Herschel Park

Slough Borough Council

Statement of Accounts 2021/22

www.slough.gov.uk

CONTENTS

SECTION – 1

ANNUAL GOVERNANCE STATEMENT

An Annual Governance Statement (AGS) for 2021/22 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 2021/22. 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 2021/22 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

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, 2020-21 and 2021-22 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
Inadequate rating for the safeguarding services and safeguarding outcomes for children and young people.	**Issue Remains** – although an improved rating was received from OFTSED in January 2019 and further improvements have continued to be made circumstances remain challenging as demand continues to increase and financial capacity becomes stretched. Slough Children First has: • 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. The service has seen a significant and sustained increase in demand for its services which is placing further pressure on its finances.
Weaknesses in the Council's Contract management and procurement arrangements.	**Issue Remains but is being worked on** - The Council has started to improve the Council's business acumen and obtain better value for money. Procurement function and contract management functions are to be brought in-house. A project is in place to make this happen in 2022. Improvements are being made to data and business cases as part of improved reporting to the Procurement Board. 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.
Internal audit raised concerns about the adequacy of the governance and financial arrangements relating to major partnerships.	**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.
Business Continuity arrangements are weak and in need of improvement.	**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.
Voids Management impacting service standards and ability to re-let properties.	**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.

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.
Significant deficiencies in the Annual Accounts preparation and working papers: -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.
Significant Deficiencies highlighted by Internal Audit reports: -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.
Weaknesses in governance identified in the Local Government Peer Challenge undertaken in February 2019 and again in February 2020. These included: - 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.

ANNUAL GOVERNANCE STATEMENT (continued)

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 he 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

Date: 17/03/2023

Stephen Brown
Chief Executive of Slough Borough Council

Date: 17 March 2023

SECTION – 2

REVIEW AND STATUTORY CERTIFICATIONS

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. The town is excellently served by road (located between the M4, M40 and M25) and rail links to London, and is less than 10 miles away from Heathrow International Airport. Its location and access to fast communication links are a key factor in the town’s commercial success.

Slough has developed a strong 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.

Slough’s population in the 2021 Census was 158,500. This represented an increase of 13.0% from 2011, compared to increases of 7.5% in the Southeast and 6.6% in England. That made Slough the 127th largest local authority by total population size, up 13 places from 2011.However, the number of households rose by only 3.3% to 52,423 compared to a 6.1% increase in England and Wales. 50.5% of the population are female and 49.5% male.

Slough has a mean household size of 3 people per household. This is the largest mean household size in England and Wales, with the mean for England and Wales at 2.4. Slough is the fifth most densely populated Local Authority outside of London, and the third most densely populated Local Authority in the Southeast, with 4,871 usual residents per square kilometre (48.7 per hectare compared to 45.8 in 2011, Southeast: 4.87, England: 4.34).

The population structure is younger than the national average and includes many families and a high proportion of children and working age adults. In the 2021 Census, there were 11,774 infants (aged 0 to 4), 35,432 children and young people (aged 5 to 19) and 95,973 adults (aged 20 to 64). While proportionally lower than other areas, the older population is also growing (15,319 adults aged 65+). 51% of Slough’s Population is aged 35 and under and 31% is aged 20 and under. Slough has the second highest proportion nationally of under 15s (23.5%) and under 19s (29.8%), second only to Barking and Dagenham.

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. Slough has a high proportion of residents claiming Universal Credit and Housing Benefits and remains the most relatively deprived area within Berkshire, followed by Reading. We are determined to develop services that are customer-oriented, focussed on early intervention, prevention, and evidence-based decision making.

Overall employment levels are good but some groups are under-represented in the labour market, and the average wage for 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)

The pandemic affected Slough particularly badly as the average rate of claimants for unemployment related benefits increased fourfold, with 9% of persons aged 16-64 claiming unemployment support in March 2021. The number of claimants began to decrease from April 2021 to 5.3% in September 2022, but this was still above pre-pandemic levels. At the start of 2021/22 the country was still in the midst of the Covid 19 pandemic, and this profoundly impacted the Borough and the delivery of Council Services. The impact and response were complex with some services continuing to operate remotely, and others having to operate in the context of legal restrictions.

It should be noted there was only limited reporting of performance during 2021/22 and indeed this was subject of an external audit "key recommendation" in their VFM report for that year – "the Council should report on its performance against key performance indicators (KPIs) which lie behind its Council Plan to Cabinet." The VFM report identified that only one report was presented to Cabinet during the year, and concluded it was a significant weakness in arrangements. However, what we have ascertained is that the Council issued 167 Education, Health, and Care plans, of which 23 (14%) were completed within 20 weeks. As a comparator, in 2020, Slough had a rate of 50.3% (93 of the 185 new plans) issued within 20 weeks. Over the year the Council dealt with 1,822 Homelessness Reduction Act approaches, 466 homeless cases and 212 homelessness cases that were prevented and relieved. We have started to see a small number of Ukraine families arriving via sponsor households at the end of the year. The in-year business rate collection rate was 93.1%, and in-year Council Tax collection rate was 93.9%.

A new operating model for the Council was launched in April 2021 and included the setting up of new directorates, decanting from Landmark Place, developing new locality offers as part of the new operating model, and the launch of a new website and digital platform to support channel shift and access to services online. The operating model aimed to ensure that new technology, assets and organisational structure and worked together to support the Council's ambitions, by delivering increased self-service through new digital platforms and better use of technology, locality-based delivery – working closely with local partners to bring services to the heart of communities, better customer service - resolving as much at first point of contact as possible, a holistic approach to prevention - enabling a joined-up response to those who are most vulnerable or most in need, a growth in strategic capability, building the ability of the council to plan and act, better team synergies and improved opportunities for staff, savings through efficiency - reducing our operating costs, reducing agency spend and streamlining management. However, this coincided with the issuing of the S114 notice in July 2021.

In April 2021 the Council also set up Slough Children's First to provide support and social care services for children, young people and families in Slough, when those services came back under the control of Slough Borough Council.

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

Director's Narrative Report (continued)

2. OBJECTIVES AND STRATEGY

The Council approved a Five Year Plan 2021 – 2026 in March 2021, which set the key objectives for 2021/22 financial year and beyond. The plan included five priority outcomes under the heading 'putting people first'. They are:

1. Slough children will grow up to be happy, healthy and successful
2. Our people will be healthier and manage their own care needs
3. Slough will be an attractive place where people choose to live, work and stay
4. Our residents will live in good quality homes
5. Slough will attract, retain and grow businesses and investment to provide opportunities for our residents.

The Council aimed to achieve these through:

- increased self-service through new digital platforms and better use of technology;
- better customer service - resolving as much at first point of contact as possible;
- a holistic approach to prevention - enabling a joined-up response to those who are most vulnerable or most in need;
- a growth in strategic capability, building the ability of the council to plan and act;
- better team synergies and improved opportunities for staff; and
- savings through efficiency - reducing our operating costs, reducing agency spend and streamlining management.

The Council's budget set at the same meeting included a number of key risks to the organisation including: loss in funding, non-delivery of savings, service pressures, and the consequential impacts of Brexit and COVID-19 on the general and local economy.

Director's Narrative Report (continued)

3. THE CURRENT FINANCIAL POSITION

Since the original preparation of these financial statements, the Council 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.

Work undertaken during 2021/22 indicated the significant financial challenges could only be resolved through 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

In September 2021 the Council agreed a Debt Repayment Strategy, recognising it was holding unaffordable levels of debt, which was predicated on a planned programme of asset disposals which could be used "firstly to finance any Capitalisation Directions that may be received from the Government and secondly to repay existing external debt." The aim of this course of action was to reduce both interest costs and Minimum Revenue Provision (MRP) charged to revenue budgets. The objective of the strategy was to realise £200m of disposal by March 2024, with further disposals of between £200m and £400m by end of March 2027.

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 and it has now been determined that intervention will be required until at least 30 November 2026.

After a process of engagement with the Government, in March 2022 the Council received an 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 budgets and balances. 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 improvements in financial management and is committed to achieving value for money for residents. Extracts of the strategy 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 was originally set to take an estimated 5 years in total, given the magnitude of the issues identified. This is subject to ongoing review and the mitigation of risks attached to the issues identified.

Director's Narrative Report (continued)

Finance 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 as at 31 March 2022**
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 completed 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.

Director's Narrative Report (continued)

4. FINANCIAL PERFORMANCE 2021/22

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 2022 the Council reported £1.465m in General Fund reserves (with use of Capitalisation Direction). The Council spent a gross amount of £454.8m providing services to Slough residents and other stakeholders (6% more than 2020/21), and when taking into account service specific income of £265.8m, the net cost of services at £188.9m, was £14% more than the previous year.

This was during a period when the country was recovering from the impact of the pandemic, and during the year the S114 notice was issued as it became clear that the cost of providing services and financing the level of debt could not be contained within the Council's overall resources. The provisional deficit on provision of services required to be funded from useable reserves was £34.3m, made up of £16.019m general fund and £18.303m HRA.

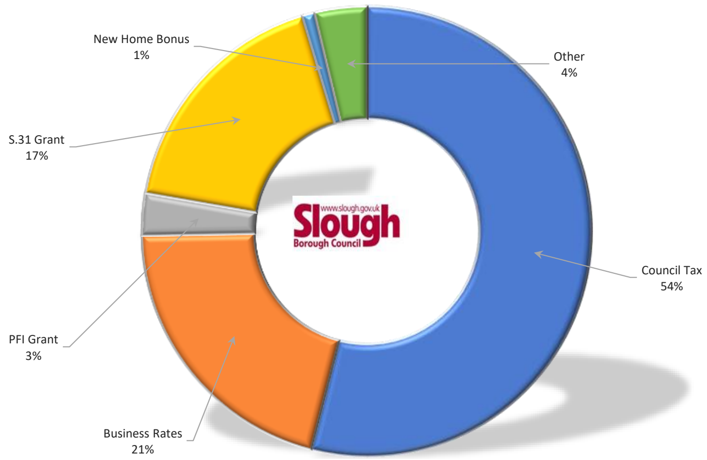
Using part of the Government's in principle Capitalisation Direction retrospectively has enabled the Council to reinstate General Fund balances as shown below:

	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 2018	8	2	(48)
31 March 2019	8	1	(77)
31 March 2020	N/A	1	(108)
31 March 2021	N/A	1	(144)
31 March 2022	N/A	1	(209)

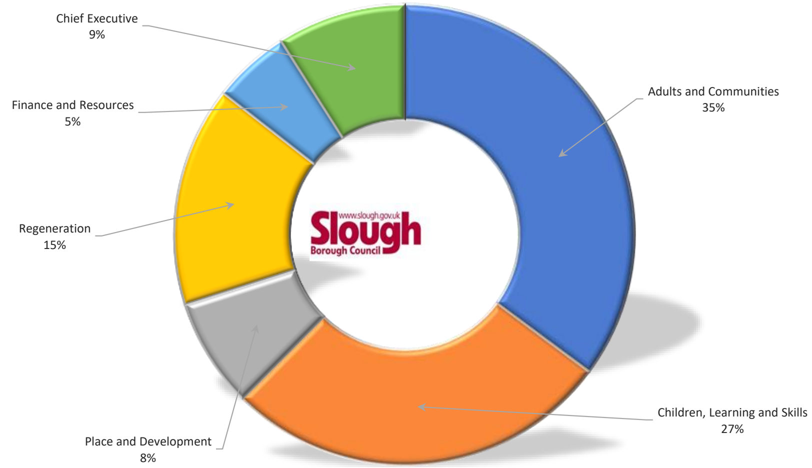
Spending on revenue services

The graphs below highlight where the Council received its revenue income from in 2021/22 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 £23m in 2021/22 (£59m in 2020/21).

The Council has funded this expenditure through a combination of grant funding, section 106 contributions from developers and short-term 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.

