



Herschel Park

Slough Borough Council

Draft Statement of Accounts 2020/21

www.slough.gov.uk

CONTENTS

SECTION – 1	ANNUAL GOVERNANCE STATEMENT	Page	003
SECTION – 2	REVIEW AND STATUTORY CERTIFICATIONS	Page	010
SECTION – 3	CORE FINANCIAL STATEMENTS	Page	028
	• <i>Comprehensive Income and Expenditure Statement</i>	<i>Page</i>	<i>029</i>
	• <i>Movement in Reserves Statement</i>	<i>Page</i>	<i>030</i>
	• <i>Balance Sheet</i>	<i>Page</i>	<i>032</i>
	• <i>Cash Flow Statement</i>	<i>Page</i>	<i>033</i>
SECTION – 4	NOTES TO THE CORE FINANCIAL STATEMENTS	Page	034
SECTION – 5	SUPPLEMENTARY FINANCIAL STATEMENTS	Page	110
	• <i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i>	<i>Page</i>	<i>111</i>
	• <i>Statement on The Movement on The Housing Revenue Account</i>	<i>Page</i>	<i>112</i>
	• <i>Housing Revenue Account Notes</i>	<i>Page</i>	<i>113</i>
	• <i>Collection Fund Statement</i>	<i>Page</i>	<i>117</i>
	• <i>Notes to the Collection Fund</i>	<i>Page</i>	<i>118</i>
SECTION – 6	GROUP ACCOUNTS AND EXPLANATORY NOTES	Page	120
SECTION – 7	GLOSSARY OF FINANCIAL TERMS	Page	131

SECTION – 1

ANNUAL GOVERNANCE STATEMENT

An Annual Governance Statement (AGS) for 2020/21 has not been formally approved, as would normally be expected.

It has been challenging for current officers to review governance arrangements and the suitability of action plans going back several years and a decision had therefore been taken to focus attention on the governance review of 2022/23 to inform the 2022/23 AGS, and future AGSs.

In the document below, an addendum to the 2018/19 annual governance statement is presented as substitute for a full annual governance statement for 2020/21. This was reviewed during March 2023 and signed off by the then Leader of the Council and Chief Executive. This is deemed to provide the best representation of the governance environment during the 2020/21 financial year.

A more up to date record of the Council's latest governance processes is available in the 2022/23 Annual Governance Statement per link below:

<https://democracy.slough.gov.uk/documents/s76602/Annual%20Governance%20Statement%20202223%20-%20Appendix.pdf>

Pages 18 and 19 of the 2022/23 Annual Governance Statement set out 12 key governance matters which included a corporate plan for compliance under DLUHC Directions.

The 2023/24 Annual Governance Statement expected to be reviewed by the Audit and Corporate Governance Committee in due course.

ANNUAL GOVERNANCE STATEMENT

Addendum to 2018-19 Annual Governance Statement

Background

The Accounts & Audit (England) Regulations 2015 requires all local authorities to complete a number of key governance processes each financial year:

- carry out an annual governance review
- prepare and publish an annual governance statement, and
- include this statement (or a summary version) in the annual statement of accounts.

The Annual Governance Statement for 2018-19 was produced and approved by the Audit and Corporate Governance Committee in July 2019. At that time and since then the Annual Accounts for the years 2018-19, 2019-20 and 2020-21 had yet to be completed and audited. Consequently, the Annual Governance Statements (AGS) have not been published. At this point in time the 2018/19 accounts have now been completed and consequently this addendum to the previously approved AGS has been produced to reflect the current position at the Council at the time of approving the accounts. The Council is required to report significant events or developments relating to the governance system, which have occurred between the reporting date and the date on which the Statement of Accounts is signed by the responsible financial officer. This document adds to that approved by the Audit and Corporate Governance Committee in July 2019 and is designed to update for the material changes that have impacted the governance of the Council since that date and up to the date of signing the accounts for 2018-19.

Improving the Governance process

Notwithstanding the events that have taken place there remains a need to improve the governance process. Most importantly:

- assurance statements provided by Departmental Directors have not been routinely completed and reviewed in recent years
- published Annual Governance Statements do not include all the statutory requirements and have lacked detailed improvement action plans
- previous statements have not recognised significant weaknesses in our Governance Framework.

A revised process will be put in place for the 2022-23 AGS process to ensure the statutory requirements and best practice is met in the future.

Key Issues and Events since July 2019

Since the approval of the AGS in July 2019 the Council and the environment in which it, and the rest of society, is operating has changed massively. This has included the economic impact and changes following Brexit, the increasing demands for children's and adults services, the on-going restrictions on financial resources, the need to develop the local economy and housing provision, but, perhaps most significantly as a result of the COVID-19 Pandemic.

On top of these challenges, in early 2021, the Council found itself with unprecedented financial difficulties resulting in an application to Government for a capitalisation direction. The scale of the financial problems resulted in the Section 151 Officer at the time issuing a s114 notice in July 2021. During the remainder of 2021 and into early 2022 the scale and depth of these issues have been subject to further analysis and have resulted in the largest ever application for support to government from a Council in the region of a base case of £478m. Without this support the Council will be unable to set a balanced budget or sustainable medium term financial plan. Without this support the Council will be unable to set a balanced budget or sustainable medium term financial plan. During 2022 the financial strategy that was agreed in 2021 has begun to reap benefits with the sale of a significant amount of assets with a value of up to £208m forecast by 31 March 2023. Whilst these sales impact the debt position in a positive manner there still remains a need to make substantial savings on an annual basis to achieve overall long term financial sustainability. This remains a challenge despite good progress in respect of identifying savings for 2023-24 and 2024-25.

ANNUAL GOVERNANCE STATEMENT (continued)

Government Intervention

On 30 June 2021 the Secretary of State announced an external assurance review of Slough Borough Council's financial position and the strength of its wider governance arrangements. The two elements of the external assurance review were published on 25 October 2021. They provided evidence that Slough Borough Council had failed in numerous ways to comply with its Best Value Duty. Also on 25 October 2021, Minister Kemi Badenoch confirmed in a Written Ministerial Statement that after due consideration, the Secretary of State was minded to use his powers under the Local Government Act 1999 to intervene at the council.

In light of the conclusions and evidence in the Governance Report and the Finance Review the Secretary of State put in place an intervention package with a particular focus on the areas of weakness identified. The Secretary of State's proposals reflect the main findings of the Report: that there have been "years of inadequate corporate governance and action" and "sustained and systematic failure across some functional processes, governance and certain services".

The Secretary of State's intervention is designed to make sure that the Authority has made sufficient improvement within the next three years to be able to comply with its best value duty on a sustainable basis. The Secretary of State is mindful of the scale of the financial challenge facing the Authority and considers it likely that financial sustainability will not be possible without more fundamental changes.

The intervention package involves putting in place Commissioners who between them will have experience to work closely with the Authority on the functions within scope of the Report's recommendations. The Secretary of State will also seek advice from the Commissioners to help determine whether financial sustainability is possible or if more fundamental changes will need to be considered. The Secretary of State proposes that his Directions to the Authority should be in place for an initial period of 3 years.

The Commissioners began work at the Council on 1 December 2021 and will report publicly on progress on a quarterly basis. The Commissioners received additional powers in September 2022 most notably the power to recruit senior employees. The Commissioners issued their first report in December 2022.

The 2018-19 ANNUAL GOVERNANCE STATEMENT

This Annual Governance Statement has been updated in the light of the increased public scrutiny of the Council following the outcomes of the Government's Review. Its content reflects the material issues identified and the failure to resolve historical governance and financial challenges. The five-year plan which set out the corporate objectives for the Council has since been replaced by an Improvement and Recovery Plan, whilst the underpinning objectives remain important there is a crucial requirement to ensure financial sustainability in order to ensure the Council remains viable. The AGS for 2020/21 sets out in detail the recommendations made in the Governments review, external and internal audit recommendations and reports from any other sources. These are not repeated here but are stated in broad terms below:

Governance (17 recommendations)

Culture and Leadership (3 recommendations)

Financial Governance (7 recommendations)

Service Reform (2 recommendations)

Capacity and Capability (1 recommendation)

Other Governance Matters Not Specifically Referenced in the Government Report

- Brexit
- COVID -19 Impact
- Information Governance
- Integrated Care Services

ANNUAL GOVERNANCE STATEMENT (continued)

The table below gives an updated position on the improvement actions identified in the original 2018/19 AGS.

IMPROVEMENT ACTION PLAN 2018-19 GOVERNANCE ISSUES

What the issue was?	Updated Position January 2022
<p>Inadequate rating for the safeguarding services and safeguarding outcomes for children and young people.</p>	<p>Issue Remains – although an improved rating was received from OFSTED in January 2019 and further improvements have continued to be made circumstances remain challenging as demand continues to increase and financial capacity becomes stretched.</p> <p>Slough Children First has:</p> <ul style="list-style-type: none"> • introduced new ways of delivering social work underpinned by its Safe, Secure and Successful model; • appointed a new Board of Directors in August 2021; • reviewed and updated its Business plan in October 2021; and • is developing a new Children’s Plan to take forward to 2025. <p>The service has seen a significant and sustained increase in demand for its services which is placing further pressure on its finances.</p>
<p>Weaknesses in the Council’s Contract management and procurement arrangements.</p>	<p>Issue Remains but is being worked on - The Council has started to improve the Council’s business acumen and obtain better value for money.</p> <p>Procurement function and contract management functions are to be brought in-house. A project is in place to make this happen in 2022.</p> <p>Improvements are being made to data and business cases as part of improved reporting to the Procurement Board.</p> <p>External support has been commissioned to revise the Council’s Procurement Strategy and Procurement Operating Procedures. The Council’s Contract Procedure Rules have been updated and simplified to make them more effective. In addition work has commenced on development of a comprehensive contracts register.</p>
<p>Internal audit raised concerns about the adequacy of the governance and financial arrangements relating to major partnerships.</p>	<p>Issue Remains – As a response to the Government’s reports the Council has put in place a fundamental review of its key partnerships and company relationships. This has reported in March 2022 and remains an ongoing piece of work.</p>
<p>Business Continuity arrangements are weak and in need of improvement.</p>	<p>Issue Remains but work is ongoing - external resources have been employed during late 2021 to support the Council’s Business Continuity and Response Manager. Business Impact Analyses for service areas are being completed and have been followed up by detailed Business Recovery Plans for all areas to provide robust arrangements to secure business continuity following any disruptive events.</p>
<p>Voids Management impacting service standards and ability to re-let properties.</p>	<p>Issue Remains - The Council entered into a new long-term contract with Osborne in December 2017 for the management and development of its housing stock and this is now underway. The procurement specifically sought to deal with this issue and its now being managed by the new contractor although issues remain with the quality and standards currently being provided.</p>

ANNUAL GOVERNANCE STATEMENT (continued)

What the issue was?	Updated Position January 2022
Health and Safety – weaknesses identified in the scope and completeness of health and safety compliance.	Issue Remains but work is ongoing - A dedicated team has been and is continuing to work through examining this portfolio for compliance on these issues to enable the Council's management team to obtain assurance in this area. A follow-up IA review is scheduled for 2022.
Failure to implement IA Recommendations	Issue Remains but work is ongoing – significant progress has been made in implementation rates, with additional short-term resource being recruited to accelerate progress in the first part of 2022. This continues to be monitored closely.
<p>Significant deficiencies in the Annual Accounts preparation and working papers:</p> <ul style="list-style-type: none"> -Quality of Working Papers -Critical review of the draft financial statements -Mapping of debtors and creditors. -Bank reconciliations -Maintenance of the fixed asset register -Password Security -Review of source data provided to the valuers 	Issue Remains but work is ongoing - External Audit deficiencies are being responded to in the Finance Action Plan as part of the delivery of quality financial statements for 2018-19, 2019-20 and 2020-21.
<p>Significant Deficiencies highlighted by Internal Audit reports:</p> <ul style="list-style-type: none"> -Debtors -Council Buy Backs -Contract Procedure rules -Temporary Accommodation strategy -Creditors -Conflicts of interest 	Issue Remains but work is ongoing -Internal Audit deficiencies are being addressed through the Finance Action Plan and the project to get recommendations implemented. Progress is being made but there is still work to do to improve controls in all the areas covered by Internal Audit.
Continued Economic Instability and Turbulence at a national level impacting the Council's ability to balance its budget.	Issue Remains but work is ongoing - Failure to deliver a balanced budget remains a key risk for the Council, as recognised by the issuing of a s114 notice by the Director of Finance in July 2021. A capitalisation direction has been put to Government in order to enable the council to remove its historical deficit and approve a balanced budget for 2022/23 and a MTFs for the future.
<p>Weaknesses in governance identified in the Local Government Peer Challenge undertaken in February 2019 and again in February 2020. These included:</p> <ul style="list-style-type: none"> - Gaps in the governance framework - Lack of understanding of good governance - Lack of opportunities for members to engage in briefings and agenda setting - External audit not completed - Importance of the Audit Committee not understood - Need for a member training programme - Scrutiny is not enabled and supported to address the key issues facing the authority 	Issue Remains but work is ongoing – these items have been highlighted in the reports undertaken by the Secretary of State following the issue of a s114 notice in July 2021. They are picked up in more detail in the analysis in the main body of the 2020/21 AGS report.

Other Matters

Following a review by the executive directors in May 2022 it has been identified that there are a range of other matters that should have been included in the 2018/19 Annual Governance Statement that have either been omitted or not described accurately in the version of the AGS approved by the Audit and Corporate Governance Committee. These matters are shown below and also need consideration as part of the on-going improvement agenda:

Page 6 – there is reference to a policy statement on corporate governance. The Council's policy statement on corporate governance did not in 2018/19 reflect the CIPFA guidance from 2016 and had not been reviewed or updated since that date. It has since been considered and approved by the Audit and Corporate Governance Committee on 14 September 2021 and approved by full council on 23 September 2021.

Page 7 - Principle B - "all meetings are open to the public ...". This is factually incorrect as a number of significant decisions around companies and commercial deals were made at meetings that were held in private with reports that were wholly exempt. In addition, decisions were made by a "Strategic Acquisition Board" that included officers and members but which was not a properly constituted decision-making body. During 2018/19 this Board also started making disposal decisions as well as acquisition decisions.

Page 15/16 Principle D - transformation programme. There is reference to "governance of the programme will be reviewed as required to ensure effective oversight" – the AGS could be improved by including a clearer statement about the governance process, including the role for scrutiny, for such a significant programme.

Principle D - LGA peer review - whilst it was reasonable to refer to a future action plan, the report should have set out in more detail where the responsibility for the action plan and recommendations lay i.e. role of cabinet, scrutiny and A&CG Committee. Whilst the report went to A&CG Committee, it did not go to full council or cabinet who were responsible for some of the recommendations.

Page 18/19 Company subsidiaries – there is no mention of Development Initiatives for Slough Housing Ltd. There is reference to the Strategic Acquisition Board having "control" of the new entity Slough Asset Management Limited. This is a wholly inappropriate governance arrangement without more explanation as to what "control" meant. There is reference to terms of appointment agreements for directors, but no reference to skills audit or training for directors or arrangements for managing conflicts of interest, which would be standard assurance considerations.

Insourcing of Arvato services – there is no mention of the early termination process or how the assurance for managing the transition will be managed to ensure success. There should have been a comment about the Council's governance processes to assure a successful transition of such critical services when a decision had been taken to terminate the contract early.

The narrative under "Council subsidiaries and other entities" is a confused collection of issues. There should be a separate section on connected entities with a clear list, then separate references to significant partnerships and possibly major contractors.

There is no reference to shared service arrangements despite the arrangement with Harrow Council for delivery of legal services being in place. Other arrangements for sharing public health services across East Berks was in place then and Reading BC continued to provide some legal services to the Council (and the Children's Trust) under a delegation of function. There should be a clear list of all shared service/inter-authority arrangements where there is a host authority and formal partnership arrangement in place.

Page 22 - risk management - this is a significant area of weakness and the narrative is very brief bearing in mind the diagram indicating the potential risks. The diagram shows high needs block, termination of Arvato contract, school transport budget, procurement processes as significant risks, but no detail on how these are being managed.

ANNUAL GOVERNANCE STATEMENT (continued)

Conclusion

Slough Borough Council acknowledges its responsibility for ensuring that there is a sound system of governance. The council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Code can be accessed on the Council's website at :

<https://democracy.slough.gov.uk/documents/s65523/5.9%20-%20Policy%20Statement%20on%20Corporate%20Governance.pdf>

or can be obtained by writing to the Council's Monitoring Officer.

The principles upon which it is based are summarised in this Statement. The Council also recognise that the system of governance hasn't operated as it should have in 2018/19 and significant weaknesses have subsequently been identified since the approval of the original 2018/19 Annual Governance Statement. The Council is committed to resolving the issues but recognises it is not a 'quick fix' and the Council is realistic that it faces continuing challenges but is determined to meet and resolve these in the best interests of its customers and all residents across the borough.

Good governance ensures that an organisation is doing the right things, in the right way and for the right people. With the significant challenges arising from the Government's Review, the Council's financial position, continued significant reductions in funding, coupled with increasing demand on critical services this has never been more important. The need to recognise governance weaknesses is an essential element of responding effectively. This governance statement along with the issues raised in the 2019-20 and 2020-21 Annual Governance Statements will provide a focus for improvement across the spectrum of Council services and operations.

