Remuneration exc Pension Contributions	Pension Contributions	Total Remuneration inc Pension Contributions
		£	£	£	£	£
Chief Executive – Kate Josephs		213,454	0	213,454	40,556	254,010
Executive Director of City Futures – Kate Martin		160,870	0	160,870	30,565	191,435
Executive Director of Neighbourhood Services – Ajman Ali		164,111	0	164,111	31,181	195,292
Strategic Director of Children's Services	1	126,921	0	126,921	24,115	151,036
Chief Operating Officer	2	119,638	0	119,638	22,731	142,369
Director of Public Health and Integrated Commissioning		135,027	128	135,155	19,362	154,517
Strategic Director of Adults' Care and Wellbeing		122,847	0	122,847	23,341	146,188
Director of Finance and Commercial Services	3	86,090	0	86,090	16,357	102,447
General Counsel		94,399	0	94,399	18,389	112,788
Director of Policy and Democratic Engagement		97,396	0	97,396	18,505	115,901
Total		1,320,753	128	1,320,881	245,102	1,565,983

Notes:

1. The Strategic Director of Children's Services joined the Council on 19 June 2023
2. The Chief Operating Officer joined the Council on 1 June 2023
3. The Director of Finance and Commercial Services joined the Council on 31 July 2023





43. Termination Benefits

The Council terminated the contracts of 19 employees in 2024/25 (19 in 2023/24), who were made redundant as part of its strategy to reduce the workforce to achieve budget savings, incurring liabilities of £244k (£660k in 2023/24). This includes redundancy and pension payments.

The numbers of exit packages with total cost per band are set out in the table below:

2023/24			2024/25		
Total number of exit packages by cost band	Total cost of exit packages in each band	Exit package cost band (including special payments)	Total number of exit packages by cost band	Total cost of exit packages in each band	
	£000				£000
13	87	£0.01 - £40,000	16	110	
3	199	£40,001 - £80,000	3	134	
3	374	£80,001 - £200,000	0	0	
19	660	Total	19	244	

44. Post-Employment Benefits

Refer to [section VIII](#) of the Accounting Policies for further information which supports this note.

As part of the terms and conditions of employment of its employees, the Council offers post-employment benefits in the form of three pension schemes, which provide members with defined benefits related to pay and service. 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 City Council makes contributions to the following pension schemes in respect of its employees.

Teachers' Pension Scheme

In 2024/25 the Council paid £17.7m (£14.5m in 2023/24) to the Department for Education (DfE) in respect of Teachers' pension costs, which represented 28.68% of Teachers' pensionable pay over the year (23.68% in 2023/24).

In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2024/25 these amounted to £3.6m (£3.7m in 2023/24), representing 5.86% (6.01% in 2023/24) of pensionable pay.

The teachers' pension scheme is not the direct responsibility of the Local Education Authority. The teachers' pension scheme is an unfunded scheme with pension costs charged to the accounts based on a rate set by the DfE, supported by a five-year actuarial review. It is not possible to identify liabilities consistently and reliably between participant authorities.



NHS Pension Scheme

During 2013/14 public health staff were transferred from Primary Care Trusts (PCTs) to Local Authorities. These staff have maintained their membership in the NHS pension scheme. In 2024/25 the Council paid £113k (£116k in 2023/24) to NHS Pensions in respect of NHS pension costs, which represented 14.38% (14.38% in 2023/24) of NHS pensionable pay.

The scheme is an unfunded defined benefit scheme. However, the Council is not able to identify its share of the underlying scheme assets and liabilities with sufficient reliability. For the purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

Local Government Pension Scheme

Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund via the Movement in Reserves Statement during the year:



2023/24 £000		2024/25 £000
	Comprehensive Income and Expenditure Statement	
	<i>Cost of Services:</i>	
61,177	Current service cost	57,533
(1,839)	(Gains) and Losses on Settlements	(2,419)
2,705	Past service cost including curtailments	5
62,043	Charge to (Surplus) / Deficit on Continuing Operations	55,119
	<i>Other Operating Expenditure:</i>	
1,457	Administration expenses	1,522
1,457		1,522
	<i>Financing and Investment Income and Expenditure:</i>	
137,428	Interest cost on pension liabilities	140,085
(146,020)	Interest on plan assets	(157,588)
(8,592)		(17,503)
(7,135)	Charge to the (Surplus) / Deficit on the Provision of Services	(15,981)
	<i>Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement:</i>	
180,256	Re-measurements of the net defined benefit liability	15,362
0	Business Combinations	0
180,256		15,362
235,164	Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	54,500

2023/24 £000		2024/25 £000
	Movement in Reserves Statement	
(54,908)	Reversal of net charges made to the (Surplus) / Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(39,138)
	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	
56,228	Employer's contributions payable to scheme	56,880

The cumulative amount of actuarial (gains) and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2025 is a gain of £706.8m (£722.2m gain in 2023/24).

The employer's contributions payable to the scheme increased from £56.2m in 2023/24 to £56.9m in 2024/25.

Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

2023/24 £000		2024/25 £000
(2,916,288)	Opening Balance at 1 April	(2,945,821)
(62,634)	Current service cost	(59,055)
(137,428)	Interest cost	(140,085)
(18,914)	Contributions by scheme participants	(19,969)
62,083	Re-measurements	480,479
125,644	Benefits Paid	126,575
(2,705)	Curtailments	(5)
4,421	Settlements	5,923
(2,945,821)	Closing Balance at 31 March	(2,551,958)

Reconciliation of fair value of the scheme (plan) assets:

2023/24 £000		2024/25 £000
3,056,604	Opening Balance at 1 April	3,333,188
146,020	Interest on plan assets	157,588
94,608	Re-measurements	(72,563)
145,268	Contributions by Employer	12,113
18,914	Contributions by scheme (plan) participants	19,969
(125,644)	Benefits paid	(126,575)
(2,582)	Settlements	(3,504)
3,333,188	Closing Balance at 31 March	3,320,216

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £85.1m (£240.6m gain in 2023/24).

Local Government Pension Scheme assets comprised:

	31 March 2024	31 March 2025
	£000	£000
Equity Securities:		
Other - Quoted	196	168
Other - Unquoted	30	0
Debt Securities:		
Corporate Bonds (Non-Investment Grade) - Unquoted	0	0
UK Government - Unquoted	0	0
Other - Quoted	8,748	999
Other - Unquoted	177,100	186,266
Private Equity:		
All - Quoted	5,265	969
All - Unquoted	334,067	348,426
Real Estate:		
UK Property - Quoted	3,669	0
UK Property - Unquoted	251,633	257,569
Overseas Property - Unquoted	3,312	8,124
Investment Funds and Unit Trusts:		
Equities - Unquoted	1,491,562	1,408,539
Bonds - Unquoted	487,121	494,764
Infrastructure - Quoted	23,489	11,556
Infrastructure - Unquoted	301,668	361,719
Other - Quoted	5,853	772
Other - Unquoted	105,110	155,175
Cash and Cash Equivalents:		
All – Quoted	45,326	40,901

Scheme History

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Present value of liabilities	(3,883,967)	(3,940,061)	(2,916,288)	(2,945,821)	(2,551,958)
Fair value of scheme assets	2,882,853	3,195,634	3,056,604	3,333,188	3,320,216
Surplus / (deficit) in the scheme	(1,001,114)	(744,427)	140,316	387,367	768,258
Asset ceiling adjustment				(336,945)	(760,223)
Adjusted Net Asset / (Liability)				50,422	8,035

	2023/24 £000	2024/25 £000
Split by:		
Pension Asset	101,962	53,271
Pension Liability	(51,540)	(45,236)
Adjusted Net Asset / (Liability)	50,422	8,035

The liabilities show the underlying commitments that the Council has, in the long run, to pay post-employment benefits.

Accounting Standard IAS19 (Employee Benefits) states an entity shall recognise the net defined benefit liability/asset in the statement of financial position. In line with IAS19 and IFRIC14 (the standard that limits the recognition of the asset), the net defined benefit asset should be valued at the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling has been calculated and is applicable in 2024/25, therefore, the net defined benefit asset has been adjusted to £53.3m, as presented in the table above.



