



Herschel Park

**Slough Borough Council**

**Statement of Accounts 2023/24**

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## SECTION – 1

### ANNUAL GOVERNANCE STATEMENT

The Audit and Corporate Governance Committee approved the Annual Governance Statement as set out at the Audit Committee meeting on 10 July 2024.

# ANNUAL GOVERNANCE STATEMENT

004

## Scope of Responsibility

Slough Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In 2021 the Council was found to have failed in its best value duty under the Local Government Act 1999, which requires it to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In delivering its statutory functions, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which includes having appropriate systems of internal control, including arrangements for managing risk.

The Council acknowledges its responsibility for ensuring that there is effective governance within the Council and reviewed its Policy Statement for Corporate Governance, with a new Code of Corporate Governance being approved by Council in May 2024. This Code is consistent with the seven core principles of the CIPFA and SOLACE guidance "Delivering Good Governance in Local Government framework – 2016 Edition". A copy of this Code is part of the Council's Constitution, which is accessible on the Council's website.

This annual governance statement explains how the Council has complied with the Code in the financial year 2023/24 and sets out the areas the Council needs to focus on in 2024/25.

The responsibility for leading and directing the annual review of the effectiveness of the Council's governance arrangements and providing ongoing oversight and robust challenge lies with the Council's statutory governance officers, comprising the Chief Executive, Chief Finance Officer (s.151 officer) and Monitoring Officer and the Leader of the Council. The findings have been reported and agreed by the Audit and Corporate Governance Committee, who are also responsible for monitoring compliance with the action plan.

## What is Governance?

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved

Good governance should ensure the Council is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- Leadership and management
- Performance and risk management
- Stewardship of public money; and
- Public engagement and outcomes for our residents, taxpayers and service users.

## What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which it has complied with its own Policy Statement on Corporate Governance, including how the effectiveness of the arrangements have been monitored and reviewed. The Annual Governance Statement is a valuable means of explaining to the community, service users, taxpayers and other stakeholders the governance arrangements and how the controls that are in place have managed risks of failure in delivering on intended outcomes.

In this document the Council:

- Acknowledges its responsibility for ensuring there is a sound system of governance;
- References the effectiveness of key elements of the governance framework and the roles and responsibilities of individuals and bodies within that framework;
- Provides an opinion on the level of assurance that the governance arrangements can provide and their fitness for purpose;
- Produces an action plan showing actions taken, or proposed, to deal with significant governance issues;
- References how issues raised in the previous year's annual governance statement have been resolved;
- Commits to monitoring implementation as part of the next annual review.

The Annual Governance Statement is normally approved in conjunction with the Council's statement of accounts for the relevant year and it will be published alongside this statement of accounts. However, the Council is unlikely to have its statement of accounts for 2023/24 approved for some months due to a failure to close its accounts and have them audited for several financial years. The failure to promptly close off the statement of accounts is not a reason to delay the preparation and approval of the Annual Governance Statement. However, the accounts process may mean that new information will come to light which requires the Annual Governance Statement to be updated in due course.

## ANNUAL GOVERNANCE STATEMENT (continued)

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### Significant external documents published in 2023/24

During 2023/24, the Council received several reports from external bodies and its appointed Department of Levelling Up, Housing and Communities (DLUHC) commissioners, which are relevant to the effectiveness of governance arrangements:

#### July 2023 – LGSCO Annual Complaints Report

The Local Government & Social Care Ombudsman published his annual report for the Council. This was reported to the Council's Audit and Corporate Governance Committee and relates to complaints in 2022/23. It referenced the public interest report issued in 2022/23 in relation to delays in disabled facilities grant applications. At the time it was noted that most of the recommendations had been complied with, but there was a **lengthy delay in completing the review of arrangements with housing associations**, which was delaying confirmation of satisfactory resolution.

#### August 2023 – DfE issues statutory directions

The DfE issued two directions.

The first was a further direction under the existing statutory intervention of children's social care functions. This is the seventh direction issued since 2014. The Secretary of State remains satisfied that the Council is **failing to perform its children's services to an adequate standard**. The direction referenced the DLUHC commissioners and an expectation that the **two sets of commissioners will work in partnership on service improvements**.

The second direction related to a decision by the Secretary of State to intervene in the SEND functions due to a finding that the Council was **failing to perform to an adequate standard in some or all of the functions**. The Secretary of State extended the remit of the existing DfE commissioner requiring the Council to comply with their instructions and to engage with DfE progress reviews at least every four months.

#### September 2023 – DLUHC commissioners' third report

The DLUHC appointed commissioners' third report of July 2023 was published in September. This was the first report by the new commissioner team and the first since the change in political leadership. The report summarised progress between January 2023 and June 2023.

Key issues raised were:

- Demonstrable commitment to improvement, but scale of problems require sustained improvement before any reduction in scale of intervention.
- **Resilience of IT infrastructure remains poor despite some investment.**
- Scrutiny of decisions has improved, with this supporting better decision making and helped deliver important changes to services.
- Stable top team at corporate leadership level with objective to have new management structure by September 2023. Attracting and retaining staff to provide excellent customer service is an important outcome. In particular the restructure should ensure **appropriate capacity and capability in transforming services**.
- **Financial position remains serious** and delivery against budget will be challenging, requiring significant service changes. The appointment of a new Executive Director is having an impact, continuing to strengthen the department, but from a very low base.
- New administration formed with a cooperation agreement with the Liberal Democrats. The Leader has recovery and improvement as part of his portfolio. Member training has improved as has the quality of reports to members.
- The Council should **consider using external resources to help with service delivery** and should be **open and willing to receive external challenge**.
- The Council should use its resident survey results to think about re-engaging and **re-building trust with its communities**. A similar programme is required to **re-build trust with staff**.
- The appointment of a new Director of Children's Services is having a positive impact, but the challenges in this area are deep and will take time to build a sustainable and reliable service.
- With the internal audit function reverting to the Council, the Council needs to demonstrate that it takes audit conclusions seriously, recommendations are acted upon and the **internal audit service contributes to continuous improvement** of systems of governance, risk management and internal control.
- Improvements have been made in procurement and contract management, with an up to date and accurate contracts register, but **recruitment to the procurement function has been difficult**.
- **HR lacks a strategic plan** and the current service is transactional and not supporting the organisation to deliver to the required standards, including in recruitment and performance management.

For next steps, the commissioners highlighted the need for a transformation programme to focus on a best value challenge to all service areas, a new operating model, an accommodation strategy and technology that is fit for purpose.

#### September 2023 – DLUHC commissioners' third report

Grant Thornton, the Council's external auditors, published a report dated October 2023 updating the Council on the Audit of Accounts 2018/19. The purpose of the report was to highlight the problems with the accounts production processes, so that the Council and other local authorities can be clear on the lessons to be learned.

## ANNUAL GOVERNANCE STATEMENT (continued)

Key factors highlighted were:

- **Finance team structure and resources had been eroded** in successive restructures over a number of years;
- Use of interims flowing from reduced in-house capacity, with poor arrangements for supervision and handover;
- Accounting processes and systems led to increased complexity;
- **Poor quality or missing working papers**
- The Council implemented CIPFA's accounting compilation tool but due to underlying issues at the Council it did not work effectively and contributed to problem;
- Covid 19 led to **remote working which became a further hindrance**;
- Context and culture meant the **finance function was not valued** within wider organisation leading to practical issues and affecting morale of staff;
- Council wide transformation programme led to a further **deterioration in morale and loss of capacity and expertise**.

### January 2024 – DfE reports on progress in children's social care

The DfE reported to the Council on its children's social care progress review in November 2023.

Key issues raised were:

- A fundamentally different impression of partnership working, strategic commitment to improving children's welfare and grip on the practice improvement journey.
- The Council and SCF were interacting well and partner agencies were enthused and committed to their shared duties.
- The Council was taking steps to build its relationship with the company board and increase its accountability for and oversight of children's social care. The Council will **need to offer sustained oversight and positive impact** on all children's services.
- Progress is particularly clear and promising in the core area of social care practice improvement.
- The Council needs to **navigate the complexities of interaction with both DLUHC and DfE interventions and Council and company governance** effectively so that each dimension meets the individual purpose and adds value and constructive challenge to children's social care improvement. There should **not be an undue focus on the structure of intervention**, as opposed to practice improvement itself.
- There was evidence of a gradient of positivity, with senior leaders being more positive about improved experienced, service leaders having less clarity on the impact of change and more mixed views at frontline level. Examples were given at all levels of improvements, but in the future it would be good to hear about a broader range of examples.
- Co-location was welcomed and staff would like to see further links to housing developed.
- Effort should be made to **increase the understanding of the company and role of the non-executive directors** amongst the wider workforce.
- Partnership engagement was vastly improved, with plans to align strategic business plans to reflect this cooperation.

## ANNUAL GOVERNANCE STATEMENT (continued)

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### February 2024 – DLUHC commissioners' fourth report

The DLUHC Commissioners' fourth report dated 17 January 2024 was published.

Key issues raised were:

- Progress has been inconsistent and **organisationally the Council remains fragile** with pace and consistency of change not where it should be.
- There is **churn at leadership levels** within the organisation with leadership culture being cited as a reason for some of the departures. Positive change is seen in children's services and this should be a model that the broader Council could build upon.
- **Financial sustainability remains the biggest risk.** Whilst officers and members have worked well together to set a balanced budget for 2024/25 and the medium term, there are inherent risks in the balance sheet and prior years revenue budgets and an over reliance on reserves should be avoided. Whilst there has been some good progress, **the current plans do not demonstrate financial resilience** or the ability of the Council to remain viable, stable and effective in the medium to long term.
- Despite having a new Corporate Plan, **there is no future operating model for the Council.** An effective operating model should define how the Council will utilise technology and change techniques to secure good outcomes in the most cost-effective way.
- Improvements have been made, but many are not yet embedded. Sustained recovery will require leadership that is authentic about a positive culture and creates a working environment where staff can flourish.
- **Staff morale remains low** and the senior officer team need to demonstrate more confidence in tackling organisational issues. Some staff have described behaviours of **some leaders as being "high challenge, low support"**.  
The pace of change and lack of a thought-out prioritised transformation plan is a risk. The development of a data repository is to be welcomed, but there is some way to go before reports to committees and to officer working groups could claim to use **data appropriately, consistently and effectively.**
- Officers have worked hard to support good governance, including publishing the Annual Governance Statement, providing member training, updating and promoting the member officer relations protocol and supporting with report writing skills.
- **Financial sustainability remains the biggest risk.** Whilst officers and members have worked well together to set a balanced budget for 2024/25 and the medium term, there are inherent risks in the balance sheet and prior years
- Audit and scrutiny functions are improving but the level of **inexperience of members, inconsistent reports and variable quality of data remains a challenge for audit and there is some way to go before scrutiny operates effectively and is open to efforts to help it improve.**
- Procurement and contract management has made progress, and it is important to **ensure any contract management strategy is tailored and does not take a "one size fits all" approach** through the regular monitoring of key performance indicators.
- Performance monitoring and reporting has improved, with a need for **performance indicators to be kept under review** and amended to meet the corporate priorities of the Council.  
IT improvements have focused on improving reliability and security. **Digital services should feature in the Council's thinking around target operating model** as a means of lowering cost of delivery and improving productivity.

### March 2024 – LGA Digital 360 report received

The LGA's Digital 360 review was received. A Digital 360 is a funded improvement tool, managed and delivered by the local government sector. The team was asked to explore the question "How are the goals and vision for Slough's people, place and organisation supported by digitalisation, now, next and future?" with a particular focus on the operating model, pace of change, roles and responsibilities and risks.

The findings were as follows:

- The Council has made some progress in improving its core infrastructure and technology, leading to it being more resilient and some progress in developing core IT processes.
- Members see ICT as a key element of the transformation journey and are keen to align business and ICT transformation. With only a fraction of the ICT modernisation budget left, there needs to be **serious consideration as to how improvements are funded beyond 2024/25**.
- The focus on foundational ICT projects have been necessary to create stability, however there is **limited evidence of truly transformative digital activity that changes outward-facing outcomes.**
- The Recovery and Transformation Board provides some centralised governance function, but individual services are responsible for their own transformation journeys which has led to a **disjointed approach.**
- There is an **absence of a corporate focus on customer experience and data** or a realisation of the wider digitalisation outcomes such as participation, data, connectivity, partnerships, or digital inclusion.  
Volatile reorganisations have led to a loss of knowledge and skills. For success, there **needs to be a greater clarity of purpose, demonstrable commitment from senior leaders**, learning and development support to build knowledge and skills to change ways of working and **technology must not be considered in isolation of people skills and process changes.**

## ANNUAL GOVERNANCE STATEMENT (continued)

### March 2024 – CfGS report on review of new scrutiny arrangements

Centre for Governance and Scrutiny (CfGS) progress review update received. The CfGS undertook a review in 2022 and made recommendations to improve the Council's scrutiny processes. In response to this report, the Council, following the May 2023 elections, moved to a single scrutiny committee focused on corporate improvement. A review was undertaken in January and February 2024.

In summary, the findings were as follows:

- Scrutiny is steadily improvement after a fairly slow start, contributed to by new and inexperienced members and the effectiveness of corporate level support. Use of pre-meetings and briefings has led to scrutiny members being better equipped and ready to function.
- The new Chair has key skills and capacity to effectively lead the committee, with good cross party working and commitment from committee members.
- **Need for scrutiny to operate as part of the core** and for whole council support to be provided to make it work in the medium to long term.
- The committee, with support from officers, has done well to craft a work plan and agendas which overall align with corporate and financial delivery plans. However, the **committee must be disciplined about its work programme and apply strict prioritisation** to select what it will scrutinise and leave out. This requires clear rationale and self-discipline to avoid being overwhelmed by issues that claim to be essential to recovery.
- To be more effective in **budget scrutiny, this requires early engagement, planning and resources** to be meaningful and effective.
- The Council's leadership, in principle, recognises the importance of a collaborative and constructively challenging relationship. The relevant Cabinet member should attend every CISC meeting and be the focal point of scrutiny questioning and accountability. **Clarity around the Cabinet member and officer role would be useful** to ensure the meeting focus is clear.
- Member engagement and contribution is widely variable and some members are less effective at understanding and questioning or following the Chair's lead and respecting his authority. **Members need to ensure they build their own understanding of the issues** in front of them, do some independent research and spend time preparing for the meeting itself.
- Members are still seen to pursue ward or personal issues, irrelevant interventions and repetition, which wastes time and deflects the committee's attention. **The committee need to be wary of being swayed by issues which are arising as areas of concern amongst councillors**, even if they are affecting multiple wards. In the short term, the focus must be on recovery
- and transformation even if this is to be exclusion of other issues. Allocation of 40% financial recovery, 40% transformation and 20% wider issues regarding policy change or pan-borough issues is suggested.
- The newly formed corporate officer team needs to ask how scrutiny will play a full and active part in the development of the corporate and financial recovery plan and the next phase of transformation. **The scrutiny function should be more integral and given higher corporate priority.** Reports and information should not be overburdening or too technical. To be effective scrutiny members need the appropriate tools.
- Task and finish groups have shown a clear progression in their complexity, focus, member led activity and value, matching the progression of scrutiny members' learning. **The committee needs to strengthen its recommendations and feedback to Cabinet** and its tracker system needs to be more closely monitored to ensure that there is follow-through and accountability for the recommendations.
- There is a **need for clarity around the statutory duties regarding health, crime and disorder and education scrutiny.**

### Significant internal audits and management information from 2023/24

This the first year of the internal audit team being in-house, after many years of an outsourced arrangement. By February 2024, the team had issued 10 audits, 8 of which had been finalised. A further 7 audits were in fieldwork stage. There was already evidence of delays in completion of actions, with 25 of the required 69 actions being overdue. This replicates a pattern of behaviour seen in previous years and the Council now have multiple years of outstanding audit actions.

Of the audits completed, **Cash Collection and Management** was given minimal assurance, demonstrating **fundamental weaknesses in the framework of governance, risk management and control**. This relates to the library service, where allocation of income in the accounting system had not taken place since 2020 and cash received had not been banked for over a year, resulting in **large cash sums being held in safes**. Reconciliation of income to bank statements and journals for parking income was not possible, leading to a conclusion that the Council is unable to take assurance that cash income across libraries and car parks has been properly safeguarded and accounted for. **Delays in income being journalled** (3 months overdue) led of a lack of assurance of accuracy of deposits and there was a **lack of segregation of duties**, with reconciliations not being signed off by a reviewer.

Travel and expenses audit also received minimal assurance. There has been evidence of claims above the Expenditure Control Panel limit of £500 being approved, in at least one case as high as £1,400 and inconsistencies in what can be claimed, with **managers approving non allowable claims** such as parking charges. Finally there was **evidence of duplicate claims** having been made and paid.

Management of agency staff received a minimal assurance opinion. There was a lack of evidence of business cases being submitted for ECP approval, nor evidence of the steps being taken to fill vacancies via permanent hires. On 3 out of 20 cases checked, **pre-employment checks were completed retrospectively without a risk assessment being completed** and two instances where **bookings had been deemed outside of IR35 with no retained evidence to demonstrate tax status**.



## ANNUAL GOVERNANCE STATEMENT (continued)

Partial assurance was given for Adults Safeguarding, with concerns raised about a lack of clarity in role profiles for **safeguarding functions**, **no specific training calendar** and a list of **safeguarding referrals** open showing 65 records, some dating back to 2015 and 2016, with the **average time to close an incident being over 7 months** and one recorded as over 4 years.

There has been significant turnover in the internal audit service and there is no internal audit opinion for the financial year 2023/24. This is a significant gap in the internal control system.

Whilst several senior officers being involved in the assessment and production of this assessment, the Council does not yet have an effective management assurance process in place to inform this governance assessment and enable decisions to be made on priorities. The action plan recommends that the Council utilises the LGA Improvement and Assurance framework for local government to put in place a management assurance process.

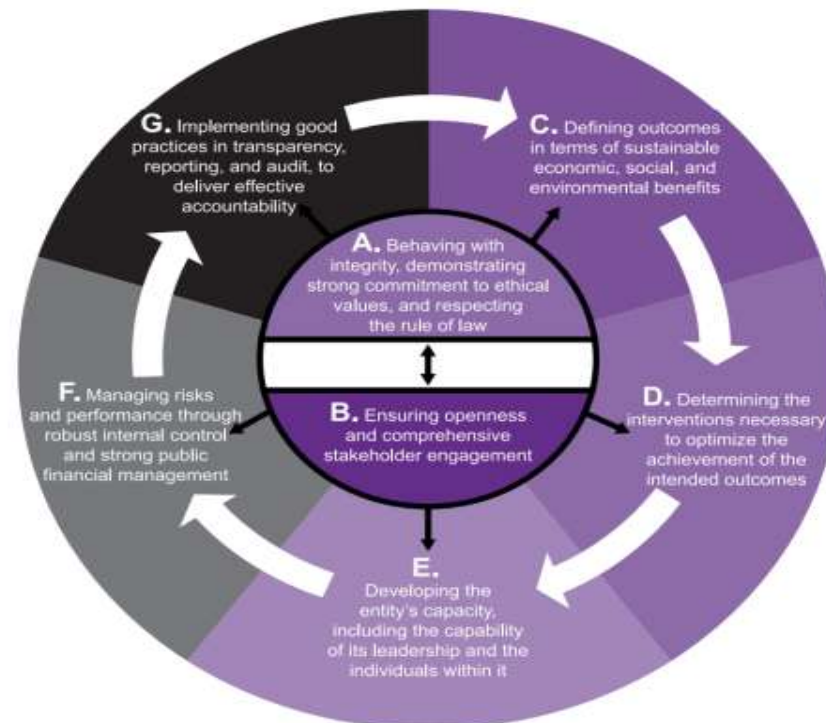
The Council's Audit and Corporate Governance Committee completed a self assessment of its ability to provide assurance using the CIPFA self evaluation framework. The annual report presents the findings, which include the following:

- Need for more bespoke training programme
- Need to consider governance of arms length arrangements
- More time to forward plan
- Need to focus on high risk matters and system of internal control
- Not had any value for money assessments
- Need to select members with right skills and who can add value
- Not seen a fraud risk assessment

## ANNUAL GOVERNANCE STATEMENT (continued)

### What is the Council's Governance Framework

The Council has adopted the seven core principles of good governance set out in the CIPFA/ SOLACE framework in its Policy Statement on Corporate Governance.



## ANNUAL GOVERNANCE STATEMENT (continued)

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### Review of Effectiveness 2023-24

#### CORE PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Sub Principles	Assessment of the effectiveness of key elements of the council's governance processes during 2023-24
Behaving with integrity	<ul style="list-style-type: none"> <li>Standards Committee met on 10 October 2023. The Leader and Chief Executive were invited to attend to answer questions to demonstrate their commitment to good governance and standards of behaviour of both officers and members. In addition an ethical audit desktop analysis was completed. Areas flagged for further consideration included the planned review of the officer onboarding process, the use of a skills audit to identify training needs of individual members.</li> <li>Member officer relations protocol updated and approved by Full Council in January 2024.</li> <li>Member survey conducted and reported to Standards Committee meetings in October 2023 and March 2024.</li> <li>Member induction and development programme devised with input from elected members. Particular areas of focus were the training commissioned from Centre for Governance and Scrutiny (CfGS) for scrutiny members and support from the LGA, including a structured mentoring service. The majority of cabinet members had accepted mentoring support, as have the majority of chairs of committees. The Chair of Audit and Corporate Governance Committee's mentor has attended meetings to offer feedback and support to the chair in managing member dynamics within the meeting.</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>A future aspiration is to apply for charter status for member development, however it was concluded that this is not considered a priority use of resources in 2023/24. This should be kept under review by the Standards Committee in 2024/25.</li> <li>Members' register of interests published and Monitoring Officer has considered any requests for interests to be kept private, requiring evidence of any threat where appropriate.</li> <li>survey undertaken including questions on culture and whistleblowing. <b>More work is needed on reporting the results, action plan and progress following the staff survey.</b></li> <li>The Council last reviewed its Local Code of Conduct for Employees in 2017. A review was conducted in 2023 with a view to an updated Code applying to all officers being approved at May Annual Council. <b>This will need to be followed up by a training programme to ensure changes are embedded and fit with a wider culture programme.</b></li> <li><b>Further work is required on the Council's corporate anti-fraud policies and procedures</b>, including consideration of an external review to ensure the practise is appropriately preventative and proactive in approach.</li> <li>There has been some work on culture change, however <b>more is required to embed the culture and values needed</b>. This fits with feedback from the DLUHC commissioners.</li> <li>The Council has a Whistleblowing Code, which is reviewed annually and a report on this was presented to Standards Committee in March 2024, including follow up actions to a previous internal audit report. The Code is being publicised regularly. <b>More work is required on reporting on the staff survey results in relation to culture.</b></li> <li>Contractual performance indicators for some externally provided services reviewed and set to focus on ethical values. Examples include Cabinet agreeing new contractual performance indicators for Slough Children First in December 2023, including an indicator on effective governance and culture leading to outcomes focused improvements and an options appraisal for the Councils' repairs, maintenance and investment contract, recommending a model insourcing the customer call centre to ensure appropriate control over service levels.</li> <li>Ethical framework embedded into contract procedure rules (CPRs) and associated procedures. The current CPRs confirm that all procurement activity must be undertaken with regard to high standards of probity and in accordance with the ethical framework in the Constitution. The Council is currently reviewing its CPRs to take account of new procurement legislation. This will provide a further opportunity to ensure that ethics and values are embedded into procedures.</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>Corporate schedule reviewed weekly at CLT to ensure forward planning and clearance deadlines met. Clearance processes include sign off by finance and legal officers and s.151 officer and Monitoring Officer. <b>Still issues with late reports</b>, although use of urgency procedures has been limited and where call in is waived, reports have been submitted to Full Council. <b>Late reports limit opportunities for informal discussion and debate at lead member and director meetings.</b></li> <li><b>Too many examples of reports being published after statutory deadline</b>, meaning members do not have sufficient time to digest them prior to the meeting and in some limited cases the need to cancel meetings. On occasions officers have attended to deliver verbal briefings instead of submitted written reports. As well as failing to meet expected statutory deadlines, this <b>does not represent best practice in relation to transparency as members and the public have limited time to review reports</b> and consider whether to ask questions or make comments at meetings. There have been improvements in specific areas, including in Corporate Improvement Scrutiny Committee and Audit and Corporate Governance Committee with all committee briefing meetings being used effectively to identify key lines of enquiry and to receive training, but these will only be effective if officers commit to producing reports in good time.</li> <li><b>Governance of connected entities, including companies and trusts, need improvements</b> with more than one example, over multiple years, of late filing of accounts.</li> <li>Regular meetings with statutory governance officers and established corporate governance group. This has led to review of governance processes and wider input from relevant service areas. <b>More input from a wider group of staff is required to ensure corporate ownership.</b></li> <li>Governance learning programme has covered topics such as "working in a political environment", "good scrutiny", "officer code of conduct", "access to information", "lawful consultation, good consultation" and "report writing for success" to assist managers with public law decision-making, with regular attendance from senior officers.</li> </ul>

• Staff

## ANNUAL GOVERNANCE STATEMENT (continued)

012

### CORE PRINCIPLE B Ensuring openness and comprehensive stakeholder engagement

#### Sub Principles

#### Assessment of the effectiveness of key elements of the council's governance processes during 2023-24

#### Openness

- Better separation of member reports into public and exempt, with limited information in exempt appendices. **However, on occasions officers are still too keen to rely on exemptions for external consultants' reports. There has also been less reporting on transactions after the event to allow information to be put in public domain**, although some information is included in the Improvement and Recovery Board updates. This has been a backward step compared to practice in 2022/23.
- Member level meetings are held in public, unless there is a need for a resolution to move into Part 2, and are live streamed, with the majority being recorded allowing the public to watch the meeting after the event.
- The Council follows the Transparency Code and Localism Act guidance and has published its Pay Policy with details of senior officer pay, including agency workers filling chief officer posts. The Council has taken decisions on high value termination payments to Full Council for approval. **The Council should consider an internal audit of annual publication against the Transparency Code in 2024/25.** This is particularly important in relation to land and building assets, where the Council's historic record keeping has been poor.

#### Engaging comprehensively with institutional stakeholders

- Significant officer decision-making rules have been reviewed and updated. Training has been delivered to ensure compliance. The publication of these reports has also improved with the ability for the public to search decisions. **It is recommended that an audit is conducted of officer decision making to ensure that specific delegated decisions have resulted in clear and publicly available significant officer decision reports.** This will allow a comparison to be undertaken with a previous internal audit to see if improvements are cross Council.
- Where urgent cabinet decisions have been required, these have been made via the Urgent Leader Action, which means the report is published prior to the decision. This allows for a greater transparency than relying on officer delegation. Where call in has been waived, reports have been presented to Full Council to provide additional scrutiny on this and avoid over-use.
- Formal partnership terms of reference have been reviewed – Corporate Parenting Panel and Health and Wellbeing Board – to ensure focus on core functions. Significant improvement has been made in ensuring that strategies are approved by Cabinet and clarification provided on functions of partnership boards. **There is further work to do to ensure that partnerships have appropriate action plans in place to meet strategic aims and that they are appropriately held to account for these. Commissioning external reviews of partnership effectiveness may be an appropriate way to provide further assurance.**
  - Examples of decisions being made having regard to evidence and informed by resource implications, options, risks, outputs and outcomes focused include School Places Strategy (April 2023), Disposal of 380 Bath Road, Slough (April 2023 – example of split Part 1/Part 2 report), Remodelling of 17 Children's Centres (May 2023), Berkshire Community Equipment Service procurement (June 2023), Approval of annual Business and Improvement Plan for Slough Children First Limited (September 2023) and A4 Safer Roads (November 2023).

#### Engaging with individual citizens and service users effectively

- Constitutional rules permit the public to attend Cabinet to ask questions or make a comment and the rules for public engagement in Planning Committee have been reviewed and amended in 2023. The Council's Petition Scheme is contained in the Constitution and petitions have been heard at Full Council where the threshold has been met.
- Corporate Improvement Scrutiny Committee (CISC) has undertaken a task and finish group on resident engagement, which will be reporting to a CISC meeting in April 2024.
- Annual complaints report to Audit and Corporate Governance Committee on 13 September 2023 highlighted learning and themes. The DLUHC commissioner comments highlighted that the Council needed to ensure its complaints were handled particularly well with a marked willingness to apologise and it should be rare that a valid complaint should make its way through to and be upheld by the LGSCO. The report included figures and a narrative on the root cause for complaints as well as a section on learning and improvement. The LGSCO launched its Complaint Handling Code in February 2024. Whilst the Code will not form part of formal processes until April 2026 at the earliest, councils are encouraged to adopt the Code as soon as they are able to do so. **It is therefore recommended that a self assessment is undertaken and publicly reported to Audit and Corporate Governance Committee as part of the annual complaints report.**
- There has been an **increase in LGSCO complaints being upheld in relation to SEND.** This relates to delays in arranging provision, but also errors in documentation and a failure to explain processes. The SEND service has a detailed Written Statement of Action and is now under statutory intervention of DfE with an appointed commissioner. The CISC received an update on SEND improvements at its February meeting.
- Resident satisfaction – the LGA was commissioned to conduct a resident satisfaction survey, however there has been a **lack of public reporting on the results and actions to be taken in response.** Resident engagement was a key action from the 2022/23 AGS and a review of progress through the year has led to a recommendation that this remains an action in the 2023/24 AGS.
- The Council has reviewed its communications processes and has re configured its internal communications approach. **Further work is required on resident engagement**, from communication to co-design and community led delivery of services. **The Council should consider adopting a comprehensive Resident Engagement Strategy**, in addition to the already approved strategies for participation of children and young people and in relation to housing.
- The Council has a co-production network in Adult Social Care and this group has been utilised in the formulation of a number of new strategies, including the Carers' Strategy, Learning Disabilities Strategy and Autism Strategy.