The Leader and Chief Executive have been advised of the implications of the results of the review of the effectiveness of the Council's governance framework and have wholeheartedly accepted the analysis and the scale of the actions needed to improve the governance of the Council in the coming years alongside the Commissioners put in place by Government.



Signed on behalf of Slough Borough Council:

Cllr James Swindlehurst

Leader of Slough Borough Council



Stephen Brown

Chief Executive of Slough Borough Council

Date: 17/03/2023

Date: 17 March 2023

SECTION – 2

REVIEW AND STATUTORY CERTIFICATIONS

DRAFT

Director's Narrative Report

1. SLOUGH AS A PLACE

Since the 1930s people from around the UK and across the world have made Slough their home, drawn by the town's industry and location. The town is excellently served by road and rail links to London and is less than 10 miles away from Heathrow International Airport.

Slough has a reputation as a regional economic centre with high productivity and one of the largest trading estates in Europe. A lack of available land for development, combined with Slough's growing population, has led to a significant demand for housing.

Educational attainment in Slough is good but the borough has pockets of deprivation and demands on children's and adults' social services are growing in scale and complexity. Some families remain under pressure and the town has high rates of preventable ill health amongst both children and adults.

Overall employment levels are good, but some groups are under-represented in the labour market, and the average wage of some residents remains low.



The Curve
Slough's iconic library and cultural centre



The Slough Ice Arena
As well as the ice, there's also a well-equipped gym, alongside a climbing wall, dedicated Clip 'n' Climb wall and a café.

Director's Narrative Report (continued)

About the town

- Population of 158,000 as at financial year 2021
- One of the most ethnically diverse towns in the UK
- Third smallest local authority in England
- Rated as best place to work in the UK for two years running
- Good transport links including the new Elizabeth Line (opened on 24 May 2022) and Western Rail Link to Heathrow (proposed)



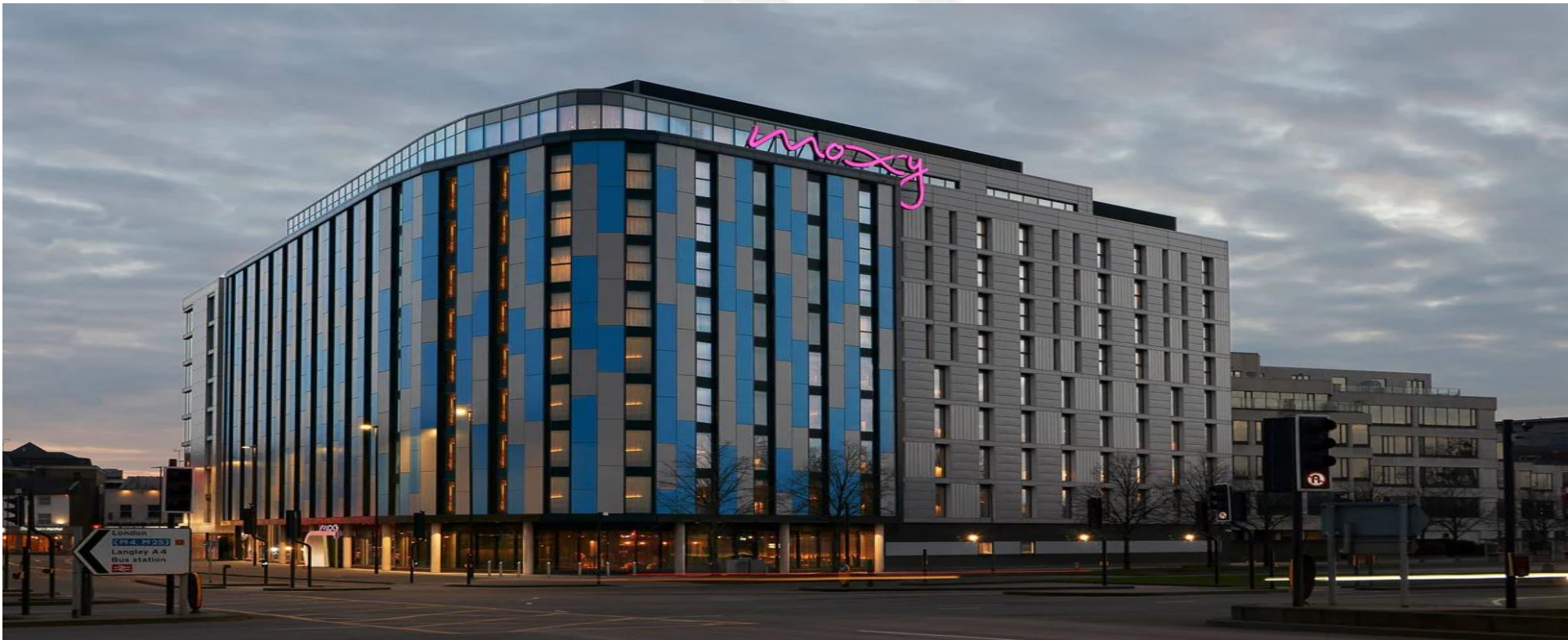
Herschel Park or Upton Park as it was originally called is Slough's oldest park

2. ACTIVITIES IN 2020/21

During 2020/21 the Council has:

- Launched the council's emergency response to the covid-19 pandemic focusing on three priorities; public health, helping the most vulnerable and maintaining critical services.
- Set up #OneSlough – a partnership with Slough Council for Voluntary Services to help the most vulnerable during pandemic lockdowns
- Facilitated the opening of the first covid-19 hybrid drive-through and walk-in testing centre in the country
- Instituted rapid covid testing centres across the town
- Installed web-casting capability in the chapel at Slough Cemetery and Crematorium which enabled families to participate in the funeral rites of loved ones during the pandemic
- Opened a hotel in the town centre – The Moxy and Residence Inn on a joint site owned by the council
- Built 12 council homes on the site of an old working man's club
- Launched a water safety campaign with a local family who lost their son in the Jubilee River
- Launched a trial of e-scooters as a local form of sustainable transport
- Seized 400 illegal tobacco products during an operation with trading standards and tobacco detection dogs

The global outbreak of Covid 19 early in 2020 had a profound impact on the borough and delivery of Council services. The impact and response were complex with some services having to operate remotely, others having to operate in the context of legal restrictions, whilst some having to be closed. New public health and support responsibilities also had to be introduced.



Director's Narrative Report (continued)

3. THE CURRENT FINANCIAL POSITION

Since the original preparation of these financial statements in 2021, the Borough has experienced unprecedented financial challenges. Slough Council was one of a small number of local authorities to request exceptional financial support for what was then an estimated £15m budget gap. The Government agreed to this in principle but on 30 June 2021 announced that an external assurance review would take place, examining both the Council's financial position and the strength of its wider governance arrangements. On 2nd July the Director of Finance issued a S114 notice for a then estimated £174m budget gap. This has since grown to £369m over an eight year period. Two external review reports were published on 25 October 2021 and led to the appointment of independent Commissioners for a period of three years, to:

- ensure that the Council responded to the criticisms in the various reports, and
- help to put the Council on a more sustainable financial footing.

Progress is being reviewed to determine whether intervention is needed beyond November 2024.

During 2021, the Council responded to the financial challenges the Council faces through the work of a new finance team with experience of dealing with similar issues at other local authorities. Work undertaken by this new team identified significant financial challenges that could only be resolved through a combination of:

- substantial ongoing financial support from central government
- scaling-back ambitious regeneration and capital investment plans
- disposing of surplus assets to save revenue costs and generate capital receipts
- efficiency savings, and
- improved budget management

After a detailed and comprehensive process of engagement with the Government, in March 2022 the Council received agreement, in principle to a Capitalisation Direction totalling £307m up to 31 March 2023 (it has subsequently been approved up to £348m for financial years to March 2028). The Capitalisation Direction will allow the Council to use capital resources to finance revenue costs, thereby reducing pressure on General Fund balances and budgets. The Capitalisation Direction is not additional money, it allows the Council to either spread existing revenue costs over a number of years or to finance them from generating capital receipts. The Council has a forecast target to sell some £400m of assets and has significantly curtailed ambitious capital investment plans. Since July 2021, all non-essential expenditure is subject to detailed scrutiny.

A revised corporate plan and medium-term financial strategy have been developed which outline revised, more sustainable, ambitions for the future. These plans will be underpinned by evidence-based and more transparent decision-making. The Council is making rapid improvements in financial management and is committed to achieving value for money for residents. The strategy set out in summer 2021 to March 2022, the plan relevant to the financial year 2021/22 set the below for action throughout the Council:

- revenue savings of £20m per annum will be required in each of the next five years
- asset sales of up to £600m (subsequently revised forecast of £400m gross against the original target of £600m)
- production of high quality accounts from 2018/19 (including prior year adjustments) to 2021/22
- restructuring the finance service to secure a robust permanent structure for the Council
- a review and consequential design and gradual embedding of better financial practices throughout the Council

Going forward, the Council will focus on delivering core services in a cost-effective manner and on successfully managing key financial risks. The transformation of the Council's finances will take an estimated 5 years in total, given the magnitude of the issues identified.

Director's Narrative Report (continued)

Action plans are now in place to tackle these weaknesses so that the Council can manage its finances more effectively in future. Key areas covered by these action plans, and steps taken since they were introduced in 2021, are summarised below:

FINANCE ACTION PLANS	
Area	Actions taken to date
Decision-making	The format of reports to members has been reviewed and all decisions now require s151 and Monitoring Officer input. This supports transparent and evidence-based decision making which does not expose the Council to undue financial risks.
Financial management	Improved financial modelling ensures that financial decisions are based on accurate and up to date information. New budget management processes ensure that actual spend against budget is accurately monitored, managed and reported.
Direct Schools Grant (DSG) deficits	Spending on High Needs Block services has exceeded grant funding for several years. New arrangements are now in place to manage demand for these services and to improve value for money.
Limited company investments	Work is ongoing to wind up or dissolve all dormant companies, and to develop appropriate exit strategies for the Council's investments in James Elliman Homes and Slough Urban Renewal LLP.
Statement of accounts and working papers	The format of the Statement of Accounts has been amended, new closedown processes have been implemented and the quality of supporting information has been improved. Regular liaison with the Council's local audit team now helps to identify and resolve material issues. Comprehensive technical training has been provided to all staff involved in closedown work.
Financial systems	Controls over journal postings have been improved and all feeder systems are now reconciled to ledger balances at least once a month. Suspense and holding accounts are cleared out regularly and improved processing controls are being put in place.
Fixed Asset Registers and asset valuations	A major data cleansing exercise has been undertaken to ensure that all entries on the fixed asset register are accurate and up-to-date with evidence of Council ownership. Training on how to use the system has been provided to relevant members of staff and assets are being re-valued in line with Code requirements.
Treasury Management	New Treasury Management policies are being put in place to enable the council become fully compliant with statutory and professional guidance. Bank reconciliation processes are being improved and work is underway to close bank accounts not in regular use.
Debtors and Creditors	All year-end debtor and creditor balances are being reviewed so that uncollectable debtors and out-of-date creditors can be written off. Bad debt provisions have been realistically re-assessed and year-end closedown processes have been improved to ensure that all material accruals and prepayments are identified and reflected in the accounts.
Revenue Recognition (IFRS15)	IFRS 15 requirements have now been properly implemented, for example to differentiate between revenue and capital income and to correctly identify and account for conditional grant income or funding received in advance.
Provisions and Contingencies	An exercise has been undertaken to ensure that all provisions and contingent liabilities have been identified and that these are correctly reflected in accounting records and in the Council's future financial plans.
Leases	Work has been initiated across all spending departments to identify all leases and lease type arrangements across the Council and to replace the current spreadsheet-based records with asset management software.

4. FINANCIAL PERFORMANCE 2020/21

This section of the Narrative Report provides a summary of the Council's financial performance and the costs of delivering Council services.

General Fund balances

Key financial requirements for local authorities are to maintain General Fund spending within approved budget levels, and to maintain adequate levels of working balances and reserves. For the financial year ended 31 March 2021 the Council has £1.465m in General Fund reserves (after use of Capitalisation Direction), and a net overspend of £6.58m (4.6%) against revenue budgets. This excludes the emerging cumulative issues as at 2020/21 which were separately reported in the s114 Notice on 2 July 2021.

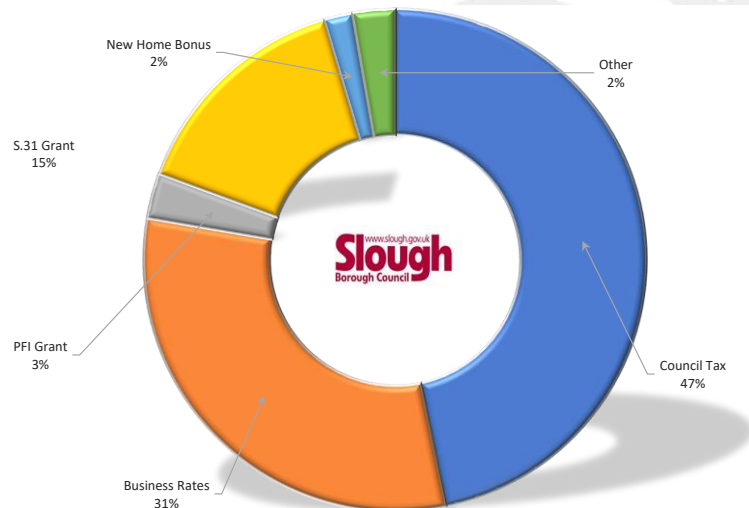
Without a Capitalisation Direction, the impact of correcting errors highlighted above would have resulted in a General Fund deficit of approximately £144m by 31 March 2021. Using part of the Government's in principle Capitalisation Direction retrospectively has enabled the Council to reinstate General Fund balances as shown below:

	General Fund balances as originally reported (£m)	General Fund balances currently reported (with CD) (£m)	General Fund balances currently reported (without CD) (£m)
31 March 2017	8	7	(29)
31 March 2018	8	2	(48)
31 March 2019	8	1	(77)
31 March 2020	N/A	1	(108)
31 March 2021	N/A	1	(144)

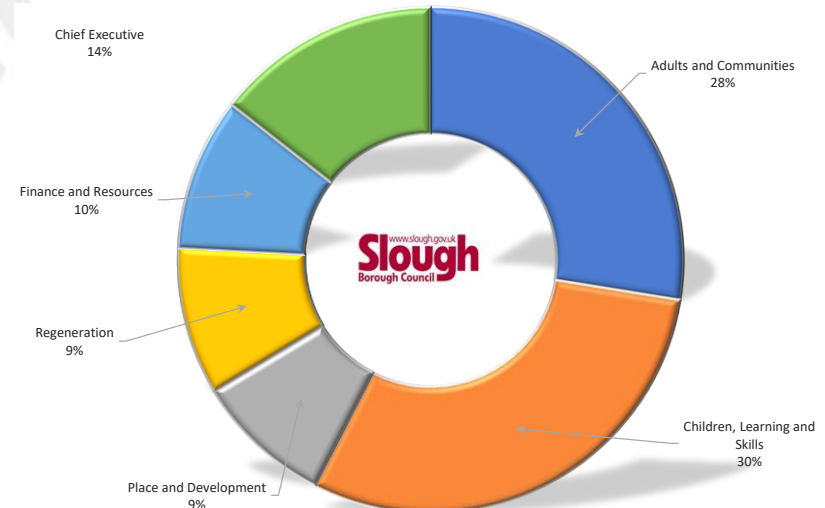
Spending on revenue services

The graphs (G1 and G2) below highlight where the Council received its revenue income from in 2020/21 and how this has been allocated to service areas.

Graph 1: Key income streams



Graph 2: Net expenditure on General Fund Council Services



Director's Narrative Report (continued)

Capital expenditure and financing

Capital investment in property, plant and equipment was £59m in 2020/21 (£88m in 2019/20). Major items of expenditure included the addition of Land & buildings, £37m of which relates to land at Wexham road (also referred to as the Akzo Nobel site), Priors close, Herschel street car park, Crematorium buildings and a new HR system.

In addition, the Council spent £42m on new investment properties (Moxy Hotel transferred out of Assets under Construction to properties held for investment purposes) and advanced £11m of new loans to its subsidiary company, James Elliman Homes.

The Council has funded this expenditure through a combination of grant funding, section 106 contributions from developers and external borrowing. Resources currently available to fund future investment are limited, therefore in future years capital spending will be limited to essential items only. Capital receipts from future asset disposals will be used to repay external borrowing.