Basis for Estimating Assets and Liabilities

The pension fund liabilities have been assessed by the actuaries Hymans Robertson using the projected unit method. This involved making an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The main assumptions used in their calculations are as follows:

2023/24		2024/25
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
20.6 years	Men	20.5 years
23.6 years	Women	23.6 years
	Longevity at 65 for future pensioners:	
21.4 years	Men	21.3 years
25.0 years	Women	25.0 years
	Financial assumptions:	
2.8%	Rate of CPI inflation	2.8%
3.4%	Rate of increase in salaries	3.4%
2.8%	Rate of increase in pensions	2.8%
4.8%	Rate for discounting scheme liabilities	5.8%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonably possible changes to 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, assume 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 cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Change in Assumptions at 31 March 2025	£000
Increase in life expectancy (1 year increase)	102,078
Rate of inflation (0.1% increase)	40,949
Rate of increase in salaries (0.1% increase)	1,920
Rate of discount (0.1% increase)	41,730



History of Experience Gains and Losses

The actuarial gains and losses identified as movements on the Pension Reserves in 2024/25 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2025:

	2020/21	2021/22	2022/23	2023/24	2024/25
	%	%	%	%	%
Differences between the expected and actual return on assets	16.1	6.9	-6.2	2.9	-2.2
Experience gains and losses on liabilities	13.4	-4.6	-46.5	-4.5	-17.5

Court of Appeal Decision - Virgin Media Ltd vs NTL Trustees

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this would apply to the Local Government Pension Scheme and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.



Housing Revenue Account (HRA)

The HRA Income and Expenditure Statement shows the economic cost in year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Councils charge rents to cover expenditure in accordance with regulations, this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

Housing Revenue Account Income and Expenditure Statement:

2023/24 £000		Notes	2024/25 £000
	Expenditure:		
56,788	Repairs and maintenance		63,235
61,684	Supervision and management		68,455
3,264	Rents, rates, taxes and other charges		3,692
140,219	Depreciation, impairment and revaluation losses / (gains) of non-current assets	8 / 9	(5,473)
200	Debt management costs		222
557	Movement in the allowance for Bad or Doubtful Debts		1,192
262,712	Total Expenditure		131,323
	Income:		
(162,657)	Dwelling rents	11	(177,143)
(1,353)	Non-dwelling rents - garages, garage sites, shops	11	(1,409)
(9,964)	Charges for services and facilities		(10,636)
(579)	Contributions towards expenditure		(540)
(174,553)	Total Income		(189,728)
88,159	Net (Income) / Cost of HRA Services as included in the whole Council's Comprehensive Income and Expenditure Statement		(58,405)
803	HRA share of Corporate and Democratic Core		797
88,962	Net (Income) / Cost of HRA Services		(57,608)
	HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Account:		
(2,655)	(Gain) or loss on sale of HRA non-current assets		(5,935)
12,747	Interest payable and similar charges		11,915
(4,805)	Interest and investment income		(5,156)
94,249	(Surplus) / Deficit for the year on HRA services		(56,784)





Movement on the Housing Revenue Account Statement:

2023/24 £000		Notes	2024/25 £000
(8,661)	Balance as at 1 April		(14,319)
94,249	(Surplus) / Deficit on the HRA Income and Expenditure Statement		(56,784)
0	Other Comprehensive Income and Expenditure	1	0
(111,178)	Adjustments between accounting basis and funding basis under regulation	2	37,839
(16,929)	Net (increase) / decrease before transfers to reserves		(18,945)
11,271	Transfer to / from reserves	3	16,278
(5,658)	(Increase) / decrease in year on the HRA		(2,667)
(14,319)	Balance as at 31 March		(16,986)





Notes to the Housing Revenue Account

01. Other Comprehensive Income and Expenditure

In 2024/25 and 2023/24 there were no other items.

02. Adjustments Between Accounting Basis and Funding Basis Under Regulation

2023/24 £000		2024/25 £000
(113,860)	Net Impairment and revaluation gains / (losses) on HRA non-current assets	31,877
2,655	Net gain / (loss) on sale of HRA non-current assets	5,935
27	Difference between any other item of income and expenditure determined in accordance with the Code and those determined in accordance with statutory HRA requirements	27
(111,178)	Total	37,839

03. Transfer to / (from) Reserves

This note sets out the amounts set aside from the HRA balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to the HRA to meet expenditure in 2024/25.

2023/24 £000		2024/25 £000
12,632	Transfer to / (from) the Major Repairs Reserve	17,002
(1,361)	Transfer to / (from) the HRA Earmarked Reserve	(724)
11,271	Total	16,278





04. Housing Stock

The Council was responsible for managing, on average 38,131 dwellings during 2024/25 (38,310 for 2023/24). The movement in stock can be summarised as follows:

2023/24		2024/25
38,397	Housing Stock as at 1 April	38,222
(249)	Less: Sales	(276)
0	Less: Demolitions and other deductions	(3)
74	Add: New build and acquisitions	97
38,222	Housing Stock as at 31 March	38,040

The housing stock can be analysed by type as follows:

2024/25	Flats and Maisonettes	Houses and Bungalows	Total
1 Bedroom	11,909	1,681	13,590
2 Bedrooms	5,312	8,211	13,523
3 Bedrooms	788	9,329	10,117
4 Bedrooms	23	415	438
5 Bedrooms	1	20	21
6 Bedrooms or more	1	1	2
Bedsits	347	2	349
Total	18,381	19,659	38,040

2023/24 – Comparative Information	Flats and Maisonettes	Houses and Bungalows	Total
1 Bedroom	11,912	1,695	13,607
2 Bedrooms	5,379	8,225	13,604
3 Bedrooms	796	9,419	10,215
4 Bedrooms	15	408	423
5 Bedrooms	1	20	21
6 Bedrooms or more	1	2	3
Bedsits	347	2	349
Total	18,451	19,771	38,222



The opening and closing balances of HRA fixed assets are as follows:

2023/24 Value at 1 April £000	Value at 31 March £000		2024/25 Value at 1 April £000	Value at 31 March £000
1,634,625	1,636,822	Council Dwellings	1,636,822	1,747,029
27,184	28,413	Other Land and Buildings	28,413	28,262
46,495	53,321	Surplus Assets	53,321	60,920
5,796	916	Assets Held for Sale	916	12,763
0	30	Community Assets	30	30
28,089	20,496	Assets Under Construction	20,496	28,153
161	155	Vehicles, Plant and Equipment	155	121
1,742,350	1,740,153	Total	1,740,153	1,877,278

05. Vacant Possession

The vacant possession value of Council Dwellings as at 31 March 2025 was £4.25bn (£3.99bn as at 31 March 2024). The difference between the vacant possession value of dwellings and the Balance Sheet value represents the economic cost to government of providing council housing at less than open market rents.

06. Major Repairs Reserve

The Major Repairs Reserve was created on 1 April 2002 in accordance with the statutory provision (Section 3 Local Authorities Capital Finance and Accounts England Regulations 2000). This reserve is held to provide funding for the substantial future planned HRA Capital Investment Programme.

The table below shows the movement on the reserve:

2023/24 £000		2024/25 £000
(84,829)	Balance at 1 April	(79,097)
(26,359)	Transfers from the Capital Adjustment Account (re. Depreciation)	(26,404)
(12,632)	Transfers from the HRA (re. Additional Revenue Contribution)	(17,002)
44,723	Expenditure on capital assets	32,087
(79,097)	Balance at 31 March	(90,416)



07. Capital Expenditure

During the financial year total capital expenditure was £49.1m (£53.3m in 2023/24), split between houses £33.5m (£45.2m in 2023/24) and other property and land within the Housing Revenue Account £15.6m (£8.1m in 2023/24).

The table below provides details of how this expenditure was financed:

2023/24 £000		2024/25 £000
44,723	Major Repairs Reserve	32,087
3,205	Usable Capital Receipts Reserve	3,146
5,405	Capital Grants and Other Contributions	13,820
53,333	Total	49,053

Capital receipts amounting to £20.0m (£14.0m in 2023/24) were generated in the financial year from the disposal of land, houses and other property within the authority's HRA.