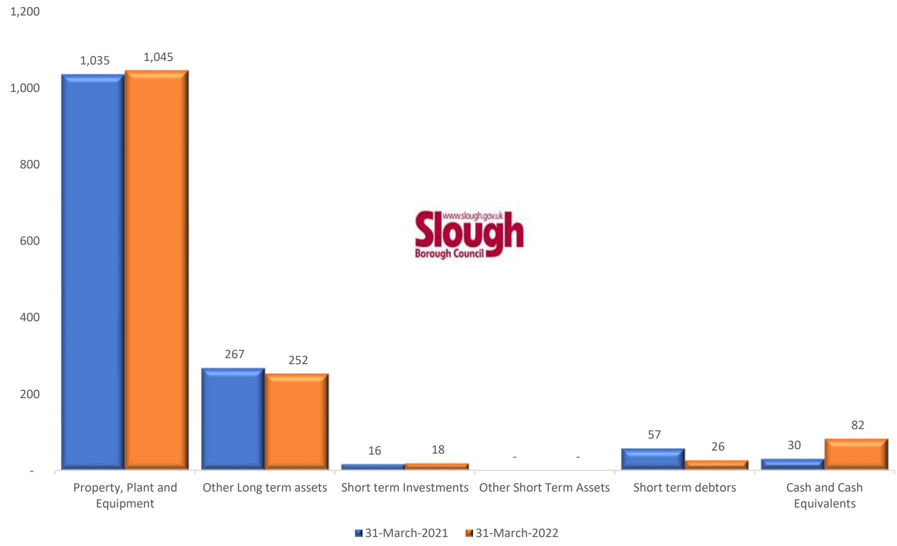
Assets and Liabilities

A comparison of 2021/22 and previous years' Balance Sheets is set out below:

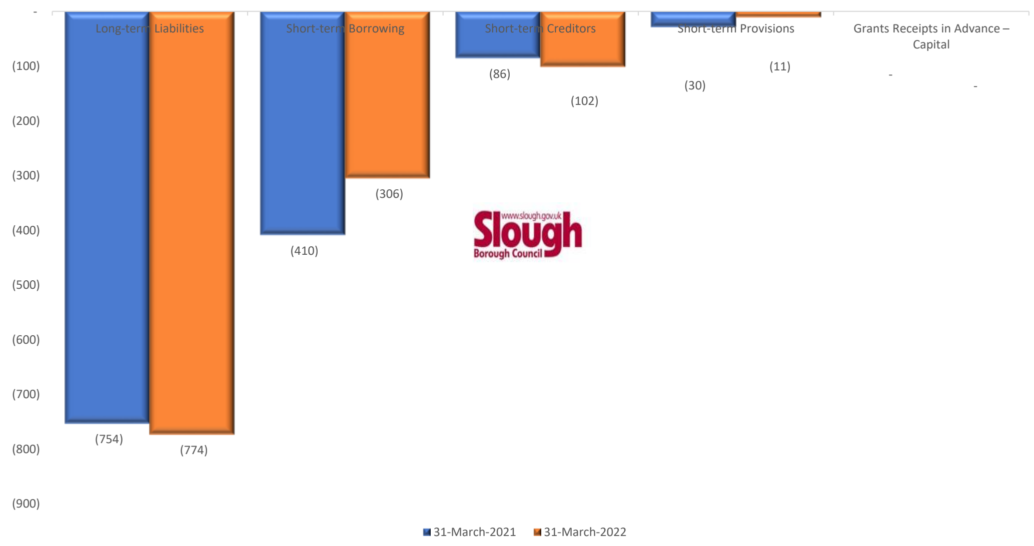
Category	At 31-March-2022 (£m)	At 31-March-2021 (£m)
Property Plant and Equipment and other long term assets	1,297	1,303
Current assets (short term investments, debtors, cash)	126	103
Total Assets	**1,423**	**1,406**
Current liabilities (creditors, borrowing and receipts in advance)	(420)	(525)
Long term liabilities (borrowing, PFI and lease liabilities, provisions and pensions)	(774)	(755)
Total Liabilities	**(1,194)**	**(1,280)**
Net assets	**229**	**126**

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)

The Council’s other financial liabilities relate mainly to school PFI schemes (£31m), leases (£4m) and pension liabilities (£308m). Provisions totalling £11m relate mainly to insurance claims and Business Rates appeals. No significant contingent liabilities have been identified at 31 March 2022.

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 2021/22 the Council’s total of cash balances and short-term investments increased from £30m to £82m. 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 6,054 dwellings. HRA balance increased from £14.1m to £16.9m as at 31st March 2022. £9m of improvements to existing council dwellings was funded mainly from the Major Repairs Reserve. 26 units of housing were sold under the national Right to Buy scheme, and 12 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 £32.870m for 2021/22 (Slough's share 49.9%), which will be recovered from participating authorities in future years.

Pension Liability

The pension liability reflects the underlying long-term commitment that the Council has to pay for the retirement benefits owed to its Pension Fund members. The net pension liability decreased from £376.9m at 31 March 2021 to £308.8m as at 31 March 2022. The scheme assets increased by £39m from £302m to £326m. Asset returns have been higher than the discount rate assumed at the previous accounting date which improves the balance sheet position. Scheme liabilities reduced from £680m to £634m. One of the key variables is the discount rate, which has increased, resulting in a lower value being placed on the defined benefit obligation and an improvement in the overall position.

Group Accounts

Group accounts consolidate the Council’s single entity financial statements with those of its wholly-owned subsidiaries James Elliman Homes, Slough Children's First, GRE5 and its 50% share of Slough Urban Renewal LLP. Accumulated trading profit attributable to these entities at 31 March 2022 was £97.28m, compared to trading losses of £118.95m at 31 March 2021. 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) The Section 151 Officer 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 financial processes in operation prior to my appointment, I am satisfied, based on available assurances provided, that sufficient evidence is available to support the overall Balance Sheet and the overall year-end position on General Fund balances and reserves. Within this overall position there may be material errors on a line by line basis.

4) In preparing the 2021/22 statement of accounts, I have:
   - selected suitable accounting policies and applied them consistently;
   - made judgements and estimates that were reasonable and prudent; and
   - 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 2022. Within this overall position there may be material errors on a line by line basis.

Annabel Scholes

Annabel Scholes

Executive Director of Finance and Commercial (Section 151 Officer)

26th February 2025

Date

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of Slough Borough Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Statement on the Movement on the Housing Revenue Account, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet and the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Notes to the Core Financial Statements, Housing Revenue Account Notes, Notes to the Collection Fund and Notes to the Group Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

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

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2022 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. The latest date on which unaudited accounts could be published to enable local elector rights to be met in time for the backstop was 31 October 2024. The authority published its unaudited accounts on 24 December 2024. We have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's and group's financial statements for the year ended 31 March 2022 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2022 as soon as reasonably practicable after the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

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

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

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

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

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of the Authority, the Executive Director of Finance and Commercial and Those Charged with Governance for the financial statement

As explained in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director of Finance and Commercial. The Executive Director of Finance and Commercial is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director of Finance and Commercial determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Finance and Commercial is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority and the group will no longer be provided.

The Audit and Corporate Governance Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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

On 22 May 2024 we identified significant weaknesses in the Authority's arrangements for financial sustainability as the Authority did not have an adequate level of reserves and the requirement for central government support delivered through a capitalisation direction. Due to errors in financial reporting the level of forecast reserves reduced. A capitalisation direction was agreed with central government covering 2018/19 to 2022/23 for £307 million to set a balanced budget for 2021/22. We recommended that officers and members continue to work together to deliver financial sustainability in the medium term.

The position has not improved and on 31 October 2024 we identified a further significant weakness in how the Authority plans and manages its resources to ensure it can continue to deliver its services. The Authority's Medium Term financial plan relies heavily on the asset disposal programme and the funding of the associated capitalisation direction from the capital receipts generated. Assurance was not able to be gained that the plan is predicated on appropriate, reasonable and robust assumptions; and what level of consideration had been undertaken for the future operating model of the Authority. We recommended the Authority must review the basis of the asset disposal programme to ensure assumptions are robust, appropriate and reasonable and that financial implications are fully considered in the final programme.

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

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

These weaknesses remained in 2021-22 and on 31 October 2024, we identified further weaknesses in the Authority’s governance arrangements relating to its transformation programme and its significant turnover of senior management:

• The Authority’s Transformation Programme in place to 31 March 2026 does not include adequate plans to exit its intervention. There was £4 million allocated to the transformation programme for 2021/22 and 2022/23 and this is insufficient for the scale of transformation the Authority needs to deliver. We recommended that the Authority devise a transformation programme supported by adequate and defined funding with the goal of exiting intervention and securing its best value duty. The programme must include how the Authority addresses recommendations from previous reviews or track them centrally to ensure resolution.

• The Authority has had significant turnover in its senior management team. Since 1 April 2021 there have been four Chief Executives, four Section 151 Officers, five Monitoring Officers, two Directors of Adult Social Services and three Directors of Children’s Social Care. We recommended the Authority and Commissioners should aim to maintain the permanence of the senior leadership team as far as reasonably practicable. This should also include the second tier of posts.

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

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

This weakness remained in 2021-22 and on 31 October 2024, we identified further weaknesses in the Authority’s arrangements for improving economy, efficiency and effectiveness due to a lack of regular performance reporting and improvements required in the performance of Children’s Services and Special Educational Needs and Disabilities (SEND):

• We found only one performance report to Cabinet of the Authority undertaking any benchmarking of costs or performance reporting during 2021/22. We recommended that the Authority report to Cabinet on its performance against the key performance indicators which lie behind the Council Plan; and •

Due to the longstanding (renewed yearly) statutory direction on Children’s Services and the new SEND statutory direction on SEND, the Authority has significant weaknesses in the performance of Children’s Services. We recommended that the Authority take all the necessary steps to continue to work with the Department for Education to improve performance in Children’s Services and SEND.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Slough Borough Council for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

INDEPENDENT AUDITOR'S REPORT (continued)

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited). Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Masci

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

28 February 2025

This page has been intentionally left blank

SECTION – 3

CORE FINANCIAL STATEMENTS

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.

2020/21				2021/22			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	Note
72,980	(28,689)	44,291	Adults and Communities	86,023	(25,384)	60,639	
136,622	(88,408)	48,214	Children, Learning and Skills	196,273	(149,199)	47,074	
22,767	(8,543)	14,224	Place and Development	25,540	(12,316)	13,224	
20,624	(5,413)	15,211	Regeneration	33,443	(6,758)	26,685	
110,631	(94,933)	15,698	Finance and Resources	44,454	(35,138)	9,316	
24,165	(973)	23,192	Chief Executive	16,706	(1,145)	15,561	
41,772	(36,670)	5,102	Housing Revenue Account	52,328	(35,881)	16,447	
429,561	**(263,629)**	**165,932**	**Cost of Services**	**454,767**	**(265,821)**	**188,946**	
		(5,602)	Other operating expenditure or (income)			(1,719)	*6*
		17,387	Financing and investment income and expenditure			7,061	*7*
		(149,749)	Taxation and non-specific grant income and expenditure			(159,966)	*8*
		27,968	**(Surplus)/deficit on provision of services**			**34,322**	
		(763)	(Surplus) or deficit on financial assets measured at FVOCI				
		(16,199)	(Surplus) or deficit on revaluation of property, plant and equipment assets			(53,595)	*16*
		95,925	Remeasurement of the net defined benefit liability			(83,529)	*32*
		78,963	**Other Comprehensive income and expenditure**			**(137,124)**	
		106,931	**Total Comprehensive income and expenditure**			**(102,802)**	

Movement in Reserves Statement

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

	General Fund Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	*Note*
Balance at 1 April 2021	**(1,465)**	**(40,239)**	**(14,099)**	**(33,339)**	**(1,623)**	**(19,489)**	**(110,254)**	**(15,471)**	**(125,724)**	
Opening Balance Adjusment							-		-	
Balance 1 April 2021	**(1,465)**	**(40,239)**	**(14,099)**	**(33,339)**	**(1,623)**	**(19,489)**	**(110,253)**	**(15,471)**	**(125,724)**	
Movement in reserves during 2020/21										
(Surplus)/deficit on provision of services	16,019		18,303				34,322		34,322	
Other Comprehensive income and expenditure							-	(137,124)	(137,124)	
Total Comprehensive Income and Expenditure	**16,019**	**-**	**18,303**	**-**	**-**	**-**	**34,322**	**(137,124)**	**(102,802)**	
Adjustments between accounting basis and funding basis	11,278		(21,096)	2,110	(3,420)	(12,391)	(23,519)	23,519	-	*15*
Capitalisation Direction	(59,966)						(59,966)	59,966	-	
Increase or (decrease) before transfers to earmarked reserves	**(32,669)**	**-**	**(2,793)**	**2,110**	**(3,420)**	**(12,391)**	**(49,163)**	**(53,639)**	**(102,802)**	
Transfer to/(from) reserves	32,669	(32,669)					-		-	
Balance at 31 March 2022	**(1,465)**	**(72,908)**	**(16,892)**	**(31,229)**	**(5,043)**	**(31,880)**	**(159,416)**	**(69,110)**	**(228,526)**	

Movement in Reserves Statement

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

	General Fund Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	*Note*
Balance at 1 April 2020	**(1,465)**	**2,910**	**(12,432)**	**(50,550)**	**(5,883)**	**(5,735)**	**(73,154)**	**(159,552)**	**(232,706)**	
	-	-	-	-	-		-	-	-	
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 2019/20										
(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	(39,828)		(8,015)	17,211	4,259	(13,754)	(40,127)	40,127	-	*15*
Capitalisation Direction	(24,941)						(24,941)	24,941	-	
Increase or (decrease) before transfers to earmarked reserves	**(43,149)**	**-**	**(1,667)**	**17,211**	**4,259**	**(13,754)**	**(37,100)**	**144,031**	**106,931**	
Transfer to/(from) reserves	43,149	(43,149)					-		-	
Balance at 31 March 2021	**(1,465)**	**(40,239)**	**(14,099)**	**(33,339)**	**(1,624)**	**(19,489)**	**(110,254)**	**(15,521)**	**(125,775)**	

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-2021		31-March-2022	
£'000		£'000	Note
1,035,312	Property, Plant and Equipment	1,044,792	18
176,283	Investment Property	165,921	20
1,299	Intangible Assets	3,829	
32,634	Long-term Investments	11,289	24
57,177	Long-term Debtors	71,319	27
1,302,705	**Total Long-term Assets**	**1,297,150**	
15,706	Short Term Investments	18,032	24
57,009	Short term debtors	25,656	28
30,050	Cash and Cash Equivalents	82,071	27
102,765	**Current Assets**	**125,759**	
(409,572)	Short-term Borrowing	(306,000)	24
(86,303)	Short-term Creditors	(102,468)	29
(29,620)	Short-term Provisions	(11,480)	30
(525,495)	**Current Liabilities**	**(419,948)**	
(15,272)	Long-term Creditors	(26,050)	
(2,512)	Long-term Provisions	-	30
(328,409)	Long-term Borrowing	(409,911)	
(408,007)	Other Long-Term Liabilities	(338,474)	31
(754,200)	**Long-term Liabilities**	**(774,435)**	
125,775	**Net Assets**	**228,526**	
(110,254)	Usable Reserves	(159,416)	
(15,521)	Unusable Reserves	(69,110)	16
(125,775)	**Total Reserves**	**(228,526)**	

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 2022 and its income and expenditure for the year ended 31 March 2022. Within this overall position there may be material errors on a line by line basis.