ANNUAL GOVERNANCE STATEMENT (continued)

CORE PRINCIPLE C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub Principles	Assessment of the effectiveness of key elements of the council's governance processes during 2023-24
Defining outcomes	<ul style="list-style-type: none"><li>• The Council approved a new Corporate Plan in September 2023. This was informed by data and insight including from the 2021 Census data and public consultation. The plan sets out an overarching purpose, five principles and three strategic priorities. The plan has some measurements of success, which are incorporated into its performance reporting. <b>There is an opportunity for the Council to formally review action plans sitting beneath the Corporate Plan to ensure that they remain outcome focused and the measures are driving best value and continuous improvement.</b></li><li>• The Council has approved a number of high-level strategies, including for children's services, adult social care and housing. Whilst these have strategic aims and in some cases measures for success, there do not always have detailed action plans sitting beneath them. For some strategies Cabinet has agreed to receive annual reports updating on progress against the strategic aims. <b>This approach to keeping strategies under review and publicly feeding back on progress against outcomes is one which could be replicated more widely.</b></li><li>• The Council has made progress on agreeing a medium-term financial strategy aligned to its corporate priorities. However as highlighted by the DLUHC commissioners, financial sustainability remains the biggest risk for the Council. <b>Delivering defined outcomes on a sustainable basis within the resources available and managing service users' expectations will need to be a critical focus for senior officers and members in 2024/25.</b></li></ul>
Sustainable economic, social, and environmental benefits	

CORE PRINCIPLE D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles	Assessment of the effectiveness of key elements of the council's governance processes during 2023-24
Determining interventions	<ul style="list-style-type: none"><li>• There is evidence of economic, environmental and social impact being considered at member level, however some of the assessments are superficial and there is a <b>tendency to avoid completing assessments for equality impact or to justify why certain implications section are not required.</b> Members are appropriately focused on resident impact and scrutiny members are conducting a task and finish group on resident engagement. It will be important to see resident engagement as a key enabler to identifying social and environmental impact of decision-making. The Council also <b>needs to ensure it balances competing interests when determining the wider public interest and is not seen to give too much weight to short term dissatisfaction over longer term environmental impact.</b> Examples of the Council managing this dynamic include in relation to its decision to move to fortnightly waste collection and its decision making over the A4 safer roads.</li><li>• In general reports to elected members do have options appraisals within them, although the quality and depth of these vary. In relation to procurement decisions, it is important to <b>ensure that any options appraisal is conducted on the wider commissioning approach and provides an opportunity to test how and whether the services should be commissioned and not just how they should be procured.</b> There is evidence of phased commissioning strategies providing a comprehensive options approach, for example the re-commissioning of repairs, maintenance and investment services for housing stock and of a review of options in relation to commissioning of legal services. This utilised the services of an external contractor and contained a detailed options appraisal, including an assessment of whether and which services should be insourced.</li><li>• The Council has set an ambitious target to deliver savings from strategic commissioning. The savings target has not been met in 2023/24 and the Council will need to assure itself that there is a robust business plan and programme in place to deliver the saving in 2024/25. The Council has set up a strategic commissioning group, sponsored by the Executive Director for Finance and Commercial and led by the Director for Commissioning. <b>Strategic commissioning should include opportunities for joint commissioning across geographic areas and across partners.</b></li><li>• The Council is working with three London Boroughs and wider Berkshire and London authorities on implementation of the new Procurement Act. This provides an opportunity to share best practice and resources and streamline processes to ensure a focus on value for money and transparency across the whole commissioning cycle.</li></ul>
Planning interventions	
Optimising achievement of intended outcomes	

## ANNUAL GOVERNANCE STATEMENT (continued)

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### CORE PRINCIPLE E - Determining the interventions necessary to optimise the achievement of the intended outcomes

#### Sub Principles

##### Developing the entity's capacity

##### Developing the entity's leadership

##### Developing the capability of individuals within the entity

#### Assessment of the effectiveness of key elements of the council's governance processes during 2023-24

- The Council has put in place public reporting on its corporate performance indicators. This has enabled cabinet and scrutiny members to publicly review performance to identify areas of focus and concern. The Council needs to keep its performance indicators under review and ensure that it is benchmarking performance against national indicators and statistical neighbours. It also needs to **ensure that performance is focused on outcomes and there is effective analysis of performance and that this is feeding into risk management and used as an assurance tool.**
- The Council also **needs a comprehensive Data Strategy** to ensure that data is driving decision-making and the organisation has effective resources in place to collect, store and manage its data.
- The Council should be open to external challenge and has an opportunity to **build in external reviews to provide further assurance on progress.** This could include timetabling reviews from the LGA, CfGS and other local authorities.
- The Council should **provide opportunities for its officers and members to be part of wider sector level improvement**, including participating in LGA peer reviews. This provides an opportunity to review practice elsewhere and to share its own improvement journey with the wider local government sector.
- The Council has many partnership arrangements, however mapping this has been complicated and identified that many arrangements overlap with a lack of clarity as to which partnership arrangement is leading on which aspect. There are on occasions **evidence of siloed working within services seeing their role as limited to functions within that service**, as opposed to a wider role in ensuring best value services across the Council and wider partnerships to deliver statutory functions. Best value needs to be embedded across the Council, ensuring that all officers see value for money and financial sustainability as a key part of their role. The Council must **ensure it has objective evidence to support commissioning and spending decisions and this includes benchmarking evidence on the effective use of external grant.** On some occasions there is evidence that **external grant is not seen as a Council money or subject to the same best value duty as any other financial decisions.**
- As highlighted by DLUHC commissioners, the Council lacks a strategic workforce plan. Whilst it is important to have an **overarching workforce strategy**, managers within directorates also need to understand their role in formulating workforce plans to **tackle recruitment challenges in individual professional disciplines.**
- The Member Officer Relations Protocol has been reviewed and updated. This has clarified the distinct roles of individual members.
- The main opposition group has established shadow portfolio holders, utilising the skills of experienced members to hold the Council to account in key areas.
- The Council is reviewing its **internal schemes of delegation** following the senior leadership restructure. Executive directors are responsible for keeping these schemes under review and updated and ensuring that officers within their directorates are operating in accordance with them.
- The Leader and Chief Executive have regular meetings and there is clarity in terms of roles and responsibilities. A detailed appraisal setting process has been put in place for the Chief Executive, involving cross party input.
- **Service planning is not consistent throughout the Council** and this process needs to be used to identify risks, external and internal challenges and to identify service priorities and training and development and resource requirements required to deliver these priorities.

#### Sub Principles

##### Managing risk

##### Managing performance

##### Robust internal control

#### Assessment of the effectiveness of key elements of the council's governance processes during 2023-24

- Whilst there is a risk management strategy, securing stable staffing in this area has been a challenge. This has resulted in a lack of internal governance for risk management and **some evidence of reporting on corporate risk being at a superficial level.**
- Whilst there are directorate risk registers, these are not always consistently completed. There is also a lack of clarity on reporting of risk arising from external companies, with a lack of clarity on roles and responsibilities of the different entities.
- A performance report and complaints data is provided to the corporate leadership team and a high risk litigation report is provided to the Monitoring Officer, however **there is a lack of corporate reporting on other risk areas such as safeguarding, health and safety, internal audits, contracts waivers, and information governance breaches.** The Council also needs to improve its internal reporting on financial and budget management to ensure compliance with CIPFA's Financial Management Code. Utilising the LGA's improvement and assurance framework could provide a useful tool to map the assurance arrangements and put in place a more comprehensive management assurance system.
- The internal audit functions reverted to an in-house team, providing opportunities for a closer working relationship between the team and directorates. **There has been improvement in closing down historic audit actions, although this is from a low base** and there is still some way to go to demonstrate that this is being given priority.
- **Internal audit actions show significant areas of concern relating to lack of processes and cultural issues**, such as a failure to properly journal and account for cash and managers not checking or approving expense claims.
- The **lack of resources in the audit team** has resulted in difficult decisions being made on the internal audit plan. The team has identified external resources to conduct specialist IT audits and is continuing in its recruitment efforts. **The lack of an audit opinion for 2023/24** is also a significant area of concern which needs addressing in 2024/25

## ANNUAL GOVERNANCE STATEMENT (continued)

<b>Robust internal control</b>	<ul style="list-style-type: none"> <li>Performance reporting has significantly improved with a detailed quarterly performance update being presented to Cabinet and regular review of performance at CLT. The performance measures link to the corporate plan priorities and Executive Directors have kept these under review to ensure appropriateness.</li> <li>The CISC is using performance data to inform its work programme and asking for more detailed updates both in formal and informal meetings. Pre briefing meetings with all committee members are working well to assist members to identify key lines of enquiry and maintain questioning at a strategic level and avoid seeking to delve into unnecessary detail.</li> </ul>
<b>Managing Data</b>	<ul style="list-style-type: none"> <li>Lead members attend CISC to be held to account for performance, alongside officers.</li> <li>Audit and Corporate Governance Committee has received some assurance reports and it undertook a self assessment using the CIPFA toolkit to inform its Annual Report. The Report will be presented to Full Council and set out the findings of this self-assessment and this should be used to inform the forward work programme and training plan.</li> <li>There has been an improvement in the budget setting process with considerable CLT time devoted to reviewing and challenging proposals, lead members and directors attending budget challenge sessions with the lead member for finance and finance officers and CISC reviewing budget proposals at multiple meetings. However <b>such review can only be effective if the data being presented is accurate and this issue is as much cultural as systems.</b></li> </ul>
<b>Strong public financial management</b>	<ul style="list-style-type: none"> <li>Budget monitoring processes have improved, but there are <b>still issues with accuracy of reporting leading to some last minute pressures</b> on in-year budgets.</li> <li>Where strategies have been set without detailed action plans within them, Cabinet has agreed to receive annual update reports setting out how the aspirational strategic aims have been achieved.</li> <li>There has been <b>some improvement in compliance with clearance deadlines and forward planning, however this is from a low base</b>, and not yet consistent.</li> </ul>

## CORE PRINCIPLE G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

<b>Sub Principles</b>	<b>Assessment of the effectiveness of key elements of the council's governance processes during 2023-24</b>
<b>Implementing good practice in transparency</b>	<ul style="list-style-type: none"> <li>The governance learning programme for managers has emphasised importance of transparency when authoring member reports and making officer decisions, including explaining the legal test for exempt information.</li> <li>The rules on significant officer decision-making have been updated to ensure increased transparency.</li> <li>Some improvements made on level of detail in reports and language used, although <b>some reports are still overly technical and not always outcomes focused.</b></li> <li><b>Lack of historic records</b> has caused significant issues with some decisions, including decisions on disposal of assets and proper accounting for such assets. This emphasises the importance of good record keeping and taking matters to members at the right time and with the right level of information, including phasing decision-making for complex projects.</li> <li>The Council has subjected itself to <b>external reviews, however the results of these are not always reported or responded to in public.</b></li> <li>Progress against the AGS 2022/23 reported quarterly in public and a greater officer involvement in the assessment for the 2023/24 AGS.</li> <li>Review and updating of the Code of Corporate Governance, following consultation at member, officer and partner level.</li> </ul>
<b>Implementing good practices in reporting</b>	
<b>Assurance and effective accountability</b>	<ul style="list-style-type: none"> <li>Good working relationship with external auditors, including regular attendance and reporting to Audit and Corporate Governance Committee and meetings with Chair of Committee. The <b>delay in signing off historic accounts is a particular issue</b> and the learning from the 2018/19 accounts demonstrates that the issues are wider than those experienced at a national level. The Council <b>must ensure it learns from the failures of its previous restructure, particularly in terms of stripping out specialist corporate resources</b> as the impact of this is likely to be seen for some years to come.</li> <li>Training programme for Audit and Corporate Governance Committee members and appointment of 3 new independent co-opted members.</li> <li>Due to lack of capacity in internal audit team, <b>limited opportunity to audit contractor and partnership arrangements.</b></li> </ul>

**ANNUAL GOVERNANCE STATEMENT (continued)****Key roles of those responsible for developing and maintaining the Governance Framework**

<b>The Council</b>	Approves Policy and Budget Framework Approves the Constitution Elects Leader and sets terms of reference for committees, including appointing chairs for committees.
<b>Cabinet</b>	Makes most policy and strategic level decisions. Each lead member has a portfolio responsibility, but no single decision making permitted except by the Leader under urgency provisions.
<b>Audit and Corporate Governance Committee</b>	Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. Approves or recommends to Council annual statement of accounts and annual governance statement
<b>Standards Committee</b>	Promotes high standards of member conduct and ethical framework
<b>Overview and Scrutiny function</b>	In 2022/23 there was a main Overview and Scrutiny Committee and three panels without overall responsibility for reviewing the Council's policies and holding Cabinet members and officers to account for performance.
<b>Corporate Leadership Team</b>	Implement policy and budgetary framework set by the Council and policies and strategies set by Cabinet. Provide advice to Cabinet and other member forums on the development of future policy.
<b>Statutory governance officers</b>	Chief Executive – Head of Paid Service Executive Director Finance and Commercial – Chief Finance Officer / s.151 officer Monitoring Officer Have specific statutory responsibilities and duty to report issues relating to staffing structure, adequacy of financial arrangements and contraventions of law or maladministration.
<b>Internal Audit</b>	Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. Delivers an effective programme of risk based audit activity, including counter fraud and investigation activity. Makes recommendations for improvements in the management of risk.
<b>External Audit</b>	Audit, review and report on the Council's financial statements, providing an opinion on the accounts and use of resources, concluding on value for money. Has the right to make statutory recommendations and issue a public interest report.
<b>Managers and staff</b>	Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. Contribute to the effective corporate management and governance of the Council by use of professional skills and knowledge.



## ANNUAL GOVERNANCE STATEMENT (continued)

017

### What are the key 2023/24 Governance matters identified

#### • Democratic Governance – Lead Officer – Sukdave Ghuman

- The Corporate Governance group needs commitment from wider group of staff, including internal audit, risk management, finance, information governance, complaints, and digital and data lead.
- Evidenced improvement in report clearance processes, with Executive Directors and DLTs taking responsibility for early engagement with legal and finance to improve quality and timeliness of reports and improve forward planning.
- Better use of Lead Member and Directors' meetings to focus on strategic planning and transformational change.
- Consideration of internal audit on officer decision-making being included in 2024/25 audit plan, to ensure compliance with significant officer decision making procedures and adequacy of internal schemes of delegation.
- Corporate Improvement Scrutiny Committee:
  - o public reporting of CfGS review, with action plan to respond to findings.
  - o Steps taken with new corporate leadership team to ensure scrutiny seen as core function within Council.
  - o Effective self-assessment used to inform annual report and future work programme.
  - o Work with Group Leaders to ensure nomination and performance review is leading to effective committee membership.
  - o Review of effectiveness of statutory scrutiny of health, crime and disorder and education functions.
- Audit & Corporate Governance Committee:
  - o self-assessment to be conducted and reported to committee and Full Council.
  - o Detailed forward work programme and training plan to respond to findings from self-assessment.
  - o Consider whether an external review of committee effectiveness is warranted in 2024/25.
- Consider LGA tools to further support member development, including tools for opposition members.

#### • HR Governance – Lead Officer – Will Tuckley

- Strategic workforce plan at corporate and directorate level, focused on skills and knowledge gaps, performance management, including appraisal processes and learning and development plans.
- Publicly report to Employment Committee on the staff survey results (appropriately anonymised) with a detailed action plan responding to findings
- Review of agency worker processes to ensure that pre-employment checks are conducted and the reasons for waiver of any requirement is properly authorised and reasoned.
- Review systems and procedures for managing organisational change.
- The Officer Code of Conduct, once adopted by Full Council, must be included in a training programme and onboarding processes to ensure changes are embedded and inform any culture change programme.
- Review of agency worker processes to ensure that pre-employment checks are conducted and the reasons for waiver of any requirement is properly authorised and reasoned.
- Review systems and procedures for managing organisational change.

#### • Financial governance and systems – Lead Officer – Annabel Scholes

- Demonstrable and collective compliance with CIPFA's Financial Management Code.
- Workforce plan to response to recruitment gaps within finance directorate and ensure specialist capability within directorate.
- Review of systems within Council for recording financial transactions, picking up from Grant Thornton's findings from previous audits and work of Ernst Young in reviewing balance sheet.
- Ensure financial management and governance are included in onboarding and manager development programmes.
- Costed programme for closing off historic statements of accounts, agreed with DLUHC commissioners and external auditors.
- Review process for budget setting and medium-term financial strategy to increase opportunities for resident engagement and scrutiny involvement in reviewing financial savings and priorities in accordance with CfGS guidance on financial scrutiny.
- Ensure effective systems in place for holding and managing finances for separate companies and partnerships.

#### • Internal Control System – Lead Officer – Annabel Scholes

- Risk Management – update risk management strategy and framework to ensure compliance with HM Government Orange Book and implement training programme to embed risk management.
- External review of corporate anti-fraud policies, procedures and practices by another local authority or sector body to review extent to which current practice is preventative based and proactively managing risks.
- Management assurance process – conduct a review against the LGA's Improvement and Assurance framework to map current processes of assurance and put in place a more comprehensive management assurance process.
- Internal Audit:
  - o stabilise internal audit team,
  - o ensure annual audit plan informed by risk,
  - o ensure effective escalation procedures including reporting on key risks at member level,
  - o Commission independent external quality assurance review in accordance with requirements of PSIAS to evaluate effectiveness of internal audit function.

#### • SEND Services – Lead Officer – Sue Butcher

- Consider how to provide regular updates on improvement plans to the public. As a minimum there should be transparency in relation to any submissions to DfE updating on the WSOA and any feedback from DfE.  
This could be achieved by publishing elements of the internal governance board minutes.
- Consider including scrutiny topic focused on SEND in 2024/25 scrutiny work programme.
- Consider including SEND related topic covered in internal audit programme for 2024/25, picking up on LGSCO complaints upheld in 2023/24.

## ANNUAL GOVERNANCE STATEMENT (continued)

### • Company governance – Lead Officer – Sarah Wilson (SCF), Pat Hayes (other companies), Sukdave Ghuman (trusts)

- For SCF, closer working between Board, including NEDs, and CLT / Cabinet to ensure better coordination and increased understanding of distinct roles.
- For SCF, updates on progress against governance review to be agenda'd at quarterly strategic commissioning group meetings and any retrograde steps in progress to be reported to A&CG Committee.
- For other Council companies, review and report to Asset Disposal Cabinet Committee on:
  - o contractual and governance documentation,
  - o decision-making,
  - o risk and performance reporting arrangements, including financial performance, statutory compliance, including filings of annual reports and accounts and board director performance,
  - o annual business plans for each company.
- For trusts where the Council is corporate trustee, review and action plan to ensure effective management and compliance with legal duties, including statutory filings with Charity Commission and management of conflicts of interest.

### • Partnership governance and effectiveness – Lead Officer – Tessa Lindfield/Marc Gadsby

- Ensure that each statutory partnership has clear terms of reference, approved strategies and appropriate action plans in place to meet strategic aims, represent best practice and meet its statutory requirements.
- Ensure there is public reporting to members on effectiveness of partnerships.
- Review approach to transparency for partnerships, with an expectation as a minimum that each partnership produces a public annual report and considers whether to publish reports and minutes for meetings.
- Consider commissioning external reviews of statutory partnership on a rolling programme as an appropriate way to provide further assurance

### • Information and ICT Governance – Lead Officer – Will Tuckley

- Adopt a Data Strategy, approved at a member level, and ensure that data is used appropriately, consistently and effectively and retained in accordance with legal requirements.
- Ensure digital technology is embedded into future operating model.
- Ensure appropriate governance structure to ensure ICT is embedded into transformation programme and service improvements and that there is an effective prioritisation process to ensure prioritisation on those projects with the biggest impact on staff, residents and to support financial recovery.
- FOI - devise timescale for conducting self-assessment utilising ICO FOI toolkit and report findings to A&CG Committee.FOI self-assessment toolkit | ICO
- Review of use of any Artificial Intelligence software, ensuring appropriate policies and systems in place to manage legal and ethical considerations.
- Conduct a review of information published against the Government's Transparency Code.

### • Asset disposal and use of physical resources – Lead Officer – Pat Hayes

- Approve an estates strategy for use of the Council's operational assets, ensuring this is aligned with the Council's new operating model and MTFs.
- Increase public reporting on assets disposed of, including those where decisions made under officer delegation.
- Review systems in place for record keeping, ensuring compliance with Government Transparency Code and safe retention of property records to inform future decision-making.

### • Resident engagement – Lead Officer – Will Tuckley

- Adopt Resident Engagement Strategy, setting out expectations on participation, resident experience and digital inclusion.
- Build programme to rebuild trust with communities, including transparent, public reporting to members on resident survey results with action plan on improving satisfaction levels.
- Ensure prompt responses to recommendations by LGSCO, including any learning in annual report to Audit and Corporate Governance Committee.
- Conduct self-assessment of complaints processes against LGSCO new Complaints Code and include findings in annual report to A&CG Committee in Autumn 2024.

## Assurance Statement 2023-24

We have reviewed the Annual Governance Statement for 2023-24 and to the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified above. The Council still has significant improvements to make to its governance arrangements and its historic record keeping and lack of corporate memory in some directorates mean that there may need to be further updates to this statement as the process of approving historic statements of accounts progress. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Position	Signed	Date
Leader	<i>Dexter J. Smith</i>	21 January 2026
Chief Executive	<i>Will Tuckley</i>	21 January 2026

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## **SECTION – 2**

### **REVIEW AND STATUTORY CERTIFICATIONS**

## Executive Director's Narrative Report

021

### 1) Organisational overview and external environment

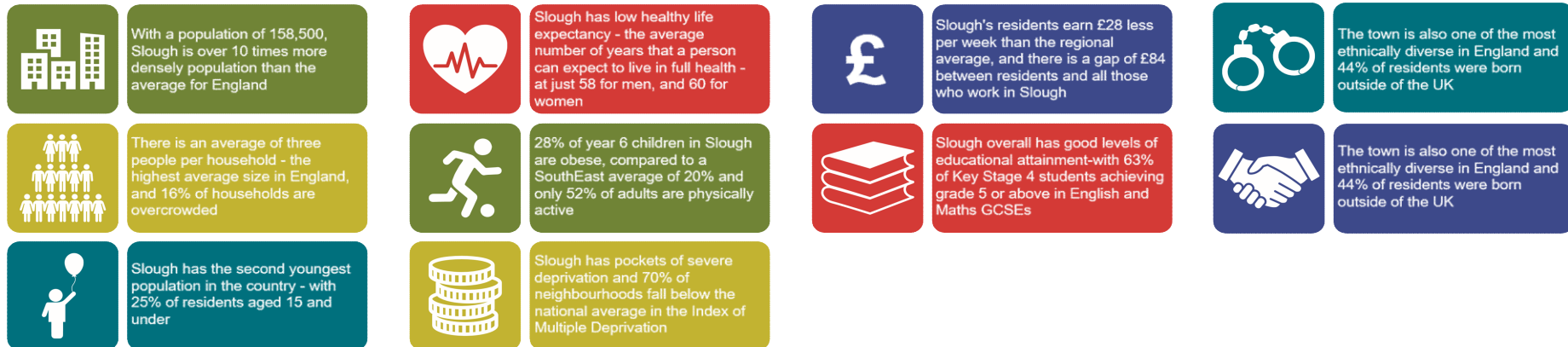
#### Local context

Since the 1930s people from around the UK and across the world have made Slough their home. The town is excellently served by road (located between the M4, M40 and M25) and rail links to London (the Elizabeth line), and is less than 10 miles away from Heathrow International Airport.

The Centre for Cities analysed the economic landscape of the UK's largest cities and towns. Their findings identified Slough as a real hotspot for its contribution to the UK economy with findings such as:

- 1st for exporter productivity
- 1st in highest GVA (Gross Value Added, this is a measure of labour productivity that estimates the value of goods and services produced per hour worked)
- 2nd highest start-up rate
- 2nd in average weekly earnings
- 3rd in ratio of private sector to publicly funded jobs
- 3rd for house price growth
- 6th highest rate of businesses
- 10th fastest-growing city by population

#### 10 key facts about Slough



## Executive Director's Narrative Report (continued)

### Our strategic priorities

These statistics above highlight the incredible performance and potential of Slough, as well as the challenges, particularly the poor healthy life expectancy compared to neighbouring areas and one of the youngest populations in the country. The Council's purpose as defined in the Corporate Plan 2023-2027 is closing the healthy life expectancy gap, by focusing on children. To deliver on the key purpose, there are a number of key challenges we will need to focus on:

1. A borough for children and young people to thrive
2. A town where residents can live healthier, safer and more independent lives
3. A cleaner, healthier and more prosperous Slough

### Recovery and improvement

Slough's context includes a backdrop of government intervention. The scale of the council's challenges was highlighted in a series of government directions from the Ministry of Housing, Communities and Local Government and the appointment of Commissioners in December 2021. In addition, the council remains under a separate Direction from the Department of Education.

The Council has acknowledged the need to deliver change and improvement. Without doing this, we would struggle to deliver against our strategic priorities. It is a key objective of the Council to be able to demonstrate tangible progress against the directions so that we are able to recover and become financially sustainable. Progress against our Recovery Plan is reported monthly to Commissioners at the Improvement and Recovery Board and quarterly to Full Council.



*Herschel Park or Upton Park as it was originally called is Slough's oldest park*

## Executive Director's Narrative Report (continued)

023

### Our approach

To deliver change and improvement, we know we need to be:

#### Resident focused



- o Ensuring residents are consulted on key decisions
- o Improving response times and customer service
- o Making it easier for residents to access advice and information

#### Providing financial sustainability



- o Ensure that the corporate plan aligns with the council's Medium Term Financial Strategy which sets out how our priorities will be resourced. Any financial implications arising from implementation of actions are fully factored into the budget and the MTFP plan
- o Continue to improve our financial resilience, focusing on financial recovery and onward sustainability

#### Enabling residents and communities



- o Being active and present in our community
- o Working with residents to cultivate strong, healthy and attractive neighbourhoods where residents live well, independently, and become self-sufficient
- o Providing opportunities for residents to change the things they believe need changing in their community

#### Strengthening partnerships



- o Developing more effective strategic partnerships - particularly with the Slough Health & Wellbeing Board and Safer Slough Partnership - focused on action and delivering rapid progress
- o Creating new relationships with local employers to harness the strength of Slough's business community, target skills gaps and create employment opportunities for residents
- o Re-establishing, re-energising and building on our shared 2040 partnership vision for Slough

#### Building trust



- o Demonstrating our commitment to integrity and public service through our conduct
- o Publishing regular progress reports on the council's recovery
- o Improving transparency on our performance and decision-making

## 2) Governance

Further information on governance can be found in the Annual Governance Statement (refer to the previous section). This has been an area of improvement for the Council in recent years, linked to the recovery and improvement work, referenced above.

## 3) Operational model and performance

### Outturn report

The 2023/24 outturn report was presented to Cabinet in June 2024 and reflected an overspend on the revenue budget of £15.5m, largely driven by overspends in adult services and homelessness. Although some of these pressures were reflected in the 2024/25 budget, the expectation was that demand levels may still lead to funding being insufficient and consequential overspends. The outturn report reflected an expected capitalisation direction of £31.6m. This means there was an additional deficit of £31.6m in the revenue budget which central government were directing to be capitalised over a 20-year period so the overspend was on top of the planned capitalisation direction.

The council had a general fund savings target for 2023/24 of £22.422m. £19.3m of savings were delivered, and £4.9m not delivered, however with mitigating savings totalling £3.5m, leading to a shortfall of £2.2m.

The accumulated deficit on the ringfenced Dedicated Schools Grant (DSG) is £25.430 at 31st March 2024. This is held in an unusable reserve in line with the statutory override which allows local authorities to transfer deficits from the General Fund to unusable reserves. In 2023, the Department for Education (DfE) agreed a safety valve management plan with Slough where it would write off historical deficit between 2022/23 and 2026/27. A second safety valve payment of £4.410m was received in 2023/24. This arrangement is predicated on the Council reaching a positive in-year balance on the DSG by the end of 2025/26 and each subsequent year thereafter. A DSG usable earmarked reserve currently holds a cumulative balance of £15.295m at 31st March 2023/24 leading to a net DSG position of £10.136m.

The HRA saw an in-year surplus of £3.4m, mainly on central support services and a decrease in bad debt provisions..

The general fund capital programme spent £8m, funded by grants and capital receipts. The planned spend was lower than the revised budget, due to continued delays in the start of projects.

During the year 20 asset sales resulted in £29.7m of capital receipts, offset by £1.5m of costs on those sales, contributing towards the Council's asset disposal programme, but subject to some slippage compared to previous plans.

In order to fund the revenue overspends, the outturn report expected earmarked and unallocated general fund reserves to reduce by £25.4m, which is unsustainable. Following the outturn report further work on the Council's financial outlook and medium term financial strategy was completed and presented to Cabinet in July 2024.



## Executive Director's Narrative Report (continued)

### Changes since the outturn report

Cabinet considered the 2023/24 Revenue and Capital Outturn in June 2024. However, it was noted at the time, that the position could only be considered provisional until conclusion of reviews of the Council's Balance Sheet, and prior years' final accounts, for all years to 2023/24 completed. A more detailed review of historic balance sheet items of balance sheet items has had to be conducted following identification of a number of legacy accounting issues, during preparation of the 2023/24 accounts.