08. Depreciation

A depreciation charge of £26.4m (£26.4m in 2023/24) was made to the HRA during the financial year. The split of the depreciation charge is detailed below:

2023/24 £000		2024/25 £000
25,330	Council Dwellings	25,214
955	Other Land and Buildings	1,028
44	Surplus Assets	125
30	Vehicles, Plant and Equipment	35
26,359	Total	26,404



09. Impairment and Valuations

There were no impairment charges in 2024/25 or 2023/24. However, there are reversals of previous impairments of £35.2m (£23.8m in 2023/24).

10. Rent Arrears	
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Rent arrears (excluding amounts collectable on behalf of other agencies) as at 31 March 2025 amounted to £13.0m (£13.5m as at 31 March 2024).

The provision for doubtful debts in respect of these rent arrears is £9.2m (£9.8m as at 31 March 2024).

11.	Rent Income	
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The total rent income due for the year after allowance has been made for vacant property is as follows:

2023/24				2024/25		
Dwellings £000	Non-Dwellings £000	Total £000		Dwellings £000	Non-Dwellings £000	Total £000
(167,323)	(2,355)	(169,678)	Gross rent income before allowances	(180,898)	(2,511)	(183,409)
4,666	1,002	5,668	Less vacant properties	3,755	1,101	4,856
(162,657)	(1,353)	(164,010)	Gross rent income after allowances	(177,143)	(1,410)	(178,553)

12. Dwellings Rents

This represents rent income due from tenants. The average rent per week at 31 March 2025 was £95.10 (50 week basis) compared with £87.51 per week at 31 March 2024, an increase of £7.59 or 8.7%.

13. Rebates

Rent rebates are available through the Housing Benefits scheme. As at 31 March 2025, 28% (35% as at 31 March 2024) of Council tenants were receiving assistance from the scheme.



Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and National Non-domestic Rates (NNDR).

Non-Domestic Rates £000	2023/24 Council Tax £000	Total £000		Notes	Non-Domestic rates £000	2024/25 Council Tax £000	Total £000
0	(326,906)	(326,906)	Income:	1	0	(349,042)	(349,042)
(185,663)	0	(185,663)	Council Tax Receivable	2	(201,644)	0	(201,644)
(185,663)	(326,906)	(512,569)	NNDR Receivable		(201,644)	(349,042)	(550,686)
			Total Income				
			Expenditure:				
			Precepts and Demands:				
90,134	268,462	358,596	- Sheffield City Council		94,415	284,713	379,128
0	34,632	34,632	- SY Police Authority		0	36,897	36,897
1,840	12,015	13,855	- SY Fire and Rescue Authority		1,927	12,500	14,427
91,974	0	91,974	- Central Government share of NNDR		96,342	0	96,342
183,948	315,109	499,057			192,684	334,110	526,794
			Apportionment of Previous Years' Surplus/(Deficit):				
3,687	616	4,303	- Sheffield City Council		7,826	4,684	12,510
0	89	89	- SY Police Authority		0	601	601
75	25	100	- SY Fire and Rescue Authority		160	209	369
3,762	0	3,762	- Central Government share of NNDR		7,986	0	7,986
7,524	730	8,254			15,972	5,494	21,466
			Charges to Collection Fund:				
(9,449)	0	(9,449)	Non-domestic Transitional Protection Payments		(3,561)	0	(3,561)
129	0	129	Interest payable to ratepayers		289	0	289
			Impairment of debts:				
0	1,824	1,824	- Bad debt written off	1	0	1,416	1416
3,352	6,500	9,852	- Allowance for bad debt		1,692	8,591	10,283
(1,624)	0	(1,624)	Appeals provision		(6,166)	0	(6,166)
0	0	0	Opening balance correction (22/23 only)		0	0	0
725	0	725	Cost of Collection		727	0	727
1,697	0	1,697	Renewable Energy Disregarded		1,809	0	1,809
266	0	266	Enterprise Zone Growth		2,878	0	2,878
1,221	0	1,221	New Development Deal Growth		1,987	0	1,987
187,789	324,163	511,952	Total Expenditure		208,311	349,611	557,922
2,126	(2,743)	(617)	Movement on the Fund		6,667	569	7,236
(17,240)	(3,202)	(20,442)	Opening Fund Balance		(15,114)	(5,945)	(21,059)
(15,114)	(5,945)	(21,059)	Closing Fund Balance		(8,447)	(5,376)	(13,821)



Notes to the Collection Fund

01. Council Tax

There are an estimated 260,698 residential properties (256,203 for 2023/24) in the City Council area, and each is placed into one of eight valuation bands (A to H) by the Inland Revenue Valuation Office Agency based on its assessed capital value at 1 April 1991. The totals for each band are converted and expressed in terms of a number of Band D dwellings to give the tax base for the city of 146,974.63 for 2024/25 (150,062.56 for 2023/24). After allowing for non-collection, the calculation of Council Tax at Band D is made so as to be sufficient to generate the estimated income required to be taken from the Collection Fund by the City Council and the South Yorkshire Joint Authorities. The amount of Council Tax set at Band D is £2,273.16 for 2024/25 (£2,053.83 for 2023/24). This excludes parish precepts but includes the precepts from the other South Yorkshire Joint Authorities and is converted to determine the level of Council Tax for the other eight bands.

Council Tax bills were based on the following proportions for Bands A to H:

2024/25 Band	Number of Properties in Band	Exemptions and Reliefs	Chargeable Dwellings	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Band D Equivalent Dwellings
Disabled Band A		286	286	258	5/9	143
A	151,851	(35,886)	115,965	99,284	6/9	66,189
B	41,754	(4,061)	37,693	34,380	7/9	26,740
C	32,990	(3,645)	29,345	27,241	8/9	24,214
D	16,892	(1,618)	15,274	14,323	9/9	14,323
E	9,718	(467)	9,251	8,777	11/9	10,727
F	4,396	(88)	4,308	4,108	13/9	5,934
G	2,886	(62)	2,824	2,699	15/9	4,498
H	211	(37)	174	162	18/9	324
	260,698	(45,578)	215,120	191,232		153,092
Less: Allowance for non-collection						(6,124)
Add: Defence-exempt properties						7
Tax Base for the calculation of 2024/25 Council Tax						146,974.63

Those properties qualifying for Council Tax support are no longer included in the tax base figures from 2014/15. Defence-exempt properties are properties owned by the Ministry of Defence for use by armed forces personnel. These can include barracks or other living accommodation on military bases.

2023/24 – Comparative Information Band	Number of Properties in Band	Exemptions and Reliefs	Chargeable Dwellings	Adjusted Chargeable Dwellings	Proportion of Band D Tax	Band D Equivalent Dwellings
Disabled Band A		274	274	(32)	5/9	134
A	151,114	(35,158)	115,956	(17,488)	6/9	65,645
B	41,236	(3,662)	37,574	(3,400)	7/9	26,580
C	32,516	(3,167)	29,349	(2,150)	8/9	24,177
D	16,778	(1,430)	15,348	(952)	9/9	14,396
E	9,625	(426)	9,199	(480)	11/9	10,657
F	4,376	(23)	4,353	(201)	13/9	5,997
G	2,873	(86)	2,787	(122)	15/9	4,442
H	211	(44)	167	(11)	18/9	312
	258,729	(43,722)	215,007	(24,836)		152,340
Less: Allowance for non-collection						(6,855)
Add: Defence-exempt properties						5
Tax Base for the calculation of 2023/24 Council Tax						145,489.56

The income of £347.6m for 2024/25 (£325.1m for 2023/24), which is net of write offs, is broken down as follows:

2023/24 £000		2024/25 £000
(326,907)	Billed to Council Tax Payers	(349,042)
1,824	Write Offs	1,416
(325,083)	Total	(347,626)



02. National Non-Domestic Rates (NNDR)

Under statutory arrangements, NNDR is collected locally on the basis of a nationally determined rate in the pound charged on the rateable value of the property. The multiplier is set nationally by Central Government and local rateable values are provided by the Valuation Office Agency (VOA). In 2024/25 the Standard Rate was 54.6p (51.2p from 2023/24) and the Small Business Rate was 49.9p (unchanged from 2023/24). Subject to the effects of transitional arrangements, local businesses pay rates are calculated by multiplying the rateable value of relevant premises by these amounts. The Council is responsible for collecting rates due from the ratepayers in its area but pays 50% to Government and 1% to South Yorkshire Fire and Rescue Authority, after accounting for disregarded amounts. The NNDR income of £201.6m for 2024/25 (£185.7m for 2023/24) was based on a total rateable value for the Council's area of £542.6m for the year 2024/25 (£537.5m for 2023/24).