Annabel Scholes

Annabel Scholes

Executive Director of Finance and Commercial (Section 151 Officer)

26th February 2025

Cash Flow Statement

The ***Cash Flow Statement*** shows the changes in cash and cash equivalents of the Council during the reporting period.

The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing by the Council).

Cash is represented by cash-in-hand and deposits with financial institutions repayable on notice of not more than 24 hours demand without material penalty. Cash equivalents are highly liquid investments that mature in no more than three days or less and that are readily convertible to known amounts of cash with low risk of change in value.

2020/21		2021/22	
£'000		£'000	Note
27,968	Net (surplus) or deficit on the provision of services	34,322	
(41,640)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(106,030)	34
32,026	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	29,770	34
18,354	**Net cash flows from operating activities**	**(41,938)**	
70,186	Investing Activities	(23,635)	35
(101,905)	Financing Activities	13,552	36
(13,365)	**Net (increase) or decrease in cash and cash equivalents**	**(52,021)**	
16,685	Cash and cash equivalents at the beginning of the reporting period	30,050	
30,050	**Cash and cash equivalents at the end of the reporting period**	**82,071**	27

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

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 2021/22 financial year and its position at the year-end 31 March 2022.

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 2021/22, supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Income and Expenditure

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

- The Authority adopted IFRS15 Revenue Recognition from Contracts with Customers from 1 April 2018, such that revenue from contracts with service recipients, whether for services or the provision of goods , is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. Revenue recognition is now based on the transfer of control over goods and services to a customer rather than the risks and rewards, which may result in changes to the pattern of revenue recognition. In local government the generation of revenues from, charges to service recipients is only a minor funding stream and contracts with customers tend to be accounted for and delivered within the year.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

1.3 Cash and Cash Equivalents

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

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

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

Note 1: Accounting Policies (continued)

1.4 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-employment Benefits

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

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

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

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

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

The Local Government Pension Scheme

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

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

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

Note 1: Accounting Policies (continued)

Service cost comprising:

- current service cost and past service cost are recognised as charges to the CIES to the services for which the employees worked
- net interest on the net defined benefit liability is charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

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

Discretionary Benefits

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

1.5 Financial Instruments

Financial Liabilities

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

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

The fair value of Public Works Loans Board (PWLB) loans is calculated using the certainty rate published by the PWLB on 31 March 2022.

For non-PWLB loans the fair value is deemed to be the standard new loan rate also published by the PWLB on 31 March 2022.

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).

Deprecation 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 is an outflow of economic resources as a result of present obligations is not probable. Instead, such situations are recognised as contingent liabilities in a note to the accounts, unless the outflow of resources is remote.

Contingent Assets

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

1.14 Reserves

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

Note 1: Accounting Policies (continued)

1.15 Revenue Expenditure Funded from Capital under Statute

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

1.16 Capitalisation Direction

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

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.

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

- a) IFRS 16 - Leases removes the existing classifications of operating and finance leases under IAS 17 (Leases for lessees). It will require local authorities that are leases to recognise most leases on their balance sheets as a right-of-use asset, with corresponding lease liabilities. CIPFA-LASSAC have deferred implementation of this standard until 1 April 2024.

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	Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate the value of it non-current assets.	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.
	The Council's external valuers, Wilks, Head and Eve LLP, provided valuations as at 31 March 2022 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.	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.
	The estimated useful life of all operational properties is reviewed annually based on the advice for the Council's external valuers	If estimated useful lives increase by one year this would reduce the depreciation charge of £25m by £1.6m. If estimated useful lives decrease by one year this would increase depreciation by £1.4m.
Fair value	The Council's external valuers use valuation techniques to determine the fair value of investment property and surplus property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available, in which case, the valuers use the best information available.	Estimated fair values may differ from the actual prices that could be achieved in an arms-length transaction at the reporting date.
Pensions Liability	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.	Variations in the key assumptions will have the following impact on the net pension liability: (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.
	The Council has engaged Barnett Waddingham, as its consulting actuaries, to provide the Council with expert advice about the assumptions to be applied.	(c) an increase of one year in life expectancy will increase the liability by £31m.
Valuation of council dwellings	Council dwellings are valued on a beacon methodology. This uses comparable sales evidence from the local area for the relevant property adjusted for floor area, local house price movement and regional indices.	A 10% reduction in the estimated value of HRA dwellings would be a revaluation loss of £57m. If estimated useful lives are overstated by 5% this would increase depreciation by £0.5m.
Impairment allowance for doubtful debts	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.	If collection rates deteriorate by 5%, this would require an increase in the impairment allowance of £1.5m.
Provisions	The Council has made a number of provisions for the estimated cost of settling liabilities in respect of insurance claims, legal disputes and business rates appeals. The provisions are based on the Council's best estimate of the amount required to settle the obligations.	If provisions were valued at a more conservative outcome, this would require an additional amount to be set-aside as an increase in the provision required.

Note 5: Material Items of Income and Expense

For the purpose of this note the Council considers material items to be around £6m. The Council has two material items of expenditure which relate to service contracts in 2021/22:

1. £30.30m (2020/21 £29.87m) 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.

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 2018	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000	£'000
To correct incorrect capitalisation of staff costs for Agresso Support	1,893	1,125	1,273	1,240	1,000	6,531
To address expenditure incurred by Slough Children's Service Trust Ltd incorrectly classed as Transformation Funding	6,423	2,558	952	-		9,933
To address expenditure incurred by the Council incorrectly classed as Transformation Funding	2,526	3,997	5,779	1,726	553	14,581
Understatement of Minimum Revenue Provision	26,797	6,074	5,348	9,065	18,789	66,073
To correct the incorrect treatment of Overage Income as revenue income to the General Fund	3,633	-	-	-		3,633
To charge the Council's share of the Collection Fund deficit from 2014/15 to the General Fund	6,301	-	-	-		6,301
To correct incorrect capitalisation of Property Staff	2,241	1,756	1,483	2,558	452	8,490
To provide for costs related to companies	-	-	500	171	894	1,565
To correct incorrect capitalisation of IT Staff	-	-	754	363		1,117
To provide adequate provisions against debtors raised	-	-	23,581		2,200	25,781
To provide for additional costs in relation to revenue outturn	-	12,690	6,866	9,818	35,013	64,387
To provide for an Insurance Fund provision	-	-	1,000			1,000
Additional Growth for new years of MTFS	-	12,690	6,866	9,818	1,065	
Total	**49,814**	**28,200**	**47,536**	**24,941**	**59,966**	**209,392**

Note 6: Other Operating Expenditure

2020/21 £'000		2021/22 £'000
200	Precepts	381
825	Payments to the Government Housing Capital Receipts Pool	1,177
(6,627)	Gains/Losses on the Disposal of Non-Current Assets	(3,277)
-	Other	
(5,602)	**Total**	**(1,719)**

Note 7: Financing and Investment Income and Expenditure

2020/21 £'000		2021/22 £'000
14,934	Interest payable and similar charges	7,803
6,221	Net interest on the net defined benefit liability (asset)	7,399
(1,408)	Interest receivable and similar income	(1,866)
(2,360)	Income and expenditure in relation to investment properties and charges in their fair value	(6,275)
-	Movements in fair value of financial instruments	
-	Other investment income and expenditure	
17,387	**Total**	**7,061**

Note 8: Taxation and Non-Specific Grant Income

2020/21 £'000		2021/22 £'000
(58,982)	Council tax income	(65,474)
(39,034)	Non-domestic rates income and expenditure	(25,114)
(27,632)	Non-ringfenced government grants	(47,529)
(24,101)	Capital grants and contributions	(21,849)
-	Other tax or non-specific grant income / expenditure	
(149,749)	**Total**	**(159,966)**

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.

2020/21					2021/22			
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**
44,291	-	1,410	45,701	Adults and Communities	60,639	-	(1,239)	59,400
48,214	-	(17,996)	30,218	Children, Learning and Skills	47,074	-	(7,617)	39,457
14,224	-	1,478	15,702	Place and Development	13,224	-	(370)	12,854
15,211	-	399	15,610	Regeneration	26,685	-	(483)	26,202
15,698	-	2,139	17,837	Finance and Resources	9,316	-	(641)	8,675
23,192	-	(803)	22,389	Chief Executive	15,561	-	(239)	15,322
5,102	-	(8,030)	(2,928)	Housing Revenue Account	16,447	-	(21,095)	(4,648)
165,932	**-**	**(21,403)**	**144,529**	**Net Cost of Services**	**188,946**	**-**	**(31,684)**	**157,262**
(137,964)	(24,941)	(26,440)	(189,345)	Other Income and Expenditure	(154,624)	(59,966)	21,866	(192,724)
27,968	**(24,941)**	**(47,843)**	**(44,816)**	**(Surplus)/Deficit**	**34,322**	**(59,966)**	**(9,818)**	**(35,462)**
			(10,987)	General Fund and HRA balance brought forward**	-	-	-	(55,803)
			(44,816)	Plus Transfers to / from Earmarked Reserves**	-	-	-	(35,462)
			(55,803)	**General Fund and HRA balances carried forward****				**(91,265)**

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

Note 9a: Expenditure and Funding Analysis (continued)

2020/21					2021/22			
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
4,012	(2,814)	(39)	1,159	Adults and Communities	1,758	(2,963)	(34)	(1,239)
7,510	(5,269)	(20,712)	(18,471)	Children, Learning and Skills	4,012	(6,761)	(4,868)	(7,617)
2,290	(878)	(12)	1,400	Place and Development	521	(880)	(10)	(369)
1,134	(795)	(11)	328	Regeneration	683	(1,152)	(13)	(482)
6,082	(4,267)	(58)	1,757	Finance and Resources	907	(1,530)	(18)	(641)
1,325	(932)	53	446	Chief Executive	342	(575)	(7)	(240)
(7,105)	(967)	45	(8,027)	Housing Revenue Account	(20,035)	(1,061)	-	(21,096)
15,248	**(15,922)**	**(20,734)**	**(21,408)**	**Net Cost of Services**	**(11,812)**	**(14,922)**	**(4,950)**	**(31,684)**
(24,941)	-	(26,435)	(51,376)	Other income and expenditure from the Funding Analysis	(59,966)	-	21,866	(38,100)
(9,693)	**(15,922)**	**(47,169)**	**(72,784)**	**Difference between (Surplus)/Deficit and the CIES Statement (Surplus)/Deficit on Provision of Services**	**(71,778)**	**(14,922)**	**16,916**	**(69,784)**

Note 9a: Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

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

- **For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure –** the net interest on the defined benefit liability is charged to the CIES.

Other Statutory Adjustments

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

Note 9b: Expenditure and Funding Analysis (continued)

- For **Financing and investment income and expenditure** the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Other Non-statutory Adjustments

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

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

Note 9b: Expenditure and Funding Analysis (continued)

Expenditure and income analysed by nature

2020/21		2021/22
£'000		£'000
	Expenditure	
114,603	Employee Benefit Expenses	110,028
348,285	Other Service Expenses	324,560
(43,462)	Depreciation, Amortisation, Impairment	12,516
21,155	Interest Payments	15,202
200	Precepts and Levies	381
825	Payments to the Housing Capital Receipts Pool	1,177
2,482	Losses on disposals	3,620
444,088	**Total expenditure**	**467,484**
	Income	
(84,394)	Fees, charges and other service income	(182,731)
(3,768)	Interest and investment income	(8,141)
(98,016)	Income from council tax, non-domestic rates	(90,588)
(220,833)	Government grants and contributions	(144,805)
(9,109)	Gains on Disposals	(6,897)
(416,120)	**Total income**	**(433,162)**
27,968	**(Surplus) or Deficit on the Provision of Services**	**34,322**

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 2021/22 the fund comprised 24 schemes (44 in 2020/21) grouped under thefollowing headings:

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

In 2021/22 Slough Borough Council funding included £3.872m of improved better care fund (BCF) grant (£3.872m in 2020/21). In accordance with the section 75 agreement, NHS funded services that are commissioned directly by the clinical commissioning group, do not require transactions to be via the Council.

