

**2023/24**

**Swindon Borough Council & Group  
DRAFT Statement of Accounts**

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## **Introduction by the Director of Finance and Audit**

The 2023/24 financial year has continued to be challenging for the Council. Like many local authorities, Swindon has continued to feel the effects of inflation, alongside increasing demand for services. The budget was balanced by the end of the year despite significant pressures on the budgets for Children's Social Care budget and Streetsmart Services.

There is still considerable uncertainty about funding in the years ahead along with longer-term financial implications as a result of the sharp increases in inflation and increases in demand, particularly in Adults and Children's Services. Work on the transformation plan is being progressed to enable the Council to both respond to the anticipated challenges and deliver against the Council's Missions.

The 2022/23 Statement of Accounts remains subject to audit finalisation. Whilst there is no expected impact to the included opening balances within the 2023/24 statements, that cannot be confirmed until the 2022/23 audit is complete.

Kim Chequer

Director of Finance and Audit

May 2024

## Narrative Report

These accounts relate to the financial year ended 31 March 2024 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain (The Code). The Code is to be adopted by Local Authorities when publishing their accounts. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible property, plant and equipment (PPE) assets. Any diversion from the Code is stated where applicable.

### Updates to the Accounts Required Under Changes to Accounting Practice

There have been no prior period updates to the accounts from changes to accounting practice.

### The Statements

The financial statements follow recommended practice and are split between core statements of the authority and their notes, and supplementary statements.

### Financial Overview

Swindon Borough Council is a Unitary Council that, alongside its other core functions, also provides Council housing. It is required to account for its expenditure in three distinct categories:

- General Fund (GF) Revenue Account

This includes day-to-day expenditure on all services except those directly relating to council housing. Expenditure is financed mainly from government grant, (Formulae Grant, Dedicated Schools Grant (DSG)), other specific grants, fees & charges and Council Tax.

- Housing Revenue Account (HRA)

Included within this account is all expenditure on the day-to-day management of the Council's housing stock. Expenditure is principally funded from council house rents. HRA income cannot be used to fund GF services beyond the extent that it buys support from those services.

- Capital

All improvements and enhancements to the Council's long-term assets are included in this category. This expenditure is funded from the sale of capital assets, borrowing, Government grant support or contributions from developers/revenue. Capital funding cannot be used for revenue activities unless a capitalisation directive is authorised by the Secretary of State.

### Financial Overview – The General Fund (GF)

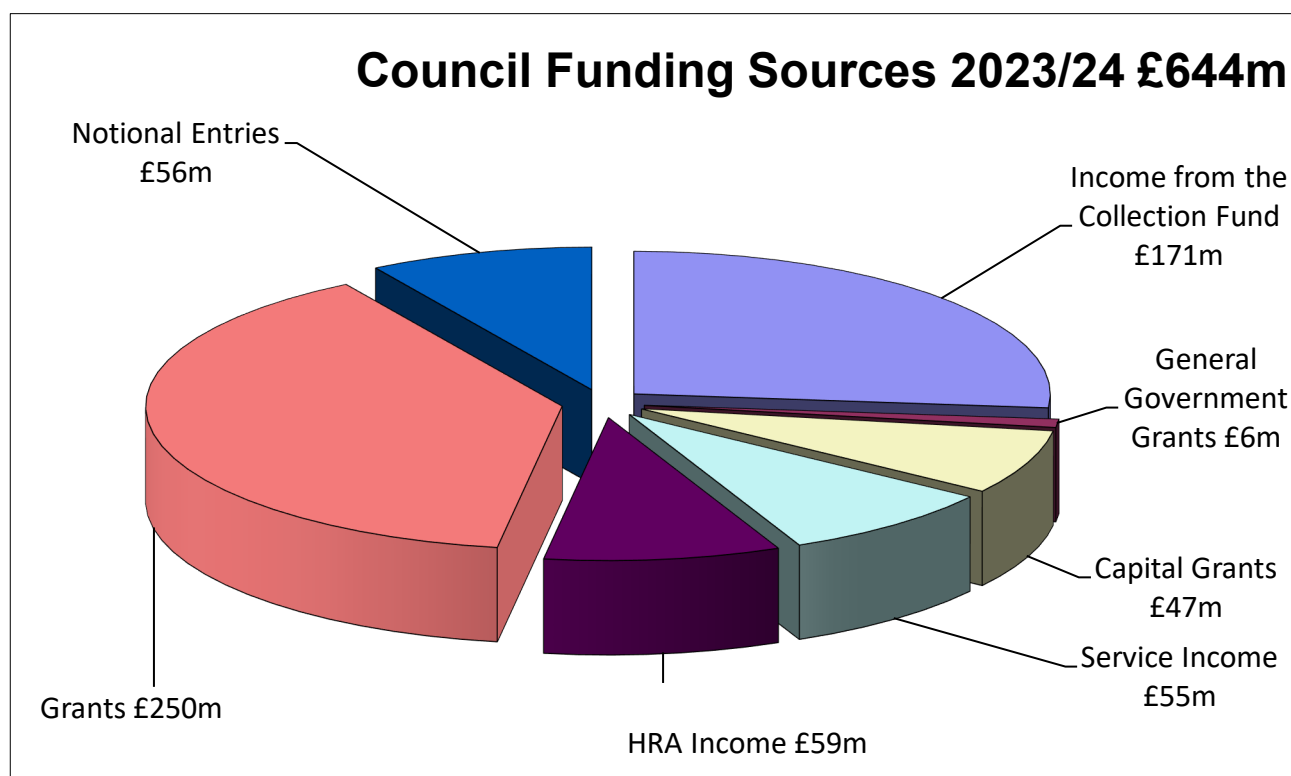
The net GF budget for the year was set at £166.4m. This excludes funding for schools, which is provided via the Dedicated Schools Grant (DSG).

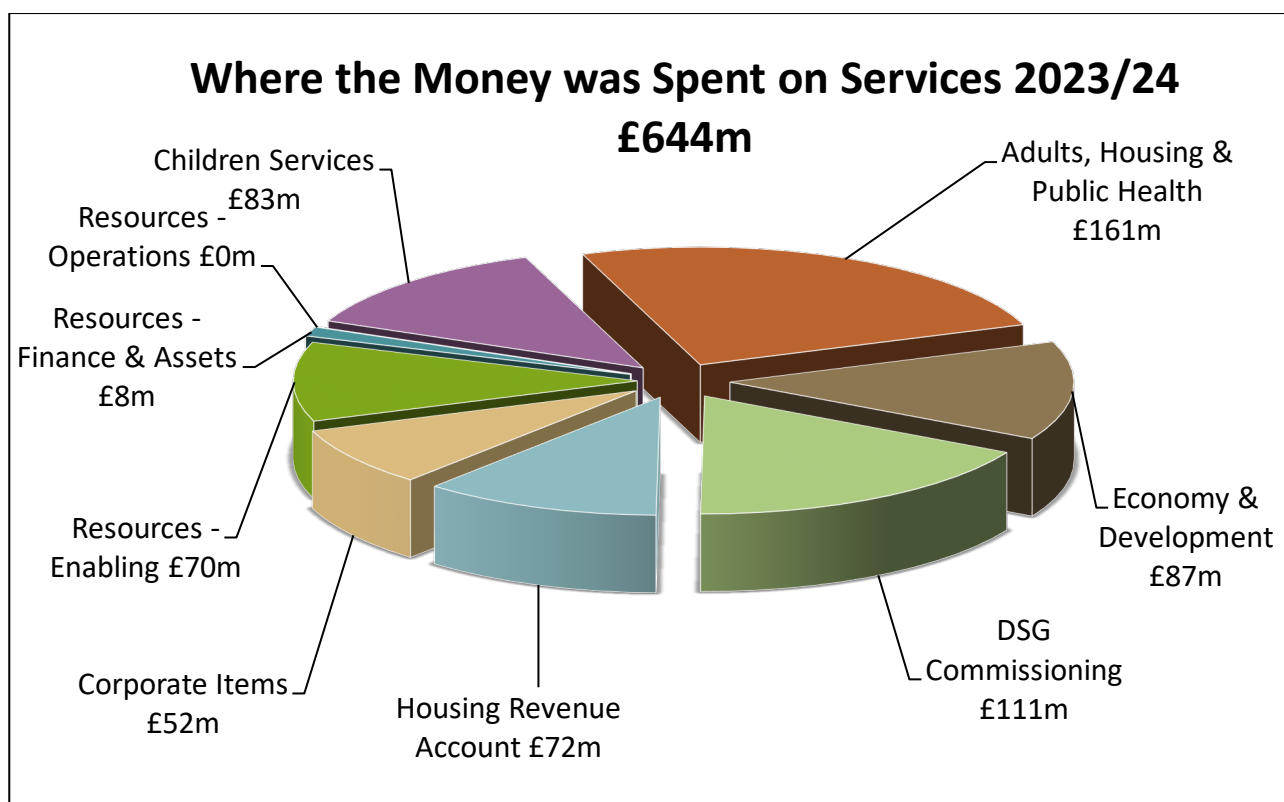
The overall budget was delivered with the balance on the general fund able to be increased but there remain variations within individual Service Areas. As has been reported throughout the year, this includes significant pressures on Children services, which has been partially offset from savings in other services.

The following table provides more detail on the outturn position for the year for each of the Council's service areas.

	Budget £000	Actual £000	Variance £000
Resources - Enabling	19,939	19,302	(637)
Resources - Finance & Assets	(4,698)	(21,830)	(17,132)
Children Services	56,759	68,835	12,076
Adults, Housing & Public Health	79,949	81,548	1,599
Economy & Development	14,478	18,413	3,935
<b>Net Cost of General Fund Services (outturn)</b>	<b>166,427</b>	<b>166,268</b>	<b>(159)</b>
<i>Reconciliation to Comprehensive Income &amp; Expenditure Statement</i>			
Parish Precepts		10,320	
Net Corporate Income and Expenditure		42,594	
Net HRA, Capital, Reserves and other Appropriations in Net Cost of Services		58,901	
<b>Sub-total</b>		<b>278,083</b>	
Taxation and Non-Specific Grant Income		(224,443)	
<b>Net (Surplus)/Deficit For Year on Provision of services in CIES</b>		<b>53,640</b>	

The following charts analyse the main income flows to the Council in 2023/24, and the gross expenditure on services. Income includes grants funding revenue expenditure, HRA income, service fees and charges, net corporate notional income streams representing the surplus/deficit on provision of services and the transfer of capital grants.