Accounting Policies

I. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code') and the CIPFA Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 7 of the 2015 Regulations.

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.

II. 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. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can reliably measure the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from car parking penalty charge notices is recognised at the point of actual receipt rather than when the invoice is raised, ensuring that a prudent approach is taken.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Expenses in relation to utilities, such as gas and electricity, are recorded as expenditure at the date of the meter reading rather than being apportioned between years, and this policy is applied consistently each year to ensure that the expenditure in a given year is not materially misstated.





- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded on the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Materiality levels are set to for the accruals to be taken at the end of the financial year, thereby excluding certain low value revenue transactions. In these instances, the change from year to year is recurring in nature and the sums involved have been deemed not to be material compared with total income and expenditure.

III. Acquisitions and Discontinued Operations

Acquired Operations

All operations acquired in year will be treated in line with the Council's accounting policies and disclosed separately on the face of the Comprehensive Income and Expenditure Statement.

Discontinued Operations

Any discontinued operations are disclosed separately on the face of the Comprehensive Income and Expenditure Statement.

IV. 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. Deposits placed within instant access call accounts, money market funds and the Council's instant access call account are classified in the accounts as cash equivalents due to these being highly liquid investments which offer instant access to the funds which are deposited to meet the Council's short-term cash requirements. Fixed term investments are not classified as cash equivalents, as from the point of making the deposit the Council is unable to convert these to cash until the maturity date of the investment.

The balances of third-party funds and bank accounts are not included in the Council's financial statements.

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 authority's cash management.





V. Exceptional Items / Material Items of Income or Expense

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts. Where they are disclosed is dependent on how significant the items are to an understanding of the Council's financial performance.

VI. Prior Period Adjustments, Changes in Accounting Policies and Estimates, and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively if material (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period as if the error had never occurred.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

VII. 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 fixed 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.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses. 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 are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision) by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.





VIII. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. This includes wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars). They 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 using the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to '(Surplus) / Deficit on the Provision of Services', but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement 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. A restructuring is a programme that is planned and controlled by management, and materially changes either the scope of the Council's activities, or the manner in which those activities are carried out.

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 Movement in Reserves Statement, 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 members of the following pension schemes:

- The Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme, administered by NHS Pensions on behalf of the Department of Health & Social Care (DHSC).
- The Local Government Pension Scheme, administered by South Yorkshire Pensions Authority on behalf of Sheffield City Council and the other local authorities in South Yorkshire.





These Pension Schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as defined contribution schemes and no liability for future payments of benefits is recognised on the Balance Sheet. The Children's line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year. Directorates are charged with the employer's contributions payable to NHS Pensions in the year for the Public Health staff working in their directorate. This will be across various lines within the Comprehensive Income and Expenditure Statement.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Council are included on 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, projected earnings for current employees etc.
- Liabilities are discounted to their value at current prices, using a discount rate. Details of the rates used and assumptions made are included in Note 45 to the core financial statements.
- The assets of the pension fund attributable to the Council are included on 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 pensions 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 Comprehensive Income and Expenditure Statement to the services for which the employees worked,



- 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 Comprehensive Income and Expenditure Statement,
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – 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 (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) 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 (asset) – 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 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 Movement in Reserves Statement 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.

No adjustments have been made within the Housing Revenue Account for Retirement Benefits. This is because it is not possible to identify the Housing Revenue Account's share of assets and liabilities on a consistent and reliable basis and because it would be incompatible with legislative requirements to show items within the Housing Revenue Account not specified as statutory debits and credits.

Superannuation Fund Accounts are available from the South Yorkshire Pensions Authority via their website or by contacting them directly.



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.

IX. Events After the Reporting Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- 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.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is 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.

X. Fair Value Measurement

The Council measures some of its non-financial assets, such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market i.e. the market with the greatest volume and level of activity for the asset or liability, or
- in the absence of a principal market, in the most advantageous market i.e. the market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.

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 takes into account 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 assets 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 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, either directly or indirectly.
- Level 3 – unobservable inputs for the asset.

XI. 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 carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied 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 on the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of re-purchase / settlement. However, where re-purchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, 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 Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account (an unusable reserve), in the Movement in Reserves Statement.





Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial asset measured at:

- Amortised cost,
- Fair value through profit or loss (FVPL), and
- Fair value through Other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those assets whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council become a party to the contractual provisions of the financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (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 financial assets held by the Council, this means that the amount presented in the balance sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument. This results in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan on the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year. The reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.





Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council. The expected credit loss model also applies to lease receivables and contract assets. A contract asset is the Council's right to consideration in exchange for goods or services that the Council has transferred to a service recipient (a party that has contracted with the Council to obtain goods or services that are an output of the Council's normal operating activities in exchange for consideration) when that right is conditioned on something other than the passage of time (for example, the Council's future performance).

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 on the basis of 12-month expected losses.

Expected credit losses will be calculated on individual assets where reasonable to do so. Where the Council cannot gather reasonable and supporting information without undue cost or effort to support expected credit losses on an individual basis, it will assess losses on a collective basis.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.





Instruments Entered Into Before 1 April 2006

The Council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed under the policies set out in the section on Provisions and Contingent Liabilities.

XII. Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the spot exchange rate as at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

XIII. Government Grants and Other 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 Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution 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 on the Balance Sheet as liabilities. 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 Comprehensive Income and Expenditure Statement.

When capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. When 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.





Business Improvement Districts

Business Improvement District (BID) schemes are funded by a BID levy paid by non-domestic ratepayers. The Council acts as principal under the scheme and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects to support the development of the area.

The meaningful proportion of the CIL is received without outstanding conditions, it is therefore recognised when received in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

XIV. Heritage Assets

Tangible and Intangible Heritage Assets (described in this summary of significant accounting policies as Heritage Assets)

Heritage Assets are assets held principally for their contribution to the knowledge, understanding and appreciation of the Council's culture, history and local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets and these are detailed below. The accounting policies in relation to Heritage Assets that are deemed to include elements of intangible Heritage Assets are also presented below. For the purposes of the accounts, the Council has grouped its Heritage Assets into four main areas, which are accounted for as follows:

Museums and Galleries

The collections include fine and decorative art, natural sciences, human history and industrial heritage. The assets are reported on the Council's Balance Sheet at insurance valuation, which is updated on an annual basis. The policy insures the collections as a whole and includes assets managed by Sheffield Museums Trust, formed in 2021 through the merger of Museums Sheffield and Sheffield Industrial Museums Trust. High value works are valued annually, either through external valuation or with reference to auction guides. Variations are made to the insurance schedule on an annual basis or sooner as appropriate.

Land and buildings assets have been reported on the Council's Balance Sheet at cost. Only assets with a determinable life have been depreciated.





While the collections in their entirety have significant historic value, the majority of items have a relatively low market value. In many cases the costs of conservation exceed market values and investment in the assets is determined on the basis of its unique national and local historic significance.

The collections develop through a combination of acquisition through purchase and donation. Acquisitions are initially recognised at cost and then subsequently recognised at valuation. Donations are recognised at valuation ascertained by the museum's curators.

Sheffield Museums Trust works to the Collections Agreement between the Trust and the Council and a Collections Development Policy that is revised as part of the Arts Council England Accreditation Scheme and is approved by Sheffield Museums Board of Trustees and the Council.

Standards of care are governed by the requirements of the National Museum Accreditation Scheme, with which Sheffield Museums has achieved accreditation.