Berkshire Community Equipment Store

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

2020/21			2021/22	
BCF	BCES		BCF	BCES
£'000	£'000		£'000	£'000
-	-	Underspent brought forward	(778)	-
(2,703)	(342)	Authority Funding	(2,791)	(587)
		Slough Children's First Funding	-	(44)
(12,452)	(8,757)	Partner Funding	(10,117)	(10,932)
(15,155)	**(9,099)**	**Total Funding**	**(12,908)**	**(11,563)**
2,568	580	Authority Expenditure	2,235	-
11,809	10,116	Partner Expenditure	10,117	11,563
14,377	**10,696**	**Total Expenditure**	**12,352**	**11,563**
(778)	**1,597**	**Net (Surplus)/Deficit on the Pooled Budget**	**(1,334)**	-
		Transfer to Earmarked reserves	**1,334**	-
(778)	**1,597**	**Authority Share of the Net (Surplus) / Deficit**	**-**	**-**

Note 11: Members' Allowances

The Council paid allowances to its members in 2021/22 of £0.565 million (£0.526 million in 2020/21).

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	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0 - £20,000	2	18	50	51	52	69	116	634
£20,001 - £40,000	3	23	-	13	3	36	112	954
£40,001 - £60,000	3	1	1	-	4	1	-	47
£60,001 - £80,000	-	1	-	-	-	1	107	70
£80,001 - £100,000	-	1	-	-	-	1	82	82
£100,001 - £150,000	1	-	-	-	1	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£350,001 and over	-	-	-	-	-	-	-	-
Total	**9**	**44**	**51**	**64**	**60**	**108**	**417**	**1,787**

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:

2021/22	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	
	£'000	£'000	£'000	£'000	£'000	*Note*
Post holder information						
Chief Executive - J Wagg	180	-	180	32	212	
Interim Chief Executive	-	-	-	-	-	
Director of Children, Learning and Skills Services	56	-	56	8	64	
Director of Place and Development	126	-	126	19	145	
Director of Finance and Resources (S151 Officer)	110	-	110	15	125	
Director of Adults and Communities	328	-	328	48	376	
Director of Regeneration	112	-	112	17	129	
Director of Transformation	90	-	90	7	97	
Director of Public Health	44	-	44	-	44	*1*

Note: The Director of Public Health costs were shared between the Berkshire Authorities. The total cost of the post in in 2021/22 was £131k (2020/21 £147k) with Slough Council's share being £65k.

Note 11b: Officers' Remuneration (continued)

2020/21	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	
	£'000	£'000	£'000	£'000	£'000	Note
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 in 2020/21 was £147k (2019/20 £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			2020/21			2021/22		
			Number of employees			Number of employees		
			Schools	Non Schools	Total	Schools	Non Schools	Total
£50,001	-	£55,000	25	53	**78**	11	40	**51**
£55,001	-	£60,000	7	20	**27**	12	32	**44**
£60,001	-	£65,000	10	10	**20**	6	15	**21**
£65,001	-	£70,000	5	4	**9**	3	5	**8**
£70,001	-	£75,000	2	-	**2**	1	1	**2**
£75,001	-	£80,000	6	7	**13**	1	1	**2**
£80,001	-	£85,000	2	2	**4**	2	2	**4**
£85,001	-	£90,000	-	-	**-**	-	6	**6**
£90,001	-	£95,000	1	-	**1**	-	2	**2**
£95,001	-	£100,000	2	-	**2**	-	-	**-**
£100,001	-	£105,000	-	-	**-**	-	-	**-**
£105,001	-	£110,000	1	-	**1**	-	-	**-**
£110,001	-	£115,000	1	-	**1**	1	2	**3**
£115,001	-	£120,000	-	1	**1**	1	1	**2**
£120,001	-	£125,000	-	1	**1**	-	-	**-**
£125,001	-	£130,000	-	-	**-**	-	1	**1**
£130,001	-	£135,000	-	-	**-**	-	-	**-**
£135,001	-	£140,000	-	3	**3**	-	1	**1**
£140,001	-	£145,000	-	-	**-**	-	-	**-**
£145,001	-	£150,000	-	-	-	-	-	**-**
£150,001	-	£155,000	-	-	-	-	-	**-**
£155,001	-	£160,000	-	-	-	-	-	**-**
£160,001	-	£165,000	-	1	1	-	1	**1**
Total			**62**	**102**	**164**	**38**	**110**	**148**

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 2021/22 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:

2020/21		2021/22
£'000		£'000
285	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	265
123	Fees payable to external auditors for the certification of grant claims and returns for the year	134
13	Fees payable in respect of other services provided by external auditors during the year	19
421		**418**

The 2021/22 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 £146,500 of non audit services work has been completed and is to be billed.

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.

2020/21				2021/22		
Central expenditure	Individual Schools budget (ISB)	Total	Schools budget funded by Dedicated Schools Grant	Central expenditure	Individual Schools budget (ISB)	Total
£'000	£'000	£'000		£'000	£'000	£'000
		180,317	Final DSG before Academy recoupment			192,769
		109,449	Academy figure recouped			120,695
		70,868	**Total DSG after recoupment**			**72,074**
		(13,381)	Brought forward DSG			(20,639)
		-	Less carry forward agreed in advance			-
5,855	**51,657**	**57,487**	**Agreed Initial budgeted distribution**	**1,259**	**50,176**	**51,435**
-	-	-	In year adjustments	-	-	-
5,855	**51,657**	**57,487**	**Final Budgeted Distribution**	**1,259**	**50,176**	**51,435**
27,143	-	27,143	less Actual central expenditure	10,434	-	10,434
-	50,983	50,983	less Actual ISB deployed to schools	-	66,431	66,431
-	-	-	plus local authority contributions for the year	-	-	-
(21,288)	**674**	**(20,639)**	**Carry Forward**	**(9,175)**	**(16,255)**	**(25,430)**

Note 14: Grant Income

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

2020/21 £'000		2021/22 £'000
	Credited to Taxation and non-specific grant income	
	Non-ringfenced government grants	
-	Revenue Support Grant	
(3,678)	PFI Grant	(3,678)
(18,752)	Section 31 Grant	(21,357)
(2,249)	New Homes Bonus Grant	(1,095)
-	Covid Grants	(4,524)
(3,466)	Other grants	(7,944)
(28,145)	**Total of Non-ringfenced government grants**	**(38,598)**
(24,119)	Capital grant and contributions	(21,849)
(52,264)	**Total credited to Taxation and non-specific grant income**	**(60,447)**
	Credited to services	
(71,714)	Dedicated Schools Grant	(71,654)
(50,956)	DWP Subsidy	(46,658)
(4,020)	Sales, Fee and Charges income Loss	(1,791)
(23)	Public Health Grant	(7,082)
(9,751)	COVID-19	(4,241)
(1,883)	YPLA Post 16 Funding	(2,128)
(3,849)	Schools grant	(1,719)
(1,811)	Pupil Premium	(2,284)
(1,135)	Children Services Grant	(1,088)
(207)	Access Fund Grant (DFT)	(173)
(564)	Flexible Homelessness Grant	(205)
-	Better Care Fund	(7,306)
-	Rapid Testing Fund	(2,151)
	Collection Fund Compensation Grant	(3,736)
	Local Council Tax Support Grant	(2,127)
(13,564)	Other grants	(10,828)
(159,477)	**Total of Government Grant credited to Net Cost of Services**	**(165,171)**
(211,741)	**Total of grants and contributions to the Comprehensive Income and Expenditure Statement**	**(225,618)**

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 2021/22	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 2021/22 or were received in 2021/22 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2022) Capital Adjustment Account (other amounts)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2021/22 Losses on soft loans granted in 2021/22 and interest receivable in 2021/22 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 2021/22	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 2021/22	Pooled Investment Funds AdjustmentAccount
Pensions Costs	Movements in pensions assets and liabilities (see Note 32)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2021/22	Pensions Reserve
Council Tax	Accrued income from 2021/22 bills	Demand on the Collection Fund for 2021/22 plus share of estimated surplus for 2020/21	Collection Fund Adjustment Account
Business Rates	Accrued income from 2021/22 bills	Budgeted income receivable from the Collection Fund for 2021/22 plus share of estimated surplus for 2020/21	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2021/22 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount receivable for 2021/22	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2022	No charge	Accumulated Absences Adjustment Account

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

2021/22	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	(13,864)	(1,061)	-	-	-	14,924	Pensions Reserve
• Financial instruments	-	-	-	-	-	-	Financial Instruments Adjustment Account
• Pooled investment funds	-	-	-	-	-	-	Pooled Investment Funds Adjustment Account
• Council tax & business rates	21,866	-				(21,866)	Collection Fund Adjustment Account
• Holiday pay	(161)	-	-	-	-	161	Accumulated Absences Account
• Schools deficit	(4,790)	-				4,790	Dedicated Schools Grant Adjustment Account
• Capital expenditure	(10,562)	(20,035)	(6,897)	(10,427)	(21,850)	69,771	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	18,789		12,540	7,007	9,459	(47,794)	Capital Adjustment Account
Adjustment for the repayment of loans			(3,533)			3,533	Capital Ajustment Account
Use of capital receipts for revenue purposes	(59,966)					59,966	
Total adjustments	(48,688)	(21,096)	2,110	(3,420)	(12,391)	83,485	

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	22,385	1,871	25,492	14,719	11,124	(75,591)	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	**(64,769)**	**(8,015)**	**17,211**	**4,259**	**(13,754)**	**65,068**	

Note 16: Unusable reserves

2021/22	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	(374,140)	(53,595)			8,150	(419,585)
Capital Adjustment Account	(77,282)		129,738	(47,794)	(4,618)	44
Collection Fund Adjustment Account	38,357	-	(21,866)		-	16,491
Dedicated Schools Grant Adjustment Account	20,640		4,790			25,430
Accumulated Absences Account	815		159			974
Financial Instruments Adjustment Account	672					672
Pooled Investments Fund Adjustment Account	(911)					(911)
Pensions Reserve	376,982	(83,529)	14,924			308,377
Deferred Capital Receipts Reserve	(602)				-	(602)
Total adjustments	**(15,470)**	**(137,124)**	**127,745**	**(47,794)**	**3,532**	**(69,110)**

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	(75,553)	(7,176)	(77,282)
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**	**(75,553)**	**-**	**(15,470)**

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.

2020/21		2021/22
£'000		£'000
(365,117)	**Balance at 1 April**	**(374,140)**
(16,199)	**Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services**	(53,595)
6,511	Difference between fair value depreciation and historical cost depreciation	6,430
665	Accumulated gains on assets sold or scrapped	1,720
7,176	**Total amount written off to the Capital Adjustment Account**	**8,150**
(374,140)	**Balance 31 March**	**(419,585)**

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.

2020/21		2021/22
£'000		£'000
(72,895)	**Balance at 1 April**	**(77,282)**
25,310	Depreciation of Property, Plant and Equipment, and Heritage Assets	22,582
210	Amortisation and Impairment Losses of Intangible Assets	360
12,325	Revaluation and Impairment Losses on Property, Plant and Equipment	38,398
-	Fair Value Adjustment of Loans	-
7,456	Revenue Expenditure Funded from Capital Under Statute	900
2,482	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	3,620
24,941	Capitalisation Direction	59,966
-	Other Adjustments	-
72,724	**Reversal of Items relating to capital expenditure debited or credited to the CIES**	**125,826**
(604)	Valuation of assets disposed of in the Comprehensive Income and Expenditure Statement	(1,720)
(6,572)	Difference in Current Cost and Fair Value depreciation	(6,430)
(7,176)	**Net written out amount of the cost of non- current assets consumed in the year**	**(8,150)**
(25,499)	Capital receipts applied	(8,228)
(1,888)	Revenue contributions to fund capital expenditure	-
(14,719)	Major Repairs Reserve applied	(7,007)
(13,321)	Capital grants and contributions applied	(9,458)
(20,126)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(18,789)
	Use of Loan Repayments to Reduce CFR	(2,578)
	Use of Loan Repayments to Reduce CD	(1,734)
(75,553)	**Capital financing applied in year:**	**(47,794)**
5,618	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	8,662
-	Adjustment for the repayment of loans	3,533
-	Other movements	(4,751)
(77,282)	**Balance at 31 March**	**44**

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.