### Financial Overview – The Collection Fund

The Council Tax Collection Fund is credited with Council Tax income and debited with Swindon Borough Council's budgeted call on the fund plus the precepts of the Fire and Police Authorities and Town and Parish Councils. The Fund is used to smooth the difference between the actual and budgeted amount of Council Tax collected each year. Any surplus or deficit on the Fund is reflected in the following year's Council Tax calculations.

A Business Rates Collection Fund account is also held within the overarching Collection Fund. In general terms this operates in the same way as the Council Tax Collection Fund account. The Collection Fund as a whole has a net surplus of £5.5m at 31 March 2024 which has reduced since 31 March 2023 when it was £9.5m.

The accounting treatment for the Collection Fund means the Council shows only its own proportion of balances through the accounts on an agency basis. This does not change the Collection Fund itself, which is prescribed under statute, but does remove the overall Collection Fund balance from the Council's Balance Sheet. It is replaced by a Collection Fund Adjustment Account to account for the Authority's movement on the fund, and debtors or creditors for amounts owed to/from major preceptors.

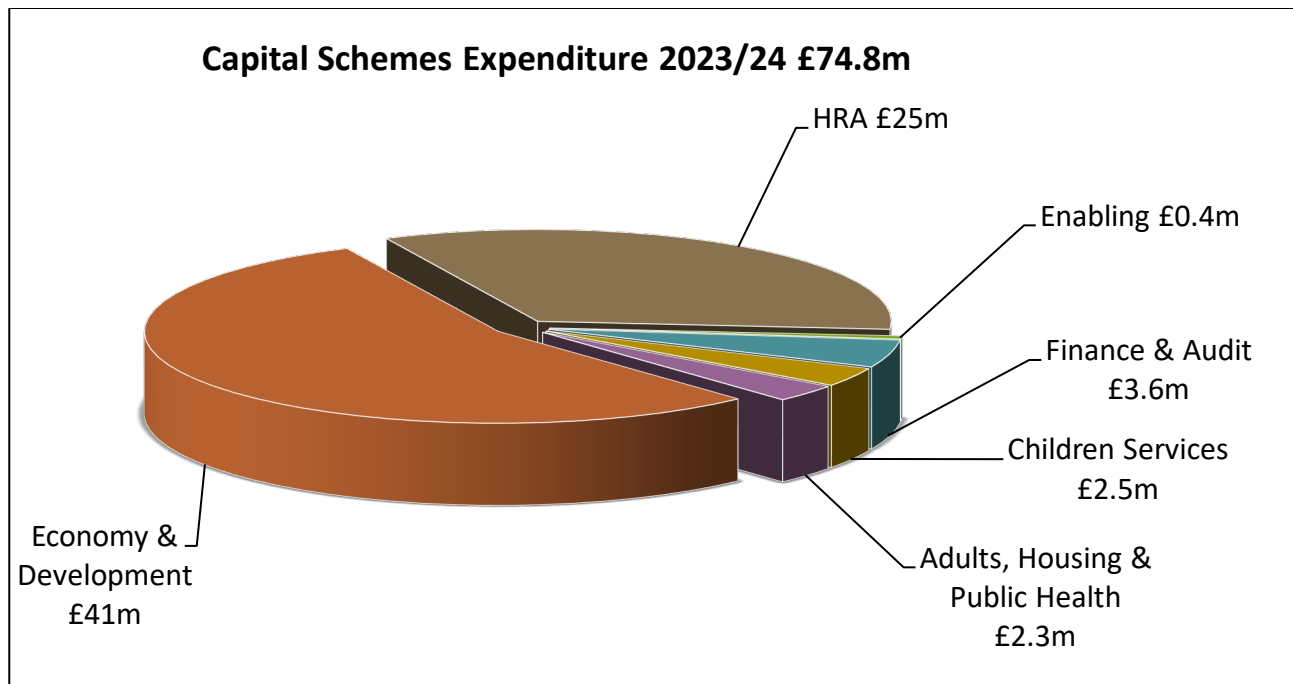
### Financial Overview – The Housing Revenue Account (HRA)

During the year the HRA came in overspent by £2.7m. This has seen the HRA reserve decrease to £9.6m at 31 March 2024.

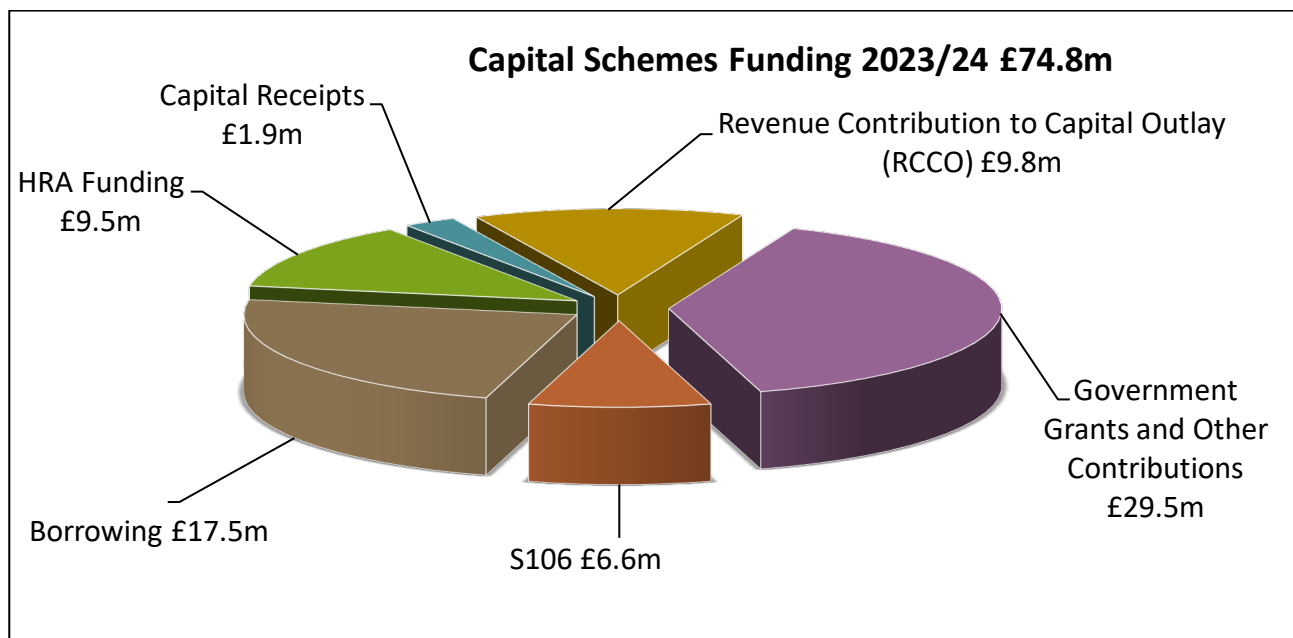


## Financial Overview – Capital Income & Expenditure

During the year, the Council incurred additional borrowing of £17.4m towards capital expenditure of £74.8m. This expenditure is analysed in the following chart into key service areas of the Council.



In-year borrowing contributes to total borrowing of £371m, inclusive of HRA debt, with a related capital finance requirement of £549m. This should be seen in the context of a non-current asset base of £1,419m.



## **Financial Overview – Other Key Disclosures**

### **Pension Liability**

The net pension liability as disclosed in the balance sheet, under International Accounting Standard 19 (IAS19) requirements is reported as £57.4m (£26m for 2022/23). The base position on the fund was a valuation that produced a net asset of £16.8m, however, the Authority is limited in the extent of that asset which it can report as receivable in future after accounting for funding uncertainties. This asset ceiling adjustment of £74.2m reduces the net asset to the net liability on the balance sheet.

Within the pension liability is a balance for unfunded Teacher pensions. The actuary has applied a roll forward approach to this for 31/3/24 balances due to challenges with underlying data. It remains in line with previous years' at around £3m.

### **Major Asset Transfers**

The Council continues to see transfer of schools into Academy status. Once transferred to Academy status the underlying assets are not classed as Council property but disposed of under long-term finance leasing at nil value. There were three such transfers in 2023/24 removing £24m from the balance sheet value of non-current assets. There were two transfers in 2022/23 removing £8m.

### **Business Combinations**

The Authority is involved with three local developments which, although continuing to have immaterial impact on the accounts, will affect the Borough more over future years. The main development is the joint venture (JV) for the Wichelstowe southern development area. This has seen the creation of a joint venture company with a housing developer; the Authority contributing land and the developer funding the infrastructure and building the housing, which will then go for sale with split proceeds.

The second development is the ongoing activity from the two energy production solar farm companies. The third development relates to the establishment of a group of companies for the construction of dwellings for sale or rent. The Authority is parent company to these and also to Public Power Solutions (PPS), which previously operated waste and recycling services in the Borough.

The Authority has a joint 50% ownership in the JV, which has the relevant share of net equity consolidated in the group statements, and is the controlling shareholder for the remaining companies and fully consolidates these in the group accounts.