Civic Collections

The Civic Collections include gifts of silverware and paintings given to the city and examples of products manufactured by Sheffield's industries. The collection of silverware is reported on the Balance Sheet at insurance valuation, which is based on a specialist valuation report commissioned in 2009. The other artefacts have not been valued because of the diverse nature of the assets and in the Council's opinion, conventional valuation approaches lack sufficient reliability. The assets are deemed to have indeterminate lives hence the Council does not consider it appropriate to charge depreciation.

Archives and Libraries

Sheffield Archives collect and preserve original historic records and printed material relating to Sheffield and the surrounding area. The collection is reported on the Balance Sheet at insurance valuation, which is based on an estimate of restorative costs, as it is unlikely market value could be derived given the diverse nature and size of the collections. The assets are deemed to have indeterminate lives hence the Council does not consider it appropriate to charge depreciation.

There are around 80,000 boxes of records. The public access policy is available at all sites for original documents, microform, CD-ROM and online libraries. Acquisitions occur throughout the year, deposited by other government departments and agencies, local Dioceses and private records on loan or donated to the Council.

Public Realm

Heritage Assets in the Public Realm include statues and monuments, war memorials, public art and archaeological sites. The Council does not consider that reliable valuation information can be obtained for the items held in the public realm. This is because of the diverse nature of the assets held and lack of comparable market values. Consequently, the Council does not recognise these assets on the Balance Sheet. However, cost information is included where available.





Acquisitions, commissions for new items and disposals are dealt with on an individual basis.

General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. The Council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

XV. Inventories

Inventories are included on the Balance Sheet at the lower of cost and net realisable value.

XVI. Long Term Contracts

Long term contracts are accounted for on the basis of charging the (Surplus) / Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

XVII. 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 based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. 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 Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.





XVIII. Leases

The Council as lessee

The Council classifies contracts as leases based on their substance. A contract is an agreement between two or more parties that creates enforceable rights and obligations. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later).

The lease term is the non-cancellable period for which the Council has the right to use an underlying asset, together with both:

- a) periods covered by an option to extend the lease if the Council is reasonably certain to exercise that option, and
- b) periods covered by an option to terminate the lease if the Council is reasonably certain not to exercise that option.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

The interest rate implicit in a lease is the rate of interest that causes the present value of:

- a) the lease payments, and
- b) the unguaranteed residual value

to equal the sum of:

- c) the fair value of the underlying asset, and
- d) any initial direct costs of the lessor.

The Council's incremental borrowing rate is the rate of interest that the Council would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date





- amounts expected to be payable under a residual value guarantee i.e. a guarantee made to the lessor by the Council that the value (or part of the value) of the underlying asset at the end of the lease will be at least a specified amount
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. In these financial statements, right-of-use assets have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the Council's estimate of the amount expected to be payable under a residual value guarantee
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise) i.e. short-term leases.





Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

The Council as lessor

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.

Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease i.e. the date on which the Council makes the underlying asset available for use by the lessee, 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 Comprehensive Income and Expenditure Statement as part of the (gain) / loss on disposal of non-current assets. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the (gain) / loss on disposal of non-current assets (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (Long Term Debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.





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 therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

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 Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, 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 as an expense over the lease term on the same basis as rental income.

XIX. Overheads and Support Services

The costs of overheads and support services are charged to service segments that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

XX. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals 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.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price.





- 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.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised and form part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, which the Council has determined to be a construction / development period of two years or more and until the construction is complete. This policy does not apply to projects that are predominantly grant funded.

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.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried on the Balance Sheet using the following measurement bases:

- assets under construction – historical cost.
- community assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), where practicable, otherwise depreciated historical cost, if this information is available.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Existing use value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, and:

- for assets other than those used for social housing (EUV), assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.
- for assets used for social housing (EUV-SH), subject to the following further assumptions that:



- the property will continue to be let by a body and used for social housing
- at the valuation date, any regulatory body, in applying its criteria for approval, would not unreasonably fetter the vendor's ability to dispose of the property to organisations intending to manage their housing stock in accordance with that regulatory body's requirements
- properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession
- any subsequent sale would be subject to all of the above assumptions.

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. DRC is a method of valuation that provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation. Where DRC is used as the valuation methodology, the Council uses the 'instant build' approach at the valuation date and the choice of an alternative site will normally hinge on the policy in respect of the locational requirements of the service that is being provided.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Community assets are measured at current value, where sufficient market-based evidence exists, or where the assets generate an income and this provides a reliable basis for estimating the current value. However, the income generating capacity of a community asset is deemed to be incidental to the Council's intention to hold the asset in perpetuity for the benefit of the community.

Assets included on 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 Comprehensive Income and Expenditure Statement 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 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 Comprehensive Income and Expenditure Statement.

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, 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 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 Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, 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 on a straight line basis, over the useful life of the asset following the year of construction or acquisition, determined as follows:

- Buildings are based upon individual asset lives, assessed as part of the rolling programme of revaluations.
- Vehicles, plant, furniture and equipment between 5 and 10 years, with the exception of the incinerator plant under the Veolia Public Private Partnership (PPP) contract, which has a useful economic life of 19 years and the District Heating Network of 23 years.

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 are depreciated separately. A framework for identifying components has been agreed with the Council's internal valuers. Components are also recognised where capital investment for replacement or enhancement of the asset establishes a material component.





Recognition is applied as follows:

- Assets with a value in excess of £2m are considered for componentisation.
- Components of an asset are recognised and depreciated separately to the main asset, where the value of the component is at least 20% and the difference in useful life is 20% or higher.

A further policy for Council Dwellings is in development, where it is necessary to recognise lower value and a greater number of components, to more accurately reflect replacement and asset life cycles. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

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 re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the (Surplus) / Deficit on Provision of Services.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset on the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement 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, net of statutory deductions and allowances, is payable to the Government. The balance of receipts is required to be credited to 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 Movement in Reserves Statement.

The written off value of disposals is not a charge against Council Tax, as the cost of fixed 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 Movement in Reserves Statement.

XXI. Infrastructure Assets

Infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Measurement

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year.

Useful lives of the various parts of the highways network are as follows:

Infrastructure Assets	Useful Life
Carriageways	40
Footways and cycle tracks	40
Structures (bridges, tunnels and underpasses)	40
Street lighting	40
Street furniture	20
Traffic management systems	20

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, 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).

The written-off amounts of disposals are 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 transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

XXII. Private Finance Initiative (PFI) and Similar Contracts

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. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

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.

Increases in the amount to be paid for the property arising during the contract are accounted for by remeasuring the Balance Sheet liability using the same principles as for a lease. Refer to [section XVIII](#) of the Accounting Policies for further information.



The amounts payable to the PFI operators each year are analysed into four elements:

- **Fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- **Finance cost** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **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).
- **Lifecycle replacement costs** – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

In the case of contracts that receive Central Government PFI Grant Support through PFI credits, the amount receivable in respect of the financial year is shown in the Comprehensive Income and Expenditure Account.

XXIII. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Council a present legal or constructive obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

A legal obligation is an obligation that derives from a contract (through its explicit or implicit terms) legislation, or other operation of law. A constructive obligation is an obligation that derives from the Council's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the Council has indicated to other parties that it will accept certain responsibilities, and as a result, the Council has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 Comprehensive Income and Expenditure Statement 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, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on 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.

Contingent Liabilities

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

XXIV. Redemption of Debt

The Council is required to set aside from revenue each year a minimum amount for the redemption of debt. This sum is referred to as the Minimum Revenue Provision (MRP).

For capital expenditure incurred before 1 April 2008, or which in the future will be Supported Capital Expenditure (expenditure which receives income support from government), MRP will be charged on a flat line basis over fifty years. This will ensure that all debt associated with Supported Capital Expenditure is fully provided for up to the Adjustment A level that is required of us by government within fifty years.

For all Unsupported Borrowing (borrowing for which no financial support is provided by Central Government and the borrowing costs are to be met from current revenue budgets), after adjusting for schemes to be deferred for MRP purposes, the MRP policy will be the Asset Life Method, which means that the provision made will be spread over the useful life of the asset created. The Asset Life Method must also be applied for any expenditure capitalised under a Capitalisation Directive.