It has been necessary to make an adjustment to the accounts to reflect the need to reverse prior years' s31 Covid Grants. There had been a significant overstatement in prior years' grant income (from 2020/21) and posted as income to the accounts. In addition to this, former investments which has previously redeemed were incorrectly retained on the balance sheet and have had to be written down, as well as interest payable from 2021/22 being understated in that year's accounts. Furthermore, various accruals were omitted from the 2023/24 as well as some smaller balance sheet corrections relating to previous years.

As partial mitigation, a review of reversal of prior years' capitalisation identified a number which were overstated. Officers also identified that pre-2022 profit share income from the Council's joint venture, Slough Urban Renewal, which had been sat on the balance sheet could be recognised as income in the Comprehensive Income and Expenditure Account for 2023/24. At the end of March 2025, Slough Children's First repaid in full a loan previously provided to them by the Council and for which an impairment had been included in the accounts. Other credit balances were identified as part of the ongoing balance sheet review process undertaken during late 2024. As stated, these are all a result of the inadequacy of underlying historic records, and as a consequence additional time has had to be dedicated to investigating and correcting as part of the 2023/24 accounts preparation.

These have resulted in an increased requirement for a capitalisation direction for 2023/24. This would increase the capitalisation direction for 2023/24 above the indicative level provided by government, pushing the cumulative capitalisation direction amount to £313.4m up to and including 2023/24, but would remain below the total in principle directions provided by the secretary of state of £338.7m. A request for the increased capitalisation direction has been submitted to MHCLG, and the accounts have been prepared on the basis that this request will be approved.





**Executive Director's Narrative Report (continued)**

**HRA**

The HRA is a ring-fenced account used to manage the Council's housing stock of approximately 6,029 properties, with the Council acting as the Landlord. The HRA operates as a 'self-financing' service, with costs of the properties and associated services funded by housing rents and specific fees and charges. The Council is accountable to their tenants for income and expenditure on council housing separately from other functions and services of the Council. The authority must implement proposals that will secure that the account for each financial year will not show a debit balance. HRA balance increased from £21.65m to £22.67m as at 31st March 2024. £7.5m of improvements to operational and non-operational assets were funded mainly from the major repairs reserves.

**Balance sheet**

As at 31 March 2024 the Council has long term assets of £1,176.56m, current assets (including cash and short term investment) of £65.96m, current liabilities of £92.17m, long term liabilities of £614.99m (which includes the net pension liability of £108.11m). The Council has usable reserves of £242.56m. The net assets of the Council have decreased from £645.95m at 31 March 2023 to £535.35m at 31 March 2024.

**Collection fund**

The collection fund shows the transactions of the Council in its capacity as the billing authority for council tax and business rates within Slough. The account closed with a total deficit of £1.7m (£22.4m in 2022/23), comprising of a £2.7m deficit on business rates (£22.3m in 2022/23), but a surplus of £1m on council tax (£0.9m in 2022/23). The balances are shared between Slough, central government, Berkshire Fire Authority and Thames Valley Police, as shown in note 3 to the collection fund. Slough's share of the business rates deficit was £1.3m (£12.3m in 2022/23), with a £0.9m share of the surplus (£0.8m in 2022/23), leading to Slough's share being a net deficit of £0.4m (£11.5m in 2022/23).

**Pension liability**

The pension liability reflects the underlying long-term commitment that the Council has to pay for the retirement benefits owed to its pension fund members. The net pension liability decreased from £122.2m at 31 March 2023 to £108.1m as at 31 March 2024. The scheme assets increased from £326.2m to £351.4m. The assumptions on pension obligations have increased, with scheme liabilities increasing from £448.3m to £459.5m. The value of equities has increased significantly during the year. The increase in the value of assets has outstripped increases in the liabilities leading to , alongside a reduction in the expected rate of inflation and increases in salaries and pensions all combining to result in an improvement in the overall position.

**Council performance**

The Council prepared a Quarterly Recovery and Performance Update for Q4 2023/24. Positive trends within that report include the highest business rate collection rate to date, and improvements in council tax collection rates. There have also been improvements within customer services for call answering and waiting times. Planning application decisions continue to be made within timescales, and children and young people in external residential placements remains low and below target. A number of areas for improvement have been below target such as: housing benefit claims, housing voids, clearing internal audit actions, staff turnover and absence. There are also a number of areas that require a continued focus on improvement, including spend compared to budget, the need to achieve savings, housing repairs, EHCPs, missed bin collections and the volume of waste send for recycling. ToO find out more about the ongoing performance reports for the Council operations, read the reports which are presented to Cabinet quarterly.

The Council has produced a Housing Annual Report 2023/24 which provides an update on work done during 2023/24 and plans for 2024/25. It reports on the 218,460 contacts received during the year, across phone calls, appointments and emails, as well as the 7,044 gas safety checks, as well as thousands of other checks including fire risk assessments, lighting tests, asbestos surveys, water tests, lift inspections, and boiler replacements. The report also includes an update on tenant satisfaction measures.

## Executive Director's Narrative Report (continued)

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### 4) Risks and opportunities

The Council is subject to a number of significant risks including: temporary accommodation and financial sustainability. The Council also risks failure to meet demands on adult social care; and special educational needs and disability "SEND".. There is also risk associated with the challenges of attracting and retaining staff, health and safety, and operational resilience and crisis management. As with the public sector as a whole, there are also risks related to ICT incidents. Given the ongoing financial challenges Slough has been facing, financial sustainability and desire to deliver best value is also a significant risk. Risks related to the Council's companies are picked up the company structure, risks, priorities and strategy section, below.

Corporate risks will continue to be monitored by the corporate risk management board, with regular risk update reports provided to the Audit and Corporate Governance committee.

### 5) Strategy, outlook and resource allocation

#### Medium term financial context

Slough continues to face significant financial challenges. The council's medium term financial strategy is therefore aimed at the objective of delivering financial resilience through the finance recovery plan and achieving onward sustainability.

The council remains in recovery and with government announcing on 20 November 2024 that government intervention will be extended for a further two years until 30 November 2026. The council recognises that over the medium to longer term the council needs to spend within its available resources. The council is working within an incredibly challenging financial context with increasing future demand from residents to address more complex issues. Society is also changing rapidly, with different expectations and needs. The council is therefore proactively designing its future shape and how it will continue to deliver services to its residents, businesses, partners and attracting people and businesses to Slough.

The council has also made positive investment and decisions and will continue to make that support the council's future direction and will continue to do so within the budget to work towards longer term sustainability. This includes:

- A series of permanent appointments to the Council's senior management structure and stabilising the workforce through the workforce strategy;
- Adult Services - Investment into the community and voluntary sector;
- Public health – alongside the public health ringfenced grant, the service has been successful in securing additional funding for health research and physical activity;
- Asset strategy – supporting services and creating future estate strategies to ensure that the council can deliver services effectively from the proper buildings in the right locations. This includes disposing of assets in line with the Capitalisation Directive and making acquisitions to support various services;
- Reducing outstanding debt and working proactively with customers, clients including the vulnerable;
- Changes to the Council Tax Support Scheme (CTSS) and creation of a hardship fund for 2025/26; and
- Modernising the council through IT infrastructure investment to reduce operating costs whilst lowering organisational vulnerability.

The Council continues to need to reduce its expenditure and increase its income so that it can set a balanced budget without the need in future to rely on exceptional financial support. Current assumptions mean capital receipts in all likelihood will not fully fund the capitalisation directions and so will require repayment through future revenue budgets.

### 6) Companies and the group structure

Company risks, structure, priorities and strategy

The Council continues to use Slough Children First Ltd (SCF) to provide children's services, and in particular manage children's social care. SCF is a wholly owned company of Slough Borough Council and is constituted as a company limited by guarantee. Their published accounts for 2023/24 showed a net profit of £5.313m (2022/23 £8.084m loss), following a decision by the council to fund prior year losses. The balance sheet shows net accumulated losses of £2.167m (2022/23 £9.702m).

For the other companies, the Council is reviewing financial and legal governance and oversight arrangements which would enable it to develop its future strategy for each company. A statutory external audit recommendation remains outstanding relating to the company governance and monitoring, which continues to be addressed by the Council through the Finance Improvement Programme.

James Elliman Homes (JEH) was incorporated in 2017 with the primary objective of supporting the council to improve affordable housing supply and good quality accommodation for key workers. The Council's cabinet approved the 2025/26 business plan for JEH, a subsidiary of the Council, in March 2025, with an amended business plan expected to be approved by Cabinet during Autumn 2025 and a new business plan for 2026.

Issues were identified during preparation of JEH's financial statements for 2023/24, and all sets of accounts from incorporation had to be restated. The accounts for JEH do show negative equity, however given the ongoing work on the business plan, a debenture secured by the Council on JEH, and the minimum revenue provision already set aside for the loans provided to the companies, the risk is being managed.

Their published accounts for 2023/24 showed a net loss of £2.360m (2023 £1.809m) with net liabilities of £1.128m, and accumulated losses of £10.273m (2023 £7.913m). The council confirmed its intention to continue to provide support to the company by supporting the business plan to enable the company to return to a financially sustainable position.

GRE5, in their 2023/24 accounts has negative equity of £3.1m, however there have been claims submitted to Homes England to recover some of that loss. The Council has exposure to non-repayment of loans. The Council reviewed the latest business plan for GRE5, and it was approved by the Council's Cabinet in November 2024. That showed a risk exposure to the Council of £1.9m to £2.8m. Some minimum revenue provision has been set aside for the loans. A revised business plan is expected to be reviewed by Cabinet in Q4 2025.

## Executive Director's Narrative Report (continued)



*The Curve*

*Slough's iconic library and cultural centre*

### 6) Companies and the group structure (contd)

Slough Urban Renewal (SUR) is a joint venture (JV) with Muse Developments formed in 2013 to support regeneration and development across the borough. The JV has been disposing of its land interests with net profits distributed following each site disposal. This is following a review of SUR LLP, in which the council has considered a site disposals strategy to be the most effective of delivering financial and strategic objectives and minimising risk. Published accounts for the year ended 31st December 2023 showed a profit of £12.370m (2022 £0.141m loss).

The Council has an interest in Development Initiative for Slough Housing (DISH), which was incorporated in 1988 as a not-for-profit company limited by guarantee because It manages a number of properties that have been leased to it by SBC.

### 7) Basis of preparation and presentation

#### **Basis of preparation**

The Council's accounts are prepared in line with the CIPFA Code of Practice in local authority accounting. There are no significant accounting developments for 2023/24, with the IFRS16 Leases implementation delayed until 2024/25. A full record of accounting policies is available later in this document. The Council prepares single entity accounts and also group accounts. This is explained in note 1: basis of preparation.

**Executive Director's Narrative Report (continued)**

**Statement of Responsibilities for the Statement of Accounts**

**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 (the section 151 officer) has the responsibility for the administration of those affairs.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the statement of accounts.

**The Section 151 Officer's Responsibilities**

- 1) As Section 151 Officer, the Executive Director Corporate Resources is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 2) I was appointed interim Executive Director Corporate Resources (S151 Officer) for Slough Borough Council from 10 September 2025. The auditors had previously made a number of statutory recommendations concerning the preparation of and evidence to support the Statement of Accounts for 2018/19 which was published by a predecessor. In response, the Council engaged a completely new Finance team who identified significant weaknesses in financial management, financial processes and systems of internal control. Those recommendations are still being implemented.
- 3) Whilst I cannot comment on the quality of financial processes in operation prior to my appointment, I am satisfied, based on available assurances provided, that sufficient evidence is available to support the overall Balance Sheet and the overall year-end position on General Fund balances and reserves. Within this overall position there may be material errors on a line by line basis.
- 4) In preparing the 2023/24 statement of accounts, I have received assurance:
  - that suitable accounting policies were selected and applied consistently;
  - that judgements and estimates made were reasonable and prudent; and
  - that judgements and estimates made complied with the Code.

**Certification by the Section 151 Officer**

- 5) Within the context of paragraphs 3) and 4) above I therefore certify that to the best of my knowledge and belief so far as is possible in the circumstances, that this statement of accounts presents a true and fair view of the overall financial position of the authority and the income and expenditure for the year ended 31 March 2024. Within this overall position there may be material errors on a line by line basis.

*Ian O'Donnell*

**Ian O'Donnell**

Interim Executive Director Corporate Resources (Section 151 Officer)

21st January 2026

**Date**





## INDEPENDENT AUDITOR'S REPORT

### Independent auditor's report to the members of Slough Borough Council

#### Report on the audit of the financial statements

##### Disclaimer of opinion

We were engaged to audit the financial statements of Slough Borough Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Statement on the Movement on the Housing Revenue Account, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Notes to the Core Financial Statements, Housing Revenue Account Notes, Notes to the Collection Fund and Notes to the Group Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We do not express an opinion on the accompanying financial statements of the Authority or the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

##### Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2024 by 28 February 2025 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. The latest date on which unaudited accounts could be published to enable local elector rights to be met in time for the backstop was 16 January 2025. The Authority published its unaudited accounts on 31 October 2025. We have not been able to obtain sufficient appropriate audit evidence by the date of this report to conclude that the Authority's or group's financial statements for the year ended 31 March 2024 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2024 as soon as reasonably practicable after the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

In addition, in our auditor's report for the year ended 31 March 2019, we issued a disclaimer of opinion due to two matters:

- The Authority operated without appropriate journal controls throughout 2018/19, and our testing found many journal entries to have limited or no supporting evidence. In addition, a number of accounting entries were posted outside of the Authority's general ledger, that were unsupported and poorly documented.
- The Authority did not maintain adequate accounting records to support entries in the trial balance and to ensure the integrity of the financial statements. The number and scale of adjustments demonstrated the likelihood of further material undetected errors within the financial statements.

Both these matters have not been resolved in the current year and because of the limitations imposed by the backstop date, we have been unable to determine whether their impact on the current year financial statements impact could be both material and pervasive.

We have also noted that accounting entries in respect of a Ministry of Housing, Communities and Local Government (MHCLG) capitalisation direction for £46.325 million, have been reflected in the 2023/24 financial statements. To date, MHCLG has not confirmed that the Authority is permitted to include this sum in the financial statements and thus we were unable to obtain sufficient appropriate evidence to support these accounting entries. Had we not disclaimed our opinion, this matter would have led us to modify our opinion on the financial statements.

##### Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

##### Opinion on other matters required by the Code of Audit Practice

The Interim Executive Director Corporate Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority's and group's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

### Responsibilities of the Authority and the Interim Executive Director Corporate Resources

As explained more fully in the Statement of Responsibilities for the Statement of Accounts (set out on page 28), the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Interim Executive Director Corporate Resources. The Interim Executive Director Corporate Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Interim Executive Director Corporate Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Interim Executive Director Corporate Resources is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

### Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's and the group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our report.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

#### Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter except:

In our auditor's report for the year ended 31 March 2019, we reported that we issued statutory recommendations under section 24 of the Local Audit and Accountability Act 2014 highlighting significant weaknesses in the Council's financial sustainability and governance arrangements. A number of these weaknesses remain unresolved in 2023/24 as described in the matters reported below.

On 22 May 2024 we identified significant weaknesses in the Authority's arrangements for financial sustainability due to inadequate reserves and reliance on central government through a capitalisation direction to set a balanced budget from 2018/19 to 2023/24. We recommended that officers and members continue to work together to deliver financial sustainability in the medium term.

The position has not improved and on 31 October 2024 we identified a further significant weakness in the Authority's arrangements for financial sustainability. The Authority's Medium Term financial plan relies heavily on the asset disposal programme and associated capitalisation direction. We were unable to obtain assurance that the plan is predicated on appropriate, reasonable and robust assumptions. We recommended the Authority must review the basis of the asset disposal programme to ensure assumptions are robust, appropriate and reasonable and that financial implications are fully considered in the final programme.

On 22 May 2024 we identified significant weaknesses in the Authority's governance arrangements. These were in relation to:

- inadequate arrangements to ensure reliable and timely financial reporting due to poor internal controls and delays in the preparation and publication of the annual statement of accounts;
- inadequate arrangements for informed decision making due to a lack of assessment if those making the decisions had appropriate skills, capacity and information in relation to the purchase of investment properties;
- the need for the Authority to effectively manage Slough Children's First Ltd so that the Authority is able to demonstrate that the services provide both quality and value for money to families and children in Slough; and
- inadequate oversight of its group subsidiaries and the value they deliver to the Authority.

Recommendations were made to address the significant weaknesses identified.

These weaknesses remained in 2022/23 and 2023/24 and on 31 October 2024, we identified further weaknesses in the Authority's governance arrangements relating to its transformation programme and its significant turnover of senior management:

- The Authority's Transformation Programme in place to 31 March 2026 does not include adequate plans to exit its intervention. We recommended that the Authority devise a transformation programme supported by adequate and defined funding with the goal of exiting intervention and securing its best value duty. The programme must include how the Authority addresses recommendations from previous reviews or track them centrally to ensure resolution.
- The Authority has experienced significant turnover in its senior management team, with four Chief Executives, four Section 151 Officers, five Monitoring Officers, two Directors of Adult Social Services and three Directors of Children's Social Care since April 2021. We recommended the Authority and Commissioners should aim to maintain the permanence of the senior leadership team as far as reasonably practicable including second tier of posts.

On 22 May 2024 we identified a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. This was in relation to inadequate corporate oversight arrangements where we identified:

- a lack of understanding and cost comparisons with other similar local authorities;
- inadequate arrangements to ensure the Authority effectively delivers its role within significant partnerships; and
- inadequate procurement arrangements.

Recommendations were made to address the significant weaknesses identified.

This weakness remained in 2022/23 and 2023/24, and on 31 October 2024, we identified further weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness. We identified a significant weakness in the Authority's arrangements surrounding the performance of Children's Services due to the longstanding (renewed yearly) statutory direction on Children's Services and the new Special Educational Needs and Disability (SEND) statutory direction. We recommended that the Authority take all the necessary steps to continue to work with the Department for Education to improve performance in Children's Services and SEND.



## INDEPENDENT AUDITOR'S REPORT (continued)

### Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

### Report on other legal and regulatory requirements – Audit Certificate

We certify that we have completed the audit of Slough Borough Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Julie Masci*

Julie Masci, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor  
Bristol

30 January 2026

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## SECTION – 3

### CORE FINANCIAL STATEMENTS

Core Financial Statements	Page Number
• <i>Comprehensive Income and Expenditure Statement</i>	38
• <i>Movement in Reserves Statement</i>	39
• <i>Balance Sheet</i>	41
• <i>Cash Flow Statement</i>	42

## Comprehensive Income and Expenditure Statement

The **Comprehensive Income and Expenditure Statement (CIES)** records all of the Council's revenue income and expenditure for the year. Expenditure represents a combination of statutory duties and discretionary spend focused on local priorities and needs.

2022/23				2023/24			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
2,183	(83)	2,100	ED Monitoring Officer	2,354	(145)	2,209	
11,567	(2,348)	9,219	Chief Execs Office	9,650	(1,845)	7,805	
109,527	(96,934)	12,593	Corporate Services	68,730	(44,254)	24,476	
30,351	(14,840)	15,511	ED Housing, Property & Planning	52,874	(22,339)	30,535	
71,979	(34,667)	37,312	ED People (Adults)	68,678	(30,958)	37,720	
157,551	(126,512)	31,039	ED People (Children)	200,355	(152,917)	47,438	
48,254	(20,147)	28,107	ED Place & Communities	39,899	(16,827)	23,072	
1,304	(3,296)	(1,992)	Public Health	14,276	(12,518)	1,758	
26,472	(40,033)	(13,561)	Housing Revenue Account	38,181	(42,456)	(4,275)	
<b>459,188</b>	<b>(338,860)</b>	<b>120,328</b>	<b>Cost of Services</b>	<b>494,997</b>	<b>(324,259)</b>	<b>170,738</b>	
27,424	(141,119)	(113,695)	Other operating expenditure or (income)	59,295	(34,808)	24,487	6
29,216	(21,969)	7,247	Financing and investment income and expenditure	43,742	(13,430)	30,312	7
-	(114,763)	(114,763)	Taxation and non-specific grant income	-	(137,504)	(137,504)	8
		<b>(100,883)</b>	<b>(Surplus) or deficit on the provision of Services</b>	<b>598,034</b>	<b>(510,001)</b>	<b>88,033</b>	
			<b>Items that will not be reclassified to the (surplus) or deficit on the provision of Services</b>				
		(86,698)	(Surplus) or deficit on revaluation of property, plant and equipment assets			7,819	16
		(199,277)	Remeasurement of the net defined benefit liability/(asset)			(15,818)	32
		<b>(285,975)</b>	<b>Other Comprehensive income and expenditure</b>			<b>(7,999)</b>	
		<b>(386,858)</b>	<b>Total Comprehensive income and expenditure</b>			<b>80,034</b>	

## Movement in Reserves Statement

The **Movement in Reserves** Statement shows the movement in year on reserve balances held by the Council.

	General Fund Balance	Earmarked GF Reserves *restated	Schools Reserves	General Fund Total	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
<b>Balance at 1 April 2023</b>	<b>(21,465)</b>	<b>(58,291)</b>	-	<b>(79,756)</b>	<b>(21,645)</b>	<b>(81,043)</b>	<b>(15,192)</b>	<b>(31,483)</b>	<b>(229,120)</b>	<b>(386,266)</b>	<b>(615,386)</b>	
Opening Balance Adjustment		10,523	(21,036)	(10,513)					(10,513)	10,513	-	
<b>Balance 1 April 2023</b>	<b>(21,465)</b>	<b>(47,768)</b>	<b>(21,036)</b>	<b>(90,269)</b>	<b>(21,645)</b>	<b>(81,043)</b>	<b>(15,192)</b>	<b>(31,483)</b>	<b>(239,633)</b>	<b>(375,753)</b>	<b>(615,386)</b>	
<b>Movement in reserves during 2023/24</b>												
(Surplus)/deficit on provision of services	92,895	-		92,895	(4,862)				88,033		88,033	
Other Comprehensive income and expenditure									-	(8,000)	(8,000)	
<b>Total Comprehensive Income and Expenditure</b>	<b>92,895</b>	-		<b>92,895</b>	<b>(4,862)</b>	-	-	-	<b>88,033</b>	<b>(8,000)</b>	<b>80,033</b>	
Adjustments between accounting basis and funding basis	(32,526)	-		(32,526)	3,840	(13,486)	(206)	(2,259)	(44,637)	44,637	-	15
Capitalisation Direction	(46,325)			(46,325)					(46,325)	46,325	-	
<b>(Increase) or decrease before transfers to earmarked reserves</b>	<b>14,044</b>	-		<b>14,044</b>	<b>(1,022)</b>	<b>(13,486)</b>	<b>(206)</b>	<b>(2,259)</b>	<b>(2,929)</b>	<b>82,962</b>	<b>80,033</b>	
Transfer to/(from) reserves	(16,627)	20,899	(4,272)						-		-	
<b>Balance at 31 March 2024</b>	<b>(24,048)</b>	<b>(26,869)</b>	<b>(25,308)</b>	<b>(76,225)</b>	<b>(22,667)</b>	<b>(94,529)</b>	<b>(15,398)</b>	<b>(33,742)</b>	<b>(242,562)</b>	<b>(292,791)</b>	<b>(535,353)</b>	

Refer pages 73 to 79 for notes to the Movement in Reserves Statement

For more information on earmarked reserves, refer to page 79: Transfers to/and from Reserves

## Movement in Reserves Statement

The **Movement in Reserves** Statement shows the movement in year on reserve balances held by the Council.

	General Fund Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
Balance at 1 April 2022	(1,465)	(72,908)	(16,892)	(31,229)	(5,043)	(31,880)	(159,416)	(69,110)	(228,526)	
	-	-	-	-	-	-	-	-	-	
Balance 1 April 2022	(1,465)	(72,908)	(16,892)	(31,229)	(5,043)	(31,880)	(159,419)	(69,110)	(228,526)	
<b>Movement in reserves during 2022/23</b>										
(Surplus)/deficit on provision of services	(80,011)		(20,872)				(100,883)		(100,883)	
Other Comprehensive income and expenditure							-	(285,975)	(285,975)	
<b>Total Comprehensive Income and Expenditure</b>	<b>(80,011)</b>	<b>-</b>	<b>(20,872)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,883)</b>	<b>(285,975)</b>	<b>(386,858)</b>	
Adjustments between accounting basis and funding basis	131,242		16,119	(49,814)	(10,149)	397	87,795	(87,795)	-	15
Capitalisation Direction	(56,614)						(56,614)	56,614	-	
<b>(Increase) or decrease before transfers to earmarked reserves</b>	<b>(5,383)</b>	<b>-</b>	<b>(4,753)</b>	<b>(49,814)</b>	<b>(10,149)</b>	<b>397</b>	<b>(69,702)</b>	<b>(317,156)</b>	<b>(386,858)</b>	
Transfer to/(from) reserves	(14,617)	14,617					-		-	
<b>Balance at 31 March 2023</b>	<b>(21,465)</b>	<b>(58,291)</b>	<b>(21,645)</b>	<b>(81,043)</b>	<b>(15,192)</b>	<b>(31,483)</b>	<b>(229,118)</b>	<b>(386,266)</b>	<b>(615,384)</b>	

Refer pages 73 to 79 for notes to the Movement in Reserves Statement



Balance Sheet

The **Balance Sheet** is fundamental to the understanding of the Council's financial position at the year end. It shows the value as at the Balance Sheet date of assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by reserves held by the Council.

Certification by the Chief Financial Officer

On the basis of available assurances provided in support of the overall Balance Sheet and the overall year-end position on General Fund balances and reserves, I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2024 and its income and expenditure for the year ended 31 March 2024. Within this overall position there may be material errors on a line by line basis.

These financial statements replace the unaudited financial statements confirmed by the Section 151 Officer on 31 October 2025.

Ian O'Donnell

Ian O'Donnell  
Interim Executive Director Corporate Resources (Section 151 Officer)

21st January 2026

31-March-2023 restated		31-March-2024	
£'000		£'000	Note
1,116,165	Property, Plant and Equipment	1,089,134	18
108,432	Investment Property	27,212	20
2,870	Intangible Assets	480	
11,289	Long-term Investments	5,052	24
56,739	Long-term Debtors	54,679	27
1,295,495	Total Long-term Assets	1,176,557	
119,000	Short Term Investments	432	24
2,791	Assets Held for Sale	-	
60,290	Short term debtors	36,959	28
28,676	Cash and Cash Equivalents	28,571	27
210,757	Current Assets	65,962	
(119,436)	Short-term Borrowing	(69,000)	24
(110,561)	Short-term Creditors	(84,639)	29
(14,917)	Short-term Provisions	(7,529)	30
(244,914)	Current Liabilities	(161,168)	
(24,636)	Long-term Creditors	(17,995)	
(170)	Long-term Provisions	(2,822)	
(470,471)	Long-term Borrowing	(390,432)	30
(150,676)	Other Long-Term Liabilities	(134,749)	
(645,953)	Long-term Liabilities	(545,998)	
615,385	Net Assets	535,353	
(229,119)	Usable Reserves	(242,563)	
(386,266)	Unusable Reserves	(292,790)	16
(615,385)	Total Reserves	(535,353)	

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.

2022/23		2023/24	
£'000		£'000	Note
(100,883)	Net (surplus) or deficit on the provision of services	88,034	
(47,054)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(108,495)	34
211,576	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	(74,356)	34
63,639	Net cash flows from operating activities	(94,817)	
(94,084)	Investing Activities	(37,486)	35
83,840	Financing Activities	132,408	36
53,395	Net (increase) or decrease in cash and cash equivalents	105	
82,071	Cash and cash equivalents at the beginning of the reporting period	28,676	
28,676	Cash and cash equivalents at the end of the reporting period	28,571	27

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## SECTION – 4

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## SECTION – 4

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## Notes to the Core Financial Statements

### Note 1: Accounting Policies

#### 1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end 31 March 2024.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which requires accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

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

#### 1.2 Accruals of Income and Expenditure

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

- The Authority adopted IFRS15 Revenue Recognition from Contracts with Customers from 1 April 2018, such that revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. Revenue recognition is now based on the transfer of control over goods and services to a customer rather than the risks and rewards, which may result in changes to the pattern of revenue recognition. In local government the generation of revenues from, charges to service recipients is only a minor funding stream and contracts with customers tend to be accounted for and delivered within the year.
- 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.
- 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 in 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.
- Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

#### 1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

## Note 1: Accounting Policies (continued)

### 1.4 Employee Benefits

#### Benefits Payable During Employment

Short-term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid monthly and reflected as expenditure in the relevant service line in the Comprehensive Income and Expenditure Statement (CIES).

#### Termination Benefits

Termination benefits are payable following a decision by the Authority to terminate an officer's employment before their normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Costs are recognised as a charge to the respective Service line in the CIES at the earlier of when the Authority can no longer withdraw the offer of redundancy or when the Authority recognises costs of restructuring.

Where termination benefits include the enhancement of pensions benefits, regulations require the General Fund to be charged with the amount payable to the pension fund or pensioner in the year, rather than the amount calculated under accounting standards. Entries are made in the Movement in Reserves Statement (MIRS) to transfer the accounting standards based entries to the Pension Reserve and replace these with the amount payable to the pension fund.

#### Post-employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE) and
- The Berkshire Local Government Pension Scheme, administered by Royal Borough of Windsor and Maidenhead.

Both schemes provide defined benefits to members (e.g. retirement lump sums and pensions), earned as employees worked for the Authority or related parties.