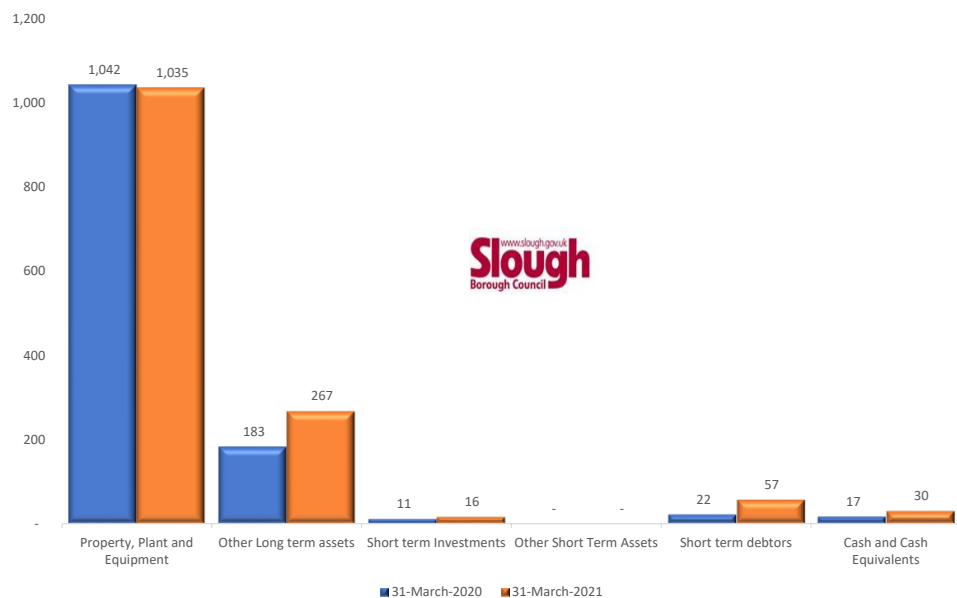
Assets and Liabilities

A comparison of 2020/21 and previous years' Balance Sheets is set out below:

Category	At 31-March-2021 (£m)	At 31-March-2020 (£m)
Property Plant and Equipment and other long term assets	1,303	1,225
Current assets (short term investments, debtors, cash)	103	49
Total Assets	1,406	1,274
Current liabilities (creditors, borrowing and receipts in advance)	(525)	(375)
Long term liabilities (borrowing, PFI and lease liabilities, provisions and pensions)	(755)	(666)
Total Liabilities	(1,280)	(1,041)
Net assets	126	233

Note: These balances may change as the council is currently reviewing balances within assets and liabilities as part of its overall improvement plan

Summary Balance Sheet: Assets Year on Year



Summary Balance Sheet: Liabilities Year on Year



Director's Narrative Report (continued)

Over recent years the Council has significantly increased its asset base by investing in operational land and buildings, limited companies and commercial property. These changes are matched however by significant increases in short and long-term borrowing.

The Council's other financial liabilities relate mainly to school PFI schemes (£31m), leases (£4m) and pension liabilities (£383m). Provisions totalling £42m relate mainly to insurance claims, water rates, capitalisation direction, and Business Rates appeals. No significant contingent liabilities have been identified at 31 March 2021.

Financial Impact of Covid-19

The Authority received a number of government grants to help address various financial pressures that occurred as a result of the pandemic; these grants were split into general grants, other specific grants, and grants for businesses. In total, the Council received £66.4m of Covid Grant funding in 2020/21 for the provision of services and wider impacts of the pandemic. The first tranche of covid funding, £3.4m was received in 2019/20 for use in 2020/21. Total COVID funding was thus £69.8m of which £56.3m was spent. £13.5m was transferred into earmarked reserves for use supporting future commitments.

Treasury Management

The overall objective of Treasury Management is to:

- ensure that the Council has sufficient money to pay staff and suppliers, and to meet its other costs and liabilities as they fall due
- borrow at a competitive rate when necessary to finance capital spending plans, and
- invest surplus funds in a way that realises the best possible low-risk returns.

During 2020/21 the Council's total of cash balances and short-term investments increased from £27m to £46m. However, current levels of short and long-term borrowing are amongst the highest, per head of population, of all unitary councils in the UK. This level of borrowing is unsustainable and reducing external borrowing by at least £200m over the next couple of years is a key component of the Council's recovery plan. It will be achieved through a combination of asset sales, efficiency savings and managing accumulated cash balances and short-term investments down to the level of working balances held by the Council.

Housing Revenue Account

The Housing Revenue Account is a separate ring-fenced account showing the expenditure and income relating to the management and maintenance of the Council's social housing stock of some 6,068 dwellings. An increase of £1.7m in the year makes the HRA balance £14.1m as at 31st March 2021. Planned use of balances as well as borrowing helped to finance £9m of improvements to existing council dwellings and a further £39m of new investment property. 19 units of housing were sold under the national Right to Buy scheme in 2020/21, but 22 new dwellings were brought into the Council's housing stock.

Collection Fund

The Collection Fund is another ring-fenced account which shows the amount of Council Tax and Business Rates collected and the redistribution back to Slough Borough Council, local police and fire services, and (for Business Rates only) back to central government. The Collection Fund shows an overall deficit of £67.170m for 2020/21 (Slough's share 49%), which will be recovered from participating authorities in future years. The regulations to implement the collection fund deficit phasing came into force on 1 December 2020, meaning the repayment of collection fund deficits arising in 2020/21 could be spread over 3 years rather than the usual period of a year.

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 increased from £265.1m at 31 March 2020 to £376.9m as at 31 March 2021.

The scheme assets increased by £39m from £263m to £302m. However, a fall in the discount rate and a rise in the rate of increase in pensions led to a £151m increase in scheme liabilities from £529m to £680m resulting in an overall increase in the net liability.

Group Accounts

Group accounts consolidate the Council's single entity financial statements with those of its wholly-owned subsidiary, James Elliman Homes, and its 50% share of Slough Urban Renewal LLP. Accumulated trading losses attributable to these entities at 31 March 2021 was £112m, compared to profit of £2.5m at 31 March 2020. The Council is reviewing financial governance arrangements which would enable it develop exit strategies from each of these entities.

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 Finance and Commercial Service 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 Finance and Commercial Service (S151 Officer) for Slough Borough Council from 7 May 2024. 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 the financial processes in operation prior to my appointment, I am satisfied 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. Within this overall position there may be material errors on a line by line basis.
- 4) In preparing the 2020/21 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 2021. Within this overall position there may be material errors on a line by line basis.

Annabel Scholes

Interim Executive Director of Finance and Commercial (Section 151 Officer)

26th June 2024

Date



INDEPENDENT AUDITOR'S REPORT

Independent Auditor's report to the members of Slough Borough Council Opinion on the financial statements

Opinion

This page has been intentionally left blank

This page has been intentionally left blank

DRAFT

This page has been intentionally left blank

DRAFT

This page has been intentionally left blank

DRAFT

This page has been intentionally left blank

DRAFT

This page has been intentionally left blank

DRAFT

This page has been intentionally left blank

DRAFT

SECTION – 3

CORE FINANCIAL STATEMENTS

Core Financial Statements	Page Number
• <i>Comprehensive Income and Expenditure Statement</i>	29
• <i>Movement in Reserves Statement</i>	30
• <i>Balance Sheet</i>	32
• <i>Cash Flow Statement</i>	33

DRAFT

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 focussed on local priorities and needs.

2019/20				2020/21			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
75,953	(29,985)	45,968	Adults and Communities	72,980	(28,689)	44,291	
132,756	(87,747)	45,009	Children, Learning and Skills	136,622	(88,408)	48,214	
17,946	(9,303)	8,643	Place and Development	22,767	(8,543)	14,224	
23,032	(9,562)	13,470	Regeneration	20,624	(5,413)	15,211	
123,783	(65,641)	58,142	Finance and Resources	110,631	(94,933)	15,698	
17,473	(1,166)	16,307	Chief Executive	24,165	(973)	23,192	
37,784	(35,938)	1,846	Housing Revenue Account	41,772	(36,670)	5,102	
428,727	(239,342)	189,385	Cost of Services	429,561	(263,629)	165,932	
		3,391	Other operating expenditure or (income)			(5,602)	6
		13,892	Financing and investment income and expenditure			17,387	7
		(116,472)	Taxation and non-specific grant income and expenditure			(149,749)	8
		90,196	(Surplus)/deficit on provision of services			27,968	
		987	(Surplus) or deficit on financial assets measured at FVOCI			(763)	
		(61,255)	(Surplus) or deficit on revaluation of property, plant and equipment assets			(16,199)	16
		(31,305)	Remeasurement of the net defined benefit liability			95,925	32
		(91,573)	Other Comprehensive income and expenditure			78,963	
		(1,377)	Total Comprehensive income and expenditure			106,931	

Movement in Reserves Statement

030

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	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 April 2020	(1,465)	2,910	(12,432)	(50,550)	(5,883)	(5,735)	(73,154)	(159,552)	(232,706)	
Opening Balance Adjustment							-		-	
Balance 1 April 2020	(1,465)	2,910	(12,432)	(50,550)	(5,883)	(5,735)	(73,154)	(159,552)	(232,706)	
Movement in reserves during 2020/21										
(Surplus)/deficit on provision of services	21,620		6,348				27,968		27,968	
Other Comprehensive income and expenditure							-	78,963	78,963	
Total Comprehensive Income and Expenditure	21,620	-	6,348	-	-	-	27,968	78,963	106,931	
Adjustments between accounting basis and funding basis	(50,810)		(8,015)	17,211	4,259	(13,754)	(51,109)	51,160	51	15
Capitalisation Direction	(24,941)						(24,941)	24,941	-	
Increase or (decrease) before transfers to earmarked reserves	(54,131)	-	(1,667)	17,211	4,259	(13,754)	(48,082)	155,064	106,982	
Transfer to/(from) reserves	54,131	(54,131)					-		-	
Balance at 31 March 2021	(1,465)	(51,221)	(14,099)	(33,339)	(1,624)	(19,489)	(121,236)	(4,488)	(125,724)	

Refer pages 61 to 70 for notes to the Movement in Reserves Statement

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	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 April 2019	(1,465)	(420)	(15,281)	(40,917)	(12,458)	(5,140)	(75,680)	(155,701)	(231,381)	
	-	-	-	-	-	-	-	-	-	
Balance 1 April 2019	(1,465)	(420)	(15,281)	(40,917)	(12,458)	(5,140)	(75,680)	(155,701)	(231,381)	
Movement in reserves during 2019/20										
(Surplus)/deficit on provision of services	85,548		4,648				90,196	-	90,196	
Other Comprehensive income and expenditure	-	-	-	-	-	-	-	(91,573)	(91,573)	
Total Comprehensive Income and Expenditure	85,548	-	4,648	-	-	-	90,196	(91,573)	(1,377)	
Adjustments between accounting basis and funding basis	(34,682)		(1,799)	(9,633)	6,575	(595)	(40,134)	40,186	52	15
Capitalisation Direction	(47,536)						(47,536)	47,536	-	
Increase or (decrease) before transfers to earmarked reserves	3,330	-	2,849	(9,633)	6,575	(595)	2,526	(3,851)	(1,325)	
Transfer to/(from) reserves	(3,330)	3,330					-	-	-	
Balance at 31 March 2020	(1,465)	2,910	(12,432)	(50,550)	(5,883)	(5,735)	(73,154)	(159,552)	(232,706)	

Refer pages 61 to 70 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.

31-March-2020		31-March-2021	
£'000		£'000	Note
1,041,978	Property, Plant and Equipment	1,035,312	18
99,966	Investment Property	176,283	20
867	Intangible Assets	1,299	
31,871	Long-term Investments	32,634	24
50,324	Long-term Debtors	57,177	27
1,225,006	Total Long-term Assets	1,302,705	
10,725	Short Term Investments	15,706	24
-	Assets Held for Sale	-	
-	Inventories	-	
21,696	Short term debtors	56,958	28
16,684	Cash and Cash Equivalents	30,050	27
49,105	Current Assets	102,714	
(280,435)	Short-term Borrowing	(409,572)	24
(55,398)	Short-term Creditors	(86,303)	29
(39,308)	Short-term Provisions	(29,620)	30
-	Grants Receipts in Advance – Capital	-	
(375,141)	Current Liabilities	(525,495)	
(11,203)	Long-term Creditors	(15,272)	
(4,156)	Deferred Capital Receipts	-	
(2,512)	Long-term Provisions	(2,512)	30
(351,349)	Long-term Borrowing	(328,409)	
(297,044)	Other Long-Term Liabilities	(408,007)	31
(666,264)	Long-term Liabilities	(754,200)	
232,706	Net Assets	125,724	
(73,154)	Usable Reserves	(121,236)	
(159,552)	Unusable Reserves	(4,488)	16
(232,706)	Total Reserves	(125,724)	

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 2021 and its income and expenditure for the year ended 31 March 2021. Within this overall position there may be material errors on a line by line basis.

Annabel Scholes

Interim Executive Director of Finance and Commercial
(Section 151 Officer)

26th June 2024

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.

2019/20		2020/21	Note
£'000		£'000	
90,196	Net (surplus) or deficit on the provision of services	27,968	
(91,750)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(41,640)	34
(19,585)	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	32,026	34
(21,139)	Net cash flows from operating activities	18,354	
134,752	Investing Activities	70,186	35
(110,417)	Financing Activities	(101,905)	36
3,196	Net (increase) or decrease in cash and cash equivalents	(13,365)	
19,880	Cash and cash equivalents at the beginning of the reporting period	16,685	
16,684	Cash and cash equivalents at the end of the reporting period	30,050	27

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

Note Reference	Description	Page Number
Note 1:	<i>Accounting Policies (continued)</i>	037
Note 2:	<i>Accounting Standards that have been Issued but Not Yet Adopted</i>	047
Note 3:	<i>Critical Judgements in Applying Accounting Policies</i>	048
Note 4:	<i>Assumptions made about the future and other sources of estimation uncertainty</i>	049
Note 5:	<i>Material Items of Income and Expense</i>	050
Note 6:	<i>Other Operating Expenditure</i>	051
Note 7:	<i>Financing and Investment Income and Expenditure</i>	051
Note 8:	<i>Taxation and Non-Specific Grant Income</i>	051
Note 9:	<i>Expenditure and Funding Analysis</i>	052
Note 10:	<i>Partnership Arrangements</i>	055
Note 11:	<i>Members' Allowances</i>	056
Note 11a:	<i>Exit packages and termination benefits</i>	056
Note 11b:	<i>Officers' Remuneration</i>	056
Note 12:	<i>External Audit Fees</i>	059
Note 13:	<i>Dedicated Schools Grant (DSG)</i>	059
Note 14:	<i>Grant Income</i>	060
Note 15:	<i>Adjustments Between Accounting Basis and Funding Basis Under Regulations</i>	061
Note 16:	<i>Unusable reserves</i>	064
Note 16a:	<i>Revaluation Reserve</i>	065
Note 16b:	<i>Capital Adjustment Account</i>	066
Note 16c:	<i>Collection Fund Adjustment Account</i>	067
Note 16d:	<i>Dedicated Schools Grant Adjustment Account</i>	067
Note 16e:	<i>Accumulated Absences Account</i>	067
Note 16f:	<i>Financial Instruments Adjustment Account</i>	068
Note 16g:	<i>Pooled Investment Funds Adjustment Account</i>	068
Note 16h:	<i>Pensions Reserve</i>	068
Note 16i:	<i>Deferred Capital Receipts Reserve</i>	069
Note 17:	<i>Transfers to/from Earmarked Reserves</i>	070
Note 18:	<i>Property, Plant and Equipment</i>	071
Note 19:	<i>Capital Commitments</i>	075
Note 20:	<i>Investment Property</i>	076
Note 21:	<i>Leases</i>	077
Note 22:	<i>Service Concession Arrangements</i>	079
Note 23:	<i>Capital Expenditure and Financing</i>	082
Note 24:	<i>Financial Instruments</i>	083

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

Note Reference	Description	Page Number
<i>Note 25:</i>	<i>Nature and Extent of Risks Arising from Financial Instruments</i>	<i>087</i>
<i>Note 26:</i>	<i>Fair value of assets and liabilities</i>	<i>092</i>
<i>Note 27:</i>	<i>Cash and Cash Equivalents</i>	<i>095</i>
<i>Note 28:</i>	<i>Debtors</i>	<i>095</i>
<i>Note 29:</i>	<i>Creditors</i>	<i>096</i>
<i>Note 30:</i>	<i>Provisions</i>	<i>097</i>
<i>Note 31:</i>	<i>Other Long-Term Liabilities</i>	<i>098</i>
<i>Note 32:</i>	<i>Pension Schemes Accounted for as Defined Contribution Schemes</i>	<i>099</i>
<i>Note 33:</i>	<i>Defined Benefit Pension Schemes</i>	<i>099</i>
<i>Note 34:</i>	<i>Cash Flow Statement - Operating Activities</i>	<i>104</i>
<i>Note 35:</i>	<i>Cash Flow Statement - Investing Activities</i>	<i>105</i>
<i>Note 36:</i>	<i>Cash Flow Statement - Financing Activities</i>	<i>105</i>
<i>Note 37:</i>	<i>Related Party Transactions</i>	<i>106</i>
<i>Note 38:</i>	<i>Contingent Liabilities</i>	<i>108</i>
<i>Note 39:</i>	<i>Events After the Balance Sheet Date</i>	<i>108</i>

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 2020/21 financial year and its position at the year-end 31 March 2021.

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 2018/19, 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:
 - o quoted securities – current bid price
 - o unquoted securities – professional estimate
 - o 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 2021.

For non-PWLB loans the fair value is deemed to be the standard new loan rate also published by the PWLB on 31 March 2021.