2020/21 £'000		2021/22 £'000
12,610	**Balance at 1 April**	**38,357**
25,747	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	(21,866)
-	Other movements	-
38,357	**Balance at 31 March**	**16,491**

Note 16d: Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account

2020/21 £'000		2021/22 £'000
-	**Balance at 1 April**	**20,640**
-	Adjustment to opening balance	
20,640	Transfer of schools deficit to DSG Account	4,790
20,640	**Balance at 31 March**	**25,430**

Note 16e: Accumulated Absences Account

2020/21 £'000		2021/22 £'000
610	**Balance at 1 April**	**815**
(609)	Settlement or cancellation of accrual made at the end of preceding year	(815)
814	Amounts accrued at the end of the current year	974
815	**Balance at 31 March**	**974**

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.

2020/21		2021/22
£'000		£'000
855	**Balance at 1 April**	**672**
(183)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements Premiums incurred in the year and charged to the CIES	
672	**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).

2020/21		2021/22
£'000		£'000
(148)	**Balance 1 April**	**(911)**
-	Upward revaluation of investments	
(763)	Downward revaluation of investments	
(763)	Total Changes in revaluation and impairment	-
(911)	**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.

2020/21		2021/22
£'000		£'000
265,135	**Balance at 1 April**	**376,982**
95,925	Actuarial gains/(losses) on pensions assets & liabilities	(83,529)
27,830	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/deficit on provision of services in the Comprehensive Income & Expenditure Statement	27,974
(11,908)	Employer's pensions contributions & direct payments to pensioners payable in the year	(13,050)
376,982	**Balance at 31 March**	**308,377**

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.

2020/21		2021/22
£'000		£'000
(602)	**Balance at 1 April**	**(602)**
(4,156)	Recognition of deferred capital receipt	
4,156	Realisation of deferred capital receipt transferred to CRR	
(602)	**Balance at 31 March**	**(602)**

Note 17: Transfers to/from Earmarked Reserves

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

Movement in Earmarked reserves	1st April 2020	*Transfers In	*Transfers Out	Reclassification	Balance at 31st March 2021	Transfers In	Transfers Out	Balance at 31st March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Fund	**(200)**				**(200)**			(200)
Building Control	**(80)**				**(80)**			(80)
Specific Grants (Revenue)	**(3,573)**		3,449		**(124)**	(43)		(167)
MTFS Reserve	**(4,004)**	(14,118)	10,581		**(7,541)**	(28,674)	3,690	(32,525)
Budget Smoothing	**-**	(34,280)	10,982		**(23,298)**	(6,024)		(29,322)
Housing Renewals Reserve	**(91)**				**(91)**			(91)
General Fund earmarked reserves	**(7,948)**	**(52,721)**	**25,012**		**(31,334)**	**(34,741)**	**3,690**	**(62,385)**
Dedicated Schools Grant	**13,381**	(13,381)			**-**			-
Schools - Other	**(2,523)**	(2,059)		(4,321)	**(8,903)**	(1,642)	22	(10,523)
Schools total	**10,858**	**(15,440)**	**-**		**(8,903)**	**(1,642)**	**22**	**(10,523)**
Total Earmarked reserves	**2,910**	**(68,161)**	**25,012**		**(40,237)**	**(36,383)**	**3,712**	**(72,908)**

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-2022

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 2021/22	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 2021	**563,001**	**289,498**	**78,505**	**127,737**	**10,190**	**17,866**	**50,328**	**1,137,125**
Adjustments to cost/value & depreciation/impairment	(20,636)	(3,798)				(30)		(24,464)
Additions	5,781	4,525	2,291	6,742		568	3,574	23,481
Revaluation increases/(decreases) recognised in the revaluation reserve	41,006	10,329				2,260		53,595
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(15,472)	(21,942)				(984)		(38,398)
Derecognition – disposals	(3,562)	-	(4,853)					(8,415)
Other transfers/movements	12,082	1,509	432			696	(12,513)	2,206
At 31 March 2022	**582,200**	**280,121**	**76,375**	**134,479**	**10,190**	**20,376**	**41,389**	**1,145,130**
Accumulated depreciation and impairment								
At 1 April 2021	**(16,642)**	**(929)**	**(23,003)**	**(61,027)**	**(28)**	**(181)**	**(3)**	**(101,813)**
Adjustments to cost/value & depreciation/impairment	20,636	3,798				30		24,464
Depreciation charge	(10,348)	(3,367)	(4,995)	(3,819)	(12)	(30)		(22,571)
Depreciation written out to the revaluation reserve								-
Depreciation written out to the surplus/(deficit) on the provision of services								-
Derecognition – disposal	114	-	4,853			(15)		4,952
Other transfers/movements							(5,273)	(5,273)
At 31 March 2022	**(6,240)**	**(498)**	**(23,145)**	**(64,846)**	**(40)**	**(196)**	**(5,276)**	**(100,241)**
Net book value at 31 March 2021	**546,359**	**288,569**	**55,502**	**66,710**	**10,162**	**17,685**	**50,325**	**1,035,312**
Net book value at 31 March 2022	**575,960**	**279,623**	**53,230**	**69,633**	**10,150**	**20,180**	**36,113**	**1,044,889**

Note 18: Property, Plant and Equipment (continued)

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 2020	**(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)

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 2021/22 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 2022:

	2021/22
	£'000
Council Dwellings	575,960
Land and Buildings	279,523
Surplus	20,179
Assets subject to valuation	**875,662**
Infrastructure	69,633
Community	10,150
Vehicles, Plant and Equipment	53,230
Assets under Construction	36,113
Assets not subject to valuation	**169,126**
Total value of assets	**1,044,788**

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:				
31/03/2022	575,960	231,380		807,340
31/03/2021		724	20,179	20,903
31/03/2020	-	1,477	-	1,477
31/03/2019	-	110	-	110
31/03/2018	-		-	-
31/03/2017	-		-	-
31/03/2016	-	-	-	-
Valued at Historical Cost	-	45,832	-	45,832
Total Cost or valuation	**575,960**	**279,523**	**20,179**	**875,662**

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

Note 19: Capital Commitments

At 31st March 2022, 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 £81.3m (31st March 2021 £219.220m).

The major commitments at 31st March 2022 (these represent the approved budgets rather than actual contractual commitments) are:

	Commitments in 2022/23	Commitments in Future Years	Total Commitments
	£'000	£'000	£'000
Refuse Fleet and Grounds Plant Equipment	582	-	582
Disabilities Facilities	1,199	2,200	3,399
Fire Risk Assessment	8,500	-	8,500
Major Infrastructure Projects	24,659	-	24,659
Flood Defence Measures	1,493	4,479	5,972
RMI Capital programme	5,327	30,750	36,077
Affordable Homes	-	2,152	2,152
			-
Total	**41,760**	**39,581**	**81,341**

Note 20: Investment Property

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

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

2020/21		2021/22
£'000		£'000
99,966	**Balance at 1 April**	**176,283**
39,063	Additions	
1,100	Enhancement	405
-	Disposals	
41,772	Transfers (to)/from PPE	(2,105)
(5,618)	Gains/(losses) in fair value	(8,662)
176,283	**Balance at 31 March**	**165,921**

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:

2020/21		2021/22
£'000		£'000
5,265	Other Land and Buildings	100
151	Vehicles, Plant, Furniture, Equipment and Other	92
5,416		**192**

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:

2020/21		2021/22
£'000		£'000
	Finance lease liabilities (net present value of minimum lease payments):	
600	- current (not later than one year)	581
4,387	- non-current (later than one year)	4,129
179	Finance costs payable in future years	136
5,166		**4,846**

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.

2020/21			2021/22	
Minimum lease payments	Finance lease liabilities		Minimum lease payments	Finance lease liabilities
£'000	£'000		£'000	£'000
701	600	Not later than 1 year	660	581
1,862	1,673	Later than 1 year and not later than 5 years	1,762	1,629
2,783	2,714	Later than 5 years	2,560	2,500
5,346	**4,987**		**4,982**	**4,710**

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:

2020/21		2021/22
£'000		£'000
737	Not later than 1 year	595
1,951	Later than 1 year and not later than 5 years	2,381
7,783	Later than 5 years	7,501
10,471		**10,477**

Council as lessor

Operating Leases

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

2020/21		2021/22
£'000		£'000
3,485	- current (not later than one year)	3,368
12,185	- non-current (later than one year)	11,197
23,001	Finance costs payable in future years	20,621
38,671		**35,186**

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 theprivate sector organisation. For Slough all of the PFI contracts relate to buildings

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

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

Schools PFI Scheme

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

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

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

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

Movement in PFI Assets

PFI Schools		PFI Schools
£'000		£'000
14,300	**Opening balance**	**15,240**
-	Adjustments to cost/value & depreciation/impairment	
-	Additions	
1,137	Revaluation increases/(decreases) recognised in the revaluation reserve	1,432
(197)	Depreciation charge	(208)
-	Derecognition - disposals	
15,240		**16,464**

Note 22: Service Concession Arrangements (continued)

Beechwood / Arbour Vale

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

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

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

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

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

Payments

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

2020/21					2021/22			
Service cost	Repayment of liability	Interest	Total		Service cost	Repayment of liability	Interest	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(3,589)	(884)	(2,479)	(6,952)	within 1 year	(4,349)	(928)	(2,411)	(7,688)
(11,769)	(6,365)	(9,035)	(27,169)	within 2-5 years	(14,376)	(6,849)	(8,540)	(29,765)
(17,526)	(10,466)	(8,225)	(36,217)	within 6-10 years	(20,159)	(11,746)	(7,411)	(39,316)
(15,693)	(14,194)	(3,115)	(33,002)	within 11-15 years	(14,195)	(11,502)	(2,012)	(27,709)
			-	within 16-20 years	-	-	-	-
(48,577)	**(31,909)**	**(22,854)**	**(103,340)**	**Closing balance**	**(53,079)**	**(31,025)**	**(20,374)**	**(104,478)**

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.

2020/21		2021/22
£'000		£'000
(33,322)	**Balance at 1 April**	**(31,909)**
1,413	Repayment	884
-	Other movements	
(31,909)	**Balance at 31 March**	**(31,025)**

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 2022 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 2022 is shown in the table below.

2020/21		2021/22
£'000		£'000
770,093	**Opening capital financing requirement**	**797,244**
-		(67)
770,093	**Restated opening capital financing requirement**	**797,177**
	Capital investment	
59,025	Property, plant and equipment	23,481
40,163	Investment Properties	405
643	Intangible Assets	303
7,455	Revenue expenditure funded from capital under statute	900
	Loans Advanced	11,225
10,640	Other Capital Expenditure	(5,530)
24,941	Capitalisation Direction	59,966
142,867	**Total capital investment**	**90,750**
	Sources of finance	
(25,499)	- Capital receipts	(8,228)
	- Use of Loan Repayments to Reduce Capital Financing Requirement	(2,578)
	- Use of Loan Repayments to Reduce Capitalisation Direction Element Capital Financing Requirement	(1,734)
(13,321)	- Government grants and other contributions	(9,459)
(14,719)	- Major repairs reserve	(7,006)
	Sums set aside from revenue	
(1,888)	- Direct revenue financing	-
(20,126)	- Minimum revenue provision	(18,789)
(75,553)	**Total sources of finance**	**(47,794)**
837,407	**Closing capital financing requirement**	**840,133**
	Explanation of movements in year:	
(20,126)	Minimum revenue provision	(18,789)
24,941	Capitalisation Direction	59,966
62,496	Increase/decrease in underlying need to borrow	7,260
67,311	**Increase/(decrease) in CFR for the year**	**48,437**

Note 24: Financial Instruments

Analysed by Category

2020/21				2021/22		
Non-Current	**Current**	**Total**		**Non-Current**	**Current**	**Total**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
			Financial Assets			
			Loans and receivables			
-	-	-	Investments	-	-	-
-	-	-	Finance lease	-	-	-
-	-	-	Cash and cash equivalents	-	-	-
			Available for Sale assets			
-	-	-	Investments	-	-	-
-	**-**	**-**		**-**	**-**	**-**
			Amortised cost			
	15,706	15,706	Investments	-	18,032	18,032
2,232	9,308	11,540	Trade Debtors	22,128	48,944	71,072
	30,050	30,050	Cash and cash equivalents	-	82,071	82,071
2,232	**55,064**	**57,296**		**22,128**	**149,047**	**171,175**
			Fair Value Through Profit and Loss			
32,634	-	32,634	Investments	11,289	-	11,289
34,866	**55,064**	**89,930**	**Total financial assets**	**33,417**	**149,047**	**182,464**
			Financial Liabilities			
			Amortised cost			
(328,409)	(409,572)	(737,981)	Loans outstanding	(409,911)	(306,000)	(715,911)
(51,400)	(3,363)	(54,763)	PFI contracts	(48,060)	(3,339)	(51,399)
(4,387)	(600)	(4,987)	Finance leases	(4,129)	(581)	(4,710)
(60)	(72,630)	(72,690)	Trade creditors	(60)	(115,136)	(115,196)
(384,256)	**(486,165)**	**(870,421)**	**Total financial liabilities**	**(462,160)**	**(425,056)**	**(887,216)**