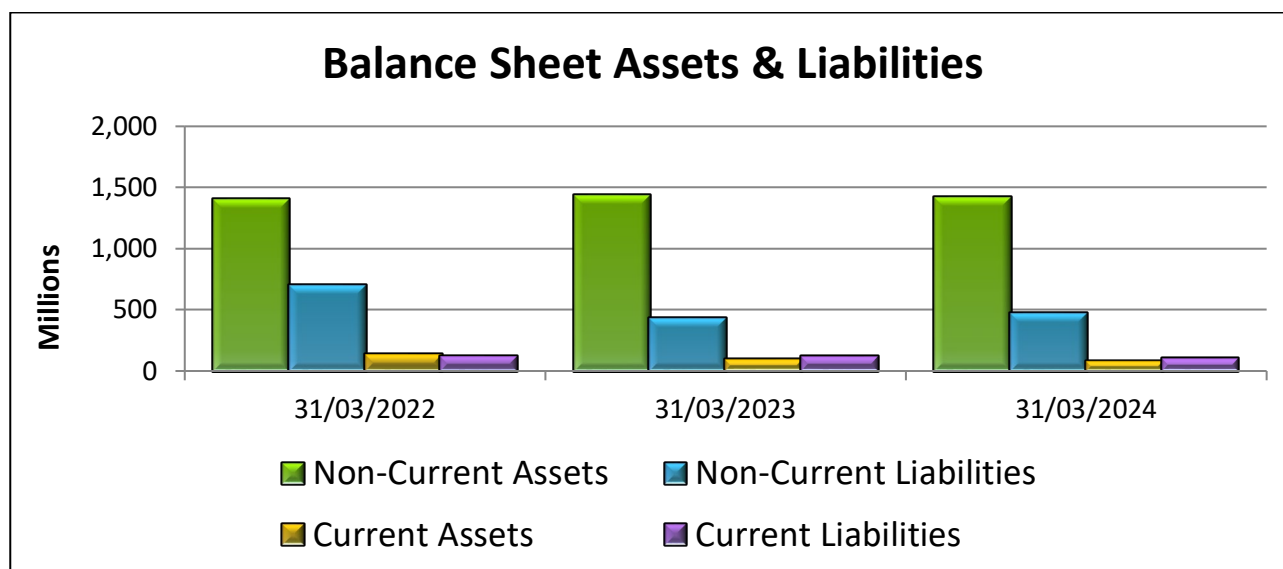
### **Impact of Materiality**

Materiality impacts the accounting statements by either reducing the number of disclosures or the amount of detail within them, for example by combining several balances together which has no impact on understanding of the statements. It also acts as an aid when assessing the impact of events or transactions and whether they change the understanding of the statements if not corrected or highlighted. In preparation of the accounts materiality is concerned with whether a reader would reach an incorrect conclusion on the authority's financial position from the way in which data, or the lack of, is presented. Inconsistencies between balances in separate notes are due to rounding variances and are not adjusted for.

## Financial Overview – Financial Outlook

General Fund earmarked reserves have decreased during 2023/24. This was mainly due to planned support to the general fund budget. Planned use of reserves will see continued reduction in future years, recognising the need to ensure the long-term sustainability of the Council. The General Fund balance increased from £8.3m to £8.5m.

Non-current assets have increased by £18m, mainly due to the acquisition and revaluation of Property assets. The liabilities of the Council generally remain constant, with the pension liability being a specific and significant variable. The chart below shows the year-by-year values of main balance sheet categories.



Most Authorities also face challenging financial positions, and the changing relationship with Central Government may impact on future cash flows. With the potential for future cash flow changes Treasury Management will continue to be important in ensuring that cash is available when needed.

## Financial Overview – Medium Term Financial Strategy

The Local Government finance settlement for 2024/25 represented another single year settlement with funding increases being significantly lower than the cost pressures the council is experiencing. The absence of a multi-year funding settlement means future funding is uncertain beyond 2024/25. There is also uncertainty over the timing and impact of future changes such as the reset to the business rates system and the associated distribution of funding, and fair funding reviews.

The planning assumption is that funding will remain at the same levels, or increase in line with inflation. This incorporates the current funding streams of Revenue Support Grant, Better Care Fund and the baseline level of retained business rates.

Assumptions about future increases in council tax are based on those used by the Office for Budget Responsibility however, this would be subject to both future government policy decisions and local tax setting decisions.

Allowance has been made for growth in the council tax base and business rates, in line with recent experience.

## Forecast Expenditure

Following the experience of recent years, the key expenditure pressures are anticipated to be related to demand pressures in children and adults social care. More generally, the council will face pressures relating to population growth.

Although the Bank of England's inflation assumptions anticipate a reduction during 2024/25 and over the medium term, this still remains a significant risk until the future rates of pay and price rises stabilise.

The medium term financial plan estimates for inflation and financing costs have regard to published forecasts. These assumptions will need to be carefully monitored over time as the medium-term financial plan is refreshed.

## The Council's Strategy

The impact of the increased pressures on the base budget arising from inflation and demand has been unprecedented and it is evident that the savings required to achieve a sustainable budget cannot be achieved solely by individual service area savings plans.

In order to ensure that the council has a sustainable budget that delivers the council's missions, a cross-organisational transformation plan is being developed under the following themes:

- At Our Best
- Housing and Care
- Commissioning and Procurement
- Estates and Assets
- Children's Transformation Programme
- Target Operating Model

## Financial Projections from 2024/25

Budget Summary	2024/25 £m	2025/26 £m	2026/27 £m
Base Budget	166.4	178.8	184.2
Inflation	14.7	7.7	5.2
Spending Pressures	28.5	11.6	7.3
Savings Plans	(19.7)	(2.3)	(1.9)
Funding Changes	(6.0)	(0.1)	0.8
Planned use of reserves	(5.1)	5.1	0
<b>Proposed Budget</b>	<b>178.8</b>	<b>200.8</b>	<b>195.6</b>
Less Funded By:			
Council Tax	132.6	140.3	148.2
Business Rates	37.2	38.2	39.2
Revenue Support Grant	5.5	5.7	5.9
Collection Fund Surplus	3.5	0	0
<b>Total Funding</b>	<b>178.8</b>	<b>184.2</b>	<b>193.3</b>
<b>Indicative Gap</b>	<b>0</b>	<b>16.6</b>	<b>2.3</b>

## **Organisational Overview**

Following the local elections in May 2023, the new administration agreed three 10-year missions at Cabinet in July 2023.

**Combat Inequality** – ensuring we make Swindon a fairer place, reducing disadvantage, make poorer areas richer and eliminate big disparities in life expectancy, education levels and social justice.

**Build a Better Swindon** – create a town ready for the challenge of the coming decades, understanding what facilities and infrastructure we need. Understanding the Council's direct and indirect role in improving the town centre and in creating more affordable housing while supporting and brokering support from the private sector.

**Achieving Net Zero** – ensuring we fully play our part as a Council and a town in combatting climate change. Working with communities to find new ways of doing things that help not hinder the natural environment.

Therefore, the previous performance framework in place to monitor progress against the Priorities and Pledges came to an end. However, performance has continued to be an intrinsic part of the Corporate Management Team (CMT) Improvement & Performance Board which is held monthly and attended by CMT and Directors. The main mechanism for this is through the Corporate Scorecards. These no longer refer to the Pledges and Priorities but the scorecards have continued to include performance information on Finance, HR, Key Performance Indicators (KPIs) and Risk. These have allowed CMT to have oversight of performance measures whilst the new Swindon Plan is developed. From April 2024, the Improvement & Performance Board introduced will also see a new monthly slot whereby each Director will present a Deep Dive of performance for their service twice a year.

The Draft Swindon Plan was taken to Cabinet in December 2023 and was approved for engagement activity to take place in January and February 2024 to seek feedback on the plan. A programme of engagement activity took place including events with colleagues, residents, partners and groups in Swindon as well as an engagement platform online.

This engagement activity has been used to produce a revised Swindon Plan for 2024 – 2027 which will be taken to Cabinet in July 2024 for approval.

## **Audit Report**

The draft accounts are required to be approved by the 31 May by the Director of Finance and Audit, the Council's designated Section 151 Officer, and independently audited and published in their audited form by 30 September. The Council's auditors are Grant Thornton UK LLP and their audit report is at the end of this document.

## **Further Information**

If readers would like to know more about the accounts of the Council, please write to Kim Chequer, Director of Finance and Audit, Civic Offices, Euclid Street, Swindon SN1 2JH, or email [kchequer@swindon.gov.uk](mailto:kchequer@swindon.gov.uk)

# 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 has the responsibility for the administration of those affairs (Section 151 of the Local Government Act 1972). During the financial year 2023/24, the designated officers were the Corporate Director of Finance and Assets, and the Director of Finance and Audit.

To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

## The Officer's Responsibilities

The Director of Finance and Audit had the responsibility to ensure that these final accounts were prepared in accordance with best practice. The Code of Practice on Local Authority Accounting in Great Britain ("the Code") requires the Statement to give a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31st March 2024.

In preparing this Statement of Accounts, the Director Finance and Audit:

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

The Director Finance and Audit also:

- Kept proper accounting records which were up to date;
- Took reasonable steps for the prevention and detection of fraud and other irregularities.

## Approval of the Accounts

I certify that the above responsibilities have been accounted for in the production of these statements and that they give a true and fair view of the financial position of the authority at 31 March 2024.

Signed: *K. Chequer*

Date: 31/05/24

Kim Chequer

Director of Finance and Audit

## Approval of the Final Accounts

The Council's Audit Committee, being the relevant body within the Authority for such purpose, approved the final accounts on the date below. The dates of approval are also taken as the dates that the accounts were authorised for issue.

Signed:

Date:

Chair of Audit Committee

# The Financial Statements

## Comprehensive Income and Expenditure Statement (CIES)

This statement summarises the income and expenditure on all functions of the Authority and shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. Negative figures denote income.

	2022/23 Restated	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
Note	Continuing Operations:						
	Enabling	70,056	(44,738)	25,318	70,128	(47,348)	22,780
	Finance & Audit	9,375	(29,728)	(20,353)	6,533	(35,032)	(28,499)
	Children Services	76,427	(12,247)	64,180	82,517	(10,445)	72,072
	Adults, Housing & Public Health	154,316	(73,546)	80,770	161,968	(79,341)	82,627
	Inclusive Economy & Sustainability	81,840	(27,276)	54,564	86,914	(30,711)	56,203
6	DSG Commissioning	111,864	(98,688)	13,176	109,883	(102,218)	7,665
	HRA - Housing	43,591	(55,399)	(11,808)	56,998	(59,394)	(2,396)
	HRA - Operations	13,196	(394)	12,802	14,900	(183)	14,717
	<b>Surplus / Deficit on Continuing Operations</b>	<b>560,665</b>	<b>(342,016)</b>	<b>218,649</b>	<b>589,841</b>	<b>(364,672)</b>	<b>225,169</b>
4	Other operating expenditure			24,983			40,238
5	Financing & investment (income)/expenditure			21,574			12,676
7	Taxation and non-specific grant income			(227,805)			(224,443)
	<b>(Surplus) / Deficit on Provision of Services</b>			<b>37,401</b>			<b>53,640</b>
16	(Surplus) / Deficit on revaluation of PPE assets			(31,846)			(34,137)
32	Re-measurements on pension assets / liabilities			(269,559)			34,234
	<b>Other Comprehensive Income and Expenditure</b>			<b>(301,405)</b>			<b>97</b>
	<b>Total Comprehensive Income and Expenditure</b>			<b>(264,004)</b>			<b>53,737</b>



## Movement in Reserves Statement (MiRS)

This statement shows the movements between the CIES revenue account and balance sheet 'usable reserves' (i.e. revenue and capital reserves that can be applied to fund relevant expenditure or reduce local taxation) and other reserves. The (Surplus) / Deficit on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the CIES. The 'General Fund Balance' column shows that after accounting adjustments and reserve transfer the General Fund balance has increased by £161k. Earmarked GF reserves are a part of the statutory General Fund balance, whilst HRA balances are a statutory ring-fenced section for housing.