However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

The Children Learning and Skills Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

#### The Local Government Pension Scheme

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

- The liabilities of the Berkshire pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method
- The assets of the Berkshire pension fund attributable to the Council are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price

The change in the net pensions liability is analysed into the following components:

**Note 1: Accounting Policies (continued)****Service cost comprising:**

- current service cost and past service cost are recognised as charges to the CIES to the services for which the employees worked
- net interest on the net defined benefit liability is charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (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) are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

The Authority's contributions to the Berkshire pension fund are charged to the General Fund by a transfer to the Pension Reserve via the MIRS in accordance with statutory requirements

**Discretionary Benefits**

The Authority provides discretionary post-employment benefits which arise from additional service for early retirements. These benefits are unfunded, with costs met directly from the General Fund.

**1.5 Financial Instruments****Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their cashflow characteristics.

For the Authority's borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the CIES is the amount payable for the year according to the loan agreement.

The fair value of Public Works Loans Board (PWLB) loans is calculated using the certainty rate published by the PWLB on 31 March 2024.

For non-PWLB loans the fair value is deemed to be the standard new loan rate also published by the PWLB on 31 March 2024.

**Financial Assets**

The Authority has reviewed the classification of all its financial assets based on the business model for holding the assets and concluded that they are either:

- assets at amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVPL).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those 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).

## Note 1: Accounting Policies (continued)

### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are initially measured at fair value and subsequently carried at amortised cost. For the Authority this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest. Interest credited to the CIES is the amount receivable for the year under the loan agreement.

### Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account (the Financial Instruments Revaluation Reserve) and the balance debited or credited to the CIES when the asset is disposed of.

Income from FVOCI assets is recognised when the right to receive the payment is unconditional. Income is reported in the Financing and Investment Income and Expenditure line in the CIES.

### Financial Assets Measured at Fair Value through Profit of Loss (FVTPL)

Financial assets that are measured at FVTPL are initially measured and subsequently carried at fair value. All movements in the fair value of the instrument (both realised and unrealised) are recognised as they occur in the Surplus or Deficit on the Provision of Services.

### Impairment Losses

Allowances for impairment losses have been calculated for assets at amortised costs and FVOCI, applying the expected credit losses model.

The Authority recognises expected credit losses either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

### 1.6 Government Grants and Contributions

Government grants and third party contributions and donations are recognised when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- that the grants or contributions will be received.

Where conditions attached grants or contributions have not been satisfied, monies received to date are carried in the Balance Sheet as creditors and credited to the CIES when the conditions are satisfied.

Ringfenced grants and contributions are credited to the relevant service within the CIES. Non-ringfenced grants are credited to the Taxation and Non-specific Grant Income line within the CIES.

Capital grants credited to the CIES, are transferred out of the General Fund Balance via the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.



## Note 1: Accounting Policies (continued)

### 1.7 Interests in Companies and Other Entities

The authority has material interests in two subsidiaries (James Elliman Homes Ltd and Slough Children's First) and one joint venture (Slough Urban Renewal LLP), which have been consolidated into the Council's Group Accounts:

- on a line by line basis for the subsidiaries; and
- the equity method for the joint venture, after first re-aligning accounting policies with the Authority where appropriate and eliminating intra-group transactions.

In the Authority's single entity accounts, interests in the above companies are classified as long-term investments and measured at cost less provision for any losses.

All other interests in subsidiaries and an associate are not material to the Authority and are thus reported as financial instruments. As the business model is to hold for the long-term rather than trade such interests, they are classified as FVOCI subject to any impairment allowance.

### 1.8 Investment Property

Investment properties are measured initially at cost and subsequently at fair value. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end.

Revaluation gains and losses on revaluation are recognised in the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. However, regulations do not permit unrealised or realised gains and losses to impact the General Fund balance. Therefore, gains and losses are transferred to the Capital Adjustment Account via an entry in the MIRS.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the CIES.

### 1.9 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### The Council as Lessee

##### Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower).

The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

**Note 1: Accounting Policies (continued)**

Lease payments are apportioned between:

- the principal element which applied to write down the lease liability, and
- the interest element which is charged to the Financing and Investment Income and Expenditure line in the CIES.

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

Operating Leases

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

***The Council as Lessor***Operating Leases

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

**1.10 Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

**1.11 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 Authority 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.

Property, plant and equipment is recognised where the initial cost or value exceeds £10,000.

**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.

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 Authority). 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 Authority.

**Note 1: Accounting Policies (continued)**

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

Asset type	Measurement basis
Vehicles, plant and equipment, infrastructure, community assets	Depreciated historical cost
Council dwellings	Current value, determined using the basis of existing use value for social housing (EUV-SH)
Assets under construction	Cost
Surplus assets	Fair value
School buildings and other specialised assets	Depreciated replacement cost which is used as an estimate of current value
All other assets	Current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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 CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Note 1: Accounting Policies (continued)

### 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 the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (housing dwellings and flats – 54 years)
- Vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer (between 1-35 years)
- Infrastructure – straight-line allocation over 10-40 years.
- Other operational buildings – straight-line allocation over the useful life (1-60 years) as estimated by the valuer
- Car parks – straight-line allocation over the useful life (60 years) as estimated by the valuer

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. This will only be applied where the omission to recognise and depreciate a separate component may result in a material difference to the depreciation charge.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Gains and losses on disposal comprise the following:

- The capital receipt from the proceeds of the sale. Only receipts over £10,000 are classed as capital receipts. The capital receipt element of the gain/loss on disposal is transferred to the Capital Receipts Reserve via the MiRS;
- The carrying value of the asset disposed of or decommissioned, which is transferred to the Capital Adjustment Account via the MiRS;
- Any costs of administering the disposal.

Any revaluation gains accumulated for the asset in the Revaluation Reserve are written out to the Capital Adjustment Account.

A proportion of capital receipts relating to housing disposals is payable to the Government.

### 1.12 Service Concessions

Service concessions (also known as 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 contractor. The Authority recognises the assets used under the contracts in the Balance Sheet within Property, Plant and Equipment, because it both controls the services provided under these contracts and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge.

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.

## Note 1: Accounting Policies (continued)

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

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

- Fair value of services received during the year – debited to the relevant service in the CIES;
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the FIIE line in the CIES;
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the FIIE line in the CIES;
- 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); and
- Lifecycle replacement costs – a 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.

### 1.13 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are recognised where the Authority has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES when the Authority has an 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 in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

A provision for the best estimate of the amount that businesses have been overcharged up to 31st March 2024 in relation to Business Rates. The estimate has been calculated using the latest Valuation Office (VOA) ratings list of appeals and an analysis of appeals to date when providing the estimate of the total provision up to and including 31st March 2024.

#### Contingent Liabilities

No liability is recognised is an outflow of economic resources as a result of present obligations is not probable. Instead, such situations are recognised as contingent liabilities in a note to the accounts, unless the outflow of resources is remote.

#### Contingent Assets

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

### 1.14 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the MIRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

## Note 1: Accounting Policies (continued)

### 1.15 Revenue Expenditure Funded from Capital under Statute

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund Balance to the Capital Adjustment Account via the MIRS and is included in the Capital Expenditure and Financing disclosure.

### 1.16 Capitalisation Direction

The Council will capitalise expenditure when directed to by the Secretary of State or where the Secretary of State has given a "minded to" decision of a capitalisation direction. The expectation is that any capitalisation directions will be repaid from capital receipts resulting from the Council's asset disposal programme. Before such a time as the capitalisation directions are repaid minimum revenue provision (MRP) will be charged over a 20 year period in line with the Council's MRP policy. In general the capitalisation direction will be the first priority for capital receipts, with capital receipts held in the capital receipts reserve if there is the expectation across the medium term financial strategy (MTFS) horizon that they can be applied to a capitalisation direction. Occasionally the Council may deviate from this approach when this would deliver a MRP saving over the life of the MTFS.

### 1.17 Schools

Under the Code, local authority maintained schools are considered to be separate entities with the balance of control lying with the Authority. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for within the single entity accounts of the Authority.

Schools within the Council's group fall into the following categories:

- Community – 12 schools
- Nursery – 5 schools
- Foundation/Trust schools – 2 schools

Academies, Voluntary Aided, Voluntary Controlled and Free Schools are outside the Council's control.

### 1.18 VAT

The CIES excludes amounts relating to VAT. VAT is only recognised as an expense if it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

### 1.19 Minimum Revenue Provision (MRP)

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance. MRP has been charged in line with the Council's MRP Policy.

### 1.2 Fair Value Measurement

The authority 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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The authority 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 authority 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 asset in its highest and best use.

The authority 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 authority's financial statements are categorised within the fair value hierarchy, as follows:

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

**Note 1:            Accounting Policies (continued)**

**1.21    Capital commitment**

The Council has included those projects which it believes it is committed to based on its capital strategy programme, which is approved by the Capital Strategy Board, although not all of these projects are subject to contractual agreements at year end.

**1.22    Rounding**

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

## Note 2: Accounting Standards that have been Issued but Not Yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the council to disclose information relating to the impact on the Council's financial performance or financial position of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code.

Paragraph 3.3.2.13 of the Code requires changes to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

At the Balance sheet date, the following new accounting standards and amendments have been published but not yet adopted in the Code of Practice on Local Authority Accounting in the United Kingdom:

- a) IFRS 16 - Leases removes the existing classifications of operating and finance leases under IAS 17 (Leases for lessees). It will require local authorities that are leases to recognise most leases on their balance sheets as a right-of-use asset, with corresponding lease liabilities. CIPFA-LASSAC have deferred implementation of this standard until 1 April 2024.
- b) Definition of Accounting Estimates - IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors will be amended to define accounting estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'. This change is not anticipated to significantly impact on the amounts held in the Council's financial statements.
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 will be amended to give more guidance on the disclosure of accounting policies in financial statements. This change is not anticipated to significantly impact on the amounts held in the Council's financial statements.



### Note 3: Critical Judgements in Applying Accounting Policies

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

The following are considered to be critical management judgements in applying policies of the Council that have the most significant effects in the Statement of Accounts:

- **Future funding** – there is currently a high level of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be materially impaired as a result of a need to close facilities and substantially reduce levels of service provision particularly with the prospect of local government reorganisation looming.
- **School service concession** – the Council is deemed to control the services and the residual assets created under the contract for Penn Wood School, which is recognised on the Balance Sheet at £19.6m. The remaining two schools under the service concession contract, Beechwood School and Arbour Vale Special School have converted to academies and are therefore not under the control of the Council. Consequently, the assets for these two schools have been derecognised from the Balance Sheet. However, contractual liability remains with the Council and is reported in the Other Long-Term Liability balance on the Balance Sheet. Under the terms of the academisation, both schools make annual contributions to the Council for their shares of the unitary charge payable.
- **Recognition of schools** – the Council has completed a school by school assessment across the different schools operated within the Borough in order to determine the individual accounting treatments. Judgements have been made to determine the arrangements in place and the accounting treatment of the Non-Current Assets. As a result, the Council recognises school assets for Community schools and Voluntary Aided Schools on the Balance Sheet. The Council does not recognise assets relating to Academies or Free Schools as the view has been adopted that these entities were deemed to be owned by the relevant Dioceses or Trust following consultation and review.
- **Interests in Council-owned companies** – the Council has a number of interests in other entities which fall within the group accounting boundary on the grounds of control and significant influence in line with the Code. However, only the interests in its wholly-owned subsidiaries James Elliman Homes, Slough Children's First, and its 50% share of Slough Urban Renewal LLP warrant consolidation into the Council's Group Accounts.
- **Provisions for business rates appeals and bad debts** – The Collection Fund currently holds £6.243m appeals provision to counter the potential impact of successful appeals in future years. In addition, the Council reviewed the adequacy of the bad-debt provision for business rates and council tax and as result, set the business rates provision to £7.781m and the Council Tax provision to £10.230m
- **Agent/Principal Analysis** – a judgement has been made as to whether the Council had control over various Covid-19 funding streams provided by Central Government (Principal) or whether it was acting as an intermediary only (Agent). Further information about this is provided in Note 14 (Grant Income).

**Note 4: Assumptions made about the future and other sources of estimation uncertainty**

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Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment, and Investment Property - depreciation	<p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate the value of its non-current assets.</p> <p>The Council's external valuers, Wilks, Head and Eve LLP, provided valuations as at 31 March 2024 for all the Council's investment property portfolio and approximately 80% of its operational portfolio. The balance of operational properties was also reviewed to ensure values reflect current values. balance of operational properties was also reviewed to ensure values reflect current values.</p> <p>The estimated useful life of all operational properties is reviewed annually based on the advice from the Council's external valuers</p>	<p>A reduction in the estimated valuation would result in reduction of the Revaluation Reserve and/or an impairment loss being charged to the Comprehensive Income and Expenditure Statement (CIES). If the value of the Council's operational properties were to reduce by 10% this would result in a valuation loss of £33.5m.</p> <p>An increase in estimated valuations would result in increased revaluation gains to the Revaluation Reserve and/or reversals of impairments charged to the CIES in previous years.</p> <p>If estimated useful lives increase by one year this would reduce the depreciation charge of £25m by £1.6m.</p> <p>If estimated useful lives decrease by one year this would increase depreciation by £1.4m.</p>
Fair value	The Council's external valuers use valuation techniques to determine the fair value of investment property and surplus property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available, in which case, the valuers use the best information available.	Estimated fair values may differ from the actual prices that could be achieved in an arms-length transaction at the reporting date.
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of 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.</p> <p>The Council has engaged Barnett Waddingham, as its consulting actuaries, to provide the Council with expert advice about the assumptions to be applied.</p>	<p>Variations in the key assumptions will have the following impact on the net pension liability:</p> <p>(a) a 0.1% reduction in the discount rate will increase the net liability by £7m</p> <p>(b) a 0.1% increase in inflation will increase the net liability by £7m.</p> <p>(c) an increase of one year in life expectancy will increase the liability by £18m.</p>
Valuation of council dwellings	Council dwellings are valued on a beacon methodology. This uses comparable sales evidence from the local area for the relevant property adjusted for floor area, local house price movement and regional indices.	<p>A 10% reduction in the estimated value of HRA dwellings would be a revaluation loss of £61m.</p> <p>If estimated useful lives are overstated by 5% this would increase depreciation by £0.5m.</p>
Impairment allowance for doubtful debts	At 31 March 2024, the Council had an impairment allowance of £32.1m against gross short-term debtor balances totalling £69.1m. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not.	If collection rates deteriorate by 5%, this would require an increase in the impairment allowance of £1.5m.
Provisions	The Council has made a number of provisions for the estimated cost of settling liabilities in respect of insurance claims, legal disputes and business rates appeals. The provisions are based on the Council's best estimate of the amount required to settle the obligations.	If provisions were valued at a more conservative outcome, this would require an additional amount to be set-aside as an increase in the provision required.

## Note 5: Material Items of Income and Expense

For the purpose of this note the Council considers material items to be around £6m. The Council has two material items of expenditure which relate to service contracts in 2023/24:

1. £47.43m (2022/23 £31.03m) to Slough Children's Services Trust for children's and young people services. The expenditure was charged to Children and learning Skills within the CIES.

In March 2022 the Department for Levelling Up, Housing and Communities (DLUHC) provided an "in principle" Capitalisation Direction of £307m to the Council under the Department's Extraordinary Financial Support programme. The Capitalisation Direction was issued in response to the S.114 Notice issued by the s.151 officer to the Council in July 2021. The s.114 Notice highlighted that the Council faced a significant unfunded financial deficit arising from financial challenges which have arisen over a number of years. The Capitalisation Direction subsequently approved in March 2024 is £348m for financial years to March 2028.

The Capitalisation Direction permits the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capitalised revenue expenditure from capital resources, namely by applying usable capital receipts and in the short-term setting aside minimum revenue provision.

The Capitalisation Direction covers the period to 31 March 2024. It has been used as follows:

	pre 1 April 2020	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000
To correct incorrect capitalisation of staff costs for Agresso Support	4,291	1,240	1,000	1,000		7,531
To address expenditure incurred by Slough Children's Service Trust Ltd incorrectly classed as Transformation Funding	9,933	-	-	-		9,933
To address expenditure incurred by the Council incorrectly classed as Transformation Funding	12,302	1,726	553	-		14,581
Understatement of Minimum Revenue Provision	38,219	9,065	18,789	21,534	15,968	103,575
To correct the incorrect treatment of Overage Income as revenue income to the General Fund	3,633	-				3,633
To charge the Council's share of the Collection Fund deficit from 2014/15 to the General Fund	6,301	-				6,301
To correct incorrect capitalisation of Property Staff	5,480	2,558	452	1,450		9,940
To provide for costs related to companies	500	171	894	2,010	(3,352)	223
To correct incorrect capitalisation of IT Staff	754	363				1,117
To provide adequate provisions against debtors raised	23,581	-	2,200			25,781
To provide for additional costs in relation to revenue outturn	19,556	9,818	35,013	18,347	31,491	114,225
To provide for an Insurance Fund provision	1,000	-				1,000
Additional Growth for new years of MTFS	-	-	1,065	4,773	9,718	15,556
Fund redundancy costs for 2 years	-	-	-	7,500	(7,500)	-
<b>Total</b>	<b>125,550</b>	<b>24,941</b>	<b>59,966</b>	<b>56,614</b>	<b>46,325</b>	<b>313,396</b>

**Note 6: Other Operating Expenditure**

2022/23		2023/24
£'000		£'000
298	Precepts	266
840	Payments to the Government Housing Capital Receipts Pool*	-
(114,833)	Gains/Losses on the Disposal of Non-Current Assets	24,221
(113,695)	<b>Total</b>	<b>24,487</b>

\* There was an announcement in 2022-23 that Local Authorities were not required to make a pooling payment for 2023-24

**Note 7: Financing and Investment Income and Expenditure**

2022/23		2023/24
£'000		£'000
16,186	Interest payable and similar charges	21,600
7,840	Net interest on the net defined benefit liability (asset)	5,561
(9,753)	Interest receivable and similar income	(7,950)
(7,026)	Income and expenditure in relation to investment properties and changes in their fair value	11,101
7,247	<b>Total</b>	<b>30,312</b>

**Note 8: Taxation and Non-Specific Grant Income**

2022/23		2023/24
£'000		£'000
(66,105)	Council tax income	(74,738)
(28,283)	Non-domestic rates income	(29,841)
(8,407)	Non-ringfenced government grants	(23,226)
(11,968)	Capital grants and contributions	(9,699)
(114,763)	<b>Total</b>	<b>(137,504)</b>

## Note 9: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the Council has used available funding for the year (i.e. government grants, rents, council tax and business rates) in providing services, in comparison with those resources that the Council has consumed or earned in accordance with generally accepted accounting practices. It also shows how the Council has allocated this expenditure for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23 restated					2023/24			
Net Expenditure Chargeable to the General Fund and HRA Balances	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
2,695	-	(595)	2,100	ED Monitoring Officer	1,583	-	(625)	2,208
12,377	-	(3,159)	9,218	Chief Execs Office	5,591	-	(2,214)	7,805
42,554	-	(29,928)	12,626	Corporate Services	34,613	-	10,137	24,476
17,850	-	(7,082)	10,768	ED Housing, Property & Planning	21,882	-	(8,653)	30,536
56,970	-	(19,658)	37,312	ED People (Adults)	27,030	-	(10,690)	37,720
84,539	-	(53,532)	31,007	ED People (Children)	33,994	-	(13,444)	47,438
41,284	-	(13,177)	28,107	ED Place & Communities	16,534	-	(6,538)	23,072
(1,992)	-	-	(1,992)	Public Health	1,260	-	(498)	1,758
6,461	-	(15,279)	(8,818)	Housing Revenue Account	(435)	-	3,840	(4,275)
<b>262,738</b>	-	<b>(142,410)</b>	<b>120,328</b>	<b>Net Cost of Services</b>	<b>142,052</b>	-	<b>(28,685)</b>	<b>170,738</b>
(272,873)	(56,614)	(4,952)	(221,211)	Other Income and Expenditure	(129,030)	(46,325)		(82,705)
<b>(10,135)</b>	<b>(56,614)</b>	<b>(147,362)</b>	<b>(100,883)</b>	(Surplus)/Deficit on the provision of services	<b>13,022</b>	<b>(46,325)</b>	<b>(28,685)</b>	<b>88,033</b>
(101,778)				General Fund and HRA balance brought forward	(111,913)			
				<b>Less/plus surplus or (deficit) on General Fund and HRA balance in Year</b>	<b>(13,022)</b>			
(10,135)				<b>Plus Transfers to / from Earmarked Reserves**</b>	<b>13,022</b>			
<b>(111,913)</b>				<b>General Fund and HRA balances carried forward</b>	<b>(98,891)</b>			

**Note 9a: Expenditure and Funding Analysis (continued)**

2022/23					2023/24			
Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments		Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
659	(63)	(1)	595	ED Monitoring Officer	(749)	(11)	134	(626)
3,498	(332)	(8)	3,158	Chief Execs Office	(2,648)	(39)	474	(2,213)
33,143	(3,148)	(67)	29,928	Corporate Services	8,769	(121)	1,490	10,138
7,843	(745)	(16)	7,082	ED Housing, Property & Planning	(10,358)	(151)	1,856	(8,653)
21,770	(2,068)	(44)	19,658	ED People (Adults)	(12,796)	(187)	2,293	(10,690)
47,641	(4,527)	10,419	53,533	ED People (Children)	(16,093)	(235)	2,884	(13,444)
14,594	(1,387)	(30)	13,177	ED Place & Communities	(7,826)	(114)	1,402	(6,538)
-	-	-	-	Public Health	(597)	(9)	108	(498)
16,072	(793)	-	15,279	Housing Revenue Account	4,735	(896)	-	3,839
<b>145,220</b>	<b>(13,063)</b>	<b>10,253</b>	<b>142,410</b>	<b>Net Cost of Services</b>	<b>(37,563)</b>	<b>(1,763)</b>	<b>10,641</b>	<b>(28,685)</b>
(56,614)	-	4,952	(51,662)	Other income and expenditure from the Funding Analysis	(46,325)			(46,325)
				Financing and Investment income and expenditure				-
				Taxation and non-specific grant income and expenditure				-
<b>88,606</b>	<b>(13,063)</b>	<b>15,205</b>	<b>90,748</b>	<b>Difference between General Fund (Surplus)/Deficit and the CIES (Surplus)/Deficit on Provision of Services</b>	<b>(83,888)</b>	<b>(1,763)</b>	<b>10,641</b>	<b>(75,010)</b>

**Note 9a: Expenditure and Funding Analysis (continued)****Adjustments for Capital Purposes**

This column adds in depreciation and 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**

This column adjusts for the net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- **For services** this represents the removal of the employer 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 Statutory Adjustments**

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

**Note 9b: Expenditure and Funding Analysis (continued)**

- For **Financing and investment income and expenditure** the other statutory adjustments 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 NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

**Other Non-statutory Adjustments**

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- For **Financing and investment income and expenditure** the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For **Taxation and non-specific grant income and expenditure** the other non-statutory adjustments column recognises adjustments to service segments, e.g. for unringfenced government grants.

**Note 9b: Expenditure and Funding Analysis (continued)****Expenditure and income analysed by nature**

2022/23		2023/24
£'000		£'000
	<b>Expenditure</b>	
92,916	Employee Benefit Expenses	117,436
375,660	Other Service Expenses	348,639
16,562	Depreciation, Amortisation, Impairment	23,333
24,026	Interest Payments	27,161
298	Precepts and Levies	266
840	Payments to the Housing Capital Receipts Pool	-
-	Losses on disposal of non-current assets	59,029
5,525	Revaluation Loss on Property, Plant & Equipment	22,170
<b>515,827</b>	<b>Total expenditure</b>	<b>598,034</b>
	<b>Income</b>	
(205,747)	Fees, charges and other service income	(154,790)
(16,779)	Interest and investment income	(7,950)
(94,388)	Income from council tax, non-domestic rates	(104,579)
(179,438)	Government Grants and Contributions	(207,874)
(120,358)	Gains on the Disposal of Assets	(34,808)
<b>(616,710)</b>	<b>Total income</b>	<b>(510,001)</b>
<b>(100,883)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>88,033</b>

## Note 10: Partnership Arrangements

The Council has entered into two pooled budget arrangements, the Better Care Fund and Berkshire Community Equipment Store.

### Better Care Fund (BCF)

The Council began hosting the Better Care Fund from the 1st April 2015. This is part of a national initiative to pool health and social care funding of services to achieve better health and care for the local community. The Better Care Fund is a partnership between NHS England, the Ministry of Housing, Communities and Local Government, the Department of Health and Social Care and the Local Government Association.

The Better Care fund is a pooled budget agreement and operates according to an agreement made under section 75 of the National Health Act 2006 between Slough Borough Council and East Berkshire Clinical Commissioning Group.

In 2023/24 the fund comprised 30 schemes (22 schemes as in 2022/23) grouped under the following headings: following headings:

- Social Care
- Community Health
- Mental Health

In 2023/24 Slough Borough Council funding included £3.989m of improved better care fund (BCF) grant (£3.989m in 2022/23). In accordance with the section 75 agreement, NHS funded services that are commissioned directly by the clinical commissioning group, do not require transactions to be via the Council.

### Berkshire Community Equipment Store

The Berkshire Community Equipment Store (BCES) is provided jointly by six Berkshire Unitary authorities and the Berkshire Clinical Commissioning Groups who are members of the agreement with West Berkshire Council as the lead partner. The memorandum account for the fund is as follows:

2022/23			2023/24	
BCF	BCES		BCF	BCES
£'000	£'000		£'000	£'000
(5,130)	(717)	Authority Funding	(5,689)	(942)
-	(55)	Slough Children's First Funding		(54)
(7,934)	(10,746)	Partner Funding	(7,954)	(12,026)
<b>(13,064)</b>	<b>(11,518)</b>	<b>Total Funding</b>	<b>(13,643)</b>	<b>(13,022)</b>
4,554	-	Authority Expenditure	5,689	
7,934	11,518	Partner Expenditure	7,954	13,022
<b>12,488</b>	<b>11,518</b>	<b>Total Expenditure</b>	<b>13,643</b>	<b>13,022</b>
<b>(576)</b>	-	<b>Net in-year (Surplus)/Deficit on the Pooled Budget</b>	-	-
<b>576</b>		<b>Transfer to Earmarked reserves</b>		-
-	-	<b>Authority Share of the Net (Surplus) / Deficit</b>	-	-



## Note 11: Members' Allowances

The Council paid allowances to its members in 2023/24 of £0.598 million (£0.604 million in 2022/23).

### Note 11a: Exit packages and termination benefits

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
							£'000	£'000
£0 - £20,000	4	12	49	36	53	48	97	157
£20,001 - £40,000	1	4	2	3	3	7	94	160
£40,001 - £60,000	1	1	-	-	1	1	44	42
£60,001 - £80,000	-	2	-	-	-	2	-	128
£80,001 - £100,000	-	1	-	-	-	1	-	87
£100,001 - £150,000	-	1	-	1	-	2	-	220
£150,001 - £200,000	-	-	-	-	-	-	-	-
£350,001 and over	-	2	-	-	-	2	-	586
<b>Total</b>	<b>6</b>	<b>23</b>	<b>51</b>	<b>40</b>	<b>57</b>	<b>63</b>	<b>235</b>	<b>1,382</b>

### Note 11b: Officers' Remuneration

The remuneration of senior employees, defined as those who are members of Management Board, or those holding statutory posts is as follows:

2023/24	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	Note
	£'000	£'000	£'000	£'000	£'000	
Post holder information						
Chief Executive - S Brown	182	-	182	33	215	1
Executive Director: Adults' Services	132	-	132	29	161	
Executive Director: Children's Services	139	-	139	24	163	
Executive Director: Finance and Commercial (S151 Officer)	146	-	146	26	172	
Executive Director: Place and Communities (until August 2023)	177	-	177	10	187	
Executive Director: Regeneration, Housing and Environment	139	-	139	24	163	
Executive Director: Strategy and Transformation (until February 2024)	191	-	191	22	213	
Director of Law and Governance (Monitoring Officer) *	176	-	176	-	176	
Director of Public Health and Public Protection **	-	-	-	-	-	

Note 1: This is the total paid to the agency, including their fees

Note 2: The cost of this post is shared between three Berkshire unitary councils and the Frimley Health NHS Foundation trust. The role has been merged with the Director of Children, Learning and Skills Services. The total cost of the post in in 2023/24 was £186K (2022/23 £160k) with Slough Council's share being £62k.

**Note 11b: Officers' Remuneration (continued)**

2022/23	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	Note
	£'000	£'000	£'000	£'000	£'000	
Post holder information						
Chief Executive - S Brown	146	-	146	14	160	2
Director of Children, Learning and Skills Services	233	-	233	4	237	
Director of Place and Development	193	-	193	29	222	
Director of Finance and Resources (S151 Officer)	230	-	230	-	230	
Director of Adults and Communities	139	-	139	21	160	
Director of Regeneration	-	-	-	-	-	1
Director of Transformation	-	-	-	-	-	
Director of Public Health	-	-	-	-	-	

Note 1: This is merged with Place and Development

Note 2 The Director of Public Health costs are shared between the Berkshire Authorities and the Intergrated Care Board (ICB). The role has been merged with the Director of Children, Learning and Skills Services. The total cost of the post in in 2022/23 was £160K (2021/22 £131k) with Slough Council's share being £46k.

