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### H1 Housing stock numbers and values

#### H1.1 Number and type of dwellings in housing stock

	2021/2022 Number	2020/2021 Number
Houses and bungalows	6,274	6,317
Flats and maisonettes	2,675	2,689
Equity share	6	6
	<b>8,955</b>	<b>9,012</b>

#### H1.2 Asset values

	31 March 2022 £'000	31 March 2021 £'000
<b>Operational assets</b>		
Dwellings	1,055,156	1,026,380
Other land and buildings	2,948	3,025
Equipment	292	189
<b>Non-operational assets</b>		
Assets Under Construction	22,552	9,865
<b>Total</b>	<b>1,080,949</b>	<b>1,039,459</b>

### H2 Vacant possession value of housing stock

The vacant possession value and balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than open market rents.

	2021/2022 £'000	2020/2021 £'000
Vacant possession value of housing stock at 1 April	2,777,970	2,655,040

### H3 Analysis of movement on the major repairs reserve

This reserve was set up on the 1 April 2001 and is financed by the depreciation charge to the HRA account. The reserve may only be used for capital related expenditure on the housing stock. The movement was as follows:

	2021/2022 £'000	2020/2021 £'000
<b>Opening balance as at 1 April</b>	-	-
Transfer to major repairs reserve during financial year	(14,951)	(14,324)
Capital expenditure	14,951	14,324
<b>Closing balance as at 31 March</b>	<b>-</b>	<b>-</b>

# Notes to the Housing Revenue Account

## H4 Summaries of total capital expenditure and receipts

### H4.1 Summary of total capital expenditure

	2021/2022	2020/2021
	£'000	£'000
Total capital expenditure in year	32,322	33,065
<b>Financed by:</b>		
Direct revenue funding	5,603	9,096
Grants and Contributions	-	-
Capital receipts reserve	11,533	5,185
Increase in Capital Financing Requirement	235	4,460
Major repairs reserve	14,951	14,324
<b>Total financing</b>	<b>32,322</b>	<b>33,065</b>

### H4.2 Summary of total capital receipts

	2021/2022	2020/2021
	£'000	£'000
House sales	14,242	5,954
Discounts recovered	90	38
<b>Total receipts</b>	<b>14,332</b>	<b>5,992</b>

## H5 Depreciation and impairment of assets

	2021/2022	2020/2021
	£'000	£'000
<b>Depreciation:</b>		
HRA Dwellings	14,817	14,226
Other land and buildings	77	48
Vehicles, Plant and Equipment	58	51
<b>Revaluation Losses / (Gains):</b>		
HRA Dwellings	562	-
<b>Total</b>	<b>15,513</b>	<b>14,325</b>

## H6 Rent arrears

	2021/2022	2020/2021
	£'000	£'000
Outstanding rent arrears at 31 March	1,670	1,971
Provision for uncollectable debts at 31 March	(1,485)	(1,793)

## 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 non-domestic rates.

2021/22

	<b>Council Tax £'000</b>	<b>Business Rates £'000</b>	<b>Total £'000</b>
<b>Income</b>			
Council Tax Receivable	(82,308)		(82,308)
Business Rates Receivable		(52,390)	(52,390)
<b>Total income</b>	<b>(82,308)</b>	<b>(52,390)</b>	<b>(134,698)</b>
<b>Expenditure</b>			
Precepts, Demands and Shares			
- Hertfordshire County Council	63,917	6,028	69,945
- Hertfordshire Police Authority (Council Tax only)	9,257		9,257
- Welwyn Hatfield Borough Council	11,312	24,111	35,423
- Central Government (Business Rates only)		30,139	30,139
Charges to Collection Fund			
- Less costs of collection	-	145	145
- Less write offs of uncollectable amounts	-	-	-
- Less increase / (decrease) allowances for impairment	471	(201)	270
- Less increase / (decrease) provision for appeals		(3,565)	(3,565)
Contribution towards previous year (deficit) / surplus		24	24
Transitional Payment Protection due		-	-
- Hertfordshire County Council	(583)	(2,389)	(2,972)
- Hertfordshire Police Authority (Council Tax only)	(84)		(84)
- Welwyn Hatfield Borough Council	(106)	(9,476)	(9,582)
- Central Government (Business Rates only)		(11,833)	(11,833)
<b>Total Expenditure</b>	<b>84,184</b>	<b>32,983</b>	<b>117,167</b>
<b>Movement on fund balance</b>	<b>1,876</b>	<b>(19,407)</b>	<b>(17,531)</b>
<b>Balance at beginning of year</b>	<b>2,150</b>	<b>19,928</b>	<b>22,078</b>
<b>Balance at end of year (surplus) / deficit</b>	<b>4,026</b>	<b>521</b>	<b>4,547</b>
<b>Shares of balance</b>			
- Hertfordshire County Council	3,048	59	3,107
- Hertfordshire Police Authority (Council Tax only)	437		437
- Welwyn Hatfield Borough Council	541	208	749
- Central Government (Business Rates only)	-	254	254
	<b>4,026</b>	<b>521</b>	<b>4,547</b>