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 one subsidiary (James Elliman Homes Ltd) 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 subsidiary; 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 2019 in relation to Business Rates. The estimate has been calculated using the latest Valuation Office (VOA) ratings list of appeals and an analysis of successful appeals to date when providing the estimate of the total provision up to and including 31st March 2019.

Contingent Liabilities

No liability is recognised if 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

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.

DRAFT

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) Definition of a Business: Amendments to IFRS 3 Business Combinations provides clarity on the definition of a business, we are not expecting this to affect our accounts when this is implemented from 1st April 2021.
- b) Interest Rate Benchmark Reform Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7. Interest rate benchmark reform is expected to affect hedge accounting and therefore we are not expecting this to affect our accounts when implemented from 1st April 2021.
- c) Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Interest rate benchmark reform which relates to issues that arise if an existing interest rate is replaced by an alternative rate. We are not expecting this to affect our accounts when implemented from 1st April 2021.

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.
- **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 £15.2m. 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 James Elliman Homes Ltd and Slough Urban Renewal LLP are material in aggregate and thus warrant consolidation into the Council's Group Accounts. The remaining interests are not material and have been treated as financial instruments in the Balance Sheet.
- **Provisions for business rates appeals and bad debts** – The Council, after year-end evidence increased the business rates appeals provision in 2020/21 by £1.8m. The Collection Fund currently holds £14.288m 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, increased the business rates provision by £4.668m and the Council Tax provision by £3.015m.
- **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 9 (Grant Income).

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

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 2021 for all the Council's investment property portfolio and approximately 20% of its operational portfolio. The remaining 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 for 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 £96.9m.</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	<p>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.</p>	<p>Estimated fair values may differ from the actual prices that could be achieved in an arms-length transaction at the reporting date.</p>
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> <ul style="list-style-type: none"> (a) a 0.1% reduction in the discount rate will increase the net liability by £14m (b) a 0.1% increase in inflation will increase the net liability by £13m. (c) an increase of one year in life expectancy will increase the liability by £31m.
Valuation of council dwellings	<p>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>	<p>A 10% reduction in the estimated value of HRA dwellings would be a revaluation loss of £57m.</p> <p>If estimated useful lives are overstated by 5% this would increase depreciation by £0.5m.</p>
Impairment allowance for doubtful debts	<p>At 31 March 2021, the Council had an impairment allowance of £28.4m against gross short-term debtor balances totalling £116.6m. 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.</p>	<p>If collection rates deteriorate by 5%, this would require an increase in the impairment allowance of £1.5m.</p>
Provisions	<p>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.</p>	<p>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.</p>

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 2020/21:

1. £29.87m (2019/20 £27.01m) 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 at at 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 2017	2017/18	2018/19	2019/20	2020/21	Total
	£'000	£'000	£'000	£'000	£'000	£'000
To correct incorrect capitalisation of staff costs for Agresso Support	477	1,416	1,125	1,273	1,240	5,531
To address expenditure incurred by Slough Children's Service Trust Ltd incorrectly classed as Transformation Funding	3,123	3,300	2,558	952		9,933
To address expenditure incurred by the Council incorrectly classed as Transformation Funding	1,009	1,517	3,997	5,779	1,726	14,028
Understatement of Minimum Revenue Provision	21,661	5,136	6,074	5,348	9,065	47,284
To correct the incorrect treatment of Overage Income as revenue income to the General Fund	2,203	1,430	-	-		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	1,159	1,082	1,756	1,483	2,558	8,038
To provide for costs related to companies	-	-	-	500	171	671
To correct incorrect capitalisation of IT Staff	-	-	-	754	363	1,117
To provide adequate provisions against debtors raised	-	-	-	23,581		23,581
To provide for additional costs in relation to revenue outturn	-	-	12,690	6,866	9,818	29,374
To provide for an Insurance Fund provision	-	-	-	1,000		1,000
Total	35,933	13,881	28,200	47,536	24,941	150,491

Note 6: Other Operating Expenditure

2019/20		2020/21
£'000		£'000
171	Precepts	200
825	Payments to the Government Housing Capital Receipts Pool	825
2,396	Gains/Losses on the Disposal of Non-Current Assets	(6,627)
(1)	Other	-
3,391	Total	(5,602)

Note 7: Financing and Investment Income and Expenditure

2019/20		2020/21
£'000		£'000
14,538	Interest payable and similar charges	14,934
6,540	Net interest on the net defined benefit liability (asset)	6,221
(4,087)	Interest receivable and similar income	(1,408)
(6,460)	Income and expenditure in relation to investment properties and charges in their fair value	(2,360)
-	Movements in fair value of financial instruments	-
3,361	Other investment income and expenditure	-
13,892	Total	17,387

Note 8: Taxation and Non-Specific Grant Income

2019/20		2020/21
£'000		£'000
(56,860)	Council tax income	(58,982)
(37,688)	Non-domestic rates income and expenditure	(39,034)
(16,058)	Non-ringfenced government grants	(27,632)
(5,867)	Capital grants and contributions	(24,101)
-	Other tax or non-specific grant income / expenditure	-
(116,472)	Total	(149,749)

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 departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2019/20					2020/21			
Net Expenditure in the Comprehensive Income and Expenditure Statement	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund and HRA Balances		Net Expenditure in the Comprehensive Income and Expenditure Statement	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund and HRA Balances
45,968	-	(5,610)	40,358	Adults and Communities	44,291	-	(906)	43,385
45,009	-	(9,805)	35,204	Children, Learning and Skills	48,214	-	(22,333)	25,881
8,643	-	(1,325)	7,318	Place and Development	14,224	-	756	14,980
13,469	-	(1,702)	11,767	Regeneration	15,211	-	(256)	14,955
58,141	-	(9,139)	49,002	Finance and Resources	15,698	-	(1,373)	14,325
16,307	-	(1,291)	15,016	Chief Executive	23,192	-	(243)	22,949
1,846	-	(1,804)	42	Housing Revenue Account	5,102	-	(8,030)	(2,928)
189,383	-	(30,676)	158,707	Net Cost of Services	165,932	-	(32,385)	133,547
(99,187)	(47,536)	(5,805)	(152,528)	Other Income and Expenditure	(137,964)	(24,941)	(26,440)	(189,345)
90,196	(47,536)	(36,481)	6,179	(Surplus)/Deficit	27,968	(24,941)	(58,825)	(55,798)
			(17,166)	General Fund and HRA balance brought forward**	-	-	-	(10,987)
			6,179	Plus Transfers to / from Earmarked Reserves**	-	-	-	(55,798)
			(10,987)	General Fund and HRA balances carried forward**				(66,785)

** For analysis of split between General Fund and by HRA, see Movement in Reserves Statement.

Note 9a: Expenditure and Funding Analysis (continued)

2019/20					2020/21			
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
(1,287)	(4,343)	21	(5,609)	Adults and Communities	1,947	(2,814)	(39)	(906)
(2,250)	(7,592)	36	(9,806)	Children, Learning and Skills	3,642	(5,269)	(20,712)	(22,339)
(304)	(1,026)	5	(1,325)	Place and Development	1,645	(878)	(12)	755
(390)	(1,317)	6	(1,701)	Regeneration	550	(795)	(11)	(256)
(2,098)	(7,078)	34	(9,142)	Finance and Resources	2,950	(4,267)	(58)	(1,375)
(296)	(999)	5	(1,290)	Chief Executive	644	(932)	46	(242)
(1,169)	(728)	94	(1,803)	Housing Revenue Account	(7,930)	(967)	45	(8,852)
(7,794)	(23,083)	201	(30,676)	Net Cost of Services	3,448	(15,922)	(20,741)	(33,215)
-	-	(5,805)	(5,805)	Other income and expenditure from the Funding Analysis	(24,941)	-	(25,610)	(50,551)
(7,794)	(23,083)	(5,604)	(36,481)	Difference between (Surplus)/Deficit and the CIES Statement (Surplus)/Deficit on Provision of Services	(21,493)	(15,922)	(46,351)	(83,766)

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

2019/20		2020/21
£'000		£'000
	Expenditure	
103,241	Employee Benefit Expenses	114,603
301,635	Other Service Expenses	348,285
23,290	Depreciation, Amortisation, Impairment	(43,462)
21,078	Interest Payments	21,155
171	Precepts and Levies	200
825	Payments to the Housing Capital Receipts Pool	825
6,313	Losses on disposals	2,482
456,553	Total expenditure	444,088
	Income	
(84,245)	Fees, charges and other service income	(84,394)
(10,547)	Interest and investment income	(3,768)
(94,548)	Income from council tax, non-domestic rates	(98,016)
(173,100)	Government grants and contributions	(220,833)
(3,917)	Gains on Disposals	(9,109)
(366,357)	Total income	(416,120)
90,196	(Surplus) or Deficit on the Provision of Services	27,968

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 2020/21 the fund comprised 44 schemes (42 in 2019/20) grouped under the following headings:

- Proactive Care
- Single Point of Access & Integrated Care
- Strengthening Community Capacity
- Enablers, Governance & Social Care Protection

In 2020/21 Slough Borough Council funding included £3.872m of improved better care fund (BCF) grant (£3.356m in 2019/20). 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 local authorities and the NHS in Berkshire, for the effective procurement and provision of a joint store of health and social care equipment within the region in conjunction with the South Central Ambulance NHS Trust. In 2015/16 West Berkshire Council took over as the lead Council and the accountable body (previously Slough Borough Council in 2014/15). Slough Borough Council are charged for the amount of equipment that they use.

2019/20			2020/21	
BCF	BCES		BCF	BCES
£'000	£'000		£'000	£'000
(5,336)	(382)	Authority Funding	(2,703)	(342)
(9,070)	(8,011)	Partner Funding	(12,452)	(8,757)
(14,406)	(8,393)	Total Funding	(15,155)	(9,099)
5,336	517	Authority Expenditure	2,568	580
8,513	9,395	Partner Expenditure	11,809	10,116
13,849	9,912	Total Expenditure	14,377	10,696
(557)	1,519	Net (Surplus)/Deficit on the Pooled Budget	(778)	1,597
(557)	1,519	Authority Share of the Net (Surplus) / Deficit	(778)	1,597

Note 11: Members' Allowances

The Council paid allowances to its members in 2020/21 of £0.526 million (£0.503 million in 2019/20).

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	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
£0 - £20,000	10	2	10	50	20	52	116	137
£20,001 - £40,000	-	3	4	-	4	3	112	86
£40,001 - £60,000	-	3	-	1	-	4	-	193
£60,001 - £80,000	1	-	-	-	1	-	107	-
£80,001 - £100,000	-	-	1	-	1	-	82	-
£100,001 - £150,000	-	1	-	-	-	1	-	105
£150,001 - £200,000	-	-	-	-	-	-	-	-
£350,001 and over	-	-	-	-	-	-	-	-
Total	11	9	15	51	26	60	417	521

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:

2020/21	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 - J Wagg	161	-	161	24	185	
Interim Chief Executive	-	-	-	-	-	
Director of Children, Learning and Skills Services	80	-	80	12	92	1
Director of Place and Development	118	-	118	18	136	
Director of Finance and Resources (S151 Officer)	137	-	137	19	156	
Director of Adults and Communities	137	-	137	19	156	
Director of Regeneration	165	-	165	7	172	
Director of Transformation	137	-	137	21	158	
Director of Public Health	25	-	25	-	25	2

Note 01 C Duffy - Director of Children, Learning and Skills Services, left during 2020/21

Note 02 The Director of Public Health costs were shared between the Berkshire Authorities. The total cost of the post in 2020/21 was £147k (2019/20 £160k) with Slough Council's share being £25k.

Note 11b: Officers' Remuneration (continued)

2019/20	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 - J Wagg	152	-	152	21	172	
Interim Chief Executive - N Pallace	-	-	-	-	-	
Director of Children, Learning and Skills Services	134	-	134	18	152	
Director of Place and Development	65	-	65	9	74	1
Interim Director of Place and Development - M England	-	-	-	-	-	
Director of Finance and Resources (S151 Officer)	134	-	134	17	151	
Director of Adults and Communities	134	-	134	16	150	
Director of Regeneration	120	-	120	-	120	
Director of Transformation	147	-	147	20	167	
Director of Public Health	25	-	25	-	25	

Note 01 Director of Place and Development started in September 2019

Note 02 The Director of Public Health costs were shared between the Berkshire Authorities. The total cost of the post in 2019/20 was £160k with Slough Council's share being £25k

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	2019/20			2020/21		
	Number of employees			Number of employees		
	Schools	Non Schools	Total	Schools	Non Schools	Total
£50,001 - £55,000	13	47	60	25	53	78
£55,001 - £60,000	18	20	38	7	20	27
£60,001 - £65,000	3	5	8	10	10	20
£65,001 - £70,000	7	7	14	5	4	9
£70,001 - £75,000	2	9	11	2	-	2
£75,001 - £80,000	5	6	11	6	7	13
£80,001 - £85,000	1	1	2	2	2	4
£85,001 - £90,000	1	1	2	-	-	-
£90,001 - £95,000	1	1	2	1	-	1
£95,001 - £100,000	2	-	2	2	-	2
£100,001 - £105,000	1	-	1	-	-	-
£105,001 - £110,000	2	1	3	1	-	1
£110,001 - £115,000	-	-	-	1	-	1
£115,001 - £120,000	-	-	-	-	1	1
£120,001 - £125,000	-	-	-	-	1	1
£125,001 - £130,000	-	-	-	-	-	-
£130,001 - £135,000	-	3	3	-	-	-
£135,001 - £140,000	-	-	-	-	3	3
£140,001 - £145,000	-	-	-	-	-	-
£145,001 - £150,000	-	1	1	-	-	-
£150,001 - £155,000	-	1	1	-	-	-
£155,001 - £160,000	-	-	-	-	-	-
£160,001 - £165,000	-	-	-	-	1	1
Total	56	103	159	62	102	164

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 2020/21 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:

2019/20		2020/21
£'000		£'000
328	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	285
115	Fees payable to external auditors for the certification of grant claims and returns for the year	123
25	Fees payable in respect of other services provided by external auditors during the year	13
468		421

The 2020/21 fee noted above is an estimate provided by Grant Thornton. 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. A total of £122,500 of non audit services work has been completed and billed to the Council since 1 April 2020 up to the date of the draft accounts and £20,000 of further non-audit services work is currently in progress.

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.

2019/20			Schools budget funded by Dedicated Schools Grant	2020/21		
Central expenditure	Individual Schools budget (ISB)	Total		Central expenditure	Individual Schools budget (ISB)	Total
£'000	£'000	£'000		£'000	£'000	£'000
		170,266	Final DSG before Academy recoupment			180,317
		103,247	Academy figure recouped			109,449
		67,019	Total DSG after recoupment			70,868
		(7,197)	Brought forward DSG			(13,381)
		-	Less carry forward agreed in advance			-
8,176	51,651	59,822	Agreed Initial budgeted distribution	5,855	51,657	57,487
-	(246)	(246)	In year adjustments	-	-	-
8,176	51,405	59,576	Final Budgeted Distribution	5,855	51,657	57,487
22,350	-	22,350	less Actual central expenditure	27,143	-	27,143
-	50,587	50,587	less Actual ISB deployed to schools	-	50,983	50,983
-	-	-	plus local authority contributions for the year	-	-	-
(14,174)	818	(13,356)	Carry Forward	(21,288)	674	(20,639)

Note 14: Grant Income

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

2019/20		2020/21
£'000		£'000
	Credited to Taxation and non-specific grant income	
	Non-ringfenced government grants	
	- Revenue Support Grant	-
(3,678)	PFI Grant	(3,678)
(4,571)	Section 31 Grant	(18,752)
(2,717)	New Homes Bonus Grant	(2,249)
(1,573)	Other grants	(3,466)
(12,539)	Total of Non-ringfenced government grants	(28,145)
(5,866)	Capital grant and contributions	(24,119)
(18,405)	Total credited to Taxation and non-specific grant income	(52,264)
	Credited to services	
(66,519)	Dedicated Schools Grant	(71,714)
(57,022)	DWP Subsidy	(50,956)
	- Sales, Fee and Charges income Loss	(4,020)
(7,363)	Public Health Grant	(23)
(3,519)	COVID-19	(9,751)
(2,691)	YPLA Post 16 Funding	(1,883)
(2,517)	Schools grant	(3,849)
(1,852)	Pupil Premium	(1,811)
(704)	Children Services Grant	(1,135)
(500)	Access Fund Grant (DFT)	(207)
(474)	Flexible Homelessness Grant	(564)
	- DSS Subsidy-Administration	-
	- Skills Funding Agency	-
(11,534)	Other grants	(13,564)
(154,695)	Total of Government Grant credited to Net Cost of Services	(159,477)
(173,100)	Total of grants and contributions to the Comprehensive Income and Expenditure Statement	(211,741)