Interest on external loans is charged direct to the Comprehensive Income and Expenditure Account.

XXV. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to report against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and





Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies.

XXVI. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset that has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

XXVII. Schools

Where a school is under the Council's control (i.e. under the responsibility of the Council's Section 151 Officer) its income, expenditure, current assets, liabilities and reserves are consolidated into the Council's accounts and are, therefore, included within the figures disclosed in the Statement of Accounts. Any reserves attributable to the school are earmarked and disclosed separately. As a result, Community schools, Community Special schools, Voluntary Aided schools, Voluntary Controlled schools and Foundation schools are all consolidated into the Council's accounts. However, once a school transfers to Academy status it is no longer under the control of the Council and, therefore, its income, expenditure, assets, liabilities and reserves are no longer consolidated into the Council's accounts.

In respect of any non-current assets associated with schools the Council has determined that Community schools, Community Special schools and Foundation schools should be on balance sheet, but that Voluntary Aided schools, Voluntary Controlled schools and Academy schools should not. Voluntary Aided schools and Voluntary Controlled schools' non-current assets are not included as ownership and control of the assets lies with the diocese. Non-current assets relating to schools that gain Academy status are derecognised from the Council's balance sheet when the contract is complete and signed and the specific assets have been handed over / transferred.

XXVIII. Tax Income (Council Tax, National Non-Domestic Rates and Residual Community Charge)

The Council is a Council Tax billing authority, collecting Council Tax on behalf of other authorities as well as itself. The collection of Council Tax on behalf of other authorities is treated as being on an agency basis, and thus only the elements of Council Tax collection that relate to the Council's own income are included in its main financial statements.





The Council is a Business Rates billing authority, collecting Business Rates on behalf of the South Yorkshire Fire and Rescue Authority and Central Government as well as itself. The collection of Business Rates on behalf of other authorities is treated as being on an agency basis, and thus only the elements of Business Rates collection that relate to the Council's own income (49%) are included in its main financial statements.

The Collection Fund account covers all local taxation collected by the Council on behalf of itself, local parish councils, Fire, Police and the Government. The cost of collection allowance and costs in respect of recovery action are the Council's income and appear in the Income and Expenditure Account. The Collection Fund account reflects the statutory requirement of the Local Government Finance Act 1988 (as amended by the 1992 Act).

XXIX. Value Added Tax (VAT)

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





Notes to the Policies and Standards

01. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code) will introduce new accounting standards and/or amendments to existing standards. The Council is required to disclose information relating to the impact of standards that have been issued but not yet adopted. If these had been adopted by the 2024/25 Code and applied in the Statement of Accounts, the changes would be as detailed below:

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' which clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as requires the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The Council does not hold foreign currencies or investments in foreign currencies, nor are there any plans to in the foreseeable future. Therefore, the amendments to IAS 21 would have had no effect on the amounts reported in the Statement of Accounts, and the Council agrees with CIPFA's view that the requirements seem unlikely to apply to local authorities generally.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued 'IFRS 17 Insurance Contracts' which replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

IFRS 17 only applies to entities that issue insurance contracts, which the Council does not. Therefore, the new standard would have had no effect on the amounts reported in the Statement of Accounts, and the Council agrees with CIPFA's view that the requirements seem unlikely to apply to local authorities generally.

Adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The changes to the measurement of non-investment assets within the 2025/26 Code include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4 of the Code.

The changes are mostly of a practical nature and do not fundamentally alter the accounting treatment for operational property, plant and equipment.





One of the three revaluation processes included in the 2025/26 Code is a rolling programme of revaluations over a five-year cycle, which is the process currently followed by the Council, and this is likely to continue.

The requirement to apply indexation for tangible non-investment assets is likely to result in the valuation of such assets being updated more frequently than under the current provisions of the Code, but it is not possible to estimate the impact on the amounts anticipated to be reported in the Statement of Accounts with any degree of certainty.

The Council did not hold any intangible assets on its Balance Sheet at 31 March 2025, so the requirement to value intangible assets using the historical cost approach does not apply.

02. Critical Judgements in Applying Accounting Policies

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

The critical judgements made in the Statement of Accounts are:

- The CIPFA Code requires the Council to produce group accounts to reflect significant activities provided to Council taxpayers by other organisations in which the Council has an interest. The group is identified as comprising the City Council and South Yorkshire Property Investment Limited (Local Housing Company). However, when consolidating the value of these entities the result is not material and therefore the production of all the required statements would not assist the reader.
- In July 2024 Sheffield City Council opened the Radisson Blu hotel including two retail units, as part of its Heart of the City II regeneration scheme and is managed on the Council's behalf by the Radisson Hotel Group. Its operations have been consolidated into the Council's accounts during 2024/25, including the valuation of the properties on the Council's balance sheet. Formal arrangements are being put in place during 2025/26.
- Sheffield City Trust (SCT) was an independent charity that the Council had contracts with to provide leisure and entertainment services. The Major Sporting Facilities property assets previously held by SCT were returned to the Council in December 2024, from which point they have been accounted for as Property, Plant and Equipment. The SCT is currently being wound up and the ongoing operation of leisure and entertainment services is now with ASM Global and Everyone Active.
- The Council has a number of historic European Union (EU) grants that potentially could be subject to further EU audits in the future. It remains a possibility that the available evidence for these grants may not meet the requirements of the grant conditions and so a provision has been made based on managerial judgements. There are as yet no further details on timescales for any future EU audits.





03. 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 that are otherwise uncertain. Such estimates take 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 authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment Depreciation (Note 23)	Assets are depreciated over useful lives which are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the current level of repairs and maintenance is not sustained it would bring into doubt the useful lives assigned to the assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the total annual depreciation charge for buildings would increase by £4m for every year that useful lives had to be reduced.
Infrastructure Assets Depreciation (Note 23A)	Highways Infrastructure Assets are depreciated at 40 years, which is in line with our expectations of the life under the PFI contractual agreement with Amey. In 2021/22 CIPFA produced information that suggested a more suitable life for footways and carriageways, which would be as low as 25 years.	If the useful life of Highways Infrastructure Assets was reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the difference in the annual depreciation charge would be an increase of £43m if the CIPFA useful life was adopted.
Property, Plant and Equipment, HRA valuation (Note 23)	The value of the Council's housing dwellings stock is determined using beacon properties, assuming vacant possession. These valuations are then adjusted to Existing Use Value – Social Housing (EUV-SH), to reflect their occupation by secure tenants. This adjustment is considered to reflect the additional risk and liability that public sector landlords undertake when compared with private sector investors.	The EUV-SH of the Council's housing dwellings stock as at 31 March 2025 has been determined by adjusting the vacant possession value using MHCLG's Social Housing adjustment factor for Yorkshire and Humber of 41%. A 1% decrease in this adjustment factor would have resulted in an additional revaluation loss of £42.9m in 2024/25.