2020/21

	<b>Council Tax £'000</b>	<b>Business Rates £'000</b>	<b>Total £'000</b>
<b>Income</b>			
Council Tax Receivable	(79,474)	-	(79,474)
Business Rates Receivable	-	(39,774)	(39,774)
<b>Total income</b>	<b>(79,474)</b>	<b>(39,774)</b>	<b>(119,248)</b>
<b>Expenditure</b>			
Precepts, Demands and Shares			
- Hertfordshire County Council	60,231	5,872	66,103
- Hertfordshire Police Authority (Council Tax only)	8,433	-	8,433
- Welwyn Hatfield Borough Council	10,855	23,490	34,344
- Central Government (Business Rates only)	-	29,362	29,362
Charges to Collection Fund			
- Less costs of collection	-	146	146
- Less write offs of uncollectable amounts	-	-	-
- Less increase / (decrease) allowances for impairment	1,481	954	2,435
- Less increase / (decrease) provision for appeals	-	(660)	(660)
Contribution towards previous year (deficit) / surplus			
Transitional Payment Protection due	-	474	474
- Hertfordshire County Council	(33)	(678)	(711)
- Hertfordshire Police Authority (Council Tax only)	-	-	-
- Welwyn Hatfield Borough Council	(7)	(1,679)	(1,685)
- Central Government (Business Rates only)	-	(1,943)	(1,943)
<b>Total Expenditure</b>	<b>80,960</b>	<b>55,338</b>	<b>136,298</b>
<b>Movement on fund balance</b>	<b>1,486</b>	<b>15,565</b>	<b>17,051</b>
<b>Balance at beginning of year</b>	<b>664</b>	<b>4,364</b>	<b>5,028</b>
<b>Balance at end of year (surplus) / deficit</b>	<b>2,150</b>	<b>19,928</b>	<b>22,079</b>
<b>Shares of balance</b>			
- Hertfordshire County Council	1,628	2,018	3,645
- Hertfordshire Police Authority (Council Tax only)	232	-	232
- Welwyn Hatfield Borough Council	291	7,968	8,259
- Central Government (Business Rates only)	-	9,943	9,943
	<b>2,150</b>	<b>19,928</b>	<b>22,079</b>



## Notes to the Collection Fund

### C1 Non-domestic rates

The total non-domestic rateable value at 31 March 2022 was £146.28m.

The national non-domestic rate multiplier for the 2021/22 year was 49.9p for small business and 51.2p for other businesses.

### C2 Calculation of council tax

The tax base calculation is derived by first multiplying the estimated number of domestic properties in each tax band less exemptions by a weighting factor. This result is then reduced by a percentage to allow for losses on collection and reductions through appeals.

Band	Property number less exemptions and discounts	Factor	Band D equivalents
A	904.6	6/9	603.1
B	4,544.8	7/9	3,534.9
C	14,222.0	8/9	12,641.7
D	11,061.5	1/1	11,061.7
E	5,074.0	11/9	6,201.4
F	4,227.3	13/9	6,105.9
G	3,725.3	15/9	6,209.0
H	674.3	2/1	1,348.5
<b>Total</b>	<b>44,433.6</b>		<b>47,706.2</b>
			Less adjustment for Council Tax Support (3,981.5)
			Total tax base before Collection Rate Adjustment <b>43,724.7</b>
			Less adjustment for collection rates at 99.4% 99.4%
			<b>Council tax base 43,462.4</b>

## Statement of responsibilities

### The Council's responsibilities

The council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director (Finance and Transformation),
- manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets,
- approve the Statement of Accounts by 30 November (for 2021/22).