	GF Balance £'000	HRA £'000	Earmarked GF Reserves £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>1 April 2023</b>	<b>(8,335)</b>	<b>(12,340)</b>	<b>(52,854)</b>	<b>(1,294)</b>	<b>(11,388)</b>	<b>(1,855)</b>	<b>(44,145)</b>	<b>(132,211)</b>	<b>(848,750)</b>	<b>(980,961)</b>
(Surplus) / Deficit on Service provision	35,585	18,055	0	0	0	0	0	53,640	0	53,640
Other (Income) / Exp.	0	0	0	0	0	0	0	0	97	97
<b>Total Comprehensive (Income) / Exp.</b>	<b>35,585</b>	<b>18,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,640</b>	<b>97</b>	<b>53,737</b>
Adjusts between accounting & funding basis (note 13)	(26,676)	(15,058)	0	0	3,023	(26)	(11,118)	(49,855)	49,855	0
Transfer of DSG deficit	(3,099)	0	0	0	0	0	0	(3,099)	3,099	0
<b>Net (Increase)/ Decrease before Reserves</b>	<b>5,810</b>	<b>2,997</b>	<b>0</b>	<b>0</b>	<b>3,023</b>	<b>(26)</b>	<b>(11,118)</b>	<b>686</b>	<b>53,051</b>	<b>53,737</b>
Transfers to / (from) Other Reserves (note 14)	(5,971)	(296)	5,971	296	0	0	0	0	0	0
<b>(Increase)/ Decrease in-year</b>	<b>(161)</b>	<b>2,701</b>	<b>5,971</b>	<b>296</b>	<b>3,023</b>	<b>(26)</b>	<b>(11,118)</b>	<b>686</b>	<b>53,051</b>	<b>53,737</b>
<b>31 March 2024</b>	<b>(8,496)</b>	<b>(9,639)</b>	<b>(46,883)</b>	<b>(998)</b>	<b>(8,365)</b>	<b>(1,881)</b>	<b>(55,263)</b>	<b>(131,525)</b>	<b>(795,699)</b>	<b>(927,224)</b>

**Movement in Reserves Statement continued**

	GF Balance £'000	HRA £'000	Earmarked GF Reserves £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>1 April 2022</b>	<b>(8,220)</b>	<b>(12,186)</b>	<b>(79,250)</b>	<b>(1,569)</b>	<b>(7,195)</b>	<b>(1,034)</b>	<b>(32,237)</b>	<b>(141,691)</b>	<b>(575,266)</b>	<b>(716,957)</b>
(Surplus) / Deficit on Service provision	28,721	8,680	0	0	0	0	0	37,401	0	37,401
Other (Income) / Exp.	0	0	0	0	0	0	0	0	(301,405)	(301,405)
<b>Total Comprehensive (Income) /Exp.</b>	<b>28,721</b>	<b>8,680</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,401</b>	<b>(301,405)</b>	<b>(264,004)</b>
Adjusts between accounting & funding basis (note 13)	(1,510)	(8,559)	0	0	(4,193)	(821)	(11,908)	(26,991)	26,991	0
Transfer of DSG deficit	(930)	0	0	0	0	0	0	(930)	930	0
<b>Net (Increase)/ Decrease before Reserves</b>	<b>26,281</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>(4,193)</b>	<b>(821)</b>	<b>(11,908)</b>	<b>9,480</b>	<b>(273,484)</b>	<b>(264,004)</b>
Transfers to / (from) Other Reserves (note 14)	(26,396)	(275)	26,396	275	0	0	0	0	0	0
<b>(Increase)/ Decrease in- year</b>	<b>(115)</b>	<b>(154)</b>	<b>26,396</b>	<b>275</b>	<b>(4,193)</b>	<b>(821)</b>	<b>(11,908)</b>	<b>9,480</b>	<b>(273,484)</b>	<b>(264,004)</b>
<b>31 March 2023</b>	<b>(8,335)</b>	<b>(12,340)</b>	<b>(52,854)</b>	<b>(1,294)</b>	<b>(11,388)</b>	<b>(1,855)</b>	<b>(44,145)</b>	<b>(132,211)</b>	<b>(848,750)</b>	<b>(980,961)</b>

## Balance Sheet

This statement shows the balance sheet assets and liabilities of the Council at the 31 March. The net assets of the authority (assets less liabilities) are matched by reserves held. Reserves are reported in two categories; those that are useable 'cash-backed' reserves and can be used in funding revenue or capital spend, and those that are unusable for funding and represent as yet unrealised gains and losses.

Note		31st March 2023 £000	31st March 2024 £000
16/49	Property, Plant & Equipment	1,380,125	1,372,344
17	Investment property	5,770	4,750
18	Heritage	29,200	29,215
43	Long term investments	16,614	6,745
21	Long term debtors	6,868	6,713
	<b>Total Non-Current Assets</b>	<b>1,438,577</b>	<b>1,419,767</b>
	Cash & Cash equivalents	33,930	32,071
	Inventories & Work in Progress	888	786
22	Short term debtors	45,866	43,263
33	Short term investments	1,400	300
	Assets held for sale (current)	6,515	6,527
	<b>Current Assets</b>	<b>88,599</b>	<b>82,947</b>
23	Short term creditors	(79,033)	(78,374)
33	Short term borrowing	(34,959)	(20,348)
24	Provisions (short term)	(1,583)	(1,141)
	<b>Current Liabilities</b>	<b>(115,575)</b>	<b>(99,863)</b>
33	Long term borrowing	(326,198)	(350,850)
30/33	Long term creditors	(39,991)	(36,682)
24	Provisions (long term)	(11,514)	(8,812)
32	Pension Asset/Liability	(25,917)	(57,410)
7	Capital Grants receipts in advance	(27,020)	(21,873)
	<b>Non-Current Liabilities</b>	<b>(430,640)</b>	<b>(475,627)</b>
	<b>Net Assets</b>	<b>980,961</b>	<b>927,224</b>

**Balance Sheet continued**

Note		31st March 2023 £000	31st March 2024 £000
	General Fund Balance	(8,335)	(8,496)
	HRA Balance	(12,340)	(9,639)
14	GF Earmarked Reserves	(52,854)	(46,883)
14	HRA Earmarked Reserves	(1,294)	(998)
	Major Repairs Reserve	(1,855)	(1,881)
	Capital Receipts Reserve	(11,388)	(8,365)
	Capital Grants Unapplied	(44,145)	(55,263)
MiRS*	<b>Usable Reserves</b>	<b>(132,211)</b>	<b>(131,525)</b>
25	Capital Adjustment Account	(273,902)	(247,977)
26	Revaluation Reserve	(601,165)	(611,316)
27	Pension Reserve	25,917	57,410
28	Collection Fund Adjustment Account	(4,007)	(1,507)
	Pooled Investment Funds Adjustment Account	340	523
6	DSG Deficit	5,300	8,400
	Deferred Capital Receipts	(1,233)	(1,232)
	<b>Unusable Reserves:</b>	<b>(848,750)</b>	<b>(795,699)</b>
	<b>Total Reserves</b>	<b>(980,961)</b>	<b>(927,224)</b>

\*MiRS – Movement in Reserves Statement

The unaudited accounts were issued on 31 May 2024.

*K Chequer*

**Kim Chequer**

Director of Finance and Audit

S151 Officer

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. Investing activities represent the extent to which cash outflows have been made for resources, which are intended to contribute to the authority's future service delivery. Negative figures denote losses or reductions.

Note		2022/23 £'000	2023/24 £'000
	Net surplus or (deficit) on the provision of services	(37,401)	(53,640)
35	Adjustments to net surplus or deficit on the provision of services for non-cash movements	86,439	116,643
35	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(61,829)	(42,133)
	<b>Net cash flows from Operating Activities</b>	<b>(12,791)</b>	<b>20,870</b>
36	Investing Activities	(19,816)	(27,165)
37	Financing Activities	21,636	4,436
	<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>(10,971)</b>	<b>(1,859)</b>
	Cash and cash equivalents at the beginning of the reporting period	44,901	33,930
	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>33,930</b>	<b>32,071</b>

# **Notes to the Financial Statements**

# Disclosures Relating to the Comprehensive Income and Expenditure Statement

## 1. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis (EFA) is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The EFA also shows how this expenditure is allocated for decision making purposes between the council's service functions. Transfers to earmarked reserves are items not chargeable to the GF or HRA.