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	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Investment Properties	Movements in fair value	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 2020/21	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 2020/21 or were received in 2020/21 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2021) Capital Adjustment Account (other amounts)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2020/21 Losses on soft loans granted in 2020/21 and interest receivable in 2020/21 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 2020/21	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 2020/21	Pooled Investment Funds Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities (see Note 33)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2020/21	Pensions Reserve
Council Tax	Accrued income from 2020/21 bills	Demand on the Collection Fund for 2020/21 plus share of estimated surplus for 2019/20	Collection Fund Adjustment Account
Business Rates	Accrued income from 2020/21 bills	Budgeted income receivable from the Collection Fund for 2020/21 plus share of estimated surplus for 2019/20	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2020/21 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount receivable for 2020/21	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2020	No charge	Accumulated Absences Adjustment Account

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

2020/21	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:							
• Pension costs	(14,955)	(967)	-	-	-	15,922	Pensions Reserve
• Financial instruments	138	45	-	-	-	(183)	Financial Instruments Adjustment Account
• Pooled investment funds	-	-	-	-	-	-	Pooled Investment Funds Adjustment Account
• Council tax & business rates	(25,748)	-	-	-	-	25,748	Collection Fund Adjustment Account
• Holiday pay	(205)	-	-	-	-	205	Accumulated Absences Account
• Schools deficit	(20,640)	-	-	-	-	20,640	Dedicated Schools Grant Adjustment Account
• Capital expenditure	(1,017)	(12,081)	(4,950)	(10,460)	(24,878)	53,386	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	11,360	1,871	25,499	14,719	11,124	(64,573)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(25,766)	-	825	-	-	24,941	
Transfer to and from deferred capital receipts	1,039	3,117	(4,156)	-	-	-	Deferred capital Receipts reserve
Total adjustments	(75,794)	(8,015)	17,218	4,259	(13,754)	76,086	

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

2019/20	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:							
• Pension costs	(22,355)	(728)	-	-	-	23,083	Pensions Reserve
• Financial instruments	146	94	-	-	-	(240)	Financial Instruments Adjustment Account
• Pooled investment funds	-	-	-	-	-	-	Pooled Investment Funds Adjustment Account
• Council tax & business rates	(6,042)	-	-	-	-	6,042	Collection Fund Adjustment Account
• Holiday pay	107	-	-	-	-	(107)	Accumulated Absences Account
• Schools deficit	-	-	-	-	-	-	Dedicated Schools Grant Adjustment Account
• Capital expenditure	(17,509)	(5,071)	(14,070)	(9,049)	(10,745)	56,444	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	11,791	3,961	7,197	15,624	10,150	(48,723)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(48,356)	(55)	875	-	-	47,536	
Transfer to and from deferred capital receipts	-	-	(3,635)	-	-	3,635	Deferred capital Receipts reserve
Total adjustments	(82,218)	(1,799)	(9,633)	6,575	(595)	87,670	

Note 16: Unusable reserves

2020/21		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	(365,117)	(16,199)	-	-	7,176	(374,140)
Capital Adjustment Account	(72,895)	-	78,342	(64,571)	(7,176)	(66,300)
Collection Fund Adjustment Account	12,610	-	25,747	-	-	38,357
Dedicated Schools Grant Adjustment Account	-	-	20,640	-	-	20,640
Accumulated Absences Account	610	-	205	-	-	815
Financial Instruments Adjustment Account	855	-	(184)	-	-	671
Pooled Investments Fund Adjustment Account	(148)	(763)	-	-	-	(911)
Pensions Reserve	265,135	95,925	15,922	-	-	376,982
Deferred Capital Receipts Reserve	(602)	-	-	-	-	(602)
Total adjustments	(159,552)	78,963	140,672	(64,571)	-	(4,488)

2019/20		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	(311,346)	(61,255)	-	-	7,484	(365,117)
Capital Adjustment Account	(120,096)	-	103,413	(48,725)	(7,487)	(72,895)
Collection Fund Adjustment Account	5,944	-	6,042	-	624	12,610
Dedicated Schools Grant Adjustment Account	-	-	-	-	-	-
Accumulated Absences Account	1,014	-	(404)	-	-	610
Financial Instruments Adjustment Account	1,095	-	(240)	-	-	855
Pooled Investments Fund Adjustment Account	(1,135)	987	-	-	-	(148)
Pensions Reserve	273,357	(31,305)	23,083	-	-	265,135
Deferred Capital Receipts Reserve	(4,237)	-	-	3,635	-	(602)
Total adjustments	(155,404)	(91,573)	131,894	(45,090)	621	(159,552)

Note 16a: Revaluation Reserve

The reserve is credited with gains on the revaluation of assets. Revaluation gains which are subsequently reversed through impairment or disposal of the asset are debited from the reserve. The depreciation adjustment ensures that only the depreciation on the historic cost of assets impacts on the capital adjustment account.

The balance on the reserve reflects the difference between the value of the Council's assets at depreciated historical cost and their current value.

2019/20		2020/21
£'000		£'000
(311,346)	Balance at 1 April	(365,117)
(61,255)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(16,199)
5,299	Difference between fair value depreciation and historical cost depreciation	6,511
2,185	Accumulated gains on assets sold or scrapped	665
7,484	Total amount written off to the Capital Adjustment Account	7,176
(365,117)	Balance 31 March	(374,140)

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 enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account also contains accumulated gains and losses on investment properties and revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

2019/20		2020/21
£'000		£'000
(120,096)	Balance at 1 April	(72,895)
22,946	Depreciation of Property, Plant and Equipment, and Heritage Assets	25,310
345	Amortisation and Impairment Losses of Intangible Assets	210
5,956	Revaluation and Impairment Losses on Property, Plant and Equipment	12,325
-	Fair Value Adjustment of Loans	-
8,583	Revenue Expenditure Funded from Capital Under Statute	7,456
15,760	Carrying amounts of Non-Current Assets written off on disposal as part of the Gain/Loss on Disposal in the Comprehensive Income and Expenditure Statements	2,482
47,536	Capitalisation Direction	24,941
3,360	Other Adjustments	-
104,486	Reversal of items relating to capital expenditure debited or credited to the CIES	72,724
(2,184)	Valuation of assets disposed of in the Comprehensive Income and Expenditure Statement	(604)
(5,303)	Difference in Current Cost and Fair Value depreciation	(6,572)
(7,487)	Net written out amount of the cost of non-current assets consumed in the year	(7,176)
(7,197)	Capital receipts applied	(25,499)
(4,224)	Revenue contributions to fund capital expenditure	(1,888)
(15,626)	Major Repairs Reserve applied	(14,719)
(11,095)	Capital grants and contributions applied	(13,321)
(10,583)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(9,144)
(48,725)	Capital financing applied in year:	(64,571)
(1,073)	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	5,618
-	Other movements	
(72,895)	Balance at 31 March	(66,300)

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.

2019/20		2020/21
£'000		£'000
5,944	Balance at 1 April	12,610
6,042	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	25,747
624	Other movements	-
12,610	Balance at 31 March	38,357

Note 16d: Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account

2019/20		2020/21
£'000		£'000
-	Balance at 1 April	-
-	Adjustment to opening balance	-
-	Transfer of schools deficit to DSG Account	20,640
-	Balance at 31 March	20,640

Note 16e: Accumulated Absences Account

2019/20		2020/21
£'000		£'000
1,014	Balance at 1 April	610
(1,014)	Settlement or cancellation of accrual made at the end of preceding year	(609)
610	Amounts accrued at the end of the current year	814
610	Balance at 31 March	815

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.

2019/20		2020/21
£'000		£'000
1,095	Balance at 1 April	855
(240)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(183)
	Premiums incurred in the year and charged to the CIES	
855	Balance 31 March	672

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).

2019/20		2020/21
£'000		£'000
(1,135)	Balance 1 April	(148)
-	Upward revaluation of investments	-
987	Downward revaluation of investments	(763)
987	Total Changes in revaluation and impairment	(763)
(148)	Balance 31 March	(911)

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.

2019/20		2020/21
£'000		£'000
273,357	Balance at 1 April	265,135
(31,305)	Actuarial gains/(losses) on pensions assets & liabilities	95,925
33,483	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/deficit on provision of services in the Comprehensive Income & Expenditure Statement	27,830
(10,400)	Employer's pensions contributions & direct payments to pensioners payable in the year	(11,908)
265,135	Balance at 31 March	376,982

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.

2019/20		2020/21
£'000		£'000
(4,237)	Balance at 1 April	(602)
-	Recognition of deferred capital receipt	(4,156)
3,635	Realisation of deferred capital receipt transferred to CRR	4,156
(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	1st April 2019	*Transfers In	*Transfers Out	Reclassification	Balance at 31st March 2020	Transfers In	Transfers Out	Balance at 31st March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Fund	(21)	(442)	263		(200)			(200)
Building Control	(123)	-	43		(80)			(80)
Specific Grants (Revenue)	(167)	(3,406)	-		(3,573)		3,449	(124)
MTFS Reserve	(3,867)	(2,057)	1,920	-	(4,004)	(14,118)	10,581	(7,541)
Budget Smoothing	-	-	-		-	(38,603)		(38,603)
Housing Renewals Reserve	(91)	-	-		(91)			(91)
General Fund earmarked reserves	(4,269)	(5,905)	2,226	-	(7,948)	(52,721)	14,030	(46,639)
Dedicated Schools Grant	7,196	(101)	6,286	-	13,381	(13,381)		-
Schools - Other	(3,347)	(4,142)	4,966		(2,523)	(2,059)		(4,582)
Schools total	3,849	(4,243)	11,252	-	10,858	(15,440)	-	(4,582)
Total Earmarked reserves	(419)	(10,148)	13,478	-	2,910	(68,161)	14,030	(51,221)

Note Headings were corrected for errors in draft 2019/20

Name	Purpose
Capital Fund	To provide funding for the capital programme.
Building Control	To hold any (surpluses)/deficits arising from the separate rolling trading account as required under statutory requirements.
Budget Smoothing	To smooth out the impact of funding reductions and other budget pressures
Specific Grants	To hold revenue grant income received for which there are no conditions but which are earmarked for specific projects.
MTFS Reserve	To assist with the future sustainability of the Council.
Dedicated Schools Grant	To hold the ring-fenced Dedicated Schools Grant balance which is currently in deficit.
Schools reserves	To hold unused balances of budgets delegated to individual schools, which are not available to the Council for general use.

Note 18: Property, Plant and Equipment

Values as at 31-March-2021

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 2020/21	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
Cost or valuation								
At 1 April 2020	557,830	269,934	76,195	118,653	9,548	27,411	64,726	1,124,297
Adjustments to cost/value & depreciation/impairment	-	(5,383)	(351)	-	-	(64)	-	(5,798)
Additions	3,746	12,964	2,066	9,084	642	2,143	28,380	59,025
Revaluation increases/(decreases) recognised in the revaluation reserve	7,937	10,345	463	-	-	(2,547)	-	16,198
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(4,888)	1,638	132	-	-	(9,207)	-	(12,325)
Derecognition – disposals	(1,624)	-	-	-	-	(818)	(55)	(2,497)
Other transfers/movements	-	-	-	-	-	948	(42,723)	(41,775)
At 31 March 2021	563,001	289,498	78,505	127,737	10,190	17,866	50,328	1,137,125
Accumulated depreciation and impairment								
At 1 April 2020	(6,275)	(1,792)	(19,998)	(54,020)	(27)	(204)	(3)	(82,319)
Adjustments to cost/value & depreciation/impairment	-	5,383	351	-	-	64	-	5,798
Depreciation charge	(10,382)	(4,520)	(3,356)	(7,007)	(1)	(41)	-	(25,307)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-
Derecognition – disposal	15	-	-	-	-	-	-	15
Other transfers/movements	-	-	-	-	-	-	-	-
At 31 March 2021	(16,642)	(929)	(23,003)	(61,027)	(28)	(181)	(3)	(101,813)
Net book value at 31 March 2020	551,555	268,142	56,197	64,633	9,521	27,207	64,723	1,041,978
Net book value at 31 March 2021	546,359	288,569	55,502	66,710	10,162	17,685	50,325	1,035,312

Note 18: Property, Plant and Equipment (continued)

Values as at 31-March-2020

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 2019/20	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
Cost or valuation								
At 1 April 2019	540,066	233,706	54,646	112,289	9,473	17,160	39,190	1,006,530
Adjustments to cost/value & depreciation/impairment	(8,837)	(3,075)	(1,754)	-	-	(18)	-	(13,684)
Additions	9,823	26,335	2,985	6,364	157	10,199	32,284	88,147
Revaluation increases/(decreases) recognised in the revaluation reserve	23,672	34,060	3,438	-	-	85	-	61,255
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(8,759)	384	2,524	-	-	(105)	-	(5,956)
Derecognition – disposals	(13,568)	(77)	-	-	-	-	(501)	(14,146)
Other transfers/movements	15,433	(21,399)	14,356	-	(82)	90	(6,247)	2,151
At 31 March 2020	557,830	269,934	76,195	118,653	9,548	27,411	64,726	1,124,297
Accumulated depreciation and impairment								
At 1 April 2019	(6,273)	(1,526)	(18,006)	(47,157)	(26)	(178)	(3)	(73,169)
Adjustments to cost/value & depreciation/impairment	8,837	3,075	1,754	-	-	18	-	13,684
Depreciation charge	(8,949)	(3,343)	(3,746)	(6,863)	(1)	(44)	-	(22,946)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-
Derecognition – disposal	110	2	-	-	-	-	-	112
Other transfers/movements	-	-	-	-	-	-	-	-
At 31 March 2020	(6,275)	(1,792)	(19,998)	(54,020)	(27)	(204)	(3)	(82,319)
Net book value at 31 March 2019	533,793	232,180	36,640	65,132	9,447	16,982	39,187	933,361
Net book value at 31 March 2020	551,555	268,142	56,197	64,633	9,521	27,207	64,723	1,041,978

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 2020/21 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 2021:

	2020/21
	£'000
Council Dwellings	546,359
Land and Buildings	288,569
Surplus	17,685
Assets subject to valuation	852,613
Infrastructure	66,710
Community	10,162
Vehicles, Plant and Equipment	55,502
Assets under Construction	50,325
Assets not subject to valuation	182,699
Total value of assets	1,035,312

Note 18: Property, Plant and Equipment (continued)

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:				-
31/03/2021	546,359	183,509	17,685	747,553
31/03/2020	-	6,574	-	6,574
31/03/2019	-	46,828	-	46,828
31/03/2018	-	681	-	681
31/03/2017	-	3,342	-	3,342
31/03/2016	-	-	-	-
Valued at Historical Cost	-	47,635	-	47,635
Total Cost or valuation	546,359	288,569	17,685	852,613

- 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.

DRAFT

Note 19: Capital Commitments

At 31st March 2021, the Council has committed to projects for the construction or enhancement of Property, Plant and Equipment in 2021-22 and beyond. The budgeted cost of these commitments is expected to cost £219.220m (31st March 2020 £212.143m).

The major commitments at 31st March 2021 (these represent the approved budgets rather than actual contractual commitments) are:

	Commitments in 2021/22	Commitments in Future Years	Total Commitments
	£'000	£'000	£'000
Adult Social Care operations	948	353	1,301
Cemetery Extension	775	80	855
Community & Leisure Facilities	371	100	471
Schools Capital Programme	720	10,142	10,862
IT Infrastructure refresh	2,378	3,285	5,663
Fire Risk Assessment	7,031	8,500	15,531
Purchase of new Corporate HQ	371	-	371
Disabilities Facilities	1,050	3,399	4,449
RMI Capital programme	5,975	24,136	30,111
Planned Maintenance and Modernisation	2,223	11,941	14,164
Environmental Services	339	1,483	1,822
Major Infrastructure Projects	6,900	25,785	32,685
Major Highways Programmes	658	670	1,328
Environmental Initiatives	2,474	6,256	8,730
Regeneration Development	1,500	5,400	6,900
Hub Development	3,200	50	3,250
Thames Valley University Site	233	-	233
Strategic Acquisition fund	273	-	273
Development Old Library Site	489	-	489
Regeneration Development	2,031	200	2,231
Finance and Resources Capital Programme	6,582	10,000	16,582
Affordable Homes	4,803	56,116	60,919
Total	51,324	167,896	219,220

Note 20: 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.

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

2019/20		2020/21
£'000		£'000
66,124	Balance at 1 April	99,966
32,769	Additions	39,063
-	Enhancement	1,100
-	Disposals	-
-	Transfers (to)/from PPE	41,772
1,073	Gains/(losses) in fair value	(5,618)
99,966	Balance at 31 March	176,283

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:

2019/20		2020/21
£'000		£'000
5,322	Other Land and Buildings	5,265
219	Vehicles, Plant, Furniture, Equipment and Other	151
5,541		5,416

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:

2019/20		2020/21
£'000		£'000
	Finance lease liabilities (net present value of minimum lease payments):	
1,023	- current (not later than one year)	600
4,987	- non-current (later than one year)	4,387
247	Finance costs payable in future years	179
6,257		5,166

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.

2019/20			2020/21	
Minimum lease payments	Finance lease liabilities		Minimum lease payments	Finance lease liabilities
£'000	£'000		£'000	£'000
1,157	1,023	Not later than 1 year	701	600
2,157	1,901	Later than 1 year and not later than 5 years	1,862	1,673
3,189	3,086	Later than 5 years	2,783	2,714
6,503	6,010		5,346	4,987

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:

2019/20		2020/21
£'000		£'000
400	Not later than 1 year	737
1,553	Later than 1 year and not later than 5 years	1,951
8,169	Later than 5 years	7,783
10,122		10,471

Council as lessorOperating Leases

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

2019/20		2020/21
£'000		£'000
3,498	- current (not later than one year)	3,485
13,141	- non-current (later than one year)	12,185
25,530	Finance costs payable in future years	23,001
42,169		38,671

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 built 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 28 years.