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:

2020/21 £'000	Long-term debtors	2021/22 £'000
53,046	Long-term debtors balance per the Balance Sheet	71,531
	LESS out of scope assets	
(38,971)	Loan to James Elliman Homes Ltd	(41,479)
(11,843)	Loan to SUR	(1,313)
2,232	**Remaining long-term debtors classified as financial instruments:**	**28,739**
(2,232)	Loans and receivables in 2020/21	-
-	Assets at amortised cost in 2021/22	(28,739)
(2,232)		**(28,739)**

2020/21 £'000	Short-term investments	2021/22 £'000
17,406	Short-term investments balance per the Balance Sheet	18,032
	LESS out of scope assets	
(501)	Interest accrued OLS	(1,026)
(1,226)	Interest accrued GRE5	(876)
15,679	**Remaining short-term investments classified as financial instruments:**	**16,130**
15,679	Loans and receivables in 2020/21	-
-	Assets at amortised cost in 2021/22	16,130
15,679		**16,130**

Note 24: Financial Instruments (continued)

2020/21 £'000	Long-term investments	2021/22 £'000
33,366	Long-term investments balance per the Balance Sheet	11,289
	LESS out of scope assets	
(8,191)	Equity in James Elliman Homes Ltd	(7,659)
(5,585)	Loan to SUR	-
(130)	Loan to St Bernard	(130)
19,460	**Remaining long-term investments classified as financial instruments:**	**3,500**
	Available for sale assets in 2021/22	3,500
19,460	Fair value through profit and loss in 2020/21	
19,460		**3,500**

Income, Expense, Gains and Losses

2020/21				2021/22		
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:			
14,934	-	-	Interest expense	7,803	-	-
-	-	-	Loss on financial assets at FVTPL	-	-	-
14,934	**-**	**-**	**Net expense in (Surplus)/Deficit on the Provision of Services**	**7,803**	**-**	**-**
			Revenue:			
-	(1,408)	-	Interest income	-	(1,866)	-
-	-	(763)	(Gain) on financial assets at FVOCI	-	-	-
-	-	-	Distributions from Available for Sale assets	-	-	-
-	-	-	Distributions from FVTPL assets	-	-	-
-	**(1,408)**	**(763)**	**Total income in (Surplus)/Deficit on the Provision of Services**	**-**	**(1,866)**	**-**
			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:

2020/21		2021/22
£'000		**£'000**
(1,671)	Interest income per Note 12	(1,866)
	LESS income from out of scope assets:	
1,551	Interest on Loan to James Elliman Homes Ltd	-
501	Interest on Loans to Slough Urban Renewal LLP	1,026
(1,609)	Interest on Loan to GRE5 Ltd	877
(1,228)	**Income from financial instruments analysed:**	**37**
(1,228)	Interest income	(37)
(763)	Distributions from Fair Value through Profit and Loss Assets in 2020/21	-
(1,991)		**(37)**

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

General procedures for managing risk

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

Credit Risk

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

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

Key controls are:

a. Investments are only placed with commercial entities with a minimum long-term credit rating of A-, and with other local authorities without credit ratings. Recognising that credit ratings are imperfect predictions of default, the Council has regard to these measures including credit default swap and equity prices when selecting commercial organisations for investment.

b. placing a limit on the amount of money which can be invested with a single counterparty; and

c. placing an overall limit of £40m which can be invested for more than one year.

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

31-March-2021		Fitch Rating	31-March-2022	
Non-current	Current		Non-current	Current
£'000	£'000		£'000	£'000
-	22,645	AAA MMF	-	10,130
-	4,814	A+	-	4,000
-	15,679	Unrated local authorities	-	14,000
19,460	-	Unrated pooled funds	-	-
2,232	17,512	Unrated debtors	-	48,944
-	-	Unrated investments	-	-
-	(10,879)	Unrated cash and cash equivalents	-	61,811
21,692	**49,771**		**-**	**138,885**

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-2021		31-March-2022
£'000		£'000
409,572	less than one year	341,439
-	between 1 and 2 years	52,439
4,000	between 3 and 5 years	43,317
41,152	between 6 and 10 years	93,457
35,833	between 11 and 15 years	24,530
128,341	between 16 and 20 years	104,895
64,000	between 21 and 25 years	5,417
22,083	between 26 and 30 years	13,417
33,000	more than 30 years	37,000
737,981	**Total**	**715,911**

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-2021		31-March-2022
£'000		£'000
140	Increase in interest payable on variable rate borrowings	140
(623)	Increase in interest receivable on receivable rate investments	(514)
(483)	**Impact on surplus/deficit on the provision of services**	**(374)**

31-March-2021	Impact on other comprehensive income and expenditure	31-March-2022
£'000		£'000
-	Decrease in fair value of fixed rate investment assets	-
54,387	Decrease in fair value of fixed rate borrowings liabilities	38,786

Note 26: Fair value of assets and liabilities

The following tables combine information about:

(a) classes of financial instruments and non-financial assets based on their nature and characteristics;

(b) the carrying amounts of financial instruments and non-financial assets;

(c) fair values of financial instruments and non-financial assets; and

(d) fair value hierarchy levels of financial instruments and non-financial assets for which fair value is disclosed.

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

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

Level 2 - measurement is based on inputs other than quoted prices included in Level 3 that are observable for the asset lor 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-2022	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								
Loans and receivables								
Investments		10,061		10,061	10,061			10,061
Debtors		120,476		120,476	120,476			120,476
Cash and cash equivalents		82,071		82,071	82,071			82,071
Fair value through profit and loss								-
Investments	19,260			19,260		19,260		19,260
Total financial assets	**19,260**	**212,608**	**-**	**231,868**	**212,608**	**19,260**	**-**	**231,868**
Non-financial assets								
Investment property	145,376		168,026			168,026		168,026
Surplus assets	20,179		20,179			20,179		20,179
Assets held for Sale	-							-
Total Financial and non-financial assets	**184,815**	**212,608**	**188,205**	**231,868**	**212,608**	**207,465**	**-**	**420,073**
Financial Liabilities								
Liabilities at amortised cost								
Loans outstanding			(715,912)	(715,912)	(339,500)	(386,751)		(726,251)
PFI contracts			(51,399)	(51,399)	-	(42,859)		(42,859)
Finance leases			(4,710)	(4,710)	-	3,989		3,989
Trade creditors			(115,136)	(115,136)	(115,136)	-		(115,136)
Total financial liabilities	**-**	**-**	**(887,157)**	**(887,157)**	**(454,636)**	**(425,621)**	**-**	**(880,257)**

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								
Loans and receivables								
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
Fair value through profit and loss	-	-	-	-	-	-	-	-
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								
Liabilities at amortised cost								
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 27: Cash and Cash Equivalents

2020/21 £'000		2021/22 £'000
7,405	Cash and bank balances	71,941
22,645	Short-term deposits	10,130
30,050	**Total**	**82,071**

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.

2020/21 £'000	Short-term debtors	2021/22 £'000
2,664	Prepayments	1,227
732	Central Government bodies	6,796
26,200	Trade debtors	23,774
15,703	VAT	2,234
76,941	Council Tax	16,454
4,296	NNDR receivable	7,353
4,861	Housing Benefit receivable	4,238
51	Other debtors	781
(74,439)	Impairment Allowance for Doubtful Debts	(37,201)
57,009	**Total**	**25,656**

2020/21 £'000	Long-term debtors	2021/22 £'000
57,091	Loans to third parties	69,400
-	Overage	-
-	Prepayments	1,833
86	Other	86
57,177	**Total**	**71,319**

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 2022.

2020/21		2021/22
£'000		£'000
(10,538)	Trade creditors	(10,344)
(1,352)	PAYE & NI	(1,354)
(4,359)	Central Government Bodies	(5,055)
(62,945)	Other Creditor	(63,258)
(1,484)	PFI Finance Lease Liability	(1,509)
(5,625)	Receipts in Advance	(20,949)
(86,303)	**Total**	**(102,468)**

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-2021	(4,789)	(22,958)	(1,873)	(29,620)
Amounts used	1,159	20,804		21,963
Additional provisions			(3,823)	(3,823)
Balance at 31-March-2022	**(3,630)**	**(2,154)**	**(5,696)**	**(11,480)**

Long-term provisions	Water rates	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2021	-	-	(2,512)	(2,512)
Amounts used	-	-	2,512	2,512
Additional provisions	-	-	-	-
Balance at 31-March-2022	**-**	**-**	**-**	**-**

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

2020/21		2021/22
£'000		£'000
(376,981)	Pension Liability	(308,376)
(31,025)	Amounts due to be paid under PFI	(31,025)
(1)	Amounts due to be paid under Other Finance Leases	927
(408,007)	**Balance 31 March**	**(338,474)**

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 2021/22, the Council paid £3.7m (£3.7m in 2020/21) 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% (15.6% in 2020/21) of pensionable pay plus a lump sum of £5.043m (£4.264m in 2020/21).

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.

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.

2020/21				2021/22			
Scheme Assets	Pensions Obligations	Net Pensions Liability		Scheme Assets	Pensions Obligations	Net Pensions Liability	
£'000				£'000			*Note*
263,471	**(528,602)**	**(265,131)**	**Opening Balance at 1 April**	**302,603**	**(679,581)**	**(376,981)**	
-	(21,377)	**(21,377)**	Current Service Cost	-	(20,704)	**(20,704)**	
-	(1,364)	**(1,364)**	Past Service cost and gains/losses on curtailments		(2,175)	**(2,175)**	
5,174	(11,395)	**(6,221)**	Interest Income and Expense	5,993	(13,392)	**(7,399)**	
(158)	1,368	**1,210**	Admin Expense	(287)	4,733	**4,446**	
(78)		**(78)**	- Settlement	(2,142)		**(2,142)**	
4,938	(32,768)	**(27,830)**	**Total post employment benefit charged to the (surplus)/deficit on provision of services**	3,564	(31,538)	**(27,974)**	
			Contributions				
11,908		**11,908**	- The Council	13,050		**13,050**	
3,254	(3,254)	**-**	- Employees	2,837	(2,837)	**-**	
15,162	(3,254)	**11,908**		15,887	(2,837)	**13,050**	
			Payments				
(15,199)	15,199	-	- Retirement Grants and Pensions	(18,642)	18,642	-	
(15,199)	15,199	-	**Employers contributions payable to scheme**	(18,642)	18,642	-	
			Remeasurements				
34,231	-	**34,231**	- Return on Plan Assets	25,064		**25,064**	
-	5,988	**5,988**	- Actuarial Gains and Losses arising from changes in demographic assumptions		20,983	**20,983**	
-	(143,588)	**(143,588)**	- Other actuarial gain & (losses) / Actuarial Gains & Losses from changes in Financial Assumptions	(2,536)	27,210	**24,674**	
-	7,444	**7,444**	- Experience loss /(gain) on defined benefit obligation		12,808	**12,808**	
34,231	(130,156)	**(95,925)**	**Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement**	22,528	61,001	**83,529**	
				-			
302,603	(679,581)	**(376,981)**	**Closing Balance at 31 March**	325,940	(634,313)	**(308,376)**	

Note 33: Defined Benefit Pension Schemes (continued)

Composition of Scheme Assets

2020/21				2021/22		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£'000	£'000	£'000		£'000	£'000	£'000
110,500	33,006	143,506	Public Equities	155,420		155,420
30,774	7,618	38,392	Private Equities		49,024	49,024
	24,625	24,625	Infrastructure		41,418	41,418
	37,095	37,095	Real Estate		39,407	39,407
13,899	47,743	61,642	Credit		54,159	54,159
13,521	-	13,521	Cash	7,673		7,673
-	(16,178)	(16,178)	Longevity Insurance		(21,161)	(21,161)
-						
168,694	**133,909**	**302,603**	**Total Assets**	**163,093**	**162,847**	**325,940**

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		LGPS
31-March-2021		31-March-2022
	Mortality assumptions:	
	Longevity at 65 for current pensioners (years):	
21.2	Male	21.0
23.9	Female	23.8
	Longevity at 65 for future pensioners (years):	
22.5	Male	22.3
25.4	Female	25.2
	Economic assumptions	
2.8%	Rate of inflation	
3.8%	Rate of increase in salaries	4.2%
2.8%	Rate of increase in pensions	3.2%
2.0%	Rate for discounting scheme liabilities	2.6%

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%)	(12,764)	13,161
Rate of increase in salaries (increase or decrease by 0.1%)	608	(604)
Rate of increase in pensions (increase or decrease by 0.1%)	12,462	(12,100)
Longevity (increase or decrease by 1 year)	31,764	(30,177)

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 £13.1m. An increase in either the salaries, pension payment or longevity assumptions will result in an increase in the reported Pension Liability as detailed in the table above.

Impact on the Council's Cash flows

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

Based on assumptions as at 31 March 2022, expected employer contributions for LGPS benefits in 2022/23 are £11.5m, with the projected expense being £27.0m. These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2022.