	2023/24 Outturn £000	2023/24 Presentational adjustment on Tariff £000	2023/24 Net Exp. Report to Cabinet £000	2023/24 Remove Not Chargeable to the GF or HRA £000	2023/24 Net Exp. Chargeable to GF and HRA £000	2023/24 Changes Between Funding & Accounting Basis £000	2023/24 Net Expenditure In the CIES £000
Enabling	19,302	0	19,302	662	19,964	2,816	22,780
Finance & Audit	(21,834)	700	(20,631)	3,870	(16,761)	(11,370)	(28,499)
Children Services	68,835	0	68,835	1,650	70,485	1,587	72,072
Adults, Housing & Public Health	81,549	0	81,549	(662)	80,887	1,740	82,627
Inclusive Economy & Sustainability	18,413	0	18,413	678	19,091	37,112	56,203
DSG Commissioning	0	0	0	(228)	(228)	7,893	7,665
HRA - Housing	(14,882)	0	(15,385)	2,997	(12,388)	9,624	(2,396)
HRA - Operations	14,882	0	14,882	(1)	14,881	(164)	14,717
<b>(Surplus)/Deficit on Continuing Operations</b>	<b>166,265</b>	<b>700</b>	<b>166,965</b>	<b>8,966</b>	<b>175,931</b>	<b>49,238</b>	<b>225,169</b>
Other Income & Expenditure	10,320	0	10,320	0	10,320	29,918	40,238
Financing and Investment Income and Expenditure	0	0	0	0	0	12,676	12,676

Taxation and Non-Specific Grant Income	(177,446)	0	(177,446)	0	(177,446)	(46,997)	(224,443)
<b>(Surplus) / Deficit on Provision of Services</b>	<b>(861)</b>	<b>700</b>	<b>(161)</b>	<b>8,966</b>	<b>8,805</b>	<b>44,835</b>	<b>53,640</b>

Reconciliation of Movement to Balances	Opening	(Surplus) or Deficit on Provision of Services	Closing
General Fund	(8,335)	(161)	(8,496)
HRA	(12,339)	2,701	(9,638)
<b>Net Exp. Chargeable to the GF and HRA Balances</b>		<b>2,540</b>	
Earmarked reserves	(54,149)	6,267	(47,882)
<b>Remove Not Chargeable to the GF or HRA</b>	<b>(54,149)</b>	<b>6,267</b>	<b>(47,882)</b>
<b>(Surplus) / Deficit on Provision of Services</b>		<b>8,807</b>	

**Reconciliation of Reserve Movements not chargeable to GF or HRA as shown in Movement in Reserves (MiRS)**

Movement Reason	Net Reserve movement in EFA	Direct BS reserve transfer to GF balance	Net Transfers from earmarked reserves	Net Adjustment for reserves
<b>£000</b>	<b>8,966</b>	<b>(2,701)</b>	<b>(6,267)</b>	<b>0</b>

Restated	2022/23 Net Exp. Report to Cabinet £000	2022/23 Remove Not Chargeable to the GF or HRA £000	2022/23 Net Exp. Chargeable to GF and HRA £000	2022/23 Changes Between Funding & Accounting Basis £000	2022/23 Net Expenditure In the CIES £000
Enabling	18,170	583	18,753	6,565	25,318
Finance & Audit	(22,875)	5,651	(17,224)	(3,129)	(20,353)
Children Services	62,136	(1,863)	60,273	3,907	64,180
Adults, Housing & Public Health	75,368	1,123	76,491	4,279	80,770
Inclusive Economy & Sustainability	23,774	1,238	25,012	29,552	54,564
DSG Commissioning	0	398	398	12,778	13,176
HRA - Housing	(11,726)	(13)	(11,739)	(69)	(11,808)
HRA - Operations	11,726	0	11,726	1,076	12,802
<b>(Surplus)/Deficit on Continuing Operations</b>	<b>156,573</b>	<b>7,117</b>	<b>163,690</b>	<b>54,959</b>	<b>218,649</b>



Other Income & Expenditure	9,599	0	9,599	15,384	24,983
Financing and Investment Income and Expenditure	0	0	0	21,574	21,574
Taxation and Non-Specific Grant Income	(166,288)	19,401	(146,887)	(80,918)	(227,805)
<b>(Surplus) / Deficit on Provision of Services</b>	<b>(116)</b>	<b>26,518</b>	<b>26,402</b>	<b>10,999</b>	<b>37,401</b>

<b>Reconciliation of Movement to Balances</b>	<b>Opening</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>Closing</b>
General Fund	(8,220)	(115)	(8,335)
HRA	(12,185)	(154)	(12,339)
<b>Net Exp. Chargeable to the GF and HRA Balances</b>		<b>(269)</b>	
Earmarked reserves	(80,820)	26,671	(54,149)
<b>Remove Not Chargeable to the GF or HRA</b>	<b>(80,820)</b>	<b>26,671</b>	<b>(54,149)</b>
<b>(Surplus) / Deficit on Provision of Services</b>		<b>26,402</b>	

**Reconciliation of Reserve Movements not chargeable to GF or HRA as shown in Movement in Reserves (MiRS)**

<b>Movement Reason</b>	<b>Net Reserve movement in EFA</b>	<b>Direct BS reserve transfer to GF balance</b>	<b>Net Transfers from earmarked reserves</b>	<b>Net Adjustment for reserves</b>
<b>£000</b>	26,517	154	(26,671)	0

The following note details the adjustments that are made in the EFA and total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

‘Pensions’ adjustments are for the change in accounting for the pension liability under IFRS 19, which represents adjusting in-year payments made to the fund and including current / past service / interest costs per actuary estimates. ‘Capital’ adds in depreciation, impairment and revaluation gains and losses. ‘Treasury’ accounts for adjustments in interest payable / receivable and minimum revenue provision that are not service expense within the CIES. ‘Other’ relates mainly to grant adjustments.

<b>2023/24</b>	<b>Pensions £'000</b>	<b>Capital £'000</b>	<b>Treasury £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
Enabling	(278)	1,640	(139)	1,593	2,816
Finance & Audit	(1,259)	0	(12,875)	2,764	(11,370)
Children Services	(529)	427	(41)	1,730	1,587
Adults, Housing & Public Health	(419)	2,166	(7)	0	1,740
Inclusive Economy & Sustainability	(374)	38,523	(1,037)	0	37,112
DSG Commissioning	(717)	5,511	0	3,099	7,893
HRA - Housing	(171)	17,042	(7,247)	0	9,624
HRA - Operations	(164)	0	0	0	(164)
<b>Total Adjustments</b>	<b>(3,911)</b>	<b>65,309</b>	<b>(21,346)</b>	<b>9,186</b>	<b>49,238</b>
Other Income & Expenditure	0	29,918	0	0	29,918
Financing and Investment Income and Expenditure	1,170	1,187	10,319	0	12,676
Taxation and Non-Specific Grant Income	0	(47,325)	0	328	(46,997)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>(2,741)</b>	<b>49,089</b>	<b>(11,027)</b>	<b>9,514</b>	<b>44,835</b>

<b>2022/23</b>	<b>Pensions £'000</b>	<b>Capital £'000</b>	<b>Treasury £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
Enabling	1,842	4,040	(134)	817	6,565
Finance & Audit	(179)	4,212	(12,129)	4,967	(3,129)
Children Services	3,459	457	(9)	0	3,907
Adults, Housing & Public Health	2,646	1,637	(4)	0	4,279
Inclusive Economy & Sustainability	2,223	28,696	(1,367)	0	29,552
DSG Commissioning	5,608	6,240	0	930	12,778
HRA - Housing	1,063	6,817	(7,949)	0	(69)
HRA - Operations	1,076	0	0	0	1,076
<b>Total Adjustments</b>	<b>17,738</b>	<b>52,099</b>	<b>(21,592)</b>	<b>6,714</b>	<b>54,959</b>
Other Income & Expenditure	0	15,384	0	0	15,384
Financing and Investment Income and Expenditure	7,528	3,067	10,979	0	21,574
Taxation and Non-Specific Grant Income	0	(58,776)	0	(22,142)	(80,918)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>25,266</b>	<b>11,774</b>	<b>(10,613)</b>	<b>(15,428)</b>	<b>10,999</b>

## 2. Subjective Analysis of Service Expenditure

This disclosure shows the type of expenditure and income incurred through the CIES:

	2022/23	2023/24
<b>Expenditure and Income Type</b>	<b>£'000</b>	<b>£'000</b>
Employee related expenses	177,096	162,669
Other service expenses	314,993	346,293
Depreciation, amortisation and impairment	68,543	80,543
Interest Payments	26,983	18,348
Precepts & Levies	9,599	10,320
Payments to Housing Capital Receipts Pool	2,705	2,716
Gain or Loss on Disposal of Fixed Assets	12,679	27,202
<b>Total operating expenses</b>	<b>612,598</b>	<b>648,091</b>
Fees, charges & other service income	(106,851)	(114,667)
Interest and investment income	(5,409)	(5,672)
Income from Council Tax and Business Rates	(161,369)	(170,897)
Government grants and contributions	(301,568)	(303,215)
<b>Total Income</b>	<b>(575,197)</b>	<b>(594,451)</b>
<b>Surplus or deficit on the provision of services</b>	<b>37,401</b>	<b>53,640</b>

	2022/23	2023/24
<b>Description</b>	<b>£'000</b>	<b>£'000</b>
Non-grant contributions to service provision	(9,875)	(10,743)
Contributions from social care clients		
Income from fees & licenses	(18,082)	(19,297)
Includes parking, planning, permit and professional services income		
Income from rentals and hires	(58,898)	(62,236)
Includes income from rentals/hires, including HRA rents		
Income from sales of goods & services	(14,487)	(17,492)
Includes service charges, waste management and sales of goods		
Other Miscellaneous Income	(5,509)	(4,899)
<b>Total Fees, charges &amp; other service income</b>	<b>(106,851)</b>	<b>(114,667)</b>

## 3. Material Items of Income and Expense

Within the net cost of services of the CIES there are variances between years on service expenditure and income. Some of these changes will be due to general higher costs of purchasing external goods and services and changes in the cost of employing Council staff, some of which is offset by changes in income from fees and charges. Other changes will be due to the year-on-year variation of asset charges, such as depreciation and impairments. There are no unusual material items in 2022/23 or 2023/24.

#### 4. Other Operating Expenditure

Breakdown of items included under Other Operating Expenditure. The disposal of schools to academy status continues to see the high balances on disposal of non-current assets.

	2022/23 £'000	2023/24 £'000
(Gains)/losses on the disposal of non-current assets	12,679	27,202
Parish council precepts	9,599	10,320
Payments to the Government Housing Capital Receipts Pool	2,705	2,716
<b>Total Other Operating Expenditure</b>	<b>24,983</b>	<b>40,238</b>

#### 5. Financing and Investment Income and Expenditure

Breakdown of items included under Financing and Investment Income and Expenditure.

	2022/23 £'000	2023/24 £'000
Interest payable and similar charges	16,388	15,991
Interest receivable and similar income	(4,852)	(5,060)
Investment income	(557)	(612)
Movement on market value of investment property	880	1,005
(Gains)/losses on assets held for sale	2,187	182
Net interest on the net defined benefit liability	7,528	1,170
<b>Total Financing and Investment Income and Expenditure</b>	<b>21,574</b>	<b>12,676</b>

#### 6. Dedicated Schools Grant

Schools' funding is provided through the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual School Budget, which is divided into a budget share for each school. Over- and under-spends on the two elements are required to be accounted for separately. Recent changes to legislation require a deficit recovery plan for any deficit value. The deficit is shown as a specific unusable reserve on the balance sheet with a debit balance.