### Council Approval

The Statement of Accounts for the year to 31 March 2022 has been prepared and was approved by the Chair of the Audit Committee under delegated powers given to him by the meeting of the Committee on 30 January 2024.

**Councillor Darrell Panter**  
**Chair of the Audit Committee**  
**Date**

### The Chief Financial Officer's responsibilities

The chief financial officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, I have:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that were reasonable and prudent,
- complied with the local authority Code.

I have also:

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

### Chief Financial Officer's certification

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Council at the reporting date and of its income and expenditure for the year ended 31 March 2022.

**Richard Baker (CPFA)**  
**Executive Director (Finance and Transformation)**  
**30 January 2024**







- Business Rate Supplements Act 2009,
- The Local Government Finance Act 2012,
- The Local Audit and Accountability Act 2014 (as amended), and
- The Accounts and Audit Regulations 2015.

In addition, the Group and the Council has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment legislation, tax legislation, general power of competence, procurement and health & safety.

We understood how Welwyn Hatfield Borough Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and the monitoring officer, and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Council's committee minutes, through enquiry of employees to confirm Council policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Group and the Council's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Group and the Council's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the Welwyn Hatfield Borough Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether





## Glossary of Terms

### Accounting Policies

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- recognising,
- selecting measurement bases for, and
- presenting,

assets, liabilities, gains, losses and changes to reserves.

### Accruals

The inclusion of income or expenditure in the accounts for the financial year in which the activity occurred rather than when the money was received or paid.

### Accumulated Absences

Holiday entitlements or any other form of leave such as time off in lieu earned by employees, which has not been taken by the end of the financial year and can be carried forward to the next financial year.

### Actuarial Gains and Losses

The changes in actuarial deficits or surpluses that arise because:

- events have not coincided with the assumptions made at the last actuarial valuation (experience gains and losses), or
- the actuarial assumptions have changed.

### Amortisation

The measure of the cost or revalued amount of benefits of the intangible non-current assets that have been consumed during the period. Consumption includes wearing out, using up or other reduction in the useful life of a non-current asset arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

### Asset

An asset is anything owned that can be given a monetary value, such as buildings, investments or cash.

- A current asset is one that will be used or cease to have material value by the end of the next financial year,
- A long term asset provides benefits for a period of more than one year.

### Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset. Expenditure which does not fall within this definition must be charged to a revenue account.

### Capital Receipts

The proceeds from the disposal of land or other assets which can be used to finance new capital expenditure.

### Capital Financing Requirement (CFR)

The amount the council would need to borrow to finance its capital expenditure.

### Cash Equivalent

Current asset investments that are available for disposal by the authority without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

### CIPFA

Chartered Institute of Public Finance and Accountancy is the professional body for accountants in the public sector.

### Code of Practice (the Code)

Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

### Collection Fund

Every billing authority (District/Borough Council) is required to maintain a Collection Fund into which is paid the Council Tax and Non-Domestic Rates collected from the tax/rate payers. For Council Tax, payments are made from the fund to the precepting authorities (County Council and the Police and Crime Commissioner) whilst a share of Non-Domestic Rates income is passed to central government and the County Council.

### Community Assets

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

### Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the local authority's control.

## Contingent Liability

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control, or
- a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

## Corporate and Democratic Core

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single-purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

## Creditors

Amounts owed by the council for goods and services received but not paid on 31 March.

## Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

## Curtailment (Pensions)

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

## Debtors

Amounts owed to the council for goods and services provided but where payment has not been received by 31 March.

## Defined Benefit Pension Scheme

A pension or other retirement benefit scheme 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).

### Depreciation

The measure of the cost or re-valued amount of the benefits of the fixed asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, the passage of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

### Discretionary Benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) Regulations 1996.

### Earmarked Reserve

These are funds that are set aside for a specific purpose, or a particular service, or type of service.