The weighted average duration of the defined benefit obligation for scheme members is 20 years (20 years 2020/21).

Note 34: Cash Flow Statement - Operating Activities

2020/21 £'000		2021/22 £'000
27,968	**Net (surplus) or deficit on the provision of services**	**34,322**
	Adjustments for non-cash movements:	
(25,310)	Depreciation	(22,942)
(12,325)	Impairments and downward revaluation	(38,398)
(210)	Amortisation	-
6,405	Net increase/decrease in creditors, debtors and inventories	(29,863)
(15,922)	Pensions liability	(14,924)
(2,482)	Carrying amount of non-current assets sold	
8,204	Other non-cash items	97
(41,640)	**Subtotal**	**(106,030)**
	Adjustments for items that are investing or financing activities:	
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
4,950	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,897
27,076	Any other items for which the cash effects are investing or financing cash flows	22,873
32,026	**Subtotal**	**29,770**
18,354	**Net cash flows from operating activities**	**(41,938)**

The cash flows for operating activities include the following items:

2020/21 £'000		2021/22 £'000
(1,408)	Interest received	(1,866)
14,634	Interest paid	12,737
13,226	**Total**	**10,871**

Note 35: Cash Flow Statement - Investing Activities

2020/21		2021/22
£'000		£'000
99,187	Purchase of property, plant and equipment, investment property and intangible assets	23,719
4,981	Purchase of short-term and long-term investments	(18,609)
-	Other payments for investing activities	
(9,106)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,897)
-	Proceeds from short-term and long-term investments	
(24,876)	Other receipts from investing activities	(21,848)
70,186	**Net cash flows from investing activities**	**(23,635)**

Note 36: Cash Flow Statement - Financing Activities

2020/21		2021/22
£'000		£'000
(443,575)	Cash receipts of short-term and long-term borrowings	(50,000)
-	Other receipts from financing activities	
-	Council Tax and NNDR adjustments	
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	
341,670	Repayments of short-term and long-term borrowing	63,552
-	Other payments from financing activities	
(101,905)	**Net cash flows from financing activities**	**13,552**

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 2021/22:

Entities controlled or significantly influenced by the Council

2021/22								
Entity name	Structure	Directors/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	James Swindlehurst						(1,880)
James Elliman Homes (JEH)	Wholly owned subsidiary	Neale Cooper Stephen Gibson Elizabeth Jones Richard West		51,700		(1,551)	51,700	
Slough Urban Renewal	Joint Venture			9,697	484	(420)		
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Martin Johnson Neil Simon Michael England Stephen Gibson		9,063	5,154	(1,655)	9,063	
Slough Children First Ltd (Name of the Company was changed from Slough Children's Services Trust Ltd to Slough Children First Limited w.e.f 4th April 2021)	Company limited by guarantee - Slough Borough Council appointed as a person of significant control with effect from 1st Apr 2021 Cessation of Department for Education as a	M J Marsden N Robinson (Appointed 8 September 2021) R Bhamber (Appointed 1 August 2021) L Hagger (Appointed 28		2,600	29,189	(1,074)	3,908	

Note 37: Related Party Transactions (continued)

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		51,700		(3,122)	51,700	152
Slough Urban Renewal	Joint Venture	Joe Carter Neale Cooper Stephen Gibson		301	1,856			
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Joe Carter Neale Cooper Mike England Stephen Gibson Nigel Pallace			3,994		3,994	
Slough Children First Ltd	Company limited by guarantee - controlled by Department for Education				5,312			

Note 38: Contingent Liabilities

There are no contingent liabilities at the reporting date.

Note 39: Events After the Balance Sheet Date

Authorised for issue date

aratio

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

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.

2020/21 £'000	HRA Income and Expenditure Statement	2021/22 £'000	Note
	Expenditure		
6,763	Repairs and maintenance	8,300	
9,725	Supervision and management	10,322	
110	Rents, rates, taxes and other charges	113	
24,464	Depreciation and impairment of non current assets	33,881	6
563	Transfer to/from Provision	(366)	
41,625	**Total expenditure**	**52,250**	
	Income		
(33,013)	Dwelling rents	(32,581)	
(977)	Non-dwelling rents	(879)	
(2,639)	Charges for service and facilities	(2,237)	
(41)	Contributions towards expenditure		
(36,670)	**Total income**	**(35,697)**	
4,955	**Net cost or (income) of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement**	**16,553**	
146	HRA services share of Corporate and Democratic Core		
5,101	**Net cost of HRA Services**	**16,553**	
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(5,038)	(Gain) or loss on sale of HRA non current assets	(3,448)	
5,917	Interest payable and similar charges	4,760	
-	HRA interest and investment income	438	
368	Net interest on the defined benefit net liability		
6,348	**(Surplus) or deficit for the year on HRA Services**	**18,303**	

Statement of 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.

2020/21 £'000	Statement of The Movement on The Housing Revenue Account	2021/22 £'000
(12,431)	**Balance on the HRA as at 1 April**	**(14,099)**
6,348	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	18,303
	Adjustments between accounting basis and funding basis:	
45	Amount by which finance costs chargeable in accordance with the Code are different from finance costs chargeable in year under statutory requirements	-
(24,463)	Depreciation and impairments	(33,910)
5,038	(Gains)/losses on sale of HRA non-current assets	3,448
(967)	Net charges for pensions	(1,061)
-	Transfers to/(from) the Capital Receipts Reserve	-
1,871	Capital expenditure charged to HRA balance	-
-	Accumulated absences adjustment	-
10,460	Transfers to/(from) the Major Repairs Reserve	10,427
(1,668)	**Net (increase) before transfers to/(from) reserves**	**(2,793)**
	Transfers to/(from) earmarked reserves	
(1,668)	**(Increase) in year on the HRA balance**	**(2,793)**
(14,099)	**HRA Balance at 31 March**	**(16,892)**

Housing Revenue Account Notes

Note 1: Prior Period Adjustment

No prior period adjustments were required.

Note 2: Housing Stock

As at 31 March 2022, the Council was responsible for managing a housing stock of 6,068 dwellings comprising:

2020/21	Type of accommodation	2021/22
No.		No.
2,789	Houses	2,785
2,751	Flats	2,744
523	Bungalows	525
5	Shared ownership	
-	Awaiting demolition	
6,068	**Total**	**6,054**

The change in stock can be summarised as follows:

2020/21	Type of accommodation	2021/22
No.		No.
6,065	Stock at 1 April	6,068
(19)	Sold	(26)
22	New Build/Acquisitions	12
-	Awaiting demolition	-
-	Demolished	-
6,068	**Stock at 31 March**	**6,054**

Note 2: Housing Stock (continued)

The total balance sheet value of the Council's HRA assets at 1 April 2021 was £621m and at 31 March 2022 was £919m, analysed as follows:

2020/21 £'000	Balance Sheet Valuation of HRA Assets	2021/22 £'000
	Operational assets	
549,418	Council dwellings	575,960
6,850	Other land and buildings	8,682
861	Community assets	770
16,830	Assets under construction	6,241
573,959		**591,653**
	Non-operational assets	
39,071	Investment property	35,999
7,619	Surplus assets	11,405
46,690		**47,404**
620,649	**Total asset value**	**639,057**

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 £1,758m (£1,670m at 31 March 2021). 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 £1,758m between the EUV of £1,670m and the EUV-SH of £88m represents the economic cost of providing housing at less than open market

Note 4: Capital Expenditure and financing

During 2021/22, the Council incurred £8.56m capital expenditure on land, houses and other properties within the HRA (2020/21: £48.5m). The detail of expenditure and the methods of financing are detailed below:

2020/21 £'000		2021/22 £'000
	HRA Capital Expenditure	
9,063	Operational assets	7,952
39,458	Non-operational assets	603
48,521		**8,555**
	Sources of funding	
(2,000)	Capital receipts	(1,176)
(14,719)	Major repairs reserve	(7,006)
-	Government grants and contributions	(337)
(29,931)	Borrowing	(35)
(1,871)	Direct revenue financing	-
(48,521)		**(8,554)**

Note 5: Capital receipts

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

2020/21 £'000		2021/22 £'000
-	Land	-
(2,951)	Council dwellings	(6,897)
(1,449)	Other property	-
(4,400)		**(6,897)**

Note 6: Depreciation and impairment

2020/21				2021/22		
Depreciation	Impairment / Reversals	Total		Depreciation	Impairment / Reversals	Total
£'000	£'000	£'000		£'000	£'000	£'000
10,384	4,888	15,272	Council dwellings	10,348	15,472	25,820
74	-	74	Other land and buildings	77	(409)	(332)
1	-	1	Community assets	1	-	1
-	9,126	9,126	Surplus assets		8,391	8,391
-	-	-	Assets under construction			-
10,459	**14,014**	**24,473**		**10,426**	**23,454**	**33,880**

Note 7: Rent Arrears

2020/21	Tenant Rent and Service Charge Arrears	2021/22
	Rent arrears comprise:	
1,806	Current tenant arrears	1,645
842	Former tenant arrears	945
2,648		**2,590**
(2,648)	Less: Bad debts provisions	(2,027)
-		**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.

2020/21				2021/22			
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total	
£'000	£'000	£'000		£'000	£'000	£'000	*Note*
			Income				
-	(71,059)	(71,059)	Council Tax receivable		(77,020)	(77,020)	
(73,084)	-	(73,084)	Business Rates receivable	(92,554)		(92,554)	
-	(1,339)	(1,339)	Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment		(26)	(26)	
(73,084)	**(72,398)**	**(145,482)**	**Total income**	**(92,554)**	**(77,046)**	**(169,600)**	
			Expenditure				
			Apportionment of prior year surplus/deficit				
(59)	-	(59)	Central Government	(18,114)		(18,114)	
1,971	-	1,971	Slough Borough Council	(21,278)	(1,478)	(22,756)	
19	-	19	Berkshire Fire Authority	(398)	(70)	(468)	
-	-	-	Thames Valley police		(224)	(224)	
			Precepts				
53,181	-	53,181	Central Government	52,211		52,211	
52,117	61,121	113,238	Slough Borough Council	51,166	61,032	112,198	
1,064	2,901	3,965	Berkshire Fire Authority	1,044	2,815	3,859	
-	9,282	9,282	Thames Valley police		9,443	9,443	
			Charges to Collection Fund				
5,327	3,102	8,429	Increase/(decrease) in allowance for impairment	(1,676)	(1,562)	(3,238)	
1,810	-	1,810	Increase/(decrease) in allowance for appeals			(649)	
1,089	-	1,089	Transitional Protection Payments Payable	1,129		1,129	
213	-	213	Charge to General Fund for allowable collection costs for non-domestic rates	211		211	
116,732	**76,406**	**193,138**	**Total expenditure**	**63,647**	**69,956**	**133,603**	
43,648	4,008	47,656	(Surplus)/Deficit arising during the year	(28,908)	(7,090)	(35,998)	
13,795	5,719	19,514	(Surplus)/Deficit brought forward	57,443	11,425	68,868	
57,443	**9,727**	**67,170**	**(Surplus)/Deficit carried forward**	**28,535**	**4,335**	**32,870**	

Notes to the Collection Fund

Note 1: Council tax income

The Council's tax base for 2021/22 - i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply), converted to an equivalent number of Band D dwellings - calculated as follows:

Band	Valuation band limits			Estimated number of dwellings after effect of discounts	Ratio	Band D equivalent dwellings	Council Tax charge per band (£)
A	Up to and including - 40,000			1,115.85	6 / 9	744	994
B	40,000	-	52,000	6,924	7 / 9	5,385	1,159
C	52,001	-	68,000	18,550	8 / 9	16,489	1,325
D	68,001	-	88,000	11,148	9 / 9	11,148	1,490
E	88,001	-	120,000	4,201	11 / 9	5,135	1,821
F	120,001	-	160,000	1,587	13 / 9	2,292	2,153
G	160,001	-	320,000	314	15 / 9	523	2,484
H	More than - 320,000			5	18 / 9	9	2,981
Total				**43,844**		**41,725**	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year						-	
Council Tax Base						**41,725**	

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 (£)
A	Up to and including - 40,000			617	6 / 9	925	946
B	40,000	-	52,000	4,407	7 / 9	5,666	1,104
C	52,001	-	68,000	15,335	8 / 9	17,252	1,262
D	68,001	-	88,000	11,570	9 / 9	11,570	1,419
E	88,001	-	120,000	6,470	11 / 9	5,294	1,735
F	120,001	-	160,000	3,409	13 / 9	2,360	2,050
G	160,001	-	320,000	900	15 / 9	540	2,366
H	More than - 320,000			18	18 / 9	9	2,839
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**	

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 2021/22 the amount was 51.2p (51.2p = 2020/21). The small business rate multiplier was 49.9p for 2021/22 (49.9p 2020/21). 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 @ 31 March 2022 was £240,172k (31 March 2021 = £240,555k).