**Note 11b: Officers' Remuneration (continued)**

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration band	2022/23			2023/24		
	Number of employees			Number of employees		
	Schools	Non Schools	Total	Schools	Non Schools	Total
£50,001 - £55,000	14	39	53	15	49	64
£55,001 - £60,000	10	14	24	16	27	43
£60,001 - £65,000	11	12	23	14	19	33
£65,001 - £70,000	3	4	7	7	5	12
£70,001 - £75,000	4	1	5	3	4	7
£75,001 - £80,000	2	1	3	3	-	3
£80,001 - £85,000	-	-	-	3	-	3
£85,001 - £90,000	1	-	1	-	2	2
£90,001 - £95,000	-	2	2	-	2	2
£95,001 - £100,000	-	6	6	1	1	2
£100,001 - £105,000	-	-	-	-	3	3
£105,001 - £110,000	-	-	-	-	-	-
£110,001 - £115,000	1	-	1	-	1	1
£115,001 - £120,000	-	-	-	-	-	-
£120,001 - £125,000	1	1	2	1	1	2
£125,001 - £130,000	-	-	-	1	1	2
£130,001 - £135,000	-	1	1	-	1	1
£135,001 - £140,000	-	-	-	-	2	2
£140,001 - £145,000	-	-	-	-	-	-
£145,001 - £150,000	-	-	-	-	-	-
£150,001 - £155,000	-	-	-	-	-	-
£155,001 - £160,000	-	-	-	-	-	-
£160,001 - £165,000	1	-	1	-	1	1
£165,001 - £170,000	-	-	-	-	-	-
£170,001 - £175,000	-	-	-	-	-	-
£175,001 - £180,000	-	-	-	-	-	-
£180,001 - £185,000	-	-	-	-	1	1
<b>Total</b>	<b>48</b>	<b>81</b>	<b>129</b>	<b>64</b>	<b>120</b>	<b>184</b>

Note: The figures do not include staff employed by academies.

## Note 12: External Audit Fees

The Council's external auditors for the audit of the Statement of Account in 2023/24 are Grant Thornton LLP. The Council's external auditors for the certification of grant claims are Grant Thornton LLP. The Authority has incurred the following expenditure for services provided by the external auditors for the relevant year:

2022/23		2023/24
£'000		£'000
442	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	485
110	Fees payable to external auditors for the certification of grant claims and returns for the year	-
8	Fees payable in respect of other services provided by external auditors during the year	-
<b>560</b>		<b>485</b>

The 2023/24 fee noted above is an estimate. Due to ongoing work, the final fee is subject to change and will differ from the amount accrued in the accounts, shown above, because the fees are still subject to approval by PSAA.

## Note 13: Dedicated Schools Grant (DSG)

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 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 Schools Budget, as defined in the Schools and Early Years Finance (England) Regulations 2017. Schools Budget includes elements for a range of educational services provided on an authority-wide basis and the Individual Schools Budget, which is divided into a budget share for each maintained school, funding for early years providers, and high-needs payments to providers.

2022/23 Restated			Schools budget funded by Dedicated Schools Grant	2023/24		
Central expenditure	Individual Schools budget (ISB)	Total		Central expenditure	Individual Schools budget (ISB)	Total
£'000	£'000	£'000		£'000	£'000	£'000
		202,294	Final DSG before Academy recoupment			214,987
		125,134	less Academy figure recouped			131,586
		<b>77,160</b>	<b>Total DSG after recoupment</b>			<b>83,401</b>
			Plus brought forward DSG			10,513
		-	Less: carry forward to 2024/25			(10,513)
<b>23,683</b>	<b>53,477</b>	<b>77,160</b>	<b>Agreed Initial budgeted distribution</b>	<b>39,379</b>	<b>54,535</b>	<b>83,401</b>
10,432	-	10,432	In year adjustments	4,590	134	4,724
<b>34,115</b>	<b>53,477</b>	<b>87,592</b>	<b>Final Budgeted Distribution</b>	<b>43,969</b>	<b>54,670</b>	<b>88,125</b>
26,970	-	26,970	less Actual central expenditure	28,674	-	28,674
-	50,109	50,109	less Actual ISB deployed to schools	-	54,670	54,670
-	-	-	plus local authority contributions for the year	-	-	-
<b>7,145</b>	<b>3,368</b>	<b>10,513</b>	<b>In-year-carry forward</b>	<b>15,295</b>	<b>-</b>	<b>4,781</b>
		10,513	Plus: carry forward to 2024/25 agreed in advance	-	-	10,513
			Carry-forward to 2024/25			15,294
		(25,430)	DSG unusable reserve at the end of 2022/23			(25,430)
			Addition to DSG unusable reserve at the end of 2022/23			
		(25,430)	Total of DSG unusable reserve at the end of 2023/24			(25,430)
		<b>(14,917)</b>	<b>Net DSG position at the end of 2023/24</b>			<b>(10,136)</b>

## Note 14: Grant Income

The authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement

2022/23		2023/24
£'000		£'000
	<b>Credited to Taxation and non-specific grant income</b>	
	<b>Non-ringfenced government grants</b>	
(3,678)	PFI Grant	(3,678)
-	- Section 31 Grant	(11,221)
-	- Revenue Support Grant	(6,722)
(1,422)	New Homes Bonus Grant	(5)
(1,394)	Covid Grants	(1,078)
(1,914)	Services Grant	(523)
<b>(8,408)</b>	<b>Total of Non-ringfenced government grants</b>	<b>(23,227)</b>
(11,968)	Capital grant and contributions	-
<b>(20,376)</b>	<b>Total credited to Taxation and non-specific grant income</b>	<b>(23,227)</b>
	<b>Credited to services</b>	
(76,888)	Dedicated Schools Grant	(83,401)
(10,800)	DSG - Safety Valve Funding	(4,410)
(43,548)	DWP Subsidy	(37,319)
-	- Market Sustainability and Fair Cost of Care Fund	(1,207)
(7,851)	Public Health Grant	(8,107)
(415)	COVID-19	(662)
(3,005)	YPLA Post 16 Funding	(4,931)
(1,834)	Education Grants	(5,767)
(2,317)	Pupil Premium	(4,786)
(1,024)	Children Services Grant	(671)
-	- Adult Social Care Grant	(8,915)
-	- Homelessness Grants	(2,390)
(3,989)	Better Care Fund	(4,083)
-	- Household Support Grant	(1,587)
(194)	Local Council Tax Support Grant	
(7,198)	Other grants	(6,713)
<b>(159,063)</b>	<b>Total of Government Grant credited to Net Cost of Services</b>	<b>(174,949)</b>
<b>(179,439)</b>	<b>Total of grants and contributions to the Comprehensive Income and Expenditure Statement</b>	<b>(198,176)</b>

## Note 15: Adjustments Between Accounting Basis and Funding Basis Under Regulations

The resources available to the Council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement (MIRS) so that usable reserves reflect the funding available at the year-end. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MIRS	Adjustment Account
Property, plant and Equipment	Depreciation and revaluation/impairment losses	Minimum Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Minimum Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Investment Properties	Movements in fair value	Minimum Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2023/24	Minimum Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2023/24 or were received in 2023/24 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2024) Capital Adjustment Account (other amounts)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2023/24  Losses on soft loans and interest receivable in 2023/24 on an amortised cost basis	Deferred debits and credits of premiums and discounts from earlier years in accordance with the 2003 Regulations  Interest due to be received on soft loans in 2023/24	Financial Instruments Adjustment Account
Pooled Investments	Movements in the fair value of pooled investment funds	Historical cost gains/losses for money market fund investments disposed of in 2023/24	Pooled Investment Funds Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities (see Note 32)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2023/24	Pensions Reserve
Council Tax	Accrued income from 2023/24 bills	Demand on the Collection Fund for 2023/24 plus share of estimated surplus for 2022/23	Collection Fund Adjustment Account
Business Rates	Accrued income from 2023/24 bills	Budgeted income receivable from the Collection Fund for 2023/24 plus share of estimated surplus for 2022/23	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2023/24 to be met from Dedicated Schools Grant	Expenditure incurred up to the grant receivable for 2023/24	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2024	No charge	Accumulated Absences Adjustment Account

**Note 15: Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)**

071

2023/24	Usable Reserves							Corresponding Unusable Reserves
		General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
		£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources								
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:								
<ul style="list-style-type: none"><li>Pension costs</li></ul>		(867)	(896)				1,763	Pensions Reserve
<ul style="list-style-type: none"><li>Financial instuments</li></ul>		277	-				(277)	Financial Instruments Adjustment Account
<ul style="list-style-type: none"><li>Council tax &amp; business rates</li></ul>		11,108	-				(11,108)	Collection Fund Adjustment Account
<ul style="list-style-type: none"><li>Holiday pay</li></ul>		233	-				(233)	Accumulated Absences Account
<ul style="list-style-type: none"><li>Schools deficit including Safety Valve Funding from ESFA</li></ul>			-				-	DSG Adjustment Account
<ul style="list-style-type: none"><li>Capital expenditure</li></ul>		(43,277)	4,736	(34,637)	(10,011)	(8,720)	91,909	Capital Adjustment Account
Capital and Revenue Financing								
Resources set aside for capital financing				31,394	9,805	6,460	(47,659)	Capital Adjustment Account
Adjustment for the repayment of loans		-	-	(10,243)			10,243	Capital Adjustment Account
Use of capital receipts for revenue purposes		(46,325)	-				46,325	Capital Adjustment Account
Total adjustments		(78,851)	3,840	(13,486)	(206)	(2,260)	90,963	

Refer pages 73 to 78 for details of Note 16: Unusable Reserves

**Note 15: Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)**

072

2022/23	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
<ul style="list-style-type: none"><li>Pension costs</li></ul>	(12,271)	(793)	-	-	-	13,064	Pensions Reserve
<ul style="list-style-type: none"><li>Council tax &amp; business rates</li></ul>	4,952	-				(4,952)	Collection Fund Adjustment Account
<ul style="list-style-type: none"><li>Holiday pay</li></ul>	(261)	-	-	-	-	261	Accumulated Absences Account
<ul style="list-style-type: none"><li>Schools deficit including Safety Valve Funding from ESFA</li></ul>	10,513	-				(10,513)	Dedicated Schools Grant Adjustment Account
<ul style="list-style-type: none"><li>Capital expenditure</li></ul>	106,674	16,911	(208,231)	(9,471)	(10,902)	105,019	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	21,636	-	5,193	(678)	11,299	(37,450)	Capital Adjustment Account
Adjustment for the repayment of loans	-	-	153,224	-	-	(153,224)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(56,614)	-	-	-	-	56,614	Capital Adjustment Account
Total adjustments	74,629	16,118	(49,814)	(10,149)	397	(31,181)	



**Note 16: Unusable reserves**

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2023/24	Adjustments between Accounting and Funding Basis					
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Capital and Revenue Financing	Other Movements*	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(504,678)	7,819	-	-	20,361	(476,498)
Capital Adjustment Account	(30,602)	-	131,710	(41,136)	(10,119)	49,853
Collection Fund Adjustment Account	11,539	-	(11,109)	-	-	430
Dedicated Schools Grant Adjustment Account	25,430	-	-	-	-	25,430
Accumulated Absences Account	1,235	-	(232)	-	-	1,003
Financial Instruments Adjustment Account	672	-	-	-	(277)	395
Pooled Investments Fund Adjustment Account	(911)	-	-	-	1	(910)
Pensions Reserve	122,164	(15,818)	1,763	-	-	108,109
Deferred Capital Receipts Reserve	(601)	-	-	-	(1)	(602)
<b>Total adjustments</b>	<b>(375,752)</b>	<b>(7,999)</b>	<b>122,132</b>	<b>(41,136)</b>	<b>9,965</b>	<b>(292,790)</b>

2022/23	Adjustments between Accounting and Funding Basis					
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Capital and Revenue Financing	Other Movements*	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(419,585)	(86,698)	-	-	1,605	(504,678)
Capital Adjustment Account	43	-	162,939	(191,979)	(1,605)	(30,602)
Collection Fund Adjustment Account	16,491	-	(4,952)	-	(1)	11,538
Dedicated Schools Grant Adjustment Account	14,917	-	(10,513)	-	-	4,404
Accumulated Absences Account	974	-	261	-	-	1,235
Financial Instruments Adjustment Account	672	-	-	-	-	672
Pooled Investments Fund Adjustment Account	(911)	-	-	-	1	(910)
Pensions Reserve	308,377	(199,277)	13,064	-	-	122,164
Deferred Capital Receipts Reserve	(602)	-	-	-	1	(601)
<b>Total adjustments</b>	<b>(79,624)</b>	<b>(285,975)</b>	<b>160,799</b>	<b>(191,979)</b>	<b>1</b>	<b>(396,778)</b>

## Note 16a: Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment [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.

2022/23		2023/24
£'000		£'000
(419,585)	<b>Balance at 1 April</b>	<b>(504,678)</b>
(86,698)	Upward revaluation of assets	
	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	9,706
	Other adjusting amounts	(1,887)
(86,698)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	7,819
-	Difference between fair value depreciation and historical cost depreciation	6,988
	Accumulated gains on assets sold or scrapped	-
1,605	Other Adjusting Amounts Written Off to the Capital Adjustment Account	13,373
1,605	<b>Total amount written off to the Capital Adjustment Account</b>	<b>20,361</b>
<b>(504,678)</b>	<b>Balance 31 March</b>	<b>(476,498)</b>

## Note 16b: Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent expenditure.

The account contains accumulated gains and losses on investment properties.

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 15 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

2022/23		2023/24
£'000		£'000
<b>43</b>	<b>Balance at 1 April</b>	<b>(30,602)</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>	
25,066	Charges for depreciation and impairment of non-current assets	23,528
(18,443)	Revaluation and Impairment Losses on Property, Plant and Equipment	22,170
966	Amortisation of Intangible Assets	(195)
1,634	Revenue Expenditure Funded from Capital Under Statute	1,573
-	Fair Value Adjustment of Loans	
84,776	Amounts of Non-Current Assets written off on disposal as part of the Gain/Loss on Disposal to the Comprehensive Income and Expenditure Statement	58,859
56,614	Capitalisation Direction	46,325
-	Other Adjustments	
<b>150,613</b>		<b>152,260</b>
(1,605)	Valuation of assets disposed of in the Comprehensive Income and Expenditure Statement	(13,373)
-	Difference in Current Cost and Fair Value depreciation	(6,988)
-	Other adjusting amounts written out of the Revaluation Reserve	-
<b>(1,605)</b>	<b>Net written out amount of the cost of non- current assets consumed in the year</b>	<b>(20,361)</b>
	<b>Capital financing applied in the year:</b>	
(7,139)	Use of the capital receipts reserve to finance new capital expenditure	2,184
678	Use of the major repairs reserve to finance new capital expenditure*	(9,806)
(11,297)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	
	Application of grants to capital financing from the capital grants unapplied account	
(20,998)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(15,968)
	Use of Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement applied to repay capital financing requirement	(9,083)
(3,895)	Use of Loan Repayments to Reduce CFR	(10,113)
(6,715)	Use of Loan Repayments to Reduce Capitalisation Direction	
(42,164)	Use of Capital Receipts to Reduce HRA Capital Financing Requirement	-
(100,449)	Use of Capital Receipts to Reduce Capitalisation Direction Element CFR	(23,465)
<b>(191,979)</b>		<b>(72,711)</b>
919	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	14,857
	Other Movements	(3,833)
11,407	Adjustment for the repayment of loans	10,243
<b>(30,602)</b>	<b>Balance at 31 March</b>	<b>49,853</b>

\* Major repairs Reserve 2022/23 includes reduction in use of MRR in prior years to finance Akzo Nobel site

**Note 16c: Collection Fund Adjustment Account**

The Collection Fund adjustment account manages the differences arising from the recognition of Council Tax and NNDR income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2022/23		2023/24
£'000		£'000
16,491	Balance at 1 April	11,539
(4,952)	Amount by which council tax and non-domestic rates income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(11,109)
11,539	Balance at 31 March	430

**Note 16d: Dedicated Schools Grant Adjustment Account**

The Dedicated Schools Grant Adjustment Account

2022/23 Restated		2023/24
£'000		£'000
14,917	Balance at 1 April	25,430
-	Adjustment to opening balance	
10,513	Transfer of schools deficit to DSG Account	-
25,430	Balance at 31 March	25,430

**Note 16e: Accumulated Absences Account**

2022/23		2023/24
£'000		£'000
974	Balance at 1 April	1,235
(974)	Settlement or cancellation of accrual made at the end of preceding year	(1,235)
1,235	Amounts accrued at the end of the current year	1,003
1,235	Balance at 31 March	1,003

**Note 16f: Financial Instruments Adjustment Account**

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

2022/23		2023/24
£'000		£'000
672	<b>Balance at 1 April</b>	<b>672</b>
-	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements Premiums incurred in the year and charged to the CIES	(277)
672	<b>Balance 31 March</b>	<b>395</b>

**Note 16g: Pooled Investment Funds Adjustment Account**

This reserve is (credited)/debited with (gains)/losses arising from the revaluation of financial instruments held at fair value through other comprehensive income (FVOCI).

2022/23		2023/24
£'000		£'000
(911)	<b>Balance 1 April</b>	<b>(911)</b>
-	Downward revaluation of investments	1
-	Total Changes in revaluation and impairment	1
(911)	<b>Balance 31 March</b>	<b>(910)</b>

**Note 16h: 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.

2022/23		2023/24
£'000		£'000
308,377	<b>Balance at 1 April</b>	<b>122,164</b>
(199,277)	Actuarial gains/(losses) on pensions assets & liabilities	(15,818)
26,822	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/deficit on provision of services in the Comprehensive Income & Expenditure Statement	14,975
(13,758)	Employer's pensions contributions & direct payments to pensioners payable in the year	(13,212)
122,164	<b>Balance at 31 March</b>	<b>108,109</b>

## Note 16i: Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority 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.

2022/23		2023/24
£'000		£'000
(602)	Balance at 1 April	(602)
	- Recognition of deferred capital receipt	-
	- Realisation of deferred capital receipt transferred to CRR	-
(602)	Balance at 31 March	(602)

## Note 17: Transfers to/from Earmarked Reserves

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

Movement in Earmarked reserves restated	31-March-2023 restated	*Transfers In	*Transfers Out	Reclassification	Balance at 31st March 2024
	£'000	£'000	£'000	£'000	£'000
Transformation reserve	(4,469)	(922)			(5,391)
Budget Smoothing reserve	(26,242)	(954)	24,937		(2,259)
Directorate Carry Forwards	(2,457)		1,396		(1,061)
Redundancy reserve	(7,500)		1,585		(5,915)
Risk Reserve	-	(2,098)	-	-	(2,098)
General fund other reserves	(7,162)	(3,592)	609		(10,145)
<b>General Fund earmarked reserves</b>	<b>(47,830)</b>	<b>(7,566)</b>	<b>28,527</b>	-	<b>(26,869)</b>
Schools - Other	(10,523)		510	-	(10,013)
DSG Usable reserves	(10,513)	(5,599)	818		(15,294)
<b>Total Earmarked reserves</b>	<b>(68,866)</b>	<b>(13,165)</b>	<b>29,855</b>	-	<b>(52,176)</b>

Name	Purpose
Transformation Reserve	amounts held for the purposes of service transformations projects
Budget Smoothing	To smooth out the impact of funding reductions and other budget pressures
Directorate Carry Forwards	To hold revenue grant income received for which there are no conditions but which are earmarked for specific projects/purposes.
Redundancy reserve	Amounts set aside for staffing costs coming out of reorganisations
Risk Reserve	Balances created following a review of balance sheet items to address legacy liabilities, accounting adjustments and risk provisions
General Fund other reserves	To assist with the future sustainability of the Council.
Schools reserves	To hold unused balances of budgets delegated to individual schools, which are not available to the Council for general use.
DSG Usable reserve	To hold the ring-fenced Dedicated Schools Grant balance

## Note 18: Property, Plant and Equipment

### Movements on balances

The tables on the following pages show a breakdown of the opening and closing values of PPE assets and summarise the transactions during the year, for each class of asset.

Movements in 2023/24	Operational assets					Non-operational assets		Total
	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>								
<b>At 1 April 2023</b>	<b>618,059</b>	<b>336,493</b>	<b>77,753</b>	<b>142,767</b>	<b>9,848</b>	<b>23,668</b>	<b>16,008</b>	<b>1,224,596</b>
Adjustment to opening balances	2,066	6,088	2,170		105	(288)	(11,348)	(1,207)
<b>Restated balance at 1 April 2023</b>	<b>620,125</b>	<b>342,581</b>	<b>79,923</b>	<b>142,767</b>	<b>9,953</b>	<b>23,380</b>	<b>4,660</b>	<b>1,223,389</b>
Adjustments to cost/value & depreciation/impairment	(9,665)	(5,121)	(4,145)			(46)		(18,977)
Additions	9,813	1,128	267	3,450		907	173	15,738
Revaluation increases/(decreases) recognised in the revaluation reserve	(1,407)	(16,879)	8,197	-	-	601	(212)	(9,700)
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(798)	(16,628)	(4,139)	-	-	(593)	(4)	(22,162)
Derecognition – disposals	(3,654)	-	(1,005)	-	-	(10,973)	(25)	(15,657)
Derecognition – other							(3,248)	(3,248)
Assets reclassified (to)/from held for sale						*		-
Other movements in cost or valuation		(1,299)	(222)			33,186	(48)	31,617
<b>At 31 March 2024</b>	<b>614,414</b>	<b>303,782</b>	<b>78,876</b>	<b>146,217</b>	<b>9,953</b>	<b>46,462</b>	<b>1,296</b>	<b>1,201,000</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2023</b>	<b>(6,240)</b>	<b>(1,344)</b>	<b>(27,249)</b>	<b>(73,184)</b>	<b>(52)</b>	<b>(196)</b>	<b>(3)</b>	<b>(108,268)</b>
Adjustment to opening balances		4	86					90
<b>Restated balance at 1 April 2023</b>	<b>(6,240)</b>	<b>(1,340)</b>	<b>(27,163)</b>	<b>(73,184)</b>	<b>(52)</b>	<b>(196)</b>	<b>(3)</b>	<b>(108,178)</b>
Adjustments to cost/value & depreciation/impairment	9,665	5,121	4,145			46		18,977
Depreciation charge	(9,721)	(3,754)	(3,296)	(6,783)	(12)	(51)		(23,617)
Depreciation written out to the revaluation reserve								-
Depreciation written out to the surplus/(deficit) on the provision of services								
Derecognition – disposals	55		989					1,044
Derecognition – other							2	2
Reclassified as Assets Held for Sale								-
Other movements in depreciation and impairment		(79)	79					-
<b>At 31 March 2024</b>	<b>(6,241)</b>	<b>(52)</b>	<b>(25,246)</b>	<b>(79,967)</b>	<b>(64)</b>	<b>(201)</b>	<b>(1)</b>	<b>(111,772)</b>
<b>Net book value at 31 March 2024</b>	<b>608,173</b>	<b>303,730</b>	<b>53,630</b>	<b>66,250</b>	<b>9,889</b>	<b>46,261</b>	<b>1,295</b>	<b>1,089,228</b>
<b>Net book value at 31 March 2023</b>	<b>613,885</b>	<b>341,241</b>	<b>52,760</b>	<b>69,583</b>	<b>9,901</b>	<b>23,184</b>	<b>4,657</b>	<b>1,115,211</b>



**Note 18: Property, Plant and Equipment (continued)**

Values as at 31-March-2023

The tables on the following pages show a breakdown of the opening and closing values of PPE assets and summarise the transactions during the year, for each class of asset.

Movements in 2022/23	Operational assets					Non-operational assets		Total
	Council dwellings restated*	Other land and buildings restated	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>								
<b>At 1 April 2022</b>	<b>582,200</b>	<b>280,121</b>	<b>76,375</b>	<b>134,479</b>	<b>10,190</b>	<b>20,376</b>	<b>36,113</b>	<b>1,139,854</b>
Adjustments to cost/value & depreciation/impairment	(9,086)	(2,587)				(51)		(11,724)
Additions	6,216	432	1,378	8,288	10	212	855	17,391
Revaluation increases/(decreases) recognised in the revaluation reserve	34,404	48,424				3,872		86,700
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	6,993	10,462				988		18,443
Derecognition – disposals	(2,668)	(162)				(2,376)	(20,545)	(25,751)
Other transfers/movements		(197)			(352)	647	(415)	(317)
<b>At 31 March 2023</b>	<b>618,059</b>	<b>336,493</b>	<b>77,753</b>	<b>142,767</b>	<b>9,848</b>	<b>23,668</b>	<b>16,008</b>	<b>1,224,596</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2022</b>	<b>(6,240)</b>	<b>(498)</b>	<b>(23,145)</b>	<b>(64,846)</b>	<b>(40)</b>	<b>(196)</b>	<b>(3)</b>	<b>(94,968)</b>
Adjustments to cost/value & depreciation/impairment	9,086	2,587				51		11,724
Depreciation charge	(9,128)	(3,433)	(4,104)	(8,338)	(12)	(51)		(25,066)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-
Derecognition – disposal	42	-	-			-		42
Other transfers/movements	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>(6,240)</b>	<b>(1,344)</b>	<b>(27,249)</b>	<b>(73,184)</b>	<b>(52)</b>	<b>(196)</b>	<b>(3)</b>	<b>(108,268)</b>
<b>Net book value at 31 March 2023</b>	<b>611,819</b>	<b>335,149</b>	<b>50,504</b>	<b>69,583</b>	<b>9,796</b>	<b>23,472</b>	<b>16,005</b>	<b>1,116,328</b>
<b>Net book value at 31 March 2022</b>	<b>575,960</b>	<b>279,623</b>	<b>53,230</b>	<b>69,633</b>	<b>10,150</b>	<b>20,180</b>	<b>36,110</b>	<b>1,044,886</b>

**Note 18: Property, Plant and Equipment (continued)**

**Revaluations**

The Council undertakes a rolling programme that ensures that all relevant property, plant and equipment required to be measured at current value is measured at least every five years. The valuations for 2023/24 have been undertaken by external valuers 'Wilkes Head and Eve'.

Valuations of land and buildings have been carried out in accordance with the methodologies and bases of estimation, as set out in the professional standards of the Royal Institute of Chartered Surveyors. Currently we do not re-value vehicles, plant, furniture or equipment assets as these tend to be of a finite (short term) life. Where there is a revaluation of Vehicles, Plant and Equipment this is because the asset is one component of a Land and Buildings asset.

Specialised properties are assumed to have no active market but the land element could potentially be sold at its market value. It is assumed the building costs would be in line with the published indices.

The following table shows the progress of the Council's rolling programme for the revaluation of council dwellings, land and buildings as at 31st March 2024:

	2023/24
	£'000
Council Dwellings	613,885
Land and Buildings	341,241
Surplus	23,184
<b>Assets subject to valuation</b>	<b>978,310</b>
Infrastructure	69,583
Community	9,901
Vehicles, Plant and Equipment	52,760
Assets under Construction	4,657
<b>Assets not subject to valuation</b>	<b>136,901</b>
<b>Total value of assets</b>	<b>1,115,211</b>

**Note 18: Property, Plant and Equipment (continued)****Revaluations**

The Council undertakes a rolling programme that ensures that all relevant property, plant and equipment required to be measured at current value is measured at least every five years. The valuations for 2022/23 have been undertaken by external valuers 'Wilkes Head and Eve'.

Valuations of land and buildings have been carried out in accordance with the methodologies and bases of estimation, as set out in the professional standards of the Royal Institute of Chartered Surveyors. Currently we do not re-value vehicles, plant, furniture or equipment assets as these tend to be of a finite (short term) life.

Specialised properties are assumed to have no active market but the land element could potentially be sold at its market value. It is assumed the building costs would be in line with the published indices.

The following table shows the progress of the Council's rolling programme for the revaluation of council dwellings, land and buildings as at 31st March 2023:

	2022/23
	£'000
Council Dwellings	611,819
Land and Buildings	335,149
Surplus	23,472
<b>Assets subject to valuation</b>	<b>970,440</b>
Infrastructure	69,583
Community	9,796
Vehicles, Plant and Equipment	50,504
Assets under Construction	16,005
<b>Assets not subject to valuation</b>	<b>145,888</b>
<b>Total value of assets</b>	<b>1,116,328</b>

**Assets that are Revalued – by Category**

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
Carried at historical cost				-
Valued at current value as at:				
31/03/2024	608,173	277,482	46,261	931,916
31/03/2023		17,853		17,853
31/03/2022	-	1,485	-	1,485
31/03/2021	-		-	-
31/03/2020	-	1,484	-	1,484
Substations last valued 2018/19 individually nominal value		26		26
<b>Total Cost or valuation</b>	<b>608,173</b>	<b>298,330</b>	<b>46,261</b>	<b>952,764</b>

- Council dwellings - the assumption is that the Beacon assets are typical of their asset class and that all properties will continue to be let for social housing purposes.
- Surplus assets - Are valued and assumed that they are comparable to similar assets in the local market with planning permission. This is a level 2 valuation under the Fair Value Hierarchy.
- For other property, plant and equipment it is assumed that local market conditions provide an accurate guide as to the appropriate valuations.

## Note 18b: Infrastructure Assets

Infrastructure assets are measured on a depreciated historical cost basis. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure on acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year. An update to the Code and Specifications for Future Codes for Infrastructure Assets come into force in 25 December 2022, temporarily removing the need to disclose gross cost and accumulated depreciation of infrastructure assets until 31 March 2025

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 practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. All replaced infrastructure components are determined to have fully depreciated and have a net amount of nil. This is particularly true for Slough as it inherited infrastructure assets when it became a unitary authority in 1998.