	Central Expenditure 2023/24 £'000	Schools Budgets 2023/24 £'000	Total 2023/24 £'000
Final DSG before Academy Recoupment			244,662
Academy figure recouped for the year			163,814
<b>DSG after Academy Recoupment</b>			<b>80,848</b>
Brought Forward from prior year			0
Carry Forward agreed in advance			0
<b>Agreed initial budgeted distribution</b>	<b>50,220</b>	<b>30,627</b>	<b>80,848</b>
In year adjustments	21	0	21
<b>Final budgeted distribution for year</b>	<b>50,241</b>	<b>30,627</b>	<b>80,868</b>
Less actual central expenditure	54,237		54,237
Less actual ISB deployed to schools		29,730	29,730
<b>Carry forward to next year</b> (including carry forward agreed in advance)	<b>(3,997)</b>	<b>897</b>	<b>(3,099)</b>

DSG unusable reserves at the end of 2022/23	(5,300)
Addition to DSG unusable reserves at end of 2023/24	(3,099)
<b>Total of DSG unusable reserves at the end of 2023/24</b>	<b>(8,399)</b>

## 7. Grant Income

The Authority credited the following grant related income to the Comprehensive Income and Expenditure Statement.

<b>Funding Body</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Heritage Lottery Fund	(247)	(45)
Department for Education (DfE)	(87,688)	(89,359)
Department for Work & Pensions (DWP)	(40,723)	(43,546)
Department for Levelling Up, Housing & Communities (DLUHC)	(41,246)	(50,007)
Department of Health	(13,612)	(11,634)
Department of Transport	(423)	(1,033)
Environment Agency / DEFRA	(313)	(324)
Home Office	(3,552)	(4,089)
Learning Skills Council / Skills Funding Agency	(603)	(497)
Youth Justice board	(350)	(404)
Sport England	(3)	(133)
Department for Business Energy & Industrial Strategy (BEIS)	(475)	(33)
Homes England	(200)	(75)
Grants from other organisations	(13,469)	(13,600)
Contributions & sponsorships from other organisations	(35,383)	(34,887)
<b>Total</b>	<b>(238,287)</b>	<b>(249,666)</b>

The value of Business Rates received by the authority under taxation and grant income is lower than the Billing Authority share disclosed in the Collection Fund statement due to the application of a government tariff.

	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
<b>Credited to Taxation and Non-Specific Grant Income</b>		
Collection Fund Income - Council Tax	(126,606)	(135,742)
Collection Fund Adjustments – Council Tax	(666)	226
Collection Fund Income - Business Rates	(33,071)	(56,075)
Collection Fund Income - Business Rates Tariff	17,288	19,526
Collection Fund Adjustments – Business Rates	(18,315)	1,168
Revenue Support Grant	(4,498)	(5,155)
Other non-ring-fenced government grants	(3,161)	(1,066)
S106 - used in funding	(5,608)	(6,592)
Capital grants and contributions - to CGUA*	(53,168)	(40,733)
<b>Total</b>	<b>(227,805)</b>	<b>(224,443)</b>
*Capital Grants Unapplied Account		

The Authority has received a number of capital contributions that have yet to be recognised as income as they have conditions attached to them which are not reasonably assured to be met and may require the funds to be returned to the giver. The balances at the year-end are as follows:

	2022/23	2023/24
	£'000	£'000
<b>Capital Grants Receipts in Advance</b>		
<b>Balance at 1 April</b>	<b>(30,263)</b>	<b>(27,020)</b>
New funds received	(58,752)	(45,075)
Funds written out to fund capital schemes	61,993	50,184
Funds written out for repayment	2	38
<b>Balance at 31 March</b>	<b>(27,020)</b>	<b>(21,873)</b>

## 8. Members' Allowances

The Authority paid the following amounts to members of the council during the year.

	2022/23	2023/24
	£'000	£'000
Basic Allowances	497	519
Special Responsibility Allowances	167	226
Expenses	0	1
<b>Total</b>	<b>664</b>	<b>746</b>

## 9. Officers' Remuneration

The below shows estimates of remuneration to senior officers of the Corporate Management Team. There were a number of changes across the team which resulted in a number of interim appointments, some of which were made permanent during the year and one post incurred agency costs. In both years some senior officers were not in the pension scheme.

Position	Period	Remuneration £	Emp. Pension Contributions £	Total Remuneration £
<b>2023/24</b>				
Chief Executive Officer – Susie Kemp	Left 31/10/23	108,418	0	108,418
Chief Executive Officer – Sam Mowbray	Started 01/08/23	116,955	25,028	141,983
Corporate Director of Finance and Assets (S151 Officer)	Left 30/09/23	66,982	14,334	81,316
Director of Finance and Audit (S151 Officer)	Started 25/09/23	54,661	11,697	66,358
Corporate Director of Inclusive, Economy and Sustainability	Started 25/09/23 left 8/4/24	70,549	0	70,549
Corporate Director for Adults, Health and Housing	Left 02/02/24	125,421	26,840	152,261
Corporate Director Integrated Adult Social Care	Started 01/02/24	21,167	4,530	25,697
Corporate Director of Children Services	Agency until 01/06/23	120,834	25,858	146,692
Chief Operating Officer	Left Role 31/07/23	47,938	10,259	58,196
Chief Operating Officer	Started 11/09/23	71,342	15,267	86,609
<b>2022/23</b>				
Chief Executive Officer – Susie Kemp		179,574	0	179,574
Corporate Director of Finance and Assets (S151 Officer)		129,434	27,669	157,133
Corporate Director for Adults, Health and Housing		138,950	29,735	168,685
Corporate Director of Children Services ***		208,331	29,155	237,486
Chief Operating Officer		138,950	29,735	168,685

\*\*\* left 6<sup>th</sup> March 2023

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

Remuneration Band			Number of Employees	
£		£	2022/23	2023/24
50,000	to	54,999	84	94
55,000	to	59,999	55	51
60,000	to	64,999	25	33
65,000	to	69,999	25	32
70,000	to	74,999	8	11
75,000	to	79,999	13	14
80,000	to	84,999	4	5
85,000	to	89,999	3	3
90,000	to	94,999	4	2
95,000	to	99,999	0	3
100,000	to	104,999	3	2
105,000	to	109,999	1	2
110,000	To	114,999	2	1

## 10.Exit Packages

The Council incurred costs of £0.63m (£1.39m in 22/23) for known compulsory redundancy and other departure reasons payments.

Exit Package Band			Number of Employees			
			2022/23		2023/24	
£		£	Compulsory	Other	Compulsory	Other
0	to	19,999	11	18	10	15
20,000	to	79,999*	16	5	8	3
80,000	to	179,999*	3	0	0	0

\* Under the Code, ranges can be grouped if it could otherwise identify individual staff.

## 11.External Audit Costs

The Authority has the following scale fees in relation to the audit of the Statement of Accounts and certification of grant claims provided by the Authority's external auditors.

	2022/23	2023/24
	£'000	£'000
Statutory Audit of the Accounts	114	370
Review of Grant Claims	28	28
Other services	18	22
<b>Scale Fees Due</b>	<b>160</b>	<b>420</b>
<b>Total Fees including additional</b>	<b>223</b>	<b>420</b>



## 12. Better Care Fund

The government created the Better Care Fund in 2015 with the aim of developing and improving joint health and social care planning. The Better Care Fund is a pooling of existing Health and Social Care budgets. The Care Act 2014 amended the NHS Act 2006 to provide the legislative basis for the Better Care Fund. It allows for the NHS Mandate to include specific requirements relating to the establishment and use of an integration fund.

The Council entered into an arrangement in 2015, with Swindon Clinical Commissioning Group (CCG), now the Integrated Care Board (ICB) to comply with the requirements of the Better Care Fund. The Section 75 (“S75”) agreement covers a range of budgets as well as the Better Care Fund and runs for 5 years. Each year a Deed of Variation to the S75 is drawn up and agreed by both partners, this variation document provides up to date budget allocations for the financial year. In 2023/24 a new deed of variation was agreed which resulted in core adult and children social care and public health services being removed from the agreement, resulting in a reduction in S75 pooled budget values.

Swindon's Better Care Fund was presented to and approved by Swindon's Health & Wellbeing Board and NHS England. The funding provided by each partner and risk share are identified within the Section 75 agreements. This results in the budgets not being a true pooled budget arrangement, as Swindon Borough Council generally retains responsibility for service and financial pressures on social care and public health services, and ICB retains responsibility for service and financial pressures on health services.

The following table is for information only and provides a memorandum of the split between parties. The budget is hosted by the Council on behalf of the two partners to the agreement, so it nominally collects and redistributes all funds, but does not control ICB commissioning activities and expenditure. It operates on an agency basis with amounts shown against the Council as Better Care Fund included within the Adults Section 75 arrangement balances. Costs from activities directly commissioned by the ICB are shown at the foot of the table.