Note 3: Collection fund balance apportionment

Organisation	Business Rates	Council Tax	Total
	£'000	£'000	£'000
Central Government	16,049	3,598	16,049
Slough Borough Council	12,201	175	15,799
Berkshire Fire Authority	285	560	461
Thames Valley police			560
Total	**28,535**	**4,335**	**32,870**

SECTION – 6

GROUP ACCOUNTS

Group Comprehensive Income and Expenditure Statement

2020/21 restated				2021/22			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	Note
72,980	- 28,689	44,291	Adults and Communities	86,023	(25,384)	60,639	
176,087	- 126,144	49,943	Children, Learning and Skills	239,983	(189,443)	50,540	
25,089	- 10,844	14,245	Place and Development	31,254	(14,777)	16,477	
20,624	- 5,413	15,211	Regeneration	33,443	(6,758)	26,685	
110,631	- 94,932	15,699	Finance and Resources	27,877	(35,138)	(7,261)	
24,165	- 973	23,192	Chief Executive	16,304	(1,145)	15,159	
41,772	- 36,670	5,102	Housing Revenue Account	52,328	(35,881)	16,447	
471,348	**(303,665)**	**167,683**	**Cost of Services**	**487,212**	**(308,526)**	**178,686**	
		- 5,602	Other operating expenditure			(1,719)	
		19,149	Financing and investment income and expenditure			9,172	
		-	Tax due for the year (current and deferred tax)			-	
		- 149,749	Taxation and non-specific grant income and expenditure			(143,389)	
		31,481	**(Surplus)/deficit on provision of services**			**42,750**	
		59	Share of the (surplus)/deficit on the provision of services by joint venture			933	
		-	Tax expenses of joint venture			-	
		31,540	**Group (Surplus)/deficit on provision of services**			**43,683**	
		- 763	(Surplus) or deficit on financial assets measured at FVOCI				
		- 18,552	(Surplus) or deficit on revaluation of property, plant and equipment assets			(52,330)	
		106,722	Remeasurement of the net defined benefit liability			(88,633)	
		87,407	**Other Comprehensive income and expenditure**			**(140,963)**	
		118,947	**Total Comprehensive income and expenditure**			**(97,280)**	

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
Opening balance 1 April 2020	**-1,465**	**2,910**	**-12,432**	**-50,550**	**-5,883**	**-5,735**	**-73,157**	**-4,299**	**-77,456**	**-159,553**	**18,025**	**-141,528**	**-218,984**
Opening Balance Adjusment							-		-	-		-	
Movement in Reserves in 2020/21													
(Surplus)/Deficit on Provision of Services	21,620	-	6,348	-	-	-	27,968	7,347	35,315	-	-	-	35,315
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	59	59	78,963	8,444	87,407	87,466
Total Comprehensive Income and Expenditure	**21,620**	**-**	**6,348**	**-**	**-**	**-**	**27,968**	**7,406**	**35,374**	**78,963**	**8,444**	**87,407**	**122,781**
Adjustments between accounting and funding basis	-39,828	-	-8,015	17,211	4,259	-13,754	-40,127	-	-40,127	40,178	-	40,178	51
Capitalisation Direction	-24,941	-	-	-	-	-	-24,941		-24,941	24,941	-	24,941	-
Net (increase)/decrease before transfers to/from reserves	**-43,149**	**-**	**-1,667**	**17,211**	**4,259**	**-13,754**	**-37,100**	**7,406**	**-29,694**	**144,082**	**8,444**	**152,526**	**122,832**
Transfer to/(from) - reserves	43,149	-43,149	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021 (restated)	**-1,465**	**-40,239**	**-14,099**	**-33,339**	**-1,623**	**-19,489**	**-110,254**	**3,107**	**-107,147**	**-15,470**	**24,704**	**9,232**	**-97,914**
Opening balances	**-1,465**	**-40,239**	**-14,099**	**-33,339**	**-1,623**	**-19,489**	**-110,254**	**3,107**	**-107,147**	**-15,471**	**24,704**	**9,233**	**-97,914**
Opening Balance Adjusment													-
Movement in Reserves in 2021/22													
(Surplus)/Deficit on Provision of Services	15,617		18,303				33,920	8,830	42,750			-	42,750
Other Comprehensive Income and Expenditure								933	933	-137,124	-3,839	-140,963	-140,030
Total Comprehensive Income and Expenditure	**15,617**	**-**	**18,303**	**-**	**-**	**-**	**33,920**	**9,763**	**43,683**	**-137,124**	**-3,839**	**-140,963**	**-97,280**
Adjustments between accounting and funding basis	11,277		-21,095	2,110	-3,420	-17,871	-28,999		-28,999	28,311		28,311	-288
Capitalisation Direction	-59,966						-59,966		-59,966	59,966		59,966	-
Net (increase)/decrease before transfers to/from reserves	**-33,072**	**-**	**-2,792**	**2,110**	**-3,420**	**-17,871**	**-55,045**	**9,763**	**-45,282**	**-48,847**	**-3,839**	**-52,686**	**-97,568**
Transfer to/(from) - reserves	32,669	-32,669											-
Balance at 31 March 2022	**-1,868**	**-72,908**	**-16,891**	**-31,229**	**-5,043**	**-37,360**	**-164,899**	**12,870**	**-152,429**	**-64,318**	**20,865**	**-43,453**	**-195,483**

Group Balance Sheet

2020/21 restated £'000		31-March-2022 £'000	Note
1,087,435	Property, Plant and Equipment	1,094,399	2
176,283	Investment Property	166,339	
1,299	Intangible Assets	3,829	
24,256	Long-term Investments	2,949	
52	Long-term Investments	882	
13,855	Long-term Debtors	15,556	
1,303,180	**Total Long-term Assets**	**1,283,954**	
15,706	Short Term Investments	18,032	
-	Assets Held for Sale	-	
-	Inventories	-	
69,503	Short term debtors	60,695	
38,180	Cash and Cash Equivalents	87,039	
123,389	**Current Assets**	**165,766**	
- 409,572	Short-term Borrowing	(306,000)	
- 107,140	Short-term Creditors	(129,014)	
- 27,854	Short-term Provisions	(20,560)	
-	Grants Receipts in Advance – Capital	-	
(544,566)	**Current Liabilities**	**(455,574)**	
- 19,138	Long-term Creditors	(26,050)	
-	Deferred Capital Receipts	-	
- 2,512	Long-term Provisions	-	
- 328,409	Long-term Borrowing	(409,913)	
- 434,030	Other Long-Term Liabilities	(362,700)	
(784,089)	**Long-term Liabilities**	**(798,663)**	
97,914	**Net Assets**	**195,483**	
-	Share of joint venture (profits)/losses	20,864	
- 110,254	Usable Reserves	(164,899)	
3,108	P&L Reserve	12,870	
9,232	Unusable Reserves	(64,318)	
(97,914)	**Total Reserves**	**(195,483)**	

Group Cash Flow Statement

2020/21 restated £'000		2021/22 £'000	Note
31,481	Net (surplus) or deficit on the provision of services	42,750	
(50,352)	Adjustment to (surplus) or deficit on the provision of services for non-cash movements	(111,397)	3
32,026	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	29,770	3
13,155	**Net cash flows from operating activities**	**(38,877)**	
72,003	Investing Activities	(23,530)	4
(101,905)	Financing Activities	13,552	5
(16,747)	**Net (increase) or decrease in cash and cash equivalents**	**(48,855)**	
21,433	Cash and cash equivalents at the beginning of the reporting period	38,184	
38,180	**Cash and cash equivalents at the end of the reporting period**	**87,039**	

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.
- This is the first year where all the subsidiaries including the JV has been consolidated. Therefore, the comparatives shown in the prior year are not directly comparable to the 2020-21 published accounts

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

Company	Classification	Consolidation method
James Elliman Homes (JEH)	Subsidiary	line by line
Slough Childrens' First	Subsidiary	line by line
GRE5	Subsidiary	line by line
Slough Urban Renewal (SUR)	Joint Venture (JV)	equity method

Note 2: Group Property, Plant and Equipment

Movements in 2021/22	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	£'000
Cost or valuation										
At 1 April 2021	**563,001**	**289,498**	**54,131**	**343,629**	**78,505**	**127,737**	**10,190**	**17,866**	**50,328**	**1,191,254**
Adjustments to cost/value & depreciation/impairment	- 20,636	- 3,798		- 3,798				- 30		- 24,464
Additions	5,781	4,525	107	4,632	2,291	6,742		568	3,574	23,588
Revaluation increases/(decreases) recognised in the revaluation reserve	41,006	10,329	- 1,265	9,064				2,260		52,330
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	- 15,472	- 21,942		- 21,942				- 985	-	- 38,399
Derecognition – disposals	- 3,562				- 4,853					- 8,415
Other transfers/movements	12,082	1,409		1,509	432			696	- 12,513	2,206
At 31 March 2022	**582,200**	**280,021**	**52,973**	**333,094**	**76,375**	**134,479**	**10,190**	**20,375**	**41,389**	**1,198,100**
Accumulated depreciation and impairment										
At 1 April 2021	**- 16,640**	**- 929**	**- 2,010**	**- 2,939**	**- 23,003**	**- 61,027**	**- 28**	**- 181**	**- 3**	**- 103,821**
Adjustments to cost/value & depreciation/impairment	20,636	3,798		3,798				30		24,464
Depreciation charge	- 10,348	- 3,367	- 1,145	- 4,512	- 4,995	- 3,819	- 12	- 30		- 23,716
Depreciation written out to the revaluation reserve										-
Depreciation written out to the surplus/(deficit) on the provision of services										-
Derecognition – disposal	114				4,853					4,967
Other transfers/movements								- 15	- 5,580	- 5,595
At 31 March 2022	**- 6,238**	**- 498**	**- 3,155**	**- 3,653**	**- 23,145**	**- 64,846**	**- 40**	**- 196**	**- 5,583**	**- 103,701**
Net book value at 31 March 2021	**546,361**	**288,569**	**52,121**	**340,690**	**55,502**	**66,710**	**10,162**	**17,685**	**50,325**	**1,087,433**
Net book value at 31 March 2022	**575,962**	**279,523**	**49,818**	**329,441**	**53,230**	**69,633**	**10,150**	**20,179**	**35,806**	**1,094,399**

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

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	£'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**	**340,690**	**55,502**	**66,710**	**10,162**	**17,685**	**50,325**	**1,087,435**

Note 3: Group Cash Flow Statement - Operating Activities

2020/21 restated £'000		2021/22 £'000
31,481	**Net (surplus) or deficit on the provision of services**	**42,750**
	Adjustments for non-cash movements:	
(26,330)	Depreciation	(62,483)
(12,325)	Impairments and downward revaluation	-
(210)	Amortisation	-
- 1,287	Net increase/decrease in creditors, debtors and inventories	(30,219)
(15,922)	Pensions liability	(18,230)
(2,482)	Carrying amount of non-current assets sold	-
8,204	Other non-cash items	(465)
(50,352)	**Subtotal**	**(111,397)**
	Adjustments for items that are investing or financing activities:	
	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
4,950	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,897
27,076	Any other items for which the cash effects are investing or financing cash flows	22,873
32,026	**Subtotal**	**29,770**
13,155	**Net cash flows from operating activities**	**(38,877)**

The cash flows for operating activities include the following items:

2020/21 £'000		2021/22 £'000
1,408	Interest received	713
(14,934)	Interest paid	(12,737)
(13,526)	**Total**	**(12,024)**

Note 4: Group Cash Flow Statement - Investing Activities

2020/21 £'000		2021/22 £'000
105,004	Purchase of property, plant and equipment, investment property and intangible assets	23,824
4,981	Purchase of short-term and long-term investments	(18,609)
-	Other payments for investing activities	-
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
(9,106)	Proceeds from short-term and long-term investments	(6,897)
(28,876)	Other receipts from investing activities	(21,848)
72,003	**Net cash flows from investing activities**	**(23,530)**

Note 5: Group Cash Flow Statement - Financing Activities

2020/21 £'000		2021/22 £'000
(443,575)	Cash receipts of short-term and long-term borrowings	(50,000)
-	Other receipts from financing activities	-
-	Council Tax and NNDR adjustments	-
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
341,670	Repayments of short-term and long-term borrowing	63,552
-	Other payments from financing activities	-
(101,905)	**Net cash flows from financing activities**	**13,552**

This page has been intentionally left blank

SECTION – 7

GLOSSARY OF FINANCIAL TERMS

GLOSSARY OF FINANCIAL TERMS

ACCRUALS

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

ACTUARY

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

ACTUARIAL VALUATION

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

AMORTISATION

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

BAD DEBT PROVISION

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

BAND PROPORTIONS

(Also known as VALUATION BANDS)

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

BILLING AUTHORITY

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

BUDGET

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

BUSINESS RATE RETENTION

The NNDR pool was replaced in 2013/14 by the Business Rates Retention scheme, whereby authorities retain a percentage of the Business Rates collected. In Berkshire, 99% collected goes and 1% to the Berkshire Fire Authority as part of the Berkshire Business Rates Retention Pilot for 2018/19.

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