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

2022/23		2023/24
£'000		£'000
69,633	<b>Balance at 1 April</b>	<b>69,583</b>
8,288	Additions	3,450
(8,338)	Depreciation	(6,783)
<b>69,583</b>	<b>Balance at 31 March</b>	<b>66,250</b>

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

## Note 18c: Assets Held for Sale

As at 31 March 2024 the Council had no properties categorised as Assets Held for Sale, and comprising a total value of £0m

2022/23		2023/24
£'000		£'000
-	<b>Balance at 1 April</b>	<b>2,791</b>
-	Assets newly classified as held for sale:	-
2,791	- Property Plant and Equipment	-
-	Assets sold	(2,791)
<b>2,791</b>	<b>Balance at 31 March</b>	<b>-</b>

## Note 18d: Intangible Assets

The authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generally software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority. The useful lives assigned to the major software suites used by the authority is 5 years this is consistent with prior years as it charging no depreciation in the year of acquisition.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £323k charged to revenue in 2023/24 was charged to the appropriate service headings in the cost of services. The amortisation for 2022/23 included amortisation of £90k relating to prior years where assets were omitted from the Intangibles Fixed Asset Register in error. The disposal in 2023/24 relates to revenue expenditure incorrectly capitalised in previous financial years.

The movement on intangible asset balances during the year is as follows:

2022/23		2023/24
£'000		£'000
	<b>Balance at 1 April</b>	
4,857	Gross carrying amounts	4,865
(1,028)	Accumulated amortisation	(1,994)
<b>3,829</b>	<b>Net carrying amount at start of year</b>	<b>2,871</b>
	<b>Additions</b>	
8	Purchases	-
	Written off to revenue	(2,587)
	Disposal-accumulated amortisation	518
(966)	Amortisation for the period	(323)
<b>2,871</b>	<b>Net carrying amount at end of year</b>	<b>479</b>
	<b>Comprising</b>	
4,865	Gross carrying amounts	4,865
(1,994)	Accumulated amortisation	(4,386)
<b>2,871</b>		<b>479</b>

## Note 19: Capital Commitments

At 31st March 2024, the Council has committed to projects for the construction or enhancement of Property, Plant and Equipment in 2024/25 and beyond. The budgeted cost of these commitments is expected to cost £132.4m (31st March 2023 £120.4m).

The major commitments amounting to £0.5m or more at 31st March 2024 (these represent the approved budgets rather than actual contractual commitments) are:

	Commitments in 2023/24	Commitments in Future Years	Total Commitments
	£'000	£'000	£'000
Refuse Fleet and Grounds Plant Equipment	900	3,500	4,400
Disabilities Facilities	1,140	3,420	4,560
Children Services	2,961	4,701	7,662
Fire Risk Assessment			-
Cornwall House-Fire Strategy			-
Office Accommodation Strategy	2,000	2,000	4,000
Major Infrastructure Projects	10,110	417	10,527
Flood Defence Measures	1,537	1,808	3,345
RMI Capital programme	8,022	34,602	42,624
Affordable Homes			-
<b>Total</b>	<b>26,670</b>	<b>50,448</b>	<b>77,118</b>

## Note 20: Investment Property

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement

2022/23		2023/24
£'000		£'000
(7,607)	Rental income from investment property	(5,480)
582	Direct operating expenses arising from investment property	16,580
<b>(7,025)</b>	<b>Net gain/(loss)</b>	<b>11,100</b>

There are no restrictions on the authority's ability to realise the value inherent in its investment property or on the authority's right to the remittance of income and the proceeds of disposal.<sup>104</sup> The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summaries the movement in the fair value of investment properties over the year.

2022/23		2023/24
£'000		£'000
<b>165,921</b>	<b>Balance at 1 April</b>	<b>108,432</b>
	Adjustments to opening balances	(9,828)
	<b>Restated balance at 1 April</b>	<b>98,604</b>
	Additions	
5,323	Subsequent Expenditure	17
(61,444)	Disposals	(14,017)
(449)	Transfers (to)/from property, plant and equipment	(31,617)
(919)	Net gains/losses from fair value adjustments	(25,775)
<b>108,432</b>	<b>Balance at 31 March</b>	<b>27,212</b>

## Note 21: Leases

The Authority has acquired has entered into a number of deemed finance leases in order to acquire Buildings, Information Technology, vehicles and Equipment.

### Council as lessee

#### Finance leases

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2022/23		2023/24
£'000		£'000
100	Other Land and Buildings	93
16	Vehicles, Plant, Furniture, Equipment and Other	22
<b>116</b>		<b>115</b>

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

2022/23		2023/24
£'000		£'000
	Finance lease liabilities (net present value of minimum lease payments):	
578	- current (not later than one year)	370
3,551	- non-current (later than one year)	3,180
96	Finance costs payable in future years	66
<b>4,225</b>		<b>3,616</b>

No contingent rentals were recognised as an expense in the Comprehensive Income and Expenditure Account, during the year, and no future sub lease income is expected to be received, as all assets are used exclusively by the Council.

2022/23			2023/24	
Minimum lease payments	Finance lease liabilities		Minimum lease payments	Finance lease liabilities
£'000	£'000		£'000	£'000
640	578	Not later than 1 year	407	370
1,682	1,392	Later than 1 year and not later than 5 years	1,426	1,364
2,427	2,082	Later than 5 years	1,849	1,388
<b>4,749</b>	<b>4,052</b>		<b>3,682</b>	<b>3,122</b>

**Note 21: Leases (continued)**Operating Leases

The Council enters into operating lease agreements to acquire the use of plants, vehicles and equipment. The future minimum lease payments are made up of the following amounts:

2022/23		2023/24
£'000		£'000
629	Not later than 1 year	584
2,699	Later than 1 year and not later than 5 years	2,109
8,824	Later than 5 years	2,397
<b>12,152</b>		<b>5,090</b>

**Council as lessor**Operating Leases

The future minimum lease payments receivable under non-cancellable leases in future years are:

2022/23		2023/24
£'000		£'000
6,054	- current (not later than one year)	5,115
17,467	- non-current (later than one year)	15,620
47,630	Finance costs payable in future years	45,219
<b>71,151</b>		<b>65,954</b>



## Note 22: Service Concession Arrangements

Service concession arrangement and Private Finance Initiative (PFI), are an outsourcing method between a public sector body (Slough Borough Council), and a private sector organisation to often design and build a facility which can then be used to deliver public services.

A PFI arrangement in essence transfers responsibility, but not accountability to the private sector organisation. For Slough all of the PFI contracts relate to buildings.

Each PFI scheme is unique and is designed and build to facilitate the specific needs of the council. A detailed contract is entered into which will set out the specification of the service to be provided, how long the agreement is for and will usually have very specific clauses in that specify exactly who received services provided and will furthermore give the Council the ability to restrict who the operator provides services to.

Under a PFI contract the operator is obliged to hand over the facility at the end of the contract in a specified condition at no additional cost to the Council.

### Schools PFI Scheme

The final business case for the Council's PFI project was approved by Department for Education & Schools in August 2006. The PFI contract was signed on 3rd August 2006 for the provision and replacement of three schools, which was a long term commitment for the provision of accommodation and facilities management for a period of 28 years. 35% of the payment to the contractor over the life of the contract ("the unitary charge") is adjusted annually in line with the Retail Price Index. The monthly payment is subject to scrutiny and adjustment for the level and quality of service provided. During 2006/07, the Council entered into a Private Finance Initiative contract for the design, build and operation of three schools Penn Wood, Beechwood and Arbour Vale. The contract is for a period of 28years.

- Penn Wood became operational on 26th February 2007
- Beechwood and Arbour Value schools both became operational from 3rd September 2007

Under International Financial Reporting Standards (IFRS) the PFI assets recognised as Property Plant and Equipment on the Balance Sheet and are subject to revaluation every five years (as part of the normal valuation cycle of non-current assets. The assets are subject to depreciation and impairment as normal assets.

The initial cost under the contract for the design and build element is recognised on the Balance Sheet. This is being written down over the life of the contract as payments are made under the contract. The Council is committed to make total payments of circa £229.3m over the life of the contract. The monthly payments to the contractor are often referred to as a Unitary payment which incorporates the three distinctive elements of the scheme (Capital repayment, Interest and Service charge). The capital cost is set against the liability for the purchase cost, the interest element is charged against interest payable in the accounts, and the service elements is charged to 'Children's Learning and Skills' expenditure in the Comprehensive Income and Expenditure account.

### Movement in PFI Assets

PFI Schools		PFI Schools
£'000		£'000
16,464	Opening balance	19,583
-	Adjustments to cost/value & depreciation/impairment	-
-	Additions	-
	Additions	66
3,336	Revaluation increases/(decreases) recognised in the revaluation reserve	(117)
(217)	Depreciation charge	(261)
	Derecognition - disposals	-
19,583		19,271

**Note 22: Service Concession Arrangements (continued)****Beechwood / Arbour Vale**

In 2016/17 Beechwood School transferred to an Academy and Arbour Vale transferred in 2018/19.

Under International Financial Reporting Standards (IFRS) the PFI assets are recognised as Property Plant and Equipment on the Balance Sheet and are subject to revaluation every five years (as part of the normal valuation cycle of non-current assets). The assets are subject to depreciation and impairment as normal assets.

However as these two schools have converted to Academies the Council lost control and is not entitled to recognise the Schools as assets on the Councils Balance Sheet, they have therefore been de-recognised as assets in the Council's accounts (removed from).

The full element of the liability to the operator is still shown in the books of the Council, as the Council is ultimately responsible for the payment of the Complete Unitary Charge

Both schools are now making contributions to the Council to cover their elements of the Unitary Charge (net of all associated PFI credits the Council received)

**Payments**

The Council makes payments to the PFI operators which cover the charge for services provided, repayment of the liability in respect of each contract and interest on those liabilities. Payments remaining to be made under the three contracts at the year-end are set out below.

2022/23					2023/24			
Service cost	Repayment of liability	Interest	Total		Service cost	Repayment of liability	Interest	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(3,292)	(1,585)	(2,339)	(7,216)		(3,027)	(1,872)	(2,215)	(7,114)
(15,918)	(6,856)	(8,008)	(30,782)		(16,657)	(7,207)	(7,475)	(31,339)
(19,551)	(13,140)	(6,499)	(39,190)		(19,856)	(14,233)	(5,478)	(39,567)
(9,969)	(8,516)	(1,118)	(19,603)		(5,899)	(5,200)	(456)	(11,555)
-	-	-	-					-
<b>(48,730)</b>	<b>(30,097)</b>	<b>(17,964)</b>	<b>(96,791)</b>		<b>(45,439)</b>	<b>(28,512)</b>	<b>(15,624)</b>	<b>(89,575)</b>

**Note 22: Service Concession Arrangements (continued)**

**Movement on the value of the liabilities**

Although the payments made to each contractor are described as unitary payments, they have been calculated to compensate each contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractors for capital expenditure is set out below.

2022/23		2023/24
£'000		£'000
(31,025)	Balance at 1 April	(30,097)
928	Repayment	1,585
(30,097)	Balance at 31 March	(28,512)

## Note 23: Capital Expenditure and Capital Financing

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

2022/23		2023/24
£'000		£'000
840,074	<b>Opening capital financing requirement</b>	<b>734,305</b>
807		(8,800)
<b>840,881</b>	<b>Restated opening capital financing requirement</b>	<b>725,505</b>
	<b>Capital investment</b>	
17,391	Property, plant and equipment	15,738
5,323	Investment Properties	18
8	Intangible Assets	-
1,635	Revenue expenditure funded from capital under statute	1,573
4,432	Loans Advanced	924
-	Other Capital Expenditure	(5,835)
56,614	Capitalisation Direction	46,325
<b>85,403</b>	<b>Total capital investment</b>	<b>58,743</b>
	<b>Sources of finance</b>	
(7,139)	Capital receipts	2,184
(3,895)	Use of Loan Repayments to Reduce Capital Financing Requirement	(10,113)
(6,715)	Use of Loan Repayments to Reduce Capitalisation Direction Element Capital Financing Requirement	
(42,164)	Use of Capital Receipts to Reduce HRA Capital Financing Requirement	
(100,449)	Use of Capital Receipts to Repay Capitalisation Direction	(23,465)
(11,297)	Government grants and other contributions	(6,460)
	Use of Capital grants and contributions to Repay CFR	(9,083)
678	Major repairs reserve**	(9,806)
	Sums set aside from revenue	
-	Direct revenue financing	
(20,998)	Minimum revenue provision	(15,968)
<b>(191,979)</b>	<b>Total sources of finance</b>	<b>(72,711)</b>
<b>734,305</b>	<b>Closing capital financing requirement</b>	<b>711,537</b>
	<b>Explanation of movements in year:</b>	
(20,998)	Minimum revenue provision	(15,968)
56,614	Capitalisation Direction (CD)	46,325
	Use of Capital grants and contributions to Repay CFR	
(3,895)	Use of Loan Repayments to Reduce Capital Financing Requirement	(10,113)
(6,715)	Use of Loan Repayments to Reduce Capitalisation Direction	-
(42,164)	Use of Capital Receipts to Reduce HRA Capital Financing Requirement	-
(100,449)	Use of Capital Receipts to Repay Capitalisation Direction	(23,464)
11,034	Increase/decrease in underlying need to borrow	(1,665)
<b>(106,573)</b>	<b>Increase/(decrease) in CFR for the year</b>	<b>(13,968)</b>

\* 2022/23 opening CFR restated: this represents an adjustment for £807k additional Akzo Nobel spend not previously included in CFR Model

\*\* Major Repairs Reserve 2022/23 includes reduction in use of MRR in prior years to finance the Akzo Nobel site

\*\*\* Capital Receipts includes switch for S106 funding

## Note 24: Financial Instruments

Analysed by Category

2022/23				2023/24		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
			<i>Amortised cost</i>			
-	119,000	119,000	Investments	-	432	432
56,739	60,290	117,029	Trade Debtors	54,761	36,959	91,720
-	28,676	28,676	Cash and cash equivalents	-	28,571	28,571
<b>56,739</b>	<b>207,966</b>	<b>264,705</b>		<b>54,761</b>	<b>65,962</b>	<b>120,723</b>
			<i>Fair Value Through Profit and Loss</i>			
11,289	-	11,289	Investments	5,052	-	5,052
<b>68,028</b>	<b>207,966</b>	<b>275,994</b>	<b>Total financial assets</b>	<b>59,813</b>	<b>65,962</b>	<b>125,775</b>
			<b>Financial Liabilities</b>			
			<i>Amortised cost</i>			
(470,471)	(119,436)	(589,907)	Loans outstanding	(390,432)	(69,000)	(459,432)
(30,098)	(928)	(31,026)	PFI contracts	(26,640)	(1,872)	(28,512)
(4,052)	-	(4,052)	Finance leases	(2,752)	(370)	(3,122)
(24,636)	(110,561)	(135,197)	Trade creditors	(17,995)	(84,639)	(102,634)
<b>(529,257)</b>	<b>(230,925)</b>	<b>(760,182)</b>	<b>Total financial liabilities</b>	<b>(437,819)</b>	<b>(155,881)</b>	<b>(593,700)</b>

**Note 24: Financial Instruments (continued)****Out of scope assets**

In addition to the above financial instruments, the Council has:

- a. an equity interest in James Elliman Homes Ltd;
- b. advanced loans to James Elliman Homes Ltd;
- c. advanced loan notes to SUR LLP; and
- d. advanced loan to St Bernard LLP

These have been excluded from the financial instrument disclosures as they are scoped out of the Code's financial instrument reporting requirements, because the Council consolidates both James Elliman Homes Ltd and SUR LLP into its group accounts.

The sums involved are:

2022/23 Restated		2023/24
£'000		£'000
	<b>Long-term debtors</b>	
56,739	Long-term debtors balance per the Balance Sheet	54,761
	<b>LESS out of scope assets</b>	
(41,479)	Loan to James Elliman Homes Ltd	(46,573)
(12,263)	Loan to SUR and GRE5	(3,099)
<b>2,997</b>	<b>Remaining long-term debtors classified as financial instruments:</b>	<b>5,089</b>
2,997	Loans and receivables in 2023/24	5,089
-	Assets at amortised cost in 2023/24	
<b>2,997</b>		<b>5,089</b>
	<b>Short-term investments</b>	
119,000	Short-term investments balance per the Balance Sheet	432
	<b>LESS out of scope assets</b>	
	Interest accrued OLS	-
	Interest accrued JEH	-
<b>119,000</b>	<b>Remaining short-term investments classified as financial instruments:</b>	<b>432</b>
119,000	Assets at amortised cost in 2023/24	432
<b>119,000</b>		<b>432</b>

**Note 24: Financial Instruments (continued)**

2022/23		2023/24
£'000	Long-term investments	£'000
11,289	Long-term investments balance per the Balance Sheet	5,052
	<b>LESS out of scope assets</b>	
(7,659)	Equity in James Elliman Homes Ltd	(5,052)
	Loan to SUR	-
(130)	Loan to St Bernard	-
<b>3,500</b>	<b>Remaining long-term investments classified as financial instruments:</b>	<b>-</b>
3,500	Fair value through profit and loss in 2023/24	
<b>3,500</b>		<b>-</b>

**Income, Expense, Gains and Losses**

2022/23			2023/24		
Financial Liabilities	Financial Assets		Financial Liabilities	Financial Assets	
Liabilities at amortised cost	Loans and Receivables	Available for Sale	Liabilities at amortised cost	Loans and Receivables	Fair value through profit and loss
£'000	£'000	£'000	£'000	£'000	£'000
16,186	-	-	27,161	-	-
<b>16,186</b>	<b>-</b>	<b>-</b>	<b>27,161</b>	<b>-</b>	<b>-</b>
-	(9,753)	-	-	(7,950)	-
<b>-</b>	<b>(9,753)</b>	<b>-</b>	<b>-</b>	<b>(7,950)</b>	<b>-</b>

**Note 24: Financial Instruments (continued)****Out of scope assets**

In addition to the above financial instruments, the Council has:

- b. advanced loans to James Elliman Homes Ltd; and
- c. advanced loan notes to SUR LLP

Both of which generate interest receivable to the Council.

These have been excluded from the financial instrument disclosures above as they are scoped out of the Code's financial instrument reporting requirements, because the Council consolidates both James Elliman Homes Ltd and SUR LLP into its group accounts, but is disclosed below:

2022/23		2023/24
£'000		£'000
(9,753)	Interest income per Note 12	(7,950)
	<b>LESS income from out of scope assets:</b>	
3,492	Interest on Loan to James Elliman Homes Ltd	1,552
144	Interest on Loans to Slough Urban Renewal LLP	-
617	Interest on Loan to GRE5 Ltd	355
<b>(5,500)</b>	<b>Income from financial instruments analysed:</b>	<b>(6,043)</b>
(5,500)	Interest income	(6,043)
<b>(5,500)</b>		<b>(6,043)</b>



**Note 25: Nature and Extent of Risks Arising from Financial Instruments**

**General procedures for managing risk**

The Council's overall risk management procedures focus on the unpredictability of financial markets and seeks to minimise potential adverse risks on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy and the annual investment strategy. The Council provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

**Credit Risk**

Credit risk is the possibility that other parties might fail to pay amounts due to the Council.

Credit risk arises from deposits placed with banks and other institution, as well as credit exposures to Council customers. This risk is minimised through the annual investment strategy available on the Council website.

Key controls are:

- a. Investments are only placed with commercial entities with a minimum long-term credit rating of A-, and with other local authorities without credit ratings. Recognising that credit ratings are imperfect predictions of default, the Council has regard to these measures including credit default swap and equity prices when selecting commercial organisations for investment.
- b. placing a limit on the amount of money which can be invested with a single counterparty; and
- c. placing an overall limit of £40m which can be invested for more than one year.

The table below summarises the credit exposures of the Council's treasury investment portfolio by credit rating:

31-March-2023		Fitch Rating	31-March-2024	
Non-current	Current		Non-current	Current
£'000	£'000		£'000	£'000
-	22,000	AAA MMF	-	21,300
-	114,000	AA-	-	-
-	5,000	Unrated local authorities	-	-
-	141,000		-	21,300

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. The estimated loss is negligible as the majority of investments mature within 12 months. There has been no history of default on the pooled funds, therefore no loss allowance is deemed necessary.

**Note 25: Nature and Extent of Risks Arising from Financial Instruments (continued)****Liquidity risk**

Liquidity risk is the risk that the Council will have insufficient funds in its bank account to make the payments necessary to meet its financial obligations.

The Council operates a cashflow forecasting system which seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowing at favourable rates from the Public Works Loans Board, the and other local authorities, and at higher rates from banks and building societies. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

The Council is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of high interest rates, as it has a substantial amount of money borrowed temporarily from other local authorities. This risk also extends to market lender option borrower option loans (LOBOs) where the lender can exercise its option to vary the rate of interest payable, thereby triggering the Council's option to either accept the new rate or re-finance from elsewhere. The LOBOs have remaining terms of up to 47 years and interest rates of 3.75% to 3.99%.

Risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 30% of the Council's fixed term borrowing matures in any one financial year.

31-March-2023		31-March-2024
£'000		£'000
227,439	less than one year	74,500
25,439	between 1 and 2 years	85,499
91,818	between 3 and 5 years	62,597
66,718	between 6 and 10 years	64,978
47,175	between 11 and 15 years	47,175
92,299	between 16 and 20 years	87,933
2,000	between 21 and 25 years	3,750
4,583	between 26 and 30 years	-
32,436	more than 30 years	33,000
<b>589,907</b>	<b>Total</b>	<b>459,432</b>

**Market risk**

Market risk is the possibility that financial loss might arise as a result of changes in interest rates.

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

Borrowings at variable rates	The interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
Borrowings at fixed rates	The fair value of the borrowing 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).

**Note 25: Nature and Extent of Risks Arising from Financial Instruments (continued)**

Investments measured at amortised cost and loans borrowed are not carried at fair value on the Balance Sheet, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits of 50% on external debt than can be subject to variable interest rates. At 31 March 2023 98% of the debt portfolio was held in fixed rate instruments and 2% in variable rate borrowings.

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

31-March-2023		31-March-2024
£'000		£'000
	Increase in interest payable on variable rate borrowings	-
(262)	Increase in interest receivable on receivable rate investments	(262)
(262)	<b>Impact on surplus/deficit on the provision of services</b>	<b>(262)</b>
31-March-2023		31-March-2024
£'000	Impact on other comprehensive income and expenditure	£'000
-	Decrease in fair value of fixed rate investment assets	-
(28,403)	Decrease in fair value of fixed rate borrowings liabilities	(28,403)

## Note 26: Fair value of assets and liabilities

The following tables combine information about:

- (a) classes of financial instruments and non-financial assets based on their nature and characteristics;
- (b) the carrying amounts of financial instruments and non-financial assets;
- (c) fair values of financial instruments and non-financial assets; and
- (d) fair value hierarchy levels of financial instruments and non-financial assets for which fair value is disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

**Level 1** - measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2** - measurement is based on inputs other than quoted prices included in Level 3 that are observable for the asset or liability, either directly or indirectly

**Level 3** - measurement is based on unobservable inputs for the asset or liability.

The basis of valuation of each class of financial instrument and non-financial asset is set out below. There has been no change in the valuation techniques used during the year. All items have been valued using fair value techniques based on the characteristics of the financial instrument or non-financial asset, with the overall objective of maximising the use of market-based information.

Description of asset or liability	Valuation hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash and cash equivalents, trade debtors, trade creditor and cash-based investments (long and short-term)	Level 1	Carrying value is deemed to be fair value, because of the short-term nature of the instruments	Not Required	Not required
Non-current debtors	Level 2	Discounted cashflows for the instrument using an equivalent market rate	Council accounting records	Not required
Finance leases and PFI liabilities	Level 2	The fair values have been estimated by discounting the contractual cashflows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.	Observable inputs are the bond yields. Unobservable inputs are the remaining cashflows.	Not required
Loans outstanding	Level 2	The fair values have been estimated by discounting the remaining cashflows of the borrowing using the appropriate rate for local authority loans	Observable inputs are the PWLB rates. Unobservable inputs are the remaining cashflows.	Not required
Investments in pooled funds	Level 2	Forward pricing	NAV-based pricing set on a forward pricing basis	Not required
Investment property	Level 2	Investment method of valuation.	Assumed void periods Estimated Rental Value (ERV) Capitalisation Rate (Equivalent Yield)	Not required

**Note 26: Fair value of assets and liabilities (continued)**

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31-March-2024	Carrying value				Fair value			
	Financial and non-financial assets		Financial liabilities	Total	Level			Total
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		1	2	3	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>								
<i>Loans and receivables</i>								
Investments	-	5,052	-	5,052	5,052			5,052
Debtors	-	91,638	-	91,638	91,638			91,638
Cash and cash equivalents	-	28,571	-	28,571	28,571			28,571
<i>Fair value through profit and loss</i>	-		-	-				-
Investments			-	-	-	-		-
<b>Total financial assets</b>	-	125,261	-	125,261	125,261	-	-	125,261
<b>Non-financial assets</b>								
Investment property	27,212	-	-	27,212				-
Surplus assets	-	-	-	-				-
Assets held for Sale		-	-	-				-
<b>Total Financial and non-financial assets</b>	27,212	125,261	-	152,473	125,261	-	-	125,261
<b>Financial Liabilities</b>								
<i>Liabilities at amortised cost</i>								
Loans outstanding	-	-	(459,432)	(459,432)		(413,645)		(413,645)
PFI contracts	-	-	(28,510)	(28,510)		(28,510)		(28,510)
Finance leases	-	-	(3,615)	(3,615)		(3,615)		(3,615)
Trade creditors	-	-	(84,639)	(84,639)	(84,639)			(84,639)
<b>Total financial liabilities</b>	-	-	(576,196)	(576,196)	(84,639)	(445,770)	-	(530,409)

**Note 26: Fair value of assets and liabilities (continued)**

31-March-2023	Carrying value				Fair value			
	Financial and non-financial assets		Financial liabilities	Total	Level			Total
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		1	2	3	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>								
<i>Loans and receivables</i>								
Investments		11,289	-	11,289	11,289	-	-	11,289
Debtors		117,029	-	117,029	115,865		-	115,865
Cash and cash equivalents		28,676	-	28,676	28,676	-	-	28,676
<i>Fair value through profit and loss</i>		-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	-	156,994	-	156,994	155,830	-	-	155,830
<b>Non-financial assets</b>								
Investment property	108,432	-	-	108,432	-	108,432		108,432
Surplus assets	2,791	-	23,377	26,168	-	23,377		23,377
Assets held for Sale	-	-	-	-	-	-		-
<b>Total Financial and non-financial assets</b>	111,223	156,994	23,377	291,594	155,830	131,809	-	287,639
<b>Financial Liabilities</b>								
<i>Liabilities at amortised cost</i>								
Loans outstanding	-	-	(589,906)	(589,906)	(119,436)	(470,471)		(589,907)
PFI contracts	-	-	(48,061)	(48,061)	-	(48,061)		(48,061)
Finance leases	-	-	(3,478)	(3,478)	-	(3,478)		(3,478)
Trade creditors	-	-	(110,562)	(110,562)	(110,562)	-		(110,562)
<b>Total financial liabilities</b>	-	-	(752,007)	(752,007)	(229,998)	(522,010)	-	(752,008)

**Note 27: Cash and Cash Equivalents**

2022/23		2023/24
£'000		£'000
6,676	Cash and bank balances	28,571
22,000	Short-term deposits	-
<b>28,676</b>	<b>Total</b>	<b>28,571</b>

**Note 28: Debtors**

These balances represent the amount of money owed to the Council at year end. Debtors include individuals, central government departments, other local authorities, NHS and other bodies. An analysis is given below.

2022/23		2023/24
£'000	Short-term debtors	£'000
1,942	Prepayments	1,166
(1,930)	Central Government bodies	269
10,942	Trade debtors	12,121
2,529	VAT	5,028
16,957	Council Tax	11,045
9,194	NNDR receivable	4,928
11,860	Housing Benefit receivable	11,785
39,939	Other debtors	22,758
(31,143)	Impairment Allowance for Doubtful Debts	(32,140)
<b>60,290</b>	<b>Total</b>	<b>36,959</b>

2022/23		2023/24
£'000	Long-term debtors	£'000
56,652	Loans to third parties	54,593
87	Other	86
<b>56,739</b>	<b>Total</b>	<b>54,679</b>

## Note 29: Creditors

These are amounts owed by the Council for work done, goods received, or services rendered which have not been paid by 31 March 2023.

2022/23		2023/24
£'000		£'000
(2,808)	Trade creditors	(3,079)
(1,202)	PAYE & NI	(1,506)
(20,908)	Central Government Bodies	(13,338)
(71,120)	Other Creditor	(56,944)
(2,161)	PFI Finance Lease Liability	(2,240)
(12,363)	Receipts in Advance	(4,121)
-	Payroll Creditor	(3,412)
<b>(110,562)</b>	<b>Total</b>	<b>(84,639)</b>



## Note 30: Provisions

The Council makes provision in compliance with IAS37 where there is an obligation as a result of a past event, when it is probable that the Council will incur expenditure and where a reasonable estimate can be made of the amount involved. Provisions are split into short term (less than one year) and long term (more than one year). In addition to the provisions shown below, there are provisions for bad debts which have been netted off against the debtors figure on the balance sheet.

Short-term provisions	Insurance claims	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2023 *	(1,000)	(9,095)	(4,822)	(14,917)
Amounts used		7,389		7,389
<b>Balance at 31-March-2024</b>	<b>(1,000)</b>	<b>(1,707)</b>	<b>(4,822)</b>	<b>(7,529)</b>

Long-term provisions	Insurance claims	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2023 *	(170)	-	-	(170)
Additional provisions	-	(2,652)		(2,652)
<b>Balance at 31-March-2024</b>	<b>(170)</b>	<b>(2,652)</b>	<b>-</b>	<b>(2,822)</b>

\*Opening balances have been reclassified between short-term, long-term and the provision categories.