<p>Fair Value Measurements</p>	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model).</p> <p>Where possible, the inputs to these valuation techniques are based on observable data but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council employs or commissions relevant experts to identify the most appropriate valuation techniques to determine fair value (e.g. for Surplus Assets, the Council's chief valuation officer or for loans and investments, the Council's Treasury advisors).</p> <p>Information about valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 14, 23 and 26.</p>	<p>Non-Financial Assets: The Council uses the market approach and income approach models to measure the fair value of its Surplus Assets and Investment Properties.</p> <p>The significant observable inputs used in the fair value measurement include using current market conditions, recent sale prices / rentals achieved and other relevant information for similar assets within the local authority area.</p> <p>Financial Assets and liabilities: The Council assesses fair value by calculating the net present value (NPV) of the cash flows that take place over the remaining life of the instruments.</p> <p>Significant changes in any of the inputs would result in a significantly lower or higher fair value measurement for the Council's assets and liabilities valued at fair value.</p>
<p>Pensions Liability</p>	<p>Estimation of the net liability to pay pensions depends on several complex judgements 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. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p> <p>See Note 45 for further details.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £41.7m. However, the assumptions interact in complex ways.</p>





Arrears	At 31 March 2025, the Council had a balance for sundry debtors of £79.6m. An impairment of doubtful debts of £19.6m (24.6%) was considered appropriate, based on analysis of collection rates. However, it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, an additional impairment of doubtful debts would be required to cover some of the £60.0m of sundry debts currently not provided for.
Business Rates - Appeals	<p>The provision for appeals is based on assumptions about the likely level of appeals raised against the ratings list in the future and the likely success of outstanding appeals.</p> <p>The provision stands at £12.9m which is reasonable given available data sources and historical analysis. However, further information from the Valuation Office Agency (VOA) may lead to a revision of these assumptions and could materially change the required level of provision.</p>	If more up to date information from the Valuation Office Agency stimulates a reduction to the provision, the release of the provision creates a credit to the collection fund. Conversely, an increase in the required provision creates a debit.
Expected Credit Loss (ECL)	Estimating ECL involves forecasting future economic conditions over a number of years. These longer-term forecasts are subject to management judgement and those judgements may be sources of measurement uncertainty that have a significant risk of resulting in a material adjustment to a carrying amount within the next financial year.	Significant changes in any of the assumptions used in forecasting the future economic conditions would result in a material adjustment to a carrying amount within the next financial year.





04. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the basis of going concern.

In carrying out the assessment that this basis is appropriate, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting for the period to 31 March 2026.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing, other than to support the capital programme, which is consistent to our plans and normal practice.

The [Medium Term Financial Strategy](#) (MTFS), approved in March 2025, outlines the planning assumptions for the period 2025/26 to 2028/29 and identifies a projected funding gap of approximately £52.3 million. It includes a comprehensive review of the financial pressures anticipated in 2025/26, alongside assumptions regarding local taxation and expected Government funding. The [2025/26 Revenue Budget](#), approved by full Council on 5 March 2025, sets out the savings, service efficiencies, and income generation measures required to achieve a balanced budget. The Council considers the MTFS assumptions to be robust and believes the proposed budget is deliverable. However, challenges in achieving savings in previous years have necessitated the use of reserves to offset overspends. For 2025/26, the Council must deliver £15.6 million in savings and generate an additional £27.4 million in income. Ensuring the successful implementation of these measures, while managing emerging pressures and potential overspends, is critical. At present, reserve levels are considered adequate and sufficient to support budget delivery over the coming year.

On this basis, the Council have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.





Glossary

Abbreviations

The symbol 'k' following a figure represents £thousand.

The symbol 'm' following a figure represents £million.

The symbol 'bn' following a figure represents £billion.

Accounting Estimates

Monetary amounts in financial statements that are subject to measurement uncertainty.

Accounting Policies

The specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting financial statements.

Active Market

A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Added Years

A discretionary award increasing the value of pensions for retiring employees aged 50 or over subject to specific conditions. Employers must exercise this discretion in accordance with the national regulations and the Council's own policies.

Agent

The Council can be deemed an "agent", (rather than a "principal"), when it is acting as an intermediary in a transaction. Where the Council is acting as an agent, transactions shall not be reflected in the Council's financial statements, with the exception in respect of cash collected or expenditure incurred by the Council on behalf of the principal, in which case there is a debtor or creditor position, and the net cash position is included in financing activities in the Cash Flow Statement. Another exception is where the Council receives payment for acting as an agent, in which case any amount of commission received or receivable shall be recognised as revenue in the Council's financial statements.

Amortisation

An accounting technique of recognising a cost or item of income in the Comprehensive Income and Expenditure Statement over a period of years rather than when the initial payment is made. Its purpose is to charge / credit the cost / income over the accounting periods that gain benefit for the respective item.

Amortised Cost

The amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Beacon

A sample property which is representative of a group of properties that are of similar design, age, type, or construction, for which a detailed inspection and valuation are carried out. The beacon valuation is compared with the other properties within the group, with the aim to accurately reflect the range of values within the group and material variations in the value will be reflected in the valuation of the group.

Borrowing Costs

Interest and other costs that the Council incurs in connection with the borrowing of funds, which may include interest expense calculated using the effective interest method, and interest charges in respect of lease liabilities.

Capital Expenditure

In accordance with proper practices, capital expenditure is expenditure that is incurred to acquire, construct, add to, replace part of, or service a non-current asset. Alternatively, expenditure which would not normally be treated as capital may be defined as such by regulations made under the Local Government Act 2003, or by direction of the Secretary of State.

Capital Financing Requirement

A measure of the capital expenditure incurred historically by the Council that has yet to be financed, which reflects the Council's underlying need to finance that expenditure by borrowing or other long-term liability arrangements.

Capital Receipt

A sum received by the Council in respect of the disposal by it of an interest in a capital asset. An asset is a capital asset if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure. The Secretary of State may, by regulations made under the Local Government Act 2003, make provision for the whole of a sum or part of it to be treated as being, or not being, a capital receipt.



The Secretary of State may also, by regulations made under the Local Government Act 2003, make provision about the use of capital receipts by the Council. Regulations in particular make provision requiring capital receipts to be used only to meet capital expenditure, or debts or other liabilities.

Carrying Amount / Net Book Value

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

Cash

Comprises cash on hand and demand deposits.

Cash Equivalents

Short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flows

Inflows and outflows of cash and cash equivalents.

Co-opted Member / Co-optee

A person who is not a member of the Council but who is a member of any committee or sub-committee of the Council, or is a member of, and represents the Council on, any joint committee or joint sub-committee of the Council, and who is entitled to vote on any question which falls to be decided at any meeting of the committee or sub-committee.

Community Asset

A non-current asset that the Council intends to hold in perpetuity, that has no determinable useful life and that may, in addition, have restrictions on its disposal.

Contract

An agreement between two or more parties that creates enforceable rights and obligations.

Contingent Liability

A possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council, or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or

- b) the amount of the obligation cannot be measured with sufficient reliability.

Cost

The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of acquisition or construction

Costs to Sell

The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs.

Council Tax

A banded property tax that is levied on domestic properties. The banding is based on assessed property values at 1 April 1991.

Credit Loss

The difference between all contractual cash flows that are due to an authority in accordance with a contract and all the cash flows that the authority expects to receive (i.e. all cash shortfalls), discounted at the appropriate effective interest rate.

Expected credit losses are defined as the weighted average of credit losses with the respective risks of a default occurring as the weights.

- Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.
- 12-month expected credit losses is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Creditors

Liabilities arising from obligations to pay cash or cash equivalents in the future for goods or services or other benefits that have been received by the Council and have been invoiced or formally agreed with the supplier. These obligations may be contractual, in which case the creditors are financial liabilities, or non-contractual, such as Council Tax, NNDR, etc.

Current Asset

An asset that is intended to be sold within the normal operating cycle; the asset is held primarily for the purpose of trading or the Council expects to realise the asset within 12 months after the reporting date.

Current Value

The value of an asset that reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Debtors

Assets arising from rights to receive cash or cash equivalents in the future for goods or services or other benefits that have been supplied by the Council and have been invoiced or formally agreed with the customer. These rights may be contractual, in which case the debtors are financial assets, or non-contractual, such as Council Tax, NNDR, etc.

Defined Benefit Scheme

A post-employment benefit plan other than a Defined Contribution Scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme

A post-employment benefit plan under which an employer pays fixed contributions (fixed amount or percentage of pay) into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset, or other amount substituted for cost, less residual value i.e. the estimated amount that the Council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Discontinued Operation

An activity of the Council that must cease completely; that is, responsibilities transferred from one part of the public sector to another are not discontinued operations.

Donated Assets

Donated assets are assets (including some heritage assets and right-of-use assets) transferred at nil value or acquired at less than fair value.

Fair Value

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. An orderly transaction is a transaction that assumes

exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (e.g. a forced liquidation or distress sale).

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivable (debtors) and trade payables (creditors) and the most complex ones such as derivatives and embedded derivatives.

Financing Activities

Activities that result in changes in the size and composition of the principal, received from or repaid to external providers of finance.