### Estimation

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves.

Estimation techniques implement the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. Estimation techniques include, for example:

- methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a tangible fixed asset consumed in a period, or
- different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as whole rather than individual balances.

### Events after the Balance Sheet Date

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

### Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

## Fair Value

The value of an asset or liability based on the current market price.

## Finance Lease

A finance lease is one that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

## Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another.

## Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the income and expenditure accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

## Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

## Heritage Assets

A heritage asset is an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

## International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

IASs are an earlier form of an international accounting standard. Since 2000 all international standards are IFRSs. The accounts have been prepared in accordance with IFRS, adapted for public sector where appropriate.

## Impairment

A reduction in the value of an asset below its carrying amount on the Balance Sheet.

## Infrastructure Assets

These are assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy, for example highways and footpaths.

## Intangible Assets

An intangible asset is an *identifiable* non-monetary asset without physical substance (typically software).

## Inventory

The amount of unused or unconsumed inventory held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises. Inventories comprise the following categories:

- goods or other assets purchased for resale,
- consumable stores,
- raw materials and components purchased for incorporation into products for sale,
- products and services in intermediate stages of completion,
- long-term contract balances, and
- finished goods.

## Investment Properties

Interest in land and/or buildings:

- in respect of which construction work and development have been completed; and
- which is held for its investment potential, with any rental income being negotiated at arm's length.

## Investments (Non-Pensions Fund)

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long-term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments, other than those in relation to the Pensions Fund, that do not meet the above criteria should be classified as current assets.

## Minimum Revenue Provision (MRP)

The minimum amount that the council must charge to the income and expenditure statement to provide for repayment of debt.

## Net Book Value

The amount at which fixed assets are included in the Balance Sheet, i.e., their historical cost or current value less the cumulative amounts provided for depreciation.

## Net Interest on the Net Defined Benefit Liability (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

### Net Realisable Value

The open market value of the asset in its existing use (or market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

### Non-Current Assets

Assets held by the council which yield a return for more than one year.

### Operating Leases

A lease other than a finance lease.

### Past Service Cost (Pensions)

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

### Precepts

Sums levied by District/Borough, County and Parish Councils and police authorities on the Collection Funds of billing authorities (Districts and Boroughs) and forming part of the overall demand for Council Tax.

### Prior Period Adjustments

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

### Public Works Loan Board (PWLB)

A government agency established to provide long term loans to local authorities to finance part of their capital expenditure.

### Rateable Value

A value on all non-domestic properties subject to Non-Domestic Rates (NDR). The value is based on a notional rent that the property could be expected to yield and revaluations take place every five years.

### Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

A person or a close member of that person's family is related to a reporting entity if that person:

- has control or joint control over the reporting entity,
- has significant influence over the reporting entity, or
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others),
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
- Both entities are joint ventures of the same third party,
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
- The entity is controlled or jointly controlled by the person identified,
- The person identified 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).

### Related Party Transactions

A related party transaction is the transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged.

It should be noted that the definition of related party should be read both ways – i.e., considering the local authority as both a controller/influencer and a controlled/influenced entity.

### Remeasurement on the Net Defined Benefit Liability (Pensions)

Comprises Actuarial Gains and Losses and Return on Plan Assets.

### Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

- an employer's decision to terminate an employee's employment before the normal retirement date, or
- an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

### Revenue Expenditure

The day to day running costs incurred by the Council in providing its services.



### Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Capital expenditure which does not create or add to the value of an item of property, plant or equipment belonging to the authority. For instance, capital grants given to external bodies, or loans awarded for capital purchases.

### Scheme Liabilities (Pensions)

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

### Service Reporting Code of Practice (SeRCOP)

SeRCOP establishes proper practices with regard to consistent financial reporting for services. It is an official CIPFA statement – all local authorities in the United Kingdom are expected to adopt its mandatory requirements and detailed recommendations.

### Settlement (Pensions)

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibilities for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits,
- the purchase of an irrevocable annuity contract sufficient to cover vested benefits, and
- the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

### UK GAAP

The body of accounting standards and other guidance which make up the current set of guidance (Generally Accepted Accounting Practice) followed by the local authority.

### Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.