- Penn Wood became operational on 26th February 2007
- Beechwood and Arbour Vale 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 £'000		PFI Schools £'000
11,991	Opening balance	14,300
-	Adjustments to cost/value & depreciation/impairment	-
24	Additions	-
2,489	Revaluation increases/(decreases) recognised in the revaluation reserve	1,137
(204)	Depreciation charge	(197)
-	Derecognition - disposals	-
14,300		15,240

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 Council's 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.

2019/20					2020/21			
Service cost	Repayment of liability	Interest	Total		Service cost	Repayment of liability	Interest	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(2,464)	(1,412)	(2,589)	(6,465)	within 1 year	(3,589)	(884)	(2,479)	(6,952)
(12,659)	(5,269)	(9,444)	(27,372)	within 2-5 years	(11,769)	(6,365)	(9,035)	(27,169)
(17,001)	(9,788)	(8,985)	(35,774)	within 6-10 years	(17,526)	(10,466)	(8,225)	(36,217)
(17,419)	(15,242)	(4,372)	(37,033)	within 11-15 years	(15,693)	(14,194)	(3,115)	(33,002)
(1,497)	(1,611)	52	(3,056)	within 16-20 years	-	-	-	-
(51,040)	(33,322)	(25,338)	(109,700)	Closing balance	(48,577)	(31,909)	(22,854)	(103,340)

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.

2019/20		2020/21
£'000		£'000
(34,701)	Balance at 1 April	(33,322)
1,379	Repayment	1,413
-	Other movements	-
(33,322)	Balance at 31 March	(31,909)

Note 23: Capital Expenditure and Financing

The capital financing requirement (CFR) is a Prudential Code indicator which shows the underlying need for the Council to borrow to fund its non current assets. The requirement is increased by capital expenditure financed from borrowing and decreased by revenue or capital resources put aside for the repayment of debt. An explanation of the movement in the year ended 31 March 2021 is shown in the table below.

The capital financing requirement (CFR) is a Prudential Code indicator which shows the underlying need for the Council to borrow to fund its non current assets. The requirement is increased by capital expenditure financed from borrowing and decreased by revenue or capital resources put aside for the repayment of debt. An explanation of the movement in the year ended 31 March 2019 is shown in the table below.

2019/20		2020/21
£'000		£'000
618,928	Opening capital financing requirement	770,093
	Capital investment	
88,148	Property, plant and equipment	59,025
32,769	Investment Properties	40,163
242	Intangible Assets	643
8,580	Revenue expenditure funded from capital under statute	7,455
22,615	Other Capital Expenditure	10,640
47,536	Capitalisation Direction	24,941
199,890	Total capital investment	142,867
	Sources of finance	
(7,197)	- Capital receipts	(25,499)
(11,095)	- Government grants and other contributions	(13,321)
(15,626)	- Major repairs reserve	(14,719)
	Sums set aside from revenue	
(4,224)	- Direct revenue financing	(1,888)
(10,583)	- Minimum revenue provision	(9,144)
(48,725)	Total sources of finance	(64,571)
770,093	Closing capital financing requirement	848,389
	Explanation of movements in year:	
(10,583)	Minimum revenue provision	(9,144)
47,536	Capitalisation Direction	24,941
114,212	Increase/decrease in underlying need to borrow	62,496
151,165	Increase/(decrease) in CFR for the year	78,293

Note 24: Financial Instruments

Analysed by Category

2019/20				2020/21		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
			Financial Assets			
			<i>Loans and receivables</i>			
-	-	-	Investments	-	-	-
-	-	-	Finance lease	-	-	-
-	-	-	Cash and cash equivalents	-	-	-
			<i>Available for Sale assets</i>			
-	-	-	Investments	-	-	-
-	-	-		-	-	-
			<i>Amortised cost</i>			
	10,725	10,725	Investments	-	15,706	15,706
7,275	17,512	24,787	Trade Debtors	2,232	9,308	11,540
	16,684	16,684	Cash and cash equivalents	-	30,050	30,050
7,275	44,921	52,196		2,232	55,064	57,296
			<i>Fair Value Through Profit and Loss</i>			
31,871	-	31,871	Investments	32,634	-	32,634
39,146	44,921	84,067	Total financial assets	34,866	55,064	89,930
			Financial Liabilities			
			<i>Amortised cost</i>			
(351,349)	(280,435)	(631,784)	Loans outstanding	(328,409)	(409,572)	(737,981)
(31,910)	(1,412)	(33,322)	PFI contracts	(51,400)	(3,363)	(54,763)
(4,987)	(1,023)	(6,010)	Finance leases	(4,387)	(600)	(4,987)
(60)	(35,736)	(35,796)	Trade creditors	(60)	(72,630)	(72,690)
(388,306)	(318,606)	(706,912)	Total financial liabilities	(384,256)	(486,165)	(870,421)

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:

2019/20 £'000	Long-term debtors	2020/21 £'000
50,324	Long-term debtors balance per the Balance Sheet	53,046
	LESS out of scope assets	
(35,752)	Loan to James Elliman Homes Ltd	(38,971)
(5,203)	Loan to SUR	(11,843)
9,369	Remaining long-term debtors classified as financial instruments:	2,232
	Loans and receivables in 2018/19	(2,232)
9,369	Assets at amortised cost in 2019/20	-
9,369		(2,232)

2019/20 £'000	Short-term investments	2020/21 £'000
10,725	Short-term investments balance per the Balance Sheet	17,406
	LESS out of scope assets	
-	- Interest accrued OLS	(501)
-	- Interest accrued JEH	(1,226)
10,725	Remaining short-term investments classified as financial instruments:	15,679
	Loans and receivables in 2019/20	-
	- Available for sale assets in 2019/20	-
10,725	Assets at amortised cost in 2020/21	15,679
	- Fair value through profit and loss in 2020/21	-
10,725		15,679

Note 24: Financial Instruments (continued)

2019/20		Long-term investments	2020/21	
£'000			£'000	
31,871		Long-term investments balance per the Balance Sheet		33,366
		LESS out of scope assets		
(8,191)		Equity in James Elliman Homes Ltd		(8,191)
(5,585)		Loan to SUR		(5,585)
(130)		Loan to St Bernard		(130)
17,965		Remaining long-term investments classified as financial instruments:		19,460
		Available for sale assets in 2019/20		-
17,965		Fair value through profit and loss in 2020/21		19,460
17,965				19,460

Income, Expense, Gains and Losses

2019/20				2020/21		
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
			Expense:			
14,538	-	-	Interest expense	14,934	-	-
-	-	987	Loss on financial assets at FVTPL	-	-	-
14,538	-	-	Net expense in (Surplus)/Deficit on the Provision of Services	14,934	-	-
			Revenue:			
-	(4,087)	-	Interest income	-	(1,408)	-
-	-	-	(Gain) on financial assets at FVOCI	-	-	(763)
-	-	-	Distributions from Available for Sale assets	-	-	-
-	-	-	Distributions from FVTPL assets	-	-	-
-	(4,087)	-	Total income in (Surplus)/Deficit on the Provision of Services	-	(1,408)	(763)
			Unrealised (gains) and losses			
-	-	-	Gains on revaluation	-	-	-
-	-	-	(Surplus)/Deficit arising from revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-

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:

2019/20		2020/21
£'000		£'000
(4,350)	Interest income per Note 12	(1,671)
	LESS income from out of scope assets:	
1,113	Interest on Loan to James Elliman Homes Ltd	1,551
194	Interest on Loans to Slough Urban Renewal LLP	501
-		(1,609)
(3,043)	Income from financial instruments analysed:	(1,228)
(3,043)	Interest income	(1,228)
	Distributions from Available for Sale Assets in 2017/18	
-	Distributions from Fair Value through Profit and Loss Assets in 2020/21	(763)
(3,043)		(1,991)

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:

- 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.
- placing a limit on the amount of money which can be invested with a single counterparty; and
- 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-2020		Fitch Rating	31-March-2021	
Non-current	Current		Non-current	Current
£'000	£'000		£'000	£'000
-	13,095	AAA MMF	-	22,645
-	3,477	AA-	-	4,814
-	10,698	Unrated local authorities	-	15,679
18,697	-	Unrated pooled funds	19,460	-
14,848	17,512	Unrated debtors	2,232	17,512
-	-	Unrated investments	-	-
-	(1,047)	Unrated cash and cash equivalents	-	(10,879)
33,545	43,735		21,692	49,771

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-2020		31-March-2021
£'000		£'000
280,435	less than one year	409,572
5,061	between 1 and 2 years	-
4,000	between 3 and 5 years	4,000
44,630	between 6 and 10 years	41,152
37,567	between 11 and 15 years	35,833
135,341	between 16 and 20 years	128,341
68,000	between 21 and 25 years	64,000
23,750	between 26 and 30 years	22,083
33,000	more than 30 years	33,000
631,784	Total	737,981

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 2020 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-2020		31-March-2021
£'000		£'000
240	Increase in interest payable on variable rate borrowings	140
(380)	Increase in interest receivable on receivable rate investments	(623)
(140)	Impact on surplus/deficit on the provision of services	(483)

31-March-2020	Impact on other comprehensive income and expenditure	31-March-2021
£'000		£'000
-	Decrease in fair value of fixed rate investment assets	-
43,981	Decrease in fair value of fixed rate borrowings liabilities	54,387

Impairment of financial assets

The Council recognises an allowance for expected credit losses on financial assets measured at amortised cost, lease receivables and trade debtors. The amount of expected credit losses is update at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

Trade receivables

For trade receivables the Council applies a simplified approach permitted under IFRS9 and recognises a loss allowance equal to lifetime expected losses. The expected credit losses on these financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for general economic conditions and an assessment of both current and forecast direction of conditions at the reporting date. A loss allowance for expected credit losses is not recognised on a financial asset where the counterparty is central government or a local authority for which relevant statutory provisions prevent default.

In measuring the expected credit losses, significant trade receivable balances are assessed individually for impairment where specific information regarding recoverability of the debt is available. Trade receivables not assessed individually have been assessed on a collective basis based on shared risk characteristics and days past due.

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

At 31-March-2021	Not past due 0-29 Days	30-59 days	60 - 89 Days	90 - 119 Days	120 - 365 Days	More than one year	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debtors individually assessed	-	-	-	-	-	-	-
Expected credit loss (individually assessed)	-	-	-	-	-	-	-
Debtors collectively assessed	16,940	113	332	555	2,597	5,611	26,148
Loss rate	0%	25%	40%	50%	75%	100%	
Expected credit loss (collectively assessed)	-	28	133	278	1,948	5,611	7,998
Total Lifetime Expected Credit Losses	-	28	133	278	1,948	5,611	7,998

At 31-March-2020	Not past due 0-29 Days	30-59 days	60 - 89 Days	90 - 119 Days	120 - 365 Days	More than one year	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debtors individually assessed	-	-	-	-	-	-	-
Expected credit loss (individually assessed)	-	-	-	-	-	-	-
Debtors collectively assessed	6,759	437	792	166	2,496	2,103	12,752
Loss rate	0%	25%	40%	50%	75%	100%	
Expected credit loss (collectively assessed)	-	109	317	83	1,872	2,103	4,484
Total Lifetime Expected Credit Losses	-	109	317	83	1,872	2,103	4,484

The closing balance of the trade receivables loss allowance at 31 March 2021 reconciles with trade receivables loss allowance opening balance as follows:

2019/20		2020/21
£'000		£'000
2,400	Loss allowance at 31 March calculated under IAS 39	5,921
-	- Amounts adjusted through opening reserves	-
2,400	Opening loss allowance at 1 April	5,921
3,521	Loss allowance recognised during the year	3,514
-	- Receivables written off during the year	-
-	- Loss allowance unused and reversed during the year	-
5,921	Loss allowance at 31 March	9,435

Other receivables measured at amortised cost (Long-term debtors)

For long-term debtor balances, recognition of 12-month expected credit losses or lifetime expected credit losses is dependent on whether there has been a significant increase in credit risk of these items since initial recognition.

At 31 March 2021 the gross carrying amount of long-term debtors measured at amortised cost was £1.760m (£7.275m at 31 March 2020)

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

The balance due from Slough Children's Services Trust of £1.625m at 31 March 2021 (£2.983m at 31 March 2020) has been impaired by £2.4m following agreement in February 2021 with the Department of Education for a new loan to the Trust.

The closing balance of the loss allowance for other receivables at 31 March 2020 reconciles with the opening balance as follows:

2019/20		2020/21
£'000		£'000
2,400	Loss allowance at 31 March calculated under IAS 39	2,400
-	- Amounts adjusted through opening reserves	-
2,400	Opening loss allowance at 1 April	2,400
-	- Loss allowance recognised during the year	-
-	- Receivables written off during the year	-
-	- Loss allowance unused and reversed during the year	-
2,400	Loss allowance at 31 March	2,400

Non-IFRS9 financial assets that are either past due or impaired

An analysis of the age of non-IFRS9 financial assets, comprising Council Tax, business rates and housing rents that were either past due at the balance sheet date or impaired is set out in the following table

2019/20					2020/21			
Council Tax	Business Rates	Housing Rents	Total		Council tax	Business Rates	Housing Rents	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
2,654	4,546	719	7,919	Past due less than 12 months	4,936	7,806	816	13,558
12,273	2,926	2,168	17,367	Past due more than 12months	13,829	5,986	1,831	21,646
14,927	7,472	2,887	25,286		18,765	13,792	2,647	35,204

A summary of the loss allowance at the balance sheet date analysed by class of debtor is shown below - all have been assessed on a collective basis.

2019/20		2020/21
£'000		£'000
(11,903)	Council Tax	14,918
(5,541)	Business Rates	10,209
(2,325)	Housing Rents	2,648
(19,769)		27,775

Note 26: Fair value of assets and liabilities

The following tables combine information about:

- classes of financial instruments and non-financial assets based on their nature and characteristics;
- the carrying amounts of financial instruments and non-financial assets;
- fair values of financial instruments and non-financial assets; and
- 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)

31-March-2021	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
Financial assets								
<i>Loans and receivables</i>								
Investments	-	15,679	-	15,679	15,679			15,679
Debtors	-	11,540	-	11,540	11,540			11,540
Cash and cash equivalents	-	16,580	-	16,580	16,580			16,580
<i>Fair value through profit and loss</i>	-	-	-	-	-			-
Investments	19,460	-	-	19,460	-	19,460		19,460
Total financial assets	19,460	43,799	-	63,259	43,799	19,460	-	63,259
Non-financial assets								
Investment property	176,273	-	-	176,273		176,273		176,273
Surplus assets	17,591	-	-	17,591		17,591		17,591
Assets held for Sale	-	-	-	-		-		-
Total Financial and non-financial assets	213,324	43,799	-	257,123	43,799	213,324	-	257,123
Financial Liabilities								
<i>Liabilities at amortised cost</i>								
Loans outstanding	-	-	(737,982)	(737,982)	(409,572)	(406,970)		(816,542)
PFI contracts	-	-	(54,763)	(54,763)	-	(49,007)		(49,007)
Finance leases	-	-	(4,987)	(4,987)	-	(4,589)		(4,589)
Trade creditors	-	-	(72,690)	(72,690)	(72,690)			(72,690)
Total financial liabilities	-	-	(870,422)	(870,422)	(482,262)	(460,566)	-	(942,828)

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

31-March-2020	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
Financial assets								
<i>Loans and receivables</i>								
Investments	-	10,698	-	10,698	10,698	-	-	10,698
Debtors	-	32,360	-	32,360	17,512	7,153	-	24,665
Cash and cash equivalents	-	15,525	-	15,525	15,525	-	-	15,525
<i>Fair value through profit and loss</i>	-	-	-	-	-	-	-	-
Investments	18,697	-	-	18,697	-	18,697	-	18,697
Total financial assets	18,697	58,583	-	77,280	43,735	25,850	-	69,585
Non-financial assets								
Investment property	-	-	-	-	-	99,955	-	99,955
Surplus assets	-	-	-	-	-	27,114	-	27,114
Assets held for Sale	-	-	-	-	-	-	-	-
Total Financial and non-financial assets	18,697	58,583	-	77,280	43,735	152,919	-	196,654
Financial Liabilities								
<i>Liabilities at amortised cost</i>								
Loans outstanding	-	-	(631,784)	(631,784)	(280,435)	(408,594)	-	(689,029)
PFI contracts	-	-	(58,764)	(58,764)	-	(48,185)	-	(48,185)
Finance leases	-	-	(6,010)	(6,010)	-	(5,232)	-	(5,232)
Trade creditors	-	-	(35,796)	(35,796)	(35,796)	-	-	(35,796)
Total financial liabilities	-	-	(732,354)	(732,354)	(316,231)	(462,011)	-	(778,242)

Note 27: Cash and Cash Equivalents

2019/20		2020/21
£'000		£'000
3,589	Cash and bank balances	7,405
13,095	Short-term deposits	22,645
16,684	Total	30,050

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.