### Insurance claims

The provision covers claims which have been lodged and for which there is reasonable probability that the Council is liable and for which a reasonable estimate can be made of the amount required to settle

### Business rates appeals

Following the localisation of business rates from 1 April 2013, the Council has set aside a provision for any potential liabilities arising from appeals by business ratepayers against rateable valuations. The amount set aside reflects the Council's 94% share of the liability.

### Water rates

A provision has been set up for the possible repayment of water rate to tenants following the case of Jones v London Borough of Southwark in the High Court in 2016. The provision is a charge against the HRA as the water rates were originally collected with housing rents and reported in the HRA.

### Other

Other provision include contractual claims that arise in respect of disputes arising in the ordinary course of business.

**Note 31: Other Long-Term Liabilities**

2022/23		2023/24
£'000		£'000
(122,160)	Pension Liability	(108,105)
(30,097)	Amounts due to be paid under PFI	(26,640)
1,581	Amounts due to be paid under Other Finance Leases	(4)
<b>(150,676)</b>	<b>Balance 31 March</b>	<b>(134,749)</b>

## Note 32: Pension Schemes Accounted for as Defined Contribution Schemes

### Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries.

The Scheme itself is a defined benefit scheme but however is unfunded. The Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The notional fund is valued every four years. However, this is a multi-employer scheme and the number of participating employers makes it impossible to identify the Council's share of the financial position and performance attributable to its own employees with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, they are therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24, the Council paid £4.3m (£3.9m in 2022/23) to the Teachers Pensions Agency in respect of teachers' retirement benefits, representing 23.68% of Pensionable pay. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teacher's scheme. These costs are accounted for on a defined benefit basis.

## Note 33: Defined Benefit Pension Schemes

### Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to fund the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), a national scheme but administered locally. For Slough Borough Council, this is the Royal County of Berkshire Pension Fund administered by the Royal Borough of Windsor and Maidenhead. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. As there are no investment assets built up to meet these liabilities, at the point of early retirement a cash transfer is made from the General Fund to the Pension Fund to cover this shortfall. This transfer is real expenditure to the General Fund and is normally financed from a revenue reserve.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

**Note 33: Defined Benefit Pension Schemes (continued)**

The **Local Government Pension Scheme (LGPS)** is a national scheme but administered locally. For the Council, this is the Royal County of Berkshire Pension Fund administered by the Royal Borough of Windsor and Maidenhead. The LGPS is a funded scheme which means that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets over time.

The LGPS provides a final salary-based pension based on service to 2014 and a career average revalued earnings based pension for service since 2014.

The Royal County of Berkshire Pension Fund is operated under the regulatory framework of the Public Service Pensions Act 2013 and the LGPS Regulations made thereunder. Governance of the scheme locally is the responsibility of the Pensions Committee of the Royal Borough of Windsor and Maidenhead. Investment policy is determined in accordance with the LGPS Regulations as is the administration and governance of the scheme. Investment management of the fund is outsourced wholly to Local Pensions Partnership Investments (LPPI) under the framework provided by the investment policy.

The LGPS is subject to a triennial actuarial valuation which determines the contribution rates for the next three years. The fund's actuary is Barnett Waddingham LLP. The last valuation was in 2022, next valuation is due in 2025.

For the period covered by the triennial valuation the Council is scheduled to pay contributions at 17.2% (17.2% in 2022/23) of pensionable pay plus a lump sum of £4.700m (£4.530m in 2022/23).

The principal risks to the Council from participation in the LGPS are:

- (i) if future investment returns are lower than expected, the Fund's asset values will be lower and the funding level will worsen;
- (ii) if improvements in life expectancy are greater than expected, the cost of benefits will increase because members are living longer than expected;
- (iii) if members make decisions about their options which increase liabilities, the funding level may worsen. An example would be if fewer members commute their pensions into cash than expected then this will increase liabilities.

A significant risk to the Fund is that 69% of the Fund's assets are invested in global equity funds. This risk is mitigated through the use of forward foreign exchange derivatives.

**Discretionary post-employment benefits**

Both the LGPS and the teachers' pension scheme permit employers to make discretionary awards of post-employment benefits upon early retirement. These are unfunded benefit arrangements, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

**Note 33: Defined Benefit Pension Schemes (continued)**

**Transactions relating to post-employment benefits**

The Council recognises the cost of post-employment 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 contributions and benefits payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement, the General Fund balance and the HRA via the Movement in Reserves Statement in the year.

2022/23				2023/24			Note
Scheme Assets	Pensions Obligations	Net Pensions Liability		Scheme Assets	Pensions Obligations	Net Pensions Liability	
£'000				£'000			
325,940	(634,313)	(308,373)	Opening Balance at 1 April	326,179	(448,339)	(122,160)	
-	(18,538)	(18,538)	Current Service Cost	-	(8,642)	(8,642)	
	(139)	(139)	Past Service cost and gains/losses on curtailments		(423)	(423)	
8,432	(16,272)	(7,840)	Interest Income and Expense	15,579	(21,140)	(5,561)	
(319)	(260)	(579)	Admin Expense	(349)	-	(349)	
278		278	- Settlement			-	
8,391	(35,209)	(26,822)	Total post employment benefit charged to the (surplus)/deficit on provision of services	15,230	(30,205)	(14,975)	
			Contributions				
13,754		13,754	- The Council	13,208		13,208	
2,762	(2,762)	-	- Employees	3,018	(3,018)	-	
16,516	(2,762)	13,754		16,226	(3,018)	13,208	
			Payments				
(19,902)	19,902	-	- Retirement Grants and Pensions	(19,489)	19,489	-	
(19,902)	19,902	-	Employers contributions payable to scheme	(19,489)	19,489	-	
			Remeasurements				
(4,766)		(4,766)	- Return on Plan Assets	13,253		13,253	
-	258,509	258,509	- Actuarial Gains and Losses from changes in Financial Assumptions	-	4,030	4,030	
	(54,466)	(54,466)	- Experience loss /(gain) on defined benefit obligation		(1,465)	(1,465)	
(4,766)	204,043	199,277	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	13,253	2,565	15,818	
				-			
326,179	(448,339)	(122,160)	Closing Balance at 31 March	351,399	(459,508)	(108,109)	

**Note 33: Defined Benefit Pension Schemes (continued)**

**Composition of Scheme Assets**

2022/23				2023/24		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£'000	£'000	£'000		£'000	£'000	£'000
51%		164,171	Public Equities	57%		200,474
	12%	40,423	Private Equities		12%	41,252
	14%	44,973	Infrastructure		13%	44,025
10%	3%	41,234	Real Estate	6%	3%	31,988
13%	1%	47,406	Credit	12%	1%	46,157
1%		4,932	Cash	1%		3,236
	-5%	(16,960)	Longevity Insurance		-4%	(15,733)
<b>75%</b>	<b>25%</b>	<b>326,179</b>	<b>Total Assets</b>	<b>76%</b>	<b>24%</b>	<b>351,399</b>

**Basis for estimating assets and liabilities**

A change in any of the key assumptions can have a significant impact upon the size of the Council's pension liabilities, which would require the Council during its triennial review to adjust the amount it must pay the Berkshire Pension Fund. The biggest risks include an increase in member life expectancy, salary and pension accumulation rate or a decrease in the real discount rate, which would have an impact on the Council's liability to the Pension Fund.

Discounting of future payments gives the amount in today's money that is required to meet obligations – a higher discount rate means a lower current requirement to meet future payments. This is why the actuaries prudently use a discount rate based on highly rated corporate bond yields, as a small change in these would have a very large impact upon the size of the liability, which taxpayers are statutorily bound to pay.

The principal assumptions used by the actuary have been:

LGPS		LGPS
31-March-2023		31-March-2024
	Mortality assumptions:	
	Longevity at 65 for current pensioners (years):	
20.7	Male	20.8
23.5	Female	23.6
	Longevity at 65 for future pensioners (years):	
22.0	Male	22.0
24.9	Female	25.0
	Economic assumptions	
2.9%	Rate of inflation	4.9%
3.9%	Rate of increase in salaries	3.0%
2.9%	Rate of increase in pensions	3.3%
4.8%	Rate for discounting scheme liabilities	4.0%

**Note 33: Defined Benefit Pension Schemes (continued)**

**Sensitivity Analysis**

Long-term provisions	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Discount Rate (increase or decrease by 0.1%)	(7,188)	7,375
Rate of increase in salaries (increase or decrease by 0.1%)	318	(315)
Rate of increase in pensions (increase or decrease by 0.1%)	7,192	(7,015)
Longevity (increase or decrease by 1 year)	17,926	(17,197)

The above sensitivity analysis identifies that a 0.1% increase in the Discount Rate assumption, will result in a decrease in the reported Pension liability of £7.2m. An increase in either the salaries, pension payment or longevity assumptions will result in an increase in the reported Pension Liability as detailed in the table above.

**Impact on the Council's Cash flows**

The objectives of the scheme are to keep employer's contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 2 years. Funding levels are monitored on an annual basis.

Based on assumptions as at 31 March 2024, expected employer contributions for LGPS benefits in 2023/24 are £12.4m, with the projected expense being £13.8m. These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024.

The weighted average duration of the defined benefit obligation for scheme members is 20 years (20 years 2022/23).

**Note 34: Cash Flow Statement - Operating Activities**

2022/23		2023/24
£'000		£'000
(100,883)	<b>Net (surplus) or deficit on the provision of services</b>	<b>88,034</b>
	<i>Adjustments for non-cash movements:</i>	
(26,032)	Depreciation	(23,333)
18,443	Impairments and downward revaluation	(22,170)
-	- Amortisation	(20,702)
12,210	Net increase/decrease in creditors, debtors and inventories	17,119
(13,064)	Pensions liability	(1,221)
-	- Carrying amount of non-current assets sold	
(38,611)	Other non-cash items	(58,188)
<b>(47,054)</b>	<b>Subtotal</b>	<b>(108,495)</b>
	<i>Adjustments for items that are investing or financing activities:</i>	
199,609	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(118,690)
-	- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	34,636
11,968	Any other items for which the cash effects are investing or financing cash flows	9,698
<b>211,577</b>	<b>Subtotal</b>	<b>(74,356)</b>
<b>63,640</b>	<b>Net cash flows from operating activities</b>	<b>(94,817)</b>

The cash flows for operating activities include the following items:

2022/23		2023/24
£'000		£'000
(9,753)	Interest received	(7,950)
24,027	Interest paid	31,769
<b>14,274</b>	<b>Total</b>	<b>23,819</b>



**Note 35: Cash Flow Statement - Investing Activities**

2022/23		2023/24
£'000		£'000
23,125	Purchase of property, plant and equipment, investment property and intangible assets	15,219
108,947	Purchase of short-term and long-term investments	-
4,295	Other payments for investing activities	1,929
(199,609)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(34,636)
(30,842)	Other receipts from investing activities	(19,998)
<b>(94,084)</b>	<b>Net cash flows from investing activities</b>	<b>(37,486)</b>

**Note 36: Cash Flow Statement - Financing Activities**

2022/23		2023/24
£'000		£'000
(60,560)	Cash receipts of short-term and long-term borrowings	-
(42,163)	Other receipts from financing activities	-
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	1,933
186,563	Repayments of short-term and long-term borrowing	-
-	Other payments from financing activities	130,475
<b>83,840</b>	<b>Net cash flows from financing activities</b>	<b>132,408</b>

## Note 37: 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.

### Central government

Central government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council tax bills, housing benefits).

### Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members Allowances is reported at Note 11.

The following Members held positions of control or significant influence in related parties to the Council during 2023/24:

### Entities controlled or significantly influenced by the Council

2023/24								
Entity name	Structure		Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
James Elliman Homes (JEH)	Wholly owned subsidiary			51,700	-	(1,551)	53,988	(1,037)
Slough Urban Renewal	Joint Venture			873	-	-	873	
Ground Rent Estates 5 Ltd	Wholly owned subsidiary			2,182		(355)	2,182	
Slough Children First Ltd  (Name of the Company was changed from Slough Children's Services Trust Ltd to Slough Children First Limited w.e.f 4th April 2021)	Company limited by guarantee -  Slough Borough Council appointed as a person of significant control with effect from 1st Apr 2021 Cessation of Department for Education as a person with significant control on 1 April 2021			2,600	45,710	(2,484)	2,645	(5,107)

**Note 37: Related Party Transactions (continued)**

2022/23								
Entity name	Structure		Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
James Elliman Homes (JEH)	Wholly owned subsidiary			51,700	-	(1,551)	51,700	-
Slough Urban Renewal	Joint Venture		-	2,173	-	(144)	2,173	
Ground Rent Estates 5 Ltd	Wholly owned subsidiary		-	10,096	-	(617)	10,096	
Slough Children First Ltd  (Name of the Company was changed from Slough Children's Services Trust Ltd to Slough Children First Limited w.e.f 4th April 2021)	Company limited by guarantee -  Slough Borough Council appointed as a person of significant control with effect from 1st Apr 2021 Cessation of Department for Education as a person with significant control on 1 April 2021		-	2,600	33,803	(1,454)	2,748	(1,720)

## Note 38: Contingent Liabilities

There are no contingent liabilities at the reporting date.

## Note 39: Events After the Balance Sheet Date

### Authorised for issue date

Preparation of the 2023/24 statement of accounts were delayed pending resolution of outstanding matters arising from the audit of the 2018/19 statement of accounts affecting the balances brought forward.

The delays to the 2018/19 and subsequent Statement of Accounts were related to:

1. issues raised by the external auditors regarding the original 2018/19 draft accounts, and
2. subsequent work to address issues highlighted by the Section 114 Notice and the Capitalisation Direction (see below).

### Section 114 Notice and Capitalisation Direction

On 2 July 2021, the Council's then Section 151 officer, Steven Mair, issued a section 114 Notice to the Council, which highlighted that the Council faced a significant unfunded financial deficit arising from financial challenges which have arisen over a number of years, and required the Council to take action to address these issues as a matter of urgency.

The s.114 Notice has led to intervention from the Secretary of State for Levelling UP, Housing and Communities who issued an "in principle" Capitalisation Direction in March 2022.

The Capitalisation Direction permits the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capitalised revenue expenditure from capital resources, namely by applying usable capital receipts and in the short-term setting aside minimum revenue provision.

Whilst the Capitalisation Direction was issued in March 2022 it covers transactions and balances for the years preceding 1 April 2017 to 31 March 2023 (subsequently up to 31 March 2024). Therefore at the balance sheet date of 31 March 2024, the Capitalisation Direction is an adjusting event. The items which have been adjusted under the Capitalisation Direction are set out in Note 5 to these accounts.

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## SECTION – 5

### SUPPLEMENTARY FINANCIAL STATEMENTS

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## Housing Revenue Account (HRA) - Income and Expenditure Statement

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

2022/23 restated		2023/24	
£'000		£'000	Note
	<b>Expenditure</b>		
9,391	Repairs and Maintenance	11,809	
14,366	Supervision and Management	10,446	
92	Rents, Rates, Taxes and Other Charges	494	
1,242	Depreciation, Impairment and Revaluation losses in relation to non current assets	11,654	6
	Aborted AUC on Entering S114 Written Back to Revenue	3,495	
1,382	Increase/(decrease) in provision for bad and doubtful debts	-	
<b>26,473</b>	<b>Total expenditure</b>	<b>37,898</b>	
	<b>Income</b>		
(36,116)	Dwelling Rents	(36,867)	
(1,190)	Non-dwelling rents	(1,763)	
(2,727)	Charges for Service and facilities	(2,040)	
<b>(40,033)</b>	<b>Total income</b>	<b>(40,670)</b>	
<b>(13,560)</b>	<b>Net Income from HRA services as included in the whole authority Comprehensive Income and Expenditure Statement</b>	<b>(2,772)</b>	
	HRA services share of Corporate and Democratic Core	205	
<b>(13,560)</b>	<b>Net cost of HRA Services including HRA share of costs not allocated to specific services</b>	<b>(2,567)</b>	
	<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:</b>		
(11,827)	(Gain) on sale of HRA non current assets	(4,669)	
-	Capital Grants and Contributions received	(1,708)	
(557)	HRA interest and investment income	(857)	
4,608	Interest payable and similar charges	4,608	
464	Pensions interest cost	331	
<b>(20,872)</b>	<b>(Surplus) or deficit for the year on HRA Services</b>	<b>(4,862)</b>	

## Statement on The Movement on The Housing Revenue Account

The objective of this statement is to reconcile the outturn from the HRA Income and Expenditure Statement to the surplus or deficit on the HRA Balance calculated in accordance with statutory requirements.

2022/23 Restated £'000	Expenditure	2023/24 £'000
(16,892)	Balance on the HRA as at 1 April	(21,645)
(20,872)	(Surplus) for the year on the HRA Income and Expenditure Statement	(4,863)
	<b>Adjustments between accounting basis and funding basis:</b>	
-	Amount by which finance costs chargeable in accordance with the Code are different from finance costs chargeable in year under statutory requirements	
(9,470)	Depreciation and impairments	(10,011)
5,092	Revaluation gains (where losses previously charged to surplus/deficit)	(1,616)
(8)	Movement in market value of investment property	(26)
(793)	Net Charges (Pension Costs) made for Retirement Benefits in Accordance with FRS17	(896)
(37,586)	(Gains)/losses on sale of HRA non-current assets	(6,326)
	Capital Grants and Contributions received in year	1,708
9,471	Transfers to/(from) the Major Repairs Reserve	10,011
49,413	Transfers to/(from) the Capital Receipts Reserve	10,996
(4,753)	<b>Net (increase)/decrease before transfers to/(from) reserves</b>	<b>(1,023)</b>
(4,753)	<b>(Increase)/decrease in year on the HRA balance</b>	<b>(1,023)</b>
(21,645)	<b>HRA Balance at 31 March</b>	<b>(22,668)</b>



## Housing Revenue Account Notes

### Note 1: Prior Period Adjustment

No prior period adjustments were required.

### Note 2: Housing Stock

As at 31 March 2023, the Council was responsible for managing a housing stock of 6,029 dwellings comprising:

2022/23 No.	Type of accommodation	2023/24 No.
2,769	Houses	2,780
2,736	Flats	2,692
524	Bungalows	520
<b>6,029</b>	<b>Total</b>	<b>5,992</b>

The change in stock can be summarised as follows:

2022/23 No.	Type of accommodation	2023/24 No.
6,054	Stock at 1 April	6,029
(25)	Sold	(36)
-	Demolished	(1)
<b>6,029</b>	<b>Stock at 31 March</b>	<b>5,992</b>

**Note 2: Housing Stock (continued)**

The total balance sheet value of the Council's HRA assets at 1 April 2023 was £640.218m and at 31 March 2024 was £631.391m, analysed as follows:

2022/23 £'000	Expenditure	2023/24 £'000
	<b>Operational assets</b>	
611,819	Council dwellings	608,175
8,521	Other land and buildings	8,094
416	Community assets	415
6,242	Assets under construction	923
<b>626,998</b>		<b>617,607</b>
	<b>Non-operational assets</b>	
1,040	Investment property	730
12,180	Surplus assets	13,054
<b>13,220</b>		<b>13,784</b>
<b>640,218</b>	<b>Total asset value</b>	<b>631,391</b>

**Note 3: Vacant Possession Value**

Dwellings are initially valued at open market value assuming vacant possession. The vacant possession value of the HRA tenanted dwellings was £1,843m (£1,865m at 31 March 2023). This is the existing use value (EUV). The difference between the vacant possession value the Balance Sheet value of the dwellings within the HRA reflects that tenancies are held on a secure basis without vacant possession.

The Balance Sheet value of the dwellings is determined by applying the Government prescribed discount factor (the vacant possession discount factor) to the vacant possession value of the stock. The discount factor is 33%. The resultant valuation is the Existing Use Value - Social Housing (EUV-SH)

The difference of £1,235.118m between the EUV of £1,842.520m and the EUV-SH of £608.175m represents the economic cost of providing housing at less than open market

## Note 4: Capital Expenditure and financing

During 2023/24, the Council incurred £m capital expenditure on land, houses and other properties within the HRA (2022/23: £13.489m). The detail of expenditure and the methods of financing are detailed below:

2022/23		2023/24
£'000		£'000
197,208	<b>Opening capital financing requirement</b>	164,636
807	Operational assets	
<b>198,015</b>	<b>Restated opening capital financing requirement</b>	<b>164,636</b>
	<b>Capital investment</b>	
6,307	* Operational assets	7,352
7,182	Non-operational assets	120
<b>13,489</b>	<b>Total capital investment</b>	<b>7,472</b>
	<b>Sources of funding</b>	
(5,382)	** Capital receipts	2,334
(42,164)	Use of Capital Receipts to Reduce HRA Capital Financing Requirement	
678	*** Major repairs reserve	(9,806)
-	- Government grants and contributions	(1,708)
-	- Borrowing	
(46,868)	Total sources of Finance	(9,180)
<b>164,636</b>	<b>Closing capital financing requirement</b>	<b>162,928</b>
	<b>Explanation of movements in year:</b>	
(42,164)	- Use of Capital Receipts to Reduce HRA Capital Financing Requirement	-
8,785	Increase/decrease in underlying need to borrow	(1,708)
<b>(33,379)</b>	<b>Increase/(decrease) in CFR for the year</b>	<b>(1,708)</b>

\*Includes £3.248m previously treated as Assets Under Construction now written back to revenue as aborted

\*\*Includes £3.248m capital receipts previously used to finance aborted capital projects previously treated as Assets Under Construction

\*\*\*Includes Reimbursement of Major Repairs Reserve use for 2020/21 incurred on purchase of Akzo Nobel

## Note 5: Capital receipts

Capital receipts from disposals of land, houses and other property within the HRA were as follows:

2022/23		2023/24
£'000		£'000
-	Land	-
(5,484)	Council dwellings	(6,364)
(43,929)	Other property	(4,641)
<b>(49,413)</b>		<b>(11,005)</b>

**Note 6: Depreciation and impairment**

2022/23				2023/24		
Depreciation	Impairment / Reversals	Total		Depreciation	Impairment / Reversals	Total
£'000	£'000	£'000		£'000	£'000	£'000
9,128	(6,994)	2,134	Council dwellings	9,720	833	10,553
82		82	Other land and buildings	80	217	297
1		1	Community assets	1	-	1
46	(983)	(937)	Surplus assets	46	593	639
214		214	Intangibles	166		166
				(2)		(2)
9,471	(7,977)	1,494		10,011	1,643	11,654

**Note 7: Rent Arrears**

2022/23		2023/24
	<b>Rent arrears comprise:</b>	
1,962	Current tenant arrears	3,006
707	Former tenant arrears	727
2,669		3,733
(3,026)	Less: Bad debts provisions	(2,230)
(357)		1,503

## Collection Fund Statement

The Collection Fund shows the transactions of the Council in its capacity as the billing authority in relation to the collection from taxpayers and the distribution to local authorities and the Government of council tax and non-domestic rates. There is no requirement for a separate Collection Fund balance sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the major preceptors, the billing authority and the Government.

The Council's share of council tax and non-domestic rates income is included in the Comprehensive Income and Expenditure Statement (CIES) on an accruals basis in line with the Code. However, the amount to be recognised in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory credit made through the Movement in Reserves Statement and to the Collection Fund Adjustment Account.

2022/23				2023/24			Note
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total	
£'000	£'000	£'000		£'000	£'000	£'000	
			<b>Income</b>				
-	(80,556)	(80,556)	Council Tax receivable		(88,111)	(88,111)	
(85,998)	-	(85,998)	Business Rates receivable	(101,928)		(101,928)	
(42)	-	(42)	Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment	(7,028)	(333)	(7,361)	
			<b>Apportionment of prior year deficit</b>				
(13,195)		(13,195)	Central Government	(7,998)		(7,998)	
(12,931)	-	(12,931)	Slough Borough Council	(7,839)		(7,839)	
(264)		(264)	Berkshire Fire Authority	(160)		(160)	
-	-	-	Thames Valley police			-	
<b>(86,040)</b>	<b>(80,556)</b>	<b>(166,596)</b>	<b>Total income</b>	<b>(124,953)</b>	<b>(88,444)</b>	<b>(197,400)</b>	
			<b>Expenditure</b>				
			<b>Apportionment of prior year surplus/deficit</b>				
	-		Central Government		-	-	
-	1,002		Slough Borough Council	-	1,578	1,578	
-	45		Berkshire Fire Authority	-	76	76	
-	157		Thames Valley police	-	247	247	
			<b>Precepts</b>				
51,862	-	51,862	Central Government	55,478	-	55,478	
50,824	65,102	115,926	Slough Borough Council	54,368	73,027	127,395	
1,037	3,127	4,164	Berkshire Fire Authority	1,110	3,408	4,518	
-	10,203	10,203	Thames Valley police	-	11,061	11,061	
			<b>Charges to Collection Fund</b>				
(1,687)	4,315	2,628	Increase/(decrease) in allowance for impairment	2,863	(1,106)	1,757	
4,982	-	4,982	Increase/(decrease) in allowance for appeals	(9,663)	-	(9,663)	
-	-	-	Transitional Protection Payments Payable	-	-	-	
208	-	208	Charge to General Fund for allowable collection costs for non-domestic rates	211	-	211	
<b>107,226</b>	<b>83,951</b>	<b>189,973</b>	<b>Total expenditure</b>	<b>104,367</b>	<b>88,291</b>	<b>192,658</b>	
(5,204)	3,396	(1,808)	(Surplus)/Deficit arising during the year	(20,586)	(153)	(20,739)	
28,535	(4,333)	24,202	(Surplus)/Deficit brought forward	23,331	(937)	22,394	
<b>23,331</b>	<b>(937)</b>	<b>22,394</b>	<b>(Surplus)/Deficit carried forward</b>	<b>2,745</b>	<b>(1,090)</b>	<b>1,655</b>	

## Notes to the Collection Fund

### Note 1: Council tax income

The Council's tax base for 2023/24 - i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply), converted to an equivalent number of Band D dwellings - calculated as follows:

Band	Valuation band limits		Estimated number of dwellings after effect of discounts	Ratio	Band D equivalent dwellings	Council Tax charge per band (£)
A	Up to and including - 40,000		1,363	6 / 9	908	1,125
B	40,000	- 52,000	7,442	7 / 9	5,788	1,313
C	52,001	- 68,000	19,892	8 / 9	17,682	1,501
D	68,001	- 88,000	11,469	9 / 9	11,469	1,688
E	88,001	- 120,000	4,254	11 / 9	5,199	2,063
F	120,001	- 160,000	1,600	13 / 9	2,312	2,439
G	160,001	- 320,000	322	15 / 9	536	2,814
H	More than - 320,000		7	18 / 9	13	3,376
Total			46,347		43,907	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year					(746)	
Council Tax Base					43,160	

The Council's tax base for 2022/23 - i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply), converted to an equivalent number of Band D dwellings - calculated as follows:

Band	Valuation band limits		Estimated number of dwellings after effect of discounts	Ratio	Band D equivalent dwellings	Council Tax charge per band (£)
A	Up to and including - 40,000		1,329	6 / 9	886	1,023
B	40,000	- 52,000	7,384	7 / 9	5,743	1,194
C	52,001	- 68,000	19,262	8 / 9	17,122	1,364
D	68,001	- 88,000	11,362	9 / 9	11,362	1,535
E	88,001	- 120,000	4,246	11 / 9	5,190	1,876
F	120,001	- 160,000	1,607	13 / 9	2,322	2,217
G	160,001	- 320,000	320	15 / 9	534	2,558
H	More than - 320,000		6	18 / 9	12	3,070
Total			45,516		43,170	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year					(109)	
Council Tax Base					43,061	

## Note 2: Business Rates income

Non-Domestic Rates are collected locally. The Government specifies an amount and subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. In 2023/24 the amount was 51.2p (51.2p = 2022/23). The small business rate multiplier was 49.9p for 2023/24 (49.9p 2022/23). The Council is responsible for collecting rates due from the ratepayers in its area and distributing the amount collected between itself, central government and major preceptors in proportions specified by central government. This is shown in the Collection Fund Statement and analysed at Note 8. The total rateable value at 31 March 2024 was £263,405k (31 March 2023 = £240,172k).