	2022/23			2023/24		
	SBC	ICB	Total	SBC	ICB	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Section 75	74,460	15,000	89,460	8,792	16,778	25,570
Public Health	11,129	0	11,129	0	0	0
Children - Commissioning & Service Delivery	51,139	4,789	55,928	0	2,902	2,902
Capital - DFG	728	0	728	972	0	972
<b>Total</b>	<b>137,456</b>	<b>19,789</b>	<b>157,245</b>	<b>9,764</b>	<b>19,680</b>	<b>29,444</b>
<b>Better Care Fund</b>						
SBC Commissioned activities	29,751	9,761	39,512	6,152	12,182	18,334
Capital - DFG	728	0	728	972	0	972
<b>Total</b>	<b>30,479</b>	<b>9,761</b>	<b>40,240</b>	<b>7,124</b>	<b>12,182</b>	<b>19,306</b>
Activities directly commissioned and recorded within Swindon ICB accounts.	0	39,051	39,051	0	6,116	6,116

### 13.Adjustments between Accounting Basis and Funding Basis under Regulations

Adjustments shown within the Movement in Reserves statement – the net balance of entries against Total Useable Reserves is matched by entries to an Unusable Reserve, generally used for accounting adjustments and not for supporting the General Fund:

2023/24	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(24,038)	(9,478)	0	0	0	(33,516)
Charges for impairment and revaluation losses of non-current assets	(20,387)	(26,639)	0	0	0	(47,026)
Movement in the market value of investment properties	(1,020)	0	0	0	0	(1,020)
Capital grants and contributions applied	6,592	0	0	0	0	6,592
Revenue expenditure funded from capital under statute	(4,004)	0	0	0	0	(4,004)
Movement in the value of donated assets	15	0	0	0	0	15
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(24,180)	(7,870)	0	0	0	(32,050)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	5,415	0	0	0	0	5,415
Voluntary provision for the financing of capital investment	0	5,000	0	0	0	5,000
Capital expenditure charged against the GF and HRA balances	163	9,597	0	0	0	9,760
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	40,733	0	0	0	(40,733)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	29,615	29,615
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	185	4,663	(4,848)	0	0	0
Flexible use of UCR to finance transformational projects	(3,302)	0	3,302	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	1,854	0	0	1,854
Use of the Capital Receipts Reserve Voluntary debt funding	0	0	0	0	0	0

Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(2,716)	0	2,716	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	(1)	0	0	(1)
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	9,478	0	(9,478)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	9,452	0	9,452
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	2,550	191	0	0	0	2,741
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax / business rate income credited to the CIES is different from that calculated for the year in accordance with statutory requirements	(2,500)	0	0	0	0	(2,500)
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	(182)	0	0	0	0	(182)
<b>Total Adjustments</b>	<b>(26,676)</b>	<b>(15,058)</b>	<b>3,023</b>	<b>(26)</b>	<b>(11,118)</b>	<b>(49,855)</b>

<b>2022/23</b>	<b>General Fund Balance £'000</b>	<b>Housing Revenue Account £'000</b>	<b>Capital Receipts Reserve £'000</b>	<b>Major Repairs Reserve £'000</b>	<b>Capital Grants Unapplied £'000</b>	<b>Total Usable Reserves £'000</b>
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(24,523)	(9,221)	0	0	0	(33,744)
Charges for impairment and revaluation losses of non-current assets	(18,638)	(16,161)	0	0	0	(34,799)
Movement in the market value of investment properties	(880)	0	0	0	0	(880)
Capital grants and contributions applied	5,608	0	0	0	0	5,608
Revenue expenditure funded from capital under statute	(2,388)	0	0	0	0	(2,388)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(17,692)	(8,040)	0	0	0	(25,732)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	5,054	0	0	0	0	5,054
Voluntary provision for the financing of capital investment	0	5,000	0	0	0	5,000

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Capital expenditure charged against the GF and HRA balances	269	9,344	0	0	0	9,613
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	53,168	0	0	0	(53,168)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	41,260	41,260
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	8,750	4,303	(13,053)	0	0	0
Flexible use of UCR to finance transformational projects	(1,196)	0	1,196	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	4,960	0	0	4,960
Use of the Capital Receipts Reserve Voluntary debt funding	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(2,705)	0	2,705	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	(1)	0	0	(1)
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	9,222	0	(9,222)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	8,401	0	8,401
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	(22,260)	(3,006)	0	0	0	(25,266)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax / business rate income credited to the CIES is different from that calculated for the year in accordance with statutory requirements	18,111	0	0	0	0	18,111
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	(2,188)	0	0	0	0	(2,188)
<b>Total Adjustments</b>	<b>(1,510)</b>	<b>(8,559)</b>	<b>(4,193)</b>	<b>(821)</b>	<b>(11,908)</b>	<b>(26,991)</b>

## 14. 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. Transfers out are generally used to support specific projects, or budgeted contributions to the general fund.

	Balance 31/3/22 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/23 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/24 £'000
<b>HRA Earmarked</b>	<b>(1,569)</b>	<b>(68)</b>	<b>343</b>	<b>(1,294)</b>	<b>(137)</b>	<b>433</b>	<b>(998)</b>
Service Earmarked	(25,473)	(5,750)	5,390	(25,833)	(5,935)	7,473	(24,295)
Major Project Cashflowing	(2,878)	0	1,634	(1,244)	0	1,125	(119)
Schools	(4,700)	0	364	(4,336)	0	651	(3,685)
Infrastructure & Regeneration	(1,029)	0	47	(982)	0	107	(875)
Budget Delivery Cashflowing	(45,170)	0	24,711	(20,459)	(3,995)	6,545	(17,909)
<b>General Fund Reserves per BS</b>	<b>(79,250)</b>	<b>(5,750)</b>	<b>32,146</b>	<b>(52,854)</b>	<b>(9,930)</b>	<b>15,901</b>	<b>(46,883)</b>
<b>Total Earmarked Reserves</b>	<b>(80,819)</b>	<b>(5,818)</b>	<b>32,489</b>	<b>(54,148)</b>	<b>(10,067)</b>	<b>16,334</b>	<b>(47,881)</b>

The reserves above serve a number of purposes and can be summarised as:

Reserve	Purpose
HRA Earmarked	These reserves support the specific service requirements of the HRA
Schools	For schools' related rollovers
Service Earmarked	To support individual services of the GF, such as commuted sums, self-insurance, children's development and public health
Major Project Cash flowing	Ongoing Wichelstowe and PFI-related support
Infrastructure & Regeneration	To provide support to activities in these areas
Budget Delivery Cash flowing	To mitigate fluctuations in funding

## 15.Impact of Prior period Adjustments

The following table indicates the restatements necessary to the 2022/23 CIES classification to adjust for the internal re-alignment of services within reported Directorates.

	2022/23	2022/23	2022/23	Amounts Removed			Amounts Reclassified			2022/23	2022/23	2022/23
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Restated Gross Expenditure	Restated Gross Income	Restated Net Expenditure
Continuing Operations	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Enabling	25,469	(3,165)	22,304	0	0	0	44,587	(41,573)	3,014	70,056	(44,738)	25,318
Resources - Finance & Audit	73,011	(81,167)	(8,156)	(63,636)	51,439	(12,197)	0	0	0	9,375	(29,728)	(20,353)
Resources - Operations	37,854	(9,714)	28,140	(37,854)	9,714	(28,140)	0	0	0	0	0	0
Children Services	76,427	(12,247)	64,180	0	0	0	0	0	0	76,427	(12,247)	64,180
Adults, Housing & Public Health	154,316	(73,546)	80,770	0	0	0	0	0	0	154,316	(73,546)	80,770
Inclusive Economy & Sustainability	24,937	(7,696)	17,241	0	0	0	56,903	(19,580)	37,323	81,840	(27,276)	54,564
DSG Commissioning	111,864	(98,688)	13,176	0	0	0	0	0	0	111,864	(98,688)	13,176
HRA - Housing	43,591	(55,399)	(11,808)	0	0	0	0	0	0	43,591	(55,399)	(11,808)
HRA - Operations	13,196	(394)	12,802	0	0	0	0	0	0	13,196	(394)	12,802
<b>Surplus / Deficit on Continuing Operations</b>	<b>560,665</b>	<b>(342,016)</b>	<b>218,649</b>	<b>(101,490)</b>	<b>61,153</b>	<b>(40,337)</b>	<b>101,490</b>	<b>(61,153)</b>	<b>40,337</b>	<b>560,665</b>	<b>(342,016)</b>	<b>218,649</b>

The EFA and group CIES were also restated for these realignments to services that impacted the CIES.

# Disclosures Relating to the Balance Sheet

## 16. Property, Plant and Equipment

In 2023/24 the Council made no material changes to its accounting estimates methods for Property, Plant and Equipment.

The revaluation programme is such that the top twenty assets by value are revalued annually, whilst the majority of the remaining items of Other Land and Buildings are revalued bi-annually. This results in the majority of assets going no longer than a year without undergoing revaluation review. Accumulated depreciation is written back at the revaluation date.

	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant, &amp; Equipment</b>	<b>Community Assets</b>	<b>Surplus Assets</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Carried at historical cost	0	0	28,878	14,431	0	65,659	108,968
Value of assets revalued in year ending:							
31-Mar-24	572,409	379,615	0	0	21,417	0	973,441
31-Mar-23	0	77,866	0	0	2,204	0	80,070
<b>Total Value of category on the balance sheet</b>	<b>572,409</b>	<b>457,481</b>	<b>28,878</b>	<b>14,431</b>	<b>23,621</b>	<b>65,659</b>	<b>1,162,479</b>

The revaluation decreases recognised in the surplus/deficit on provision of services relates to a general fall in prices across the relevant asset categories for General Fund assets. HRA council dwellings are also subject to specific impairment where the value of new build property is affected by social housing valuations. The certified valuation date is the 31 December, but the Valuer confirms any material change to the valuations at the end of the year. There has been an improvement in the housing market during the year which is reflected in the increase to HRA dwellings valuation, although such valuations are limited by application of a social housing discount factor.

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

2023/24	Council Dwellings	Other Land & Buildings	Vehicles, Plant, & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
<b>At 1 April 2023</b>	<b>551,820</b>	<b>495,146</b>	<b>18,338</b>		<b>13,014</b>	<b>28,032</b>	<b>61,159</b>	<b>1,167,509</b>
Additions	16,742	5,814	10,540		1,417	23	27,629	62,165
Revaluation + / (-) recognised in the Revaluation Reserve	16,099	(1,040)	0		0	(100)	0	14,959
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(26,639)	(18,094)	0		0	(4,323)	0	(49,056)
Derecognition – disposals	(8,742)	(24,621)	0		0	265	0	(33,098)
Reclassification	23,129	276	0		0	(276)	(23,129)	0
<b>At 31 March 2024</b>	<b>572,409</b>	<b>457,481</b>	<b>28,878</b>		<b>14,431</b>	<b>23,621</b>	<b>65,659</b>	<b>1,162,479</b>
Accumulated Depreciation and Impairment								
<b>At 1 April 2023</b>	<b>(2,205)</b>	<b>(6,799)</b>	<b>(12,375)</b>		<b>0</b>	<b>(103)</b>	<b>0</b>	<b>(21,482)</b>
Depreciation charge	(9,088)	(11,877)	(3,063)		0	(22)	0	(24,050)
Depreciation w/b on Revaluation	8,016	11,114	0		0	43	0	19,173
Depreciation written to/from the CIES	0	1,992	0		0	38	0	2,030
Depreciation written to/from the CIES - Reclassifications	0	(2)	0		0	2	0	0
Derecognition – disposals	872	176	0		0	0	0	1,048
<b>At 31 March 2024</b>	<b>(2,405)</b>	<b>(5,396)</b>	<b>(15,438)</b>		<b>0</b>	<b>(42)</b>	<b>0</b>	<b>(23,281)</b>
Net Book Value as per the Balance Sheet								
<b>At 1 April 2023</b>	<b>549,615</b>	<b>488,347</b>	<b>5,963</b>	<b>234,098</b>	<b>13,014</b>	<b>27,929</b>	<b>61,159</b>	<b>1,380,125</b>
<b>At 31 March 2024</b>	<b>570,004</b>	<b>452,085</b>	<b>13,440</b>	<b>233,146</b>	<b>14,431</b>	<b>23,579</b>	<b>65,659</b>	<b>1,372,344</b>