2019/20	Short-term debtors	2020/21
£'000		£'000
2,691	Prepayments	2,664
268	Central Government bodies	732
1,948	Trade debtors	26,200
5,426	VAT	15,703
32,519	Council Tax	76,941
4,718	NNDR receivable	4,296
4,520	Housing Benefit receivable	4,861
253	Other debtors	-
(30,647)	Impairment Allowance for Doubtful Debts	(74,439)
21,696	Total	56,958

2019/20	Long-term debtors	2020/21
£'000		£'000
43,938	Loans to third parties	57,091
3,685	Overage	-
601	Deferred liabilities	-
2,100	Other	86
50,324	Total	57,177

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 2021.

2019/20		2020/21
£'000		£'000
(5,480)	Trade creditors	(10,538)
(1,363)	PAYE & NI	(1,352)
(193)	Central Government Bodies	(4,359)
(37,837)	Other Creditor	(62,945)
(2,435)	PFI Finance Lease Liability	(1,484)
(8,090)	Receipts in Advance	(5,625)
-	Payroll Creditor	-
-	Collection Fund Account Balance – Council Tax	-
(55,398)	Total	(86,303)

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-2020	(4,347)	(16,648)	(18,313)	(39,308)
Amounts used	-	4,100	16,440	20,540
Additional provisions	(442)	(10,410)	-	(10,852)
Balance at 31-March-2021	(4,789)	(22,958)	(1,873)	(29,620)

Long-term provisions	Water rates	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2020	-	-	(2,512)	(2,512)
Amounts used	-	-	-	-
Additional provisions	-	-	-	-
Balance at 31-March-2021	-	-	(2,512)	(2,512)

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

2019/20		2020/21
£'000		£'000
(265,134)	Pension Liability	(376,981)
(31,909)	Amounts due to be paid under PFI	(31,025)
(1)	Amounts due to be paid under Other Finance Leases	(1)
(297,044)	Balance 31 March	(408,007)

DRAFT

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 2020/21, the Council paid £3.7m (£3.2m in 2019/20) 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. At the last valuation in 2019 the Fund was valued

For the period covered by the triennial valuation the Council is scheduled to pay contributions at 15.6% (15.5% in 2019/20) of pensionable pay plus a lump sum of £4.264m (£3.495m in 2019/20).

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 65% 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.

2019/20				2020/21			Note
Scheme Assets	Pensions Obligations	Net Pensions Liability		Scheme Assets	Pensions Obligations	Net Pensions Liability	
£'000				£'000			
242,199	(515,552)	(273,353)	Opening Balance at 1 April	263,471	(528,602)	(265,131)	
-	(16,703)	(16,703)	Current Service Cost	-	(21,377)	(21,377)	
-	(330)	(330)	Past Service cost and gains/losses on curtailments	-	(1,364)	(1,364)	
5,942	(12,482)	(6,540)	Interest Income and Expense	5,174	(11,395)	(6,221)	
(144)	-	(144)	Admin Expense	(158)	1,368	1,210	
14,294	(24,060)	(9,766)	- Settlement	(78)		(78)	
20,092	(53,575)	(33,483)	Total post employment benefit charged to the (surplus)/deficit on provision of services	4,938	(32,768)	(27,830)	
			Contributions				
10,400	-	10,400	- The Council	11,908		11,908	
2,968	(2,968)	-	- Employees	3,254	(3,254)	-	
13,368	(2,968)	10,400		15,162	(3,254)	11,908	
			Payments				
(14,412)	14,412	-	- Retirement Grants and Pensions	(15,199)	15,199	-	
(14,412)	14,412	-	Employers contributions payable to scheme	(15,199)	15,199	-	
			Remeasurements				
(10,738)	-	(10,738)	- Return on Plan Assets	34,231	-	34,231	
-	5,935	5,935	- Actuarial Gains and Losses arising from changes in demographic assumptions	-	5,988	5,988	
-	53,918	53,918	- Actuarial Gains and Losses from changes in Financial Assumptions	-	(143,588)	(143,588)	
12,962	(30,772)	(17,810)	- Experience loss /(gain) on defined benefit obligation	-	7,444	7,444	
2,224	29,081	31,305	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	34,231	(130,156)	(95,925)	
				-			
263,471	(528,602)	(265,131)	Closing Balance at 31 March	302,603	(679,581)	(376,981)	

Note 33: Defined Benefit Pension Schemes (continued)

Composition of Scheme Assets

2019/20				2020/21		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£'000	£'000	£'000		£'000	£'000	£'000
112,675	36,089	148,764	Equities	141,274	40,624	181,898
8,175	16,349	24,524	Other bonds	13,899	35,521	49,420
28,443	7,757	36,200	Property	-	37,095	37,095
31,113	-	31,113	Cash and cash equivalents	13,521	-	13,521
-	11,098	11,098	Target return portfolio	-	12,222	12,222
-	1,553	1,553	Commodities	-	-	-
-	21,599	21,599	Infrastructure	-	24,625	24,625
-	(11,380)	(11,380)	Longevity Insurance	-	(16,178)	(16,178)
				-		-
180,406	83,065	263,471	Total Assets	168,694	133,909	302,603

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 Westminster 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 31-March-2020		LGPS 31-March-2021
	Mortality assumptions:	
	<i>Longevity at 65 for current pensioners (years):</i>	
21.5	Male	21.2
24.1	Female	23.9
	<i>Longevity at 65 for future pensioners (years):</i>	
22.9	Male	22.5
25.5	Female	25.4
	Economic assumptions	
1.9%	Rate of inflation	2.8%
2.9%	Rate of increase in salaries	3.8%
1.9%	Rate of increase in pensions	2.8%
2.4%	Rate for discounting scheme liabilities	2.0%

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%)	(13,490)	13,776
Rate of increase in salaries (increase or decrease by 0.1%)	880	(874)
Rate of increase in pensions (increase or decrease by 0.1%)	12,774	(12,526)
Longevity (increase or decrease by 1 year)	30,730	(29,339)

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 £13.5m. 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. The next triennial valuation is due to be completed on 31 March 2022.

Based on assumptions as at 31 March 2021, expected employer contributions for LGPS benefits in 2021/22 are £12.0m, with the projected expense being £32.4m. These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021.

The weighted average duration of the defined benefit obligation for scheme members is 20 years (20 years 2019/20).

Note 34: Cash Flow Statement - Operating Activities

2019/20		2020/21
£'000		£'000
90,196	Net (surplus) or deficit on the provision of services	27,968
	<i>Adjustments for non-cash movements:</i>	
(22,946)	Depreciation	(25,310)
(5,956)	Impairments and downward revaluation	(12,325)
(345)	Amortisation	(210)
4,563	Net increase/decrease in creditors, debtors and inventories	6,405
(23,083)	Pensions liability	(15,922)
(15,760)	Carrying amount of non-current assets sold	(2,482)
(28,223)	Other non-cash items	8,204
(91,750)	Subtotal	(41,640)
	<i>Adjustments for items that are investing or financing activities:</i>	
(45,300)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
13,837	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,950
11,878	Any other items for which the cash effects are investing or financing cash flows	27,076
(19,585)	Subtotal	32,026
(21,139)	Net cash flows from operating activities	18,354

The cash flows for operating activities include the following items:

2019/20		2020/21
£'000		£'000
(4,087)	Interest received	(1,408)
14,538	Interest paid	14,634
10,451	Total	13,226

Note 35: Cash Flow Statement - Investing Activities

2019/20		2020/21
£'000		£'000
134,129	Purchase of property, plant and equipment, investment property and intangible assets	99,187
15,000	Purchase of short-term and long-term investments	4,981
16,240	Other payments for investing activities	-
(17,983)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(9,106)
-	Proceeds from short-term and long-term investments	-
(12,634)	Other receipts from investing activities	(24,876)
134,752	Net cash flows from investing activities	70,186

Note 36: Cash Flow Statement - Financing Activities

2019/20		2020/21
£'000		£'000
(119,897)	Cash receipts of short-term and long-term borrowings	(443,575)
-	Other receipts from financing activities	-
-	Council Tax and NNDR adjustments	-
2,469	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
7,011	Repayments of short-term and long-term borrowing	341,670
-	Other payments from financing activities	-
(110,417)	Net cash flows from financing activities	(101,905)

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 2019/20:

Councillors Mann, Nazir and Swindlehurst were directors of Development Initiative for Slough Housing Ltd

Entities controlled or significantly influenced by the Council

2020/21								
Entity name	Structure	Officers on the Board	Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
Development Initiative for Slough Housing (DISH)	Wholly owned subsidiary		-	-	373	(373)	-	760
James Elliman Homes (JEH)	Wholly owned subsidiary	Neale Cooper Mike England Stephen Gibson Colin Moone	9,240	43,322	-	(3,122)	51,700	152
Slough Urban Renewal	Joint Venture	Joe Carter Neale Cooper Stephen Gibson	N/A	301	1,856			
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Joe Carter Neale Cooper Mike England Stephen Gibson Nigel Pallace	455,001	-	3,994	-	3,994	
Slough Children First Ltd	Company limited by guarantee - controlled by Department for Education				5,312			

Note 37: Related Party Transactions (continued)

2019/20								
Entity name	Structure	Officers on the Board	Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
Development Initiative for Slough Housing (DISH)	Wholly owned subsidiary		-	-	400	(400)	-	716
James Elliman Homes (JEH)	Wholly owned subsidiary	Neale Cooper Mike England Stephen Gibson	5,992	23,932	-	(557)	29,924	151
Slough Urban Renewal	Joint Venture	Joe Carter Neale Cooper Stephen Gibson	N/A	(5,554)	27,863	(3,959)	4,200	453
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Joe Carter Neale Cooper Mike England Stephen Gibson Nigel Pallace	455,001	-	955	-	955	-
Slough Children First Ltd	Company limited by guarantee - controlled by Department for Education		N/A	-	24,490	-	-	-

Note 38: Contingent Liabilities

Lender Offer Borrower Offer (LOBO) Loans

The Council has £13m of Lender Option Borrower Option Loans (LOBOs), taken out between 2002 to 2006 with terms between 52 and 60 years. Information on the Council's borrowings, including LOBO loans can be found in Note 23

A number of local authorities have received objections from local electors as to the lawfulness of local authorities obtaining borrowing through LOBO loans. Whilst the LOBO loans currently held by the Council have not currently been found to be unlawful, there is ongoing analysis of LOBO loans generally by local authorities affected, their auditors and specialist lawyers.

The law in relating to this matter is complex and there is uncertainty as to what consequences might be on a local authority that have borrowed via LOBO loans, if they were to be found to be unlawful.

In the event of a LOBO loan being found to be unlawful, restitutionary remedies may result in the outstanding balances on these loans having to be repaid in full to the lender and may also result in additional costs, resulting from losses incurred by the lender.

Note 39: Events After the Balance Sheet Date

Authorised for issue date

Preparation of the 2020/21 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 2021, 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.

This page has been intentionally left blank

SECTION – 5

SUPPLEMENTARY FINANCIAL STATEMENTS

Supplementary Financial Statements	Page Number
• <i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i>	111
• <i>Statement on The Movement on The Housing Revenue Account</i>	112
• <i>Housing Revenue Account Notes</i>	113
• <i>Collection Fund Statement</i>	117
• <i>Notes to the Collection Fund</i>	118

DRAFT

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.

2019/20		2020/21	
£'000		£'000	Note
	Expenditure		
8,240	Repairs and maintenance	6,763	
10,476	Supervision and management	9,725	
192	Rents, rates, taxes and other charges	110	
18,099	Depreciation and impairment of non current assets	24,464	6
547	Transfer to/from Provision	563	
37,554	Total expenditure	41,625	
	Income		
(32,281)	Dwelling rents	(33,013)	
(1,312)	Non-dwelling rents	(977)	
(2,269)	Charges for service and facilities	(2,639)	
(76)	Contributions towards expenditure	(41)	
(35,938)	Total income	(36,670)	
1,616	Net cost or (income) of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement	4,955	
228	HRA services share of Corporate and Democratic Core	146	
1,844	Net cost of HRA Services	5,101	
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(3,917)	(Gain) or loss on sale of HRA non current assets	(5,038)	
6,445	Interest payable and similar charges	5,917	
(73)	HRA interest and investment income	-	
353	Net interest on the defined benefit net liability	368	
4,652	(Surplus) or deficit for the year on HRA Services	6,348	

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.

2019/20 £'000	Expenditure	2020/21 £'000
(15,280)	Balance on the HRA as at 1 April	(12,431)
4,652	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	6,348
	Adjustments between accounting basis and funding basis:	
94	Amount by which finance costs chargeable in accordance with the Code are different from finance costs chargeable in year under statutory requirements	45
(18,096)	Depreciation and impairments	(24,463)
3,917	(Gains)/losses on sale of HRA non-current assets	5,038
(728)	Net charges for pensions	(967)
	- Transfers to/(from) the Capital Receipts Reserve	-
3,961	Capital expenditure charged to HRA balance	1,871
	- Accumulated absences adjustment	-
9,049	Transfers to/(from) the Major Repairs Reserve	10,460
2,849	Net (increase)/decrease before transfers to/(from) reserves	(1,668)
	Transfers to/(from) earmarked reserves	
2,849	(Increase)/decrease in year on the HRA balance	(1,668)
(12,431)	HRA Balance at 31 March	(14,099)

Housing Revenue Account Notes

Note 1: Prior Period Adjustment

No prior period adjustments were required.

Note 2: Housing Stock

As at 31 March 2021, the Council was responsible for managing a housing stock of 6,068 dwellings comprising:

2019/20 No.	Type of accommodation	2020/21 No.
2,776	Houses	2,789
2,766	Flats	2,751
523	Bungalows	523
3	Shared ownership	5
-	Awaiting demolition	-
6,068	Total	6,068

The change in stock can be summarised as follows:

2019/20 No.	Type of accommodation	2020/21 No.
6,084	Stock at 1 April	6,068
(44)	Sold	(19)
28	New Build/Acquisitions	22
-	Awaiting demolition	-
-	Demolished	-
6,068	Stock at 31 March	6,071

Note 2: Housing Stock (continued)

The total balance sheet value of the Council's HRA assets at 1 April 2020 was £590m and at 31 March 2021 was £621m, analysed as follows:

2019/20 £'000	Expenditure	2020/21 £'000
	Operational assets	
535,235	Council dwellings	549,418
6,861	Other land and buildings	6,850
861	Community assets	861
12,450	Assets under construction	16,830
555,407		573,959
	Non-operational assets	
1,838	Investment property	39,071
13,953	Surplus assets	7,619
15,791		46,690
571,198	Total asset value	620,649

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 £1,670m (£1,638m at 31 March 2020). 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 £1,119m between the EUV of £1,670m and the EUV-SH of £551m represents the economic cost of providing housing at less than open market

Note 4: Capital Expenditure and financing

During 2020/21, the Council incurred £48.5m capital expenditure on land, houses and other properties within the HRA (2019/20: £30.6m). The detail of expenditure and the methods of financing are detailed below:

2019/20		2020/21
£'000		£'000
	Capital expenditure	
22,360	Operational assets	9,063
8,210	Non-operational assets	39,458
30,570		48,521
	Sources of funding	
(5,866)	Capital receipts	(2,000)
(15,626)	Major repairs reserve	(14,719)
	- Government grants and contributions	-
(5,117)	Borrowing	(29,931)
	- Direct revenue financing	(1,871)
(26,609)		(48,521)

Note 5: Capital receipts

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

2019/20		2020/21
£'000		£'000
-	Land	-
(7,697)	Council dwellings	(2,951)
(145)	Other property	(1,449)
(7,842)		(4,400)

Note 6: Depreciation and impairment

2019/20				2020/21		
Depreciation	Impairment / Reversals	Total		Depreciation	Impairment / Reversals	Total
£'000	£'000	£'000		£'000	£'000	£'000
8,946	6,423	15,369	Council dwellings	10,384	4,888	15,272
72	-	72	Other land and buildings	74	-	74
1	-	1	Community assets	1	-	1
-	96	96	Surplus assets	-	9,126	9,126
-	-	-	Assets under construction	-	-	-
9,019	6,519	15,538		10,459	14,014	24,473

Note 7: Rent Arrears

2019/20		2020/21
	Rent arrears comprise:	
1,768	Current tenant arrears	1,806
1,120	Former tenant arrears	842
2,888		2,648
(2,325)	Less: Bad debts provisions	(2,648)
563		-

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.