General Fund

The main revenue account to which the net cost of providing the total services of the Council (except for those relating to the provision of Council housing) is charged and which is met by Council Tax, Government Grants and National Non-Domestic Rates. The transactions of the Council as a billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and National Non-Domestic Rates (NNDR) are recorded separately, in the Collection Fund.

Grants and contributions

Assistance in the form of transfers of resources to the Council in return for past or future compliance with certain conditions relating to the operation of activities. They exclude those forms of assistance that cannot reasonably have a value placed upon them and transactions with organisations that cannot be distinguished from the normal service transactions of the Council.

Group

A parent and all its subsidiaries.

Group Accounts

The financial statements of a group in which the assets, liabilities, reserves, income, expenses and cash flows of the parent (reporting authority) and its subsidiaries plus the investments in associates and interests in joint ventures are presented as those of a single economic entity.

Heritage Asset

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Historical Cost

Deemed to be the carrying amount of an asset as at 1 April 2007 (i.e. brought forward from 31 March 2007) or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

Housing Revenue Account (HRA)

A statutory account maintained separately from the General Fund for the recording of income and expenditure relating to the provision of Council housing.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount, which is the higher of fair value less costs to sell (i.e. net selling price) and its value in use. The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential, while the value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset.

Impracticable

Applying a requirement is impracticable when the Council cannot apply it after making every reasonable effort to do so.

Income

Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in reserves or net worth.

Income Approach

A valuation technique that converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Inputs

The assumptions that market participants would use when pricing the asset or liability, including assumptions about risk, such as the following:

- a) the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model), and
- b) the risk inherent in the inputs to the valuation technique.

Inputs may be observable or unobservable.

International Financial Reporting Standards (IFRS)

Accounting standards developed and issued by the International Accounting Standards Board (IASB), which form the basis of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, that specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position, financial performance and cash flows of the Council.

Inventories

Assets:

- in the form of materials or supplies to be consumed in the production process or consumed or distributed in the rendering of services,
- held for sale or distribution in the ordinary course of operations, or
- in the process of production for sale or distribution

Investing Activities

The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Investment Property

Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or sale in the ordinary course of operations.

Lease

A contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time. The party to the contract that obtains the right to use the asset is known as the lessee, while the party that provides the right to use the asset is known as the lessor.

Liability

A present obligation of the Council arising from past events, the settlement of which is expected to result in an outflow from the Council of resources embodying economic benefits or service potential.

Market Approach

A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.

Market Participants

Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:



- a) They are independent of each other, i.e. they are not related parties as defined in IAS 24, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market terms.
- b) They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary.
- c) They are able to enter into a transaction for the asset or liability.
- d) They are willing to enter into a transaction for the asset or liability, i.e. they are motivated but not forced or otherwise compelled to do so.

Materiality

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that users of the financial statements make on the basis of those financial statements, which provide financial information about the Council. Materiality is based on the nature or magnitude, or both, of the items to which the information relates in the context of the Council's financial statements.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to a revenue account of the Council during each financial year in respect of the financing of capital expenditure incurred by the Council in that year or in any financial year prior to that year, in accordance with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

National Non-Domestic Rates (NNDR)

These are often referred to as Business Rates and are a levy on business properties based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines the national rate multiplier and the Valuation Office Agency determine the rateable value of each business property. Business Rates are collected by the Council and paid into their collection fund, this amount is then distributed 49% to the Council's General Fund, 1% to the South Yorkshire Fire and Rescue Authority and 50% to Central Government. The Central Government share is then redistributed nationally, partly back to the Council through Revenue Support Grant.

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use i.e. the cost of its replacement or of the

nearest equivalent asset, adjusted to reflect the current position of the existing asset.

Net Realisable Value

The estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Non-Current Asset

An asset that does not meet the definition of a current asset.

Operating Activities

The activities of the Council that are not investing or financing activities.

Precept

An amount levied by another body (preceptor) that is collected by the Council on its behalf. This mainly relates to Council Tax and NNDR.

Principal

The Council can be deemed a "principal", (rather than an "agent"), when it is acting on its own behalf in a transaction. Where the Council is acting as a principal, transactions shall be included in the Council's financial statements.

Property, Plant and Equipment

Tangible assets (i.e. assets with physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period.

Post-Employment Benefits

Employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. This mainly comprises pensions.

Provision

A liability of uncertain timing or amount.

Prudence

The exercise of caution when making judgements under conditions of uncertainty: assets and income must not be overstated, and liabilities and expenses must not be understated.

Public Works Loan Board (PWLb)

A lending facility which is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury and provides loans to local authorities at favourable rates, to finance capital projects.

Related Party

A person or entity that is related to the Council.





- a) A person or a close member of that person's family is related to the Council if that person:
 - i. has control or joint control over the Council,
 - ii. has significant influence over the Council, or
 - iii. is a member of the key management personnel of the Council.
- b) An entity is related to the Council if:
 - i. the entity is controlled or jointly controlled by a person identified in a),
 - ii. a person identified in a)i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity), or
 - iii. any of the other conditions in paragraph 3.9.2.7) b) of the Code apply.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Council and include:

- that person's children and spouse or domestic partner
- children of that person's spouse or domestic partner, and
- dependants of that person or that person's spouse or domestic partner.

Key management personnel are all chief officers (or equivalent), elected members, chief executive of an entity and other persons having the authority and responsibility for planning, directing and controlling the activities of the entity, including the oversight of these activities.

Oversight means the supervision of the activities of an entity, with the authority and responsibility to control, or exercise significant influence over, the financial and operating decisions of the entity.

Related Party Transaction

A transfer of resources or obligations between the Council and a related party, regardless of whether a price is charged.

Remuneration / Employee Benefits

All amounts paid to or receivable by a person and includes sums due by way of expenses allowance (so far as those sums are chargeable to UK income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash.

Reporting Period / Financial Year

The period of time covered by the Council's accounts. Normally 12 months, beginning on 1 April.

Reserves

The residual interest in the assets of the Council after deducting all its liabilities, which result from events that have allowed monies to be set aside, surpluses, decisions causing anticipated expenditure to have been postponed or cancelled, or by capital accounting arrangements.

Revenue

Income arising as a result of the Council's normal operating activities.

Revenue Expenditure

Expenditure incurred on the day-to-day running of the Council, for example, staffing costs, supplies and transport. In other words, all expenditure that does not meet the criteria to be treated as capital expenditure.

Revenue Support Grant (RSG)

A central government grant given to the Council which can be used to finance revenue expenditure on any service. The amount of RSG to be provided to the Council is established through the local government finance settlement, which is the government's assessment of how much the Council needs to spend in order to provide a standard level of service.

Service Concession

A contractual arrangement (or other arrangement that confers similar rights) between the Council (the "grantor") and an operator in which:

- a) the operator uses the service concession asset to provide a public service on behalf of the Council for a specified period of time, and
- b) the operator is compensated for its services over the period of the service concession arrangement, with the payments being linked to availability, performance and levels of usage.

A service concession asset is an asset that may be:

- a) provided by the operator which:
 - i. the operator constructs, develops, or acquires from a third party, or
 - ii. is an existing asset of the operator, or
- b) provided by the Council which:
 - i. is an existing asset of the Council, or
 - ii. is an upgrade to an existing asset of the Council.

Private Finance Initiatives (PFIs) and Public-Private Partnerships (PPPs) are forms of service concession arrangements.



Significant Influence

The power to participate in the financial and operating policy decisions of an entity but not to control or jointly control those policies.

Specific Government Grants

Grants distributed outside the local government finance settlement, which are designed to aid particular services and may be revenue or capital in nature. They typically have specified conditions attached to them such that they may only be used to fund expenditure which is incurred in pursuit of defined objectives.

Termination Benefits

Employee benefits provided in exchange for the termination of an employee's employment as a result of either the Council's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment (e.g. voluntary redundancy).

Useful (Economic) Life

The period for which an asset is expected to be available for use by the Council.

Value Added Tax (VAT)

An indirect tax levied on most business transactions and on many goods and some services.

- Input tax is VAT charged on purchases.
- Output tax is VAT charged in sales.



Independent Auditor's Report

To be included in the final audited Statement of Accounts.