## Note 3: Collection fund balance apportionment

2022/23	Business Rates	Council Tax	Total
Organisation	£'000	£'000	£'000
Central Government	10,781		10,781
Slough Borough Council	12,317	(782)	11,535
Berkshire Fire Authority	233	(37)	196
Thames Valley police		(118)	(118)
<b>Total</b>	<b>23,331</b>	<b>(937)</b>	<b>22,394</b>

2023/24	Business Rates	Council Tax	Total
Organisation	£'000	£'000	£'000
Central Government	1,372		1,372
Slough Borough Council	1,345	(915)	430
Berkshire Fire Authority	27	(41)	(14)
Thames Valley police		(134)	(134)
<b>Total</b>	<b>2,744</b>	<b>(1,090)</b>	<b>1,654</b>

## SECTION – 6

### GROUP ACCOUNTS

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## Group Comprehensive Income and Expenditure Statement

2022/23				2023/24			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
2,183	(83)	2,100	ED Monitoring Officer	2,354	(145)	2,209	
11,566	(2,349)	9,217	Chief Execs Office	9,787	(1,845)	7,942	
109,527	(96,934)	12,593	Corporate Services	68,736	(44,254)	24,482	
171,644	(133,222)	38,422	ED People (Children)	201,754	(157,471)	44,283	
27,987	(20,147)	7,840	ED Housing, Property & Planning	55,702	(24,360)	31,342	
71,979	(34,667)	37,312	ED People (Adults)	75,948	(39,301)	36,647	
48,254	(12,218)	36,036	ED Place & Communities	45,820	(20,520)	25,300	
1,304	(3,296)	(1,992)	Public health	942	(482)	460	
26,472	(40,033)	(13,561)	Housing Revenue Account	38,181	(42,456)	(4,275)	
<b>470,916</b>	<b>(342,949)</b>	<b>127,967</b>	<b>Cost of Services</b>	<b>499,224</b>	<b>(330,834)</b>	<b>168,390</b>	
		(113,695)	Other operating expenditure			24,487	
		9,467	Financing and investment income and expenditure			29,706	
		-	Tax due for the year (current and deferred tax)				
		(114,764)	Taxation and non-specific grant income and expenditure			(137,504)	
		<b>(91,025)</b>	<b>(Surplus)/deficit on provision of services</b>			<b>85,079</b>	
		67	Share of the (surplus)/deficit on the provision of services by joint venture			(110)	
		-	Tax expenses of joint venture				
		<b>(90,958)</b>	<b>Group (Surplus)/deficit on provision of services</b>			<b>84,969</b>	
		-	Deferred tax relating to revaluation of tangible fixed assets			(123)	
		(91,808)	(Surplus) or deficit on revaluation of property, plant and equipment assets			7,265	
		(222,603)	Remeasurement of the net defined benefit liability			(18,041)	
		<b>(314,411)</b>	<b>Other Comprehensive income and expenditure</b>			<b>(10,899)</b>	
		<b>(405,369)</b>	<b>Total Comprehensive income and expenditure</b>			<b>74,070</b>	

## Group Movement in Reserves Statement

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	General Fund	Earmarked Reserves	School Reserves	GF Reserves Total	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Council Usable Reserves	Council Unusable Reserves	Total Group Reserves	Council's share of Reserves from JVs and Subsidiaries	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening balance 1 April 2022</b>	<b>(1,465)</b>	<b>(72,908)</b>			<b>(16,892)</b>	<b>(31,229)</b>	<b>(5,042)</b>	<b>(31,880)</b>	<b>(159,418)</b>	<b>(69,110)</b>	<b>(228,528)</b>	<b>28,573</b>	<b>(199,955)</b>
<b>Movement in Reserves in 2022/23</b>													
(Surplus)/Deficit on Provision of Services	(80,011)				(20,872)				(100,883)	-	(100,883)	9,960	(90,923)
Other Comprehensive Income and Expenditure	-	-			-	-	-	-	-	(285,977)	(285,977)	(28,434)	(314,411)
<b>Total Comprehensive Income and Expenditure</b>	<b>(80,011)</b>	<b>-</b>			<b>(20,872)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,883)</b>	<b>(285,977)</b>	<b>(386,860)</b>	<b>(18,474)</b>	<b>(405,334)</b>
Adjustments between accounting and funding basis	131,244	-			16,118	(49,814)	(10,150)	395	87,793	(87,793)	-	-	-
Capitalisation Direction	(56,614)	-			-	-	-	-	(56,614)	56,614	-	-	-
<b>Net (increase)/decrease before transfers to/from reserves</b>	<b>(5,381)</b>	<b>-</b>			<b>(4,754)</b>	<b>(49,814)</b>	<b>(10,150)</b>	<b>395</b>	<b>(69,704)</b>	<b>(317,156)</b>	<b>(386,860)</b>	<b>(18,474)</b>	<b>(405,334)</b>
Transfer to/(from) - reserves	(14,617)	14,617			-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>(21,465)</b>	<b>(58,291)</b>			<b>(21,645)</b>	<b>(81,044)</b>	<b>(15,192)</b>	<b>(31,485)</b>	<b>(229,120)</b>	<b>(386,266)</b>	<b>(615,388)</b>	<b>10,099</b>	<b>(605,287)</b>
<b>Opening balances</b>	<b>(21,465)</b>	<b>(58,291)</b>			<b>(79,756)</b>	<b>(21,645)</b>	<b>(81,044)</b>	<b>(15,192)</b>	<b>(31,485)</b>	<b>(229,120)</b>	<b>(386,266)</b>	<b>10,099</b>	<b>(605,289)</b>
Opening Balance Adjustment	-	10,523	(21,036)	(10,513)					(10,513)	10,513	-	-	
<b>Movement in Reserves in 2023/24</b>													
(Surplus)/Deficit on Provision of Services	92,895			92,895	(4,863)				88,032	-	88,032	(3,062)	84,970
Other Comprehensive Income and Expenditure	-	-			-	-	-	-	-	(7,999)	(7,999)	(2,900)	(10,899)
<b>Total Comprehensive Income and Expenditure</b>	<b>92,895</b>	<b>-</b>		<b>92,895</b>	<b>(4,863)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,032</b>	<b>(7,999)</b>	<b>80,033</b>	<b>(5,962)</b>	<b>74,071</b>
Adjustments between accounting and funding basis	(32,527)			(32,527)	3,840	(13,486)	(206)	(2,259)	(44,638)	44,638	-	-	-
Capitalisation Direction	(46,325)	-		(46,325)	-	-	-	-	(46,325)	46,325	-	-	-
<b>Net (increase)/decrease before transfers to/from reserves</b>	<b>14,043</b>	<b>-</b>		<b>14,043</b>	<b>(1,023)</b>	<b>(13,486)</b>	<b>(206)</b>	<b>(2,259)</b>	<b>(2,931)</b>	<b>82,964</b>	<b>80,033</b>	<b>(5,962)</b>	<b>74,071</b>
Transfer to/(from) - reserves	(16,627)	20,899	(4,272)		-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>(24,049)</b>	<b>(26,869)</b>	<b>(25,308)</b>	<b>(76,226)</b>	<b>(22,668)</b>	<b>(94,530)</b>	<b>(15,398)</b>	<b>(33,744)</b>	<b>(242,564)</b>	<b>(292,789)</b>	<b>(535,355)</b>	<b>4,137</b>	<b>(531,217)</b>

## Group Balance Sheet

31-March-2023		31-March-2024	
£'000		£'000	Note
1,171,168	Property, Plant and Equipment	1,143,558	2
108,432	Investment Property	27,212	
2,870	Intangible Assets	480	
11,289	Long-term Investments	-	
(952)	Investment in Joint venture	(842)	
59,470	Long-term Debtors	3,031	
<b>1,352,277</b>	<b>Total Long-term Assets</b>	<b>1,173,439</b>	
2,791	Assets Held for Sale	-	
119,000	Short Term Investments	432	
68,168	Short term debtors	40,302	
35,015	Cash and Cash Equivalents	38,622	
<b>224,974</b>	<b>Current Assets</b>	<b>79,356</b>	
(119,436)	Short-term Borrowing	-	
(126,720)	Short-term Creditors	(95,770)	
(21,364)	Short-term Provisions	(8,522)	
-			
<b>(267,520)</b>	<b>Current Liabilities</b>	<b>(104,292)</b>	
(78,736)	Long-term Creditors	(17,995)	
(170)	Long-term Provisions	(2,822)	
(470,471)	Long-term Borrowing	(459,432)	
(155,067)	Other Long-Term Liabilities	(137,038)	
<b>(704,444)</b>	<b>Long-term Liabilities</b>	<b>(617,287)</b>	
<b>605,287</b>	<b>Net Assets</b>	<b>531,217</b>	
(223,412)	Usable Reserves	(231,449)	
(381,875)	Unusable Reserves	(299,768)	
<b>(605,287)</b>	<b>Total Reserves</b>	<b>(531,217)</b>	

## Group Cash Flow Statement

2022/23		2023/24	
£'000		£'000	Note
91,025	Net (deficit) surplus on the provision of services	(85,079)	
58,572	Adjustment to (surplus) or deficit on the provision of services for non-cash movements	109,331	3
(211,577)	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	74,356	3
<b>(61,980)</b>	<b>Net cash flows from operating activities</b>	<b>98,608</b>	
93,977	Investing Activities	37,408	4
(83,899)	Financing Activities	(132,409)	5
<b>(51,902)</b>	<b>Net increase in cash and cash equivalents</b>	<b>3,607</b>	
86,917	Cash and cash equivalents at the beginning of the reporting period	35,015	
<b>35,015</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>38,622</b>	

Notes to the Group Financial Statements

Note 1: Basis of Preparation

The Group accounts have been prepared in accordance with the requirements of CIPFA's 2023/24 Code of Practice, by:

- Identifying entities within the Group accounting boundary that falls within the materiality for consolidation
- Consolidating controlled entities on a line-by-line basis in the Group financial statements, eliminating intra-group balances and transactions in full.
- Consolidating joint ventures using the equity method, by including the Council's share of company profits and losses as a single line item in the Group Comprehensive Income and Expenditure Statement and Group Balance Sheet.
- For the consolidation of the joint venture Slough Urban Renewals year end is 31st December rather than 31st March.
- In the current year, the below mentioned subsidiaries and the JV has been consolidated.

The following entities have been included in the Group financial statements:

Company	Classification	Consolidation method
Slough Children First Limited	Subsidiary	line by line
James Elliman Homes Limited	Subsidiary	line by line
Slough Urban Renewal (SUR)	Joint Venture (JV)	equity method

**Note 2: Group Property, Plant and Equipment**

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Movements in 2023/24	Operational assets					Non-operational assets		Total
	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2023</b>	<b>620,125</b>	<b>401,213</b>	<b>79,923</b>	<b>142,767</b>	<b>9,953</b>	<b>23,380</b>	<b>4,660</b>	<b>1,282,021</b>
Adjustments to cost/value & depreciation/impairment	(9,636)	(5,121)	(4,145)			(46)		(18,948)
Additions	9,813	1,206	267	3,450		907	173	15,816
Revaluation increases/(decreases) recognised in the revaluation reserve	(1,436)	(16,325)	8,197			601	(212)	(9,175)
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(797)	(16,628)	(4,139)			(593)	(4)	(22,161)
Derecognition – disposals	(3,654)		(1,006)			(10,973)	(3,273)	(18,906)
Reclassified as Assets Held for Sale								-
Other transfers/movements		(1,299)	(222)			33,186	(48)	31,617
<b>At 31 March 2024</b>	<b>614,415</b>	<b>363,046</b>	<b>78,875</b>	<b>146,217</b>	<b>9,953</b>	<b>46,462</b>	<b>1,296</b>	<b>1,260,264</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2023</b>	<b>(6,240)</b>	<b>(4,971)</b>	<b>(27,163)</b>	<b>(73,185)</b>	<b>(52)</b>	<b>(196)</b>	<b>(3)</b>	<b>(111,810)</b>
Adjustments to cost/value & depreciation/impairment	9,636	5,121	4,145			46		18,948
Depreciation charge	(9,691)	(4,963)	(3,296)	(6,783)	(12)	(51)		(24,796)
Depreciation written out to the revaluation reserve								-
Depreciation written out to the surplus/(deficit) on the provision of services								-
Derecognition – disposal	55		989				2	1,046
Reclassified as Assets Held for Sale								
Other transfers/movements		(174)	79					(95)
<b>At 31 March 2024</b>	<b>(6,240)</b>	<b>(4,987)</b>	<b>(25,246)</b>	<b>(79,968)</b>	<b>(64)</b>	<b>(201)</b>	<b>(1)</b>	<b>(116,707)</b>
<b>Net book value at 31 March 2023</b>	<b>613,885</b>	<b>396,242</b>	<b>52,760</b>	<b>69,582</b>	<b>9,901</b>	<b>23,184</b>	<b>4,657</b>	<b>1,170,211</b>
<b>Net book value at 31 March 2024</b>	<b>608,175</b>	<b>358,059</b>	<b>53,629</b>	<b>66,249</b>	<b>9,889</b>	<b>46,261</b>	<b>1,295</b>	<b>1,143,558</b>

**Note 2: Group Property, Plant and Equipment (continued)**

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Movements in 2022/23	Operational assets					Non-operational assets		Total
	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2022</b>	<b>582,200</b>	<b>333,094</b>	<b>76,375</b>	<b>134,479</b>	<b>10,190</b>	<b>20,375</b>	<b>36,113</b>	<b>1,192,826</b>
Adjustments to cost/value & depreciation/impairment	(9,086)	(2,587)				(51)		(11,724)
Additions	6,216	485	1,378	8,288	10	212	855	17,444
Revaluation increases/(decreases) recognised in the revaluation reserve	34,404	54,647				3,872		92,923
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	6,994	10,463				988		18,445
Derecognition – disposals	(2,668)	(162)				(2,376)	(20,545)	(25,751)
Other transfers/movements		(197)			(352)	647	(415)	(317)
<b>At 31 March 2023</b>	<b>618,060</b>	<b>395,743</b>	<b>77,753</b>	<b>142,767</b>	<b>9,848</b>	<b>23,667</b>	<b>16,008</b>	<b>1,283,846</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2022</b>	<b>(6,240)</b>	<b>(3,652)</b>	<b>(23,145)</b>	<b>(64,846)</b>	<b>(40)</b>	<b>(196)</b>	<b>(3)</b>	<b>(98,122)</b>
Adjustments to cost/value & depreciation/impairment	9,137	2,587				51		11,775
Depreciation charge	(9,128)	(4,526)	(4,104)	(8,338)	(12)	(51)		(26,159)
Depreciation written out to the revaluation reserve								
Depreciation written out to the surplus/(deficit) on the provision of services								
Derecognition – disposal	42							42
Other transfers/movements	2,014	6,090	2,256	(1)	105	(287)	(11,348)	(1,171)
<b>At 31 March 2023</b>	<b>(4,175)</b>	<b>499</b>	<b>(24,993)</b>	<b>(73,185)</b>	<b>53</b>	<b>(483)</b>	<b>(11,351)</b>	<b>(113,635)</b>
<b>Net book value at 31 March 2022</b>	<b>575,960</b>	<b>329,442</b>	<b>53,230</b>	<b>69,633</b>	<b>10,150</b>	<b>20,179</b>	<b>36,110</b>	<b>1,094,704</b>
<b>Net book value at 31 March 2023</b>	<b>613,885</b>	<b>396,242</b>	<b>52,760</b>	<b>69,582</b>	<b>9,901</b>	<b>23,184</b>	<b>4,657</b>	<b>1,170,211</b>

**Note 3: Group Cash Flow Statement - Operating Activities**

2022/23		2023/24
£'000		£'000
91,025	<b>Net surplus or (deficit) on the provision of services</b>	<b>85,079</b>
	<i>Adjustments for non-cash movements:</i>	
8,681	Depreciation	(67,414)
	Impairments and downward revaluation	
	Amortisation	
(5,348)	Net increase/decrease in creditors, debtors and inventories	17,846
16,557	Pensions liability	(1,221)
	Carrying amount of non-current assets sold	
38,682	Other non-cash items	(58,542)
<b>58,572</b>	<b>Subtotal</b>	<b>(109,331)</b>
	<i>Adjustments for items that are investing or financing activities:</i>	
	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(118,690)
(199,609)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	34,636
(11,968)	Any other items for which the cash effects are investing or financing cash flows	9,698
<b>(211,577)</b>	<b>Subtotal</b>	<b>(74,356)</b>
<b>(61,980)</b>	<b>Net cash flows from operating activities</b>	<b>(98,608)</b>

The cash flows for operating activities include the following items:

2022/23		2023/24
£'000		£'000
9,764	Interest received	6,601
(25,629)	Interest paid	(31,769)
<b>(15,865)</b>	<b>Total</b>	<b>(25,168)</b>



**Note 4: Group Cash Flow Statement - Investing Activities**

2022/23		2023/24
£'000		£'000
(23,232)	Purchase of property, plant and equipment, investment property and intangible assets	15,298
(108,947)	Purchase of short-term and long-term investments	-
(4,295)	Other payments for investing activities	1,928
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(34,636)
199,609	Proceeds from short-term and long-term investments	
30,842	Other receipts from investing activities	(19,998)
<b>93,977</b>	<b>Net cash flows from investing activities</b>	<b>(37,408)</b>

**Note 5: Group Cash Flow Statement - Financing Activities**

2022/23		2023/24
£'000		£'000
60,560	Cash receipts/(payments) of short-term and long-term borrowings	
42,104	Other receipts from financing activities	
-	Council Tax and NNDR adjustments	
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	1,933
(186,563)	Repayments of short-term and long-term borrowing	130,476
-	Other payments from financing activities	
<b>(83,899)</b>	<b>Net cash flows from financing activities</b>	<b>132,409</b>

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## **SECTION – 7**

### **GLOSSARY OF FINANCIAL TERMS**

## GLOSSARY OF FINANCIAL TERMS

### ACCRUALS

The concept that income and expenditure are recognised as earned or incurred, not as money that is received or paid.

### ACTUARY

An independent consultant who advises on the financial position of the Pension Fund.

### ACTUARIAL VALUATION

A review is carried out by the actuary on the Pension Fund's assets and liabilities on the Fund's financial position and recommended employers' contribution rates every 3 years reporting to the Council.

### AMORTISATION

The writing off of an intangible fixed asset or a loan balance over a period of time to the Comprehensive Income and Expenditure Statement over a period of time

### BAD DEBT PROVISION

An amount set aside to cover money owed to the Council where payment is considered doubtful.

### BAND PROPORTIONS

(Also known as VALUATION BANDS)

This is the relation that a Council Tax property bears to the 'standard' Band D Council Tax. The band proportions are expressed in ninths and are specified in the Local Government Finance Act 1992. They are: A 6/9, B 7/9, C 8/9, D 9/9, E 11/9, F 13/9, G 15/9 and H 18/9, so that Band A is six ninths of the 'standard', and so on.

### BILLING AUTHORITY

A district, unitary or London Borough Council or the Council of the Scilly Isles. The billing authority is responsible for levying and collecting Council Tax in its area, both on its own behalf and that of its precepting authorities.

### BUDGET

The budget represents a statement of the Council's planned expenditure and income.

### BUSINESS RATE RETENTION

The NNDR pool was replaced in 2013/14 by the Business Rates Retention scheme, whereby authorities retain a percentage of the Business Rates collected locally.

### CAPITAL EXPENDITURE

Expenditure on acquisition of a non-current asset or expenditure that adds to and not merely maintains the value of an existing asset.

### CAPITAL FINANCING

This describes the various sources of money used to pay for capital expenditure. Capital expenditure can be funded from external sources, such as borrowing, capital grants and by contribution from the internal sources, such as capital receipts and reserves.

## **GLOSSARY OF FINANCIAL TERM (continued)**

### **CAPITAL PROGRAMME**

The Council's plan of capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings and works, design fees and the acquisition of vehicles, plant and major items of equipment, as well as support to other organisations/residents for works of a capital nature.

### **CARRYING AMOUNT/CARRYING VALUE**

These terms refer to the capitalised cost of a non-current asset, less accumulated depreciation and impairment.

### **CASH EQUIVALENTS**

Short-term, highly liquid investments that are readily convertible to cash; e.g. bank call accounts.

### **CODE OF PRACTICE**

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

### **COLLECTION FUND**

A fund operated by the billing authority into which all receipts of Council Tax and National Non-Domestic Rates are paid. Payments are made from the fund to support the Council's general fund services and to the precepting authorities. The fund must be maintained separately from the authority's General Fund.

### **COMMUNITY ASSETS**

Assets that the Council intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal, such as parks and historic buildings.

### **COMPONENTISATION**

The recognition of distinct parts of an asset (components) as separate assets for depreciation purposes.

### **CONSUMER PRICE INDEX (CPI)**

The measure of inflation used for the indexation of benefits, tax credits and public service pensions. The CPI is an internationally comparable measure of inflation and is used to compare inflation across the European Union.

### **CONTINGENT ASSET**

A possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

### **CONTINGENT LIABILITY**

Sums of money that the Council will be liable to pay in certain circumstances. e.g. as a result of losing a court case.

### **COUNCIL TAX**

A system of local taxation, which is set by both the billing and precepting authorities at a level determined by the revenue expenditure requirement for each authority, divided by the Council Tax Base for its area.

### **COUNCIL TAX BASE**

An amount calculated by the billing authority, by applying the band proportions to the total properties in each band in order to calculate the number of band D equivalent properties in the authority's area. The tax base is also used by the precepting and some levying bodies in determining their charge to the area.

## **GLOSSARY OF FINANCIAL TERM (continued)**

### **CREDITORS**

Amounts of money owed by the Council for goods or services received.

### **DEBTORS**

Amounts of money owed to the Council for goods or services provided.

### **DEDICATED SCHOOLS GRANT (DSG)**

A ring-fenced grant from the Department for Education paid to Local Education Authorities for the Education of Children and Young Adults up to the age of 25.

### **DEPRECIATION**

A provision made in the accounts to reflect the cost of consuming assets during the year, e.g. a vehicle purchased for £30,000 with a life of five years would depreciate on a straight-line basis at the rate of £6,000 per annum. Depreciation forms part of the 'capital charges' made to service revenue accounts and is covered by International Accounting Standard (IAS) 16.

### **DIRECT REVENUE FINANCING**

Funding of capital expenditure directly from revenue budgets.

### **EARMARKED RESERVES**

Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish a provision.

### **EXIT PACKAGES**

The cost to the Council of early termination of staff employment before normal retirement age.

### **EXTERNAL AUDITOR**

The Public Sector Audit Appointments Limited (**PSAA**) appoints the external auditor. The current auditor is Grant Thornton LLP.

### **FAIR VALUE**

Fair Value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no motive in their negotiations other than to secure a fair price.

### **FINANCE LEASE**

A contractual agreement for the use of an asset, where in substance the risks and rewards associated with ownership reside with the user of the asset (lessee) rather than the owner (lessor).

### **FINANCIAL YEAR**

The local authority financial year starts on 1 April and ends the following 31 March.

### **GENERAL FUND**

This is the main revenue account of the Council. It includes the cost of all services provided which are paid from Government grants, generated income, NNDR retention and borough's share of Council Tax. It excludes the HRA. By law, it includes the cost of services provided by other bodies who charge a levy to the Council.

## **GLOSSARY OF FINANCIAL TERM (continued)**

### **GOING CONCERN**

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

### **GROUP ACCOUNTS**

Where a Council has a material interest in another organisation (e.g. subsidiary organisation) group accounts have to be produced. These accounts report the financial position of the Council and all organisations in which it has an interest.

### **HERITAGE ASSETS**

Assets held and maintained principally for their contribution to knowledge and culture. e.g. War memorials and museum stocks.

### **HOUSING REVENUE ACCOUNT (HRA)**

An account which includes expenditure and income arising from the provision of rented dwellings. It is, in effect, a landlord account. Statute provides for this account to be separate from the General Fund and any surplus or deficit must be retained within the HRA. No costs may be charged to Council Tax nor can Housing Rent income be used to support General Fund expenditure.

### **IMPAIRMENT**

A reduction in the value of a non-current asset (but not through economic consumption) below the carrying value in the accounts.

### **INFRASTRUCTURE ASSETS**

Non-current assets that are unable to be readily disposed of, the expenditure on which is recoverable only by continued use of the asset created. Examples are highways and footpaths.

### **INTANGIBLE ASSETS**

Assets which do not have a physical form but provide an economic benefit for a period of more than one year; e.g. software licences.

### **INTERNATIONAL FINANCIAL REPORTING INTERPRETATION COMMITTEE (IFRIC)**

The body which set financial reporting guidelines based on International Financial Reporting Standards. Since 2009/10, the treatment of PFI was based on the adoption of IFRIC standard 12. IFRIC standard 4 is followed in determining whether an arrangement contains a lease

### **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

Local authorities are required to adopt the International Financial Reporting Standards (IFRS); a code of practice based on an internationally agreed set of financial rules. These dictate a level of analysis and disclosure that allows readers of the Statement of Accounts to gain a clearer understanding of the Council's financial position and activities.

### **INVENTORIES**

Materials or supplies to be used in the production process or in providing services; for this Council, the fuel transport store.

### **LEVIES**

The Council is statutorily required to make payments to bodies such as the Environment Agency. The cost of these bodies is borne by local authorities in the area concerned based on their Council Tax base and is met from the General Fund.

### **MINIMUM REVENUE PROVISION (MRP)**

The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

## **GLOSSARY OF FINANCIAL TERM (continued)**

### **NATIONAL NON-DOMESTIC RATE (NNDR)**

More commonly known as 'business rates', these are collected by billing authorities from all non-residential buildings. The poundage level is set by the Treasury. Amounts payable are based on rateable values multiplied by this poundage level.

### **NEW HOMES BONUS**

New Homes Bonus is a Government scheme aimed at encouraging local authorities to grant planning permissions for building new houses and bringing long-term empty properties back into use. The non ring-fenced grant is based on the number of new properties.

### **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.

### **NON-CURRENT ASSETS**

Assets which yield a benefit to the Council for a period of more than one year.

### **OPERATIONAL ASSETS**

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or a discretionary responsibility.

### **NON-OPERATIONAL ASSETS**

Fixed assets held by a Council, but not directly occupied, used or consumed in the delivery of services; for example, investment properties and assets surplus to requirements held pending sale or redevelopment.

### **OUTTURN**

This is the actual level of expenditure and income for the financial year.

### **PENSION FUNDS**

For the Local Government Pension Scheme, the funds that invest employers' and employees' pension contributions in order to provide pensions for employees on their retirement and pensions for employees' dependants in the event of death of an employee.

### **PENSION STRAIN**

The cost to the Council of reimbursing the Pension Fund should it agree to employees aged 55 and over drawing their pension before normal retirement age.

### **PRIVATE FINANCE INITIATIVE (PFI)**

PFI offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

### **PRECEPT**

The charge made by one authority (the precepting authority such as Royal Berkshire Fire and Thames Valley Police) on another authority (the billing authority such as Slough Borough Council) to obtain income to finance its net expenditure. The precept levied by the precepting authority is incorporated within the Council Tax charge. The Council pays the amount demanded over an agreed time scale.



## **GLOSSARY OF FINANCIAL TERM (continued)**

### **PROPERTY, PLANT AND EQUIPMENT (PPE)**

Covers all tangible (physical) assets used in the delivery of services, for rental to others, or for administrative purposes, that are used for more than one year.

### **PROVISION**

Amount set aside for liabilities and losses, which are certain or very likely to occur but where the exact amount or timing of the payment is uncertain.

### **PRUDENTIAL CODE**

The Prudential Code frees authorities to set their own borrowing limits having regard to affordability. In order to demonstrate this has been done, and enable adherence to be monitored, authorities are required to adopt a number of appropriate 'Prudential Indicators'.

### **PUBLIC WORKS LOAN BOARD (PWLb)**

A government agency, part of the Debt Management Office which lends money to public bodies for capital purposes. The majority of borrowers are local authorities. Monies are drawn from the National Loans Fund and rates of interest are determined by the Treasury.

### **PUPIL PREMIUM GRANT**

This is based on Free School Meals (FSM) eligibility data as at January each year. It is ring-fenced to schools in the same way as DSG.

### **RATEABLE VALUE**

The Valuation Office Agency (part of HM Revenue and Customs) assesses the rateable value of non-domestic properties. Business rate bills are set by multiplying the rateable value by the NNDR poundage set by the Government for the year. Domestic properties do not have rateable values; instead they are assigned to one of the eight valuation bands for Council Tax.

### **RETAIL PRICE INDEX (RPI)**

The measure of inflation used prior to the adoption of CPI by the Government.

### **REVALUATION**

Recognises increases or decreases in the value of non-current assets that are not matched by expenditure on the asset; gains or losses are accounted for through the revaluation reserve.

### **REVENUE EXPENDITURE**

The regular day to day running costs a Council incurs to provide services.

### **REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which is legitimately financed from capital resources, but which does not result in, or remain matched with tangible assets.

### **REVENUE SUPPORT GRANT (RSG)**

The general grant paid by the Government to local authorities to help finance their services.

## GLOSSARY OF FINANCIAL TERM (continued)

### SURPLUS ASSETS

Assets not being used in the delivery of services that do not qualify as being 'held for sale' under accounting guidance.

### SOFT LOANS

Funds received and advanced at less than market rates.

### UNSUPPORTED BORROWING

Local authorities can set their own borrowing levels based upon their capital need and their ability to pay for the borrowing, costs are not supported by the Government so services need to ensure they can fund the repayment costs. The borrowing may also be referred to as Prudential Borrowing.

### USABLE CAPITAL RECEIPTS

This represents the amount of capital receipts available to finance capital expenditure in future years, or to provide for the repayment of debt.

### ABBREVIATIONS USED IN THE ACCOUNTS:

**CCG** – Clinical Commissioning Group

**CIPFA** – Chartered Institute of Public Finance and Accountancy

**CIES** – Comprehensive Income and Expenditure Statement

**CPI** – Consumer Price Index

**DSG** – Dedicated Schools Grant

**EIP** – Equal Interest and Principal

**EIR** – Effective Interest Rate

**FRS** – Financial Reporting Standard

**HRA** – Housing Revenue Account

**IAS** – International Accounting Standards

**ISB** – Individual Schools Budget

**IFRS** – International Financial Reporting Standards

**MIRS** – Movement in Reserves Statement

**MRR** – Major Repairs Reserve

**NNDR** – National Non-Domestic Rates

**PFI** – Private Finance Initiative

**PPE** – Property, Plant and Equipment

**PWLB** – Public Works Loan Board

**REFCUS** – Revenue Expenditure Funded From Capital Under Statute

**RICS** – Royal Institution of Chartered Surveyors

**RPI** – Retail Price Index

**RSG** – Revenue Support Grant

**RTB** – Right to Buy