2019/20				2020/21			Note
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total	
£'000	£'000	£'000		£'000	£'000	£'000	
			Income				
-	(69,051)	(69,051)	Council Tax receivable	-	(71,059)	(71,059)	
(103,857)	-	(103,857)	Business Rates receivable	(73,084)	-	(73,084)	
-	-	-	Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment	-	(1,339)	(1,339)	
(103,857)	(69,051)	(172,908)	Total income	(73,084)	(72,398)	(145,482)	
			Expenditure				
			<i>Apportionment of prior year surplus/deficit</i>				
1,458	-	1,458	Central Government	(59)	-	(59)	
(1,123)	-	(1,123)	Slough Borough Council	1,971	-	1,971	
3	-	3	Berkshire Fire Authority	19	-	19	
-	-	-	Thames Valley police	-	-	-	
			<i>Precepts</i>				
26,346	-	26,346	Central Government	53,181	-	53,181	
77,984	58,595	136,579	Slough Borough Council	52,117	61,121	113,238	
1,054	2,836	3,890	Berkshire Fire Authority	1,064	2,901	3,965	
-	8,827	8,827	Thames Valley police	-	9,282	9,282	
			<i>Charges to Collection Fund</i>				
3,543	875	4,418	Increase/(decrease) in allowance for impairment	5,327	3,102	8,429	
4,370	-	4,370	Increase/(decrease) in allowance for appeals	1,810	-	1,810	
873	-	873	Transitional Protection Payments Payable	1,089	-	1,089	
206	-	206	Charge to General Fund for allowable collection costs for non-domestic rates	213	-	213	
114,714	71,133	185,847	Total expenditure	116,732	76,406	193,138	
10,857	2,082	12,939	(Surplus)/Deficit arising during the year	43,648	4,008	47,656	
2,938	3,637	6,575	(Surplus)/Deficit brought forward	13,795	5,719	19,514	
13,795	5,719	19,514	(Surplus)/Deficit carried forward	57,443	9,727	67,170	

Notes to the Collection Fund

Note 1: Council tax income

The Council's tax base for 2020/21 - 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 (£'000)
A	Up to and including - 40,000		617	6 / 9	925	1
B	40,000	- 52,000	4,407	7 / 9	5,666	1
C	52,001	- 68,000	15,335	8 / 9	17,252	1
D	68,001	- 88,000	11,570	9 / 9	11,570	1
E	88,001	- 120,000	6,470	11 / 9	5,294	2
F	120,001	- 160,000	3,409	13 / 9	2,360	2
G	160,001	- 320,000	900	15 / 9	540	2
H	More than - 320,000		18	18 / 9	9	3
Total			42,726		43,616	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year					-	
Council Tax Base					43,616	

The Council's tax base for 2019/20 - 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 (£'000)
A	Up to and including - 40,000		559	6 / 9	839	1
B	40,000	- 52,000	4,376	7 / 9	5,626	1
C	52,001	- 68,000	15,342	8 / 9	17,260	1
D	68,001	- 88,000	11,611	9 / 9	11,611	1
E	88,001	- 120,000	6,400	11 / 9	5,236	2
F	120,001	- 160,000	3,417	13 / 9	2,365	2
G	160,001	- 320,000	898	15 / 9	539	2
H	More than - 320,000		18	18 / 9	9	3
Total			42,621		43,485	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year					-	
Council Tax Base					43,485	

Note 2: Business Rates income

Non-Domestic Rates are organised on a local basis. 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 2020/21 the amount was 51.2p (50.4p = 2019/20). The small business rate multiplier was 49.9p for 2020/21 (49.3p 2019/20). 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 13. The total rateable value at 31 March 2021 was £240,555k (31 March 2020 = £240,867k).

DRAFT

SECTION – 6

GROUP ACCOUNTS

Group Accounts	Page Number
• <i>Group Comprehensive Income and Expenditure Statement</i>	121
• <i>Group Movement in Reserves Statement</i>	122
• <i>Group Balance Sheet</i>	123
• <i>Group Cash Flow Statement</i>	124
• <i>Notes to the Group Financial Statements</i>	125

DRAFT

Group Comprehensive Income and Expenditure Statement

2019/20				2020/21			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
75,953	(29,985)	45,968	Adults and Communities	72,980	(28,689)	44,291	
132,756	(87,747)	45,009	Children, Learning and Skills	136,622	(88,408)	48,214	
20,008	(10,820)	9,188	Place and Development	25,089	(10,844)	14,245	
23,032	(9,562)	13,470	Regeneration	20,624	(9,098)	11,526	
123,783	(65,641)	58,142	Finance and Resources	110,631	(94,932)	15,699	
17,474	(1,166)	16,308	Chief Executive	24,165	(973)	23,192	
37,780	(35,938)	1,842	Housing Revenue Account	41,772	(37,142)	4,630	
430,786	(240,859)	189,927	Cost of Services	431,883	(270,086)	161,797	
		3,392	Other operating expenditure			(1,446)	
		15,003	Financing and investment income and expenditure			18,856	
		-	- Tax due for the year (current and deferred tax)			-	
		(116,471)	Taxation and non-specific grant income and expenditure			(149,749)	
		91,851	(Surplus)/deficit on provision of services			29,458	
		(478)	Share of the (surplus)/deficit on the provision of services by joint venture			59	
		-	- Tax expenses of joint venture			-	
		91,373	Group (Surplus)/deficit on provision of services			29,517	
		987	(Surplus) or deficit on financial assets measured at FVOCI			(763)	
		(63,549)	(Surplus) or deficit on revaluation of property, plant and equipment assets			(18,552)	
		(31,305)	Remeasurement of the net defined benefit liability			102,009	
		(93,867)	Other Comprehensive income and expenditure			82,694	
		(2,494)	Total Comprehensive income and expenditure			112,211	

Group Movement in Reserves Statement

	General Fund	General Fund Earmarked Reserves	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Council Usable Reserves	Share of Usable Reserves from JVs and Subsidiaries	Total Group Usable Reserves	Council Unusable Reserves	Share of Unusable Reserves from JVs and Subsidiaries	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2019	(1,467)	(419)	(15,281)	(40,920)	(12,457)	(5,139)	(75,683)	(124)	(75,807)	(155,705)	20	(155,685)	(231,492)
Movement in Reserves in 2019/20													
(Surplus)/Deficit on Provision of Services	85,548	-	4,648	-	-	-	90,196	736	90,932	-	-	-	90,932
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	2,184	2,185	(91,573)	(2,294)	(93,867)	(91,682)
Total Comprehensive Income and Expenditure	85,548	-	4,648	-	-	-	90,196	2,920	93,117	(91,573)	(2,294)	(93,867)	(750)
Adjustments between accounting and funding basis	(34,682)	-	(1,799)	(9,633)	6,575	(595)	(40,134)	-	(40,134)	40,186	-	40,186	52
Capitalisation Direction	(47,536)	-	-	-	-	-	(47,536)	-	(47,536)	47,536	-	-	47,536
Net (increase)/decrease before transfers to/from reserves	3,330	-	2,849	(9,633)	6,575	(595)	2,526	2,918	5,447	(3,851)	(2,294)	(6,141)	(694)
Transfer to/(from) - reserves	(3,330)	3,330	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	(1,467)	2,911	(12,432)	(50,553)	(5,882)	(5,734)	(73,157)	2,794	(70,360)	(159,556)	(2,274)	(161,826)	(232,186)
Opening balances	(1,467)	2,911	(12,432)	(50,553)	(5,882)	(5,734)	(73,157)	2,794	(70,360)	(159,556)	(2,274)	(161,826)	(232,186)
Opening Balance Adjustment	(13,381)	-	-	-	-	-	(13,381)	-	(13,381)	13,381	-	13,381	-
Movement in Reserves in 2020/21													
(Surplus)/Deficit on Provision of Services	18,963	-	9,005	-	-	-	27,968	1,491	29,459	-	-	-	29,459
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	59	59	85,047	(2,353)	82,694	82,753
Total Comprehensive Income and Expenditure	18,963	-	9,005	-	-	-	27,968	1,550	29,518	85,047	(2,353)	82,694	112,212
Adjustments between accounting and funding basis	(38,515)	-	(11,145)	21,373	4,259	(13,753)	(37,781)	-	(37,781)	37,781	-	37,781	-
Capitalisation Direction	(24,941)	-	-	-	-	-	(24,941)	-	(24,941)	24,941	-	24,941	-
Net (increase)/decrease before transfers to/from reserves	(44,493)	-	(2,140)	21,373	4,259	(13,753)	(34,754)	1,550	(33,204)	147,769	(2,353)	145,416	112,212
Transfer to/(from) - reserves	57,874	(57,874)	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	(1,467)	(54,963)	(14,572)	(29,180)	(1,623)	(19,487)	(121,292)	4,340	(116,945)	1,594	(4,625)	(3,029)	(119,974)

Group Balance Sheet

31-March-2020		31-March-2021	
£'000		£'000	Note
1,086,951	Property, Plant and Equipment	1,087,435	2
99,966	Investment Property	176,283	
867	Intangible Assets	1,299	
22,834	Long-term Investments	24,256	
110	Long-term Investments	52	
11,661	Long-term Debtors	13,855	
1,222,389	Total Long-term Assets	1,303,180	
10,725	Short Term Investments	15,706	
-	Assets Held for Sale	-	
-	Inventories	-	
22,484	Short term debtors	57,541	
18,734	Cash and Cash Equivalents	31,424	
51,943	Current Assets	104,671	
(280,437)	Short-term Borrowing	(409,572)	
(56,137)	Short-term Creditors	(88,449)	
(39,308)	Short-term Provisions	(29,620)	
-	Grants Receipts in Advance – Capital	-	
(375,882)	Current Liabilities	(527,641)	
(11,203)	Long-term Creditors	(15,272)	
(4,156)	Deferred Capital Receipts	-	
(2,512)	Long-term Provisions	(2,512)	
(351,349)	Long-term Borrowing	(328,409)	
(297,044)	Other Long-Term Liabilities	(414,092)	
(666,264)	Long-term Liabilities	(760,285)	
232,186	Net Assets	119,925	
-	Share of joint venture (profits)/losses	-	
(73,154)	Usable Reserves	(121,236)	
2,794	P&L Reserve	(285)	
(161,826)	Unusable Reserves	1,596	
(232,186)	Total Reserves	(119,925)	

Group Cash Flow Statement

2019/20		2020/21	
£'000		£'000	Note
91,851	Net (surplus) or deficit on the provision of services	29,458	
(91,958)	Adjustment to (surplus) or deficit on the provision of services for non-cash movements	(44,272)	3
(19,585)	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	32,026	3
(19,692)	Net cash flows from operating activities	17,212	
133,317	Investing Activities	72,003	4
(110,417)	Financing Activities	(101,905)	5
3,208	Net (increase) or decrease in cash and cash equivalents	(12,690)	
21,942	Cash and cash equivalents at the beginning of the reporting period	18,734	
18,734	Cash and cash equivalents at the end of the reporting period	31,424	

Notes to the Group Financial Statements

Note 1: Basis of Preparation

The Group accounts have been prepared in accordance with the requirements of Chapter 9 of CIPFA's 2018/19 Code of Practice, by:

- Identifying entities within the Group accounting boundary
- 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. Review was done comparing the equity as at 31 December's audited accounts with that as at 31 March based on the management accounts. Based on this analysis the differences are below materiality, therefore the 31 December audited figures have been used for the purposes of the consolidation.

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

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

Note 2: Group Property, Plant and Equipment

Movements in 2020/21	Operational assets							Non-operational assets		Group Total
	Council dwellings	Other land and buildings SBC	Other land and buildings JEH	Other land and buildings total	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Cost or valuation										
At 1 April 2020	557,830	269,934	45,962	315,898	76,195	118,653	9,548	27,411	64,726	1,170,261
Adjustments to cost/value & depreciation/impairment	-	(5,383)	-	(5,383)	(351)	-	-	(64)	-	(5,798)
Additions	3,746	12,964	5,816	18,780	2,066	9,084	642	2,143	28,380	64,841
Revaluation increases/(decreases) recognised in the revaluation reserve	7,937	10,345	2,353	12,698	463	-	-	(2,547)	-	18,551
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(4,888)	1,638	-	1,638	132	-	-	(9,207)	-	(12,325)
Derecognition – disposals	(1,624)	-	-	-	-	-	-	(818)	(55)	(2,497)
Other transfers/movements	-	-	-	-	-	-	-	948	(42,723)	(41,775)
At 31 March 2021	563,001	289,498	54,131	343,631	78,505	127,737	10,190	17,866	50,328	1,191,258
Accumulated depreciation and impairment										
At 1 April 2020	(6,275)	(1,792)	(991)	(2,783)	(19,998)	(54,020)	(27)	(204)	(3)	(83,310)
Adjustments to cost/value & depreciation/impairment	-	5,383	-	5,383	351	-	-	64	-	5,798
Depreciation charge	(10,382)	(4,520)	(1,019)	(5,539)	(3,356)	(7,007)	(1)	(41)	-	(26,326)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-	-	-
Derecognition – disposal	15	-	-	-	-	-	-	-	-	15
Other transfers/movements	-	-	-	-	-	-	-	-	-	-
At 31 March 2021	(16,642)	(929)	(2,010)	(2,939)	(23,003)	(61,027)	(28)	(181)	(3)	(103,823)
Net book value at 31 March 2020	551,555	268,142	44,971	313,115	56,197	64,633	9,521	27,207	64,723	1,086,951
Net book value at 31 March 2021	546,359	288,569	52,121	340,692	55,502	66,710	10,162	17,685	50,325	1,087,435

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

Movements in 2019/20	Operational assets							Non-operational assets		Group Total
	Council dwellings	Other land and buildings SBC	Other land and buildings JEH	Other land and buildings total	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Cost or valuation										
At 1 April 2019	540,066	233,706	27,326	261,032	54,646	112,289	9,473	17,160	39,190	1,033,856
Adjustments to cost/value & depreciation/impairment	(8,837)	(3,075)	-	(3,075)	(1,754)	-	-	(18)	-	(13,684)
Additions	9,823	26,335	16,343	42,678	2,985	6,364	157	10,199	32,284	104,490
Revaluation increases/(decreases) recognised in the revaluation reserve	23,672	34,060	2,294	36,354	3,438	-	-	85	-	63,549
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(8,759)	384	-	384	2,524	-	-	(105)	-	(5,956)
Derecognition – disposals	(13,568)	(77)	-	(77)	-	-	-	-	(501)	(14,146)
Other transfers/movements	15,433	(21,399)	-	(21,399)	14,356	-	(82)	90	(6,247)	2,151
At 31 March 2020	557,830	269,934	45,963	315,897	76,195	118,653	9,548	27,411	64,726	1,170,260
Accumulated depreciation and impairment										
At 1 April 2019	(6,273)	(1,526)	(284)	(1,810)	(18,006)	(47,157)	(26)	(178)	(3)	(73,453)
Adjustments to cost/value & depreciation/impairment	8,837	3,075	-	3,075	1,754	-	-	18	-	13,684
Depreciation charge	(8,949)	(3,343)	(706)	(4,049)	(3,746)	(6,863)	(1)	(44)	-	(23,652)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-	-	-
Derecognition – disposal	110	2	-	2	-	-	-	-	-	112
Other transfers/movements	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	(6,275)	(1,792)	(990)	(2,782)	(19,998)	(54,020)	(27)	(204)	(3)	(83,309)
Net book value at 31 March 2019	533,793	232,180	27,042	259,222	36,640	65,132	9,447	16,982	39,187	960,403
Net book value at 31 March 2020	551,555	268,142	44,973	313,115	56,197	64,633	9,521	27,207	64,723	1,086,951

Note 3: Group Cash Flow Statement - Operating Activities

2019/20		2020/21
£'000		£'000
91,851	Net (surplus) or deficit on the provision of services	29,458
	<i>Adjustments for non-cash movements:</i>	
(23,654)	Depreciation	(26,330)
(5,956)	Impairments and downward revaluation	(12,325)
(345)	Amortisation	(210)
5,063	Net increase/decrease in creditors, debtors and inventories	4,793
(23,083)	Pensions liability	(15,922)
(15,760)	Carrying amount of non-current assets sold	(2,482)
(28,223)	Other non-cash items	8,204
(91,958)	Subtotal	(44,272)
	<i>Adjustments for items that are investing or financing activities:</i>	
(45,300)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
13,837	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,950
11,878	Any other items for which the cash effects are investing or financing cash flows	27,076
(19,585)	Subtotal	32,026
(19,692)	Net cash flows from operating activities	17,212

The cash flows for operating activities include the following items:

2019/20		2020/21
£'000		£'000
(4,087)	Interest received	1,408
14,538	Interest paid	(14,934)
10,451	Total	(13,526)

Note 4: Group Cash Flow Statement - Investing Activities

2019/20		2020/21
£'000		£'000
150,471	Purchase of property, plant and equipment, investment property and intangible assets	105,004
15,000	Purchase of short-term and long-term investments	4,981
16,240	Other payments for investing activities	-
(17,983)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
-	Proceeds from short-term and long-term investments	(9,106)
(30,411)	Other receipts from investing activities	(28,876)
133,317	Net cash flows from investing activities	72,003

Note 5: Group Cash Flow Statement - Financing Activities

2019/20		2020/21
£'000		£'000
(119,897)	Cash receipts of short-term and long-term borrowings	(443,575)
-	Other receipts from financing activities	-
-	Council Tax and NNDR adjustments	-
2,469	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
7,011	Repayments of short-term and long-term borrowing	341,670
-	Other payments from financing activities	-
(110,417)	Net cash flows from financing activities	(101,905)

This page has been intentionally left blank

SECTION – 7

GLOSSARY OF FINANCIAL TERMS

DRAFT

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 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. This is calculated after deducting its own Revenue Support Grant. 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:

BRS – Business Rate Supplement

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