2022/23	Council Dwellings	Other Land & Buildings	Vehicles, Plant, & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
<b>At 1 April 2022</b>	<b>530,713</b>	<b>475,226</b>	<b>21,273</b>		<b>12,453</b>	<b>50,893</b>	<b>71,751</b>	<b>1,162,309</b>
Additions	13,566	44,074	4,301		561	30	28,254	90,786
Revaluation + / (-) recognised in the Revaluation Reserve	19,380	9,545	0		0	(16,113)	0	12,812
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(16,273)	(16,723)	0		0	(4,127)	0	(37,123)
Derecognition – disposals	(8,844)	(14,881)	(7,236)		0	(151)	0	(31,112)
Reclassification	13,278	(2,095)	0		0	(2,500)	(38,846)	(30,163)
<b>At 31 March 2023</b>	<b>551,820</b>	<b>495,146</b>	<b>18,338</b>		<b>13,014</b>	<b>28,032</b>	<b>61,159</b>	<b>1,167,509</b>
Accumulated Depreciation and Impairment								
<b>At 1 April 2022</b>	<b>(2,492)</b>	<b>(6,570)</b>	<b>(16,593)</b>		<b>0</b>	<b>(165)</b>	<b>0</b>	<b>(25,820)</b>
Depreciation charge	(8,817)	(13,533)	(2,141)		0	(59)	0	(24,550)
Depreciation w/b on Revaluation	8,305	10,675	0		0	54	0	19,034
Depreciation written to/from the CIES	112	2,144	0		0	68	0	2,324
Depreciation written to/from the CIES - Reclassifications	(117)	123	0		0	(6)	0	0
Derecognition – disposals	804	362	6,359		0	5	0	7,530
<b>At 31 March 2023</b>	<b>(2,205)</b>	<b>(6,799)</b>	<b>(12,375)</b>		<b>0</b>	<b>(103)</b>	<b>0</b>	<b>(21,482)</b>
Net Book Value as per the Balance Sheet								
<b>At 1 April 2022</b>	<b>528,221</b>	<b>468,656</b>	<b>4,680</b>	<b>200,260</b>	<b>12,453</b>	<b>50,728</b>	<b>71,751</b>	<b>1,336,749</b>
<b>At 31 March 2023</b>	<b>549,615</b>	<b>488,347</b>	<b>5,963</b>	<b>234,098</b>	<b>13,014</b>	<b>27,929</b>	<b>61,159</b>	<b>1,380,125</b>

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	2022/23 £'000	2023/24 £'000
<b>Net movement in Infrastructure Assets</b>		
<b>Net Book Value (modified historical cost) at 1 April</b>	<b>200,260</b>	<b>234,098</b>
Additions	14,833	8,514
Reclassifications	28,199	0
Depreciation	(9,194)	(9,466)
<b>Net book value at 31 March</b>	<b>234,098</b>	<b>233,146</b>

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

The infrastructure accounting policy for Swindon Borough Council was revised in 2021/22 to reflect component parts of the network and changes in the useful lives following review. Carriageway/Path/Lighting components and street furniture are now depreciated over 30 years, with structures over 100. The following table shows the revised estimated useful lives, the recorded net book value of the relevant component element of the network and their relative proportion of the overall net book value.

Infrastructure Components	Useful Life	In-year Depreciation	31/3/24 NBV £000	Percentage
Carriageways	30	(8,335)	175,733	75%
Footways/ Cycle Tracks	30	(135)	3,908	2%
Structures (bridges, tunnels, underpasses)	100	(401)	38,179	16%
Street Lighting	30	(487)	12,929	6%
Street Furniture	30	(107)	2,397	1%
<b>NBV per the Balance Sheet</b>		<b>(9,465)</b>	<b>233,146</b>	<b>100%</b>

In valuing surplus assets the valuers have used a desktop valuation with physical inspections. There has been no change in the valuation techniques used during the year for surplus assets. The material proportion of surplus assets (82%) relates to land available for development, which is considered the highest and best use of the asset.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and non-observable inputs	Key sensitivities				
Surplus assets	Level 2	Valued at Fair Value as at 31 December 2023 using the market approach.	Review of similar markets for development land.	The inputs listed are exposed to future market changes. These are either at a macro level based on factors such as the performance of the economy, or micro level such as the local demand for development, however, a material value of the surplus assets is for known future development.				
Sensitivity of asset				Asset	Valuation Range	Value as at 31/3/24	Valuation Variation	
						£'000	£'000	
The valuation report states that there is a valuation tolerance of +/- 10%, and the impact of this range on the closing value of surplus assets at 31/3/24 is shown.				Surplus assets	+/- 10%	23,581	2,358	

## 17. Investment Properties

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

	2022/23 £'000	2023/24 £'000
<b>Balance at start of the year</b>	<b>7,362</b>	<b>5,770</b>
Net gains/losses from fair value adjustments	(880)	(1,020)
To/from Property, Plant and Equipment	(712)	0
<b>Balance at end of the year</b>	<b>5,770</b>	<b>4,750</b>

The valuers have used a desktop valuation with physical inspections, with valuations taking account of the following factors: existing lease terms and rentals taken from the tenancy schedule and independent research into market evidence including Market rentals and yields. There has been no change in the valuation techniques used during the year for investment properties. In estimating the fair value of the Authority's investment property, the highest and best use of the properties is deemed to be their current use.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and non-observable inputs	Key sensitivities			
Investment property	Level 3	Valued at Fair Value as at 31 December 2023 using the income method.	Estimated rental value. Capitalisation rate.	The inputs listed are exposed to future market changes. These are either at a macro level based on factors such as the performance of the economy, or micro level such as the local tenant demand for property or house prices.			
Sensitivity of asset				Asset	Valuation Range	Value as at 31/3/24 £'000	Valuation Variation £'000
The Council owns one material investment property, Lysander House in Bristol, which it has considered the potential impact of valuation changes on. The valuation report states that there is a valuation tolerance of +/- 10%, and the impact of this range on the closing value of this investment at 31/3/24 is shown.				Lysander House	+/- 10%	4,750	475

## 18. Heritage Assets

The valuation rules are relaxed in relation to heritage assets and values for collections have been taken by reference to accepted valuations by external insurers and the expertise of service staff. The nature of heritage assets means they are expected to have indefinite lives, as they are held for future prosperity without consumption of benefits. The Council's holdings can be broken down to collections held at the following sites:

	2022/23	2023/24
	£'000	£'000
<b>Collections held on location at:</b>		
Steam Railway Heritage Centre	14,200	14,200
Bath Road Museum	11,800	11,815
Lydiard Park House	2,500	2,500
Richard Jefferies Museum	120	120
Agricultural Store Coate	120	120
Whitehall Farm Stores	60	60
Transport Depot Stores	60	60
Civic Regalia	340	340
<b>Total Valuation</b>	<b>29,200</b>	<b>29,215</b>

## 19. Capital Commitment

At 31 March 2024, Council has approved a Capital Programme of £712m with £423m remaining budgeted to be spent on the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years. Whilst a departure from the Code and not contractually committed, there is reasonable expectation that the work will be undertaken. External grants and borrowing will primarily fund this programme of works, which includes the major New Eastern Villages and Kimmerfields developments. Further expenditure depends on borrowing, grants and other contributions, some of which have already been received or promised. Similar remaining budgeted commitments at 31 March 2023 were £367m.

## 20. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR was £553.6m as at 31/03/23 and has increased by £7.0m to £560.6m as at 31/03/24.

	2022/23	2023/24
	£'000	£'000
Property, Plant & Equipment	79,434	45,732
HRA Dwellings & AUC	26,215	24,954
<b>Total Additions to Balance Sheet</b>	<b>105,649</b>	<b>70,686</b>
Revenue Expenditure Funded from Capital Under Statute	2,388	4,004
<b>Total Expenditure to be Financed</b>	<b>108,037</b>	<b>74,690</b>
HRA Funding	(8,401)	(9,452)
Capital Receipts	(4,960)	(1,854)
Revenue Contribution to Capital Outlay (RCCO)	(9,613)	(9,760)
Government Grants and Other Contributions	(41,260)	(29,615)
S106	(5,608)	(6,592)
<b>Sources of non-borrowing finance</b>	<b>(69,842)</b>	<b>(57,273)</b>
<b>Opening CFR</b>	<b>525,498</b>	<b>553,639</b>
Balance of capital expenditure financed from borrowing	38,195	17,417
Reduction from MRP	(5,054)	(5,415)
Reduction from Voluntary HRA repayments	(5,000)	(5,000)
<b>Movement in CFR</b>	<b>28,141</b>	<b>7,002</b>
<b>Closing CFR</b>	<b>553,639</b>	<b>560,641</b>

## 21. Long-term Debtors

The balance of long-term debtors consists of the following elements:

	Balance at 31 March	2023	2024
		£'000	£'000
Mortgage Advances		233	229
Finance Lease Asset		1,233	1,232
Long term loans		5,402	5,252
<b>Total</b>		<b>6,868</b>	<b>6,713</b>

## 22. Short-term Debtors

The balances of short-term debtors are summarised in the following table.

	Balance at 31 March	2023	2024
		£'000	£'000
Central government bodies		12,282	7,074
Other local authorities		858	1,370
NHS bodies		3,865	1,979
Collection Fund		21,751	25,447
Sundry organisations and individuals		21,567	26,734
Payments in Advance		7,190	4,364
<b>Sub-total</b>		<b>67,513</b>	<b>66,968</b>
Impairment of debtors		(7,498)	(7,878)
Collection Fund loss allowance		(14,149)	(15,827)
<b>Net Debtors</b>		<b>45,866</b>	<b>43,263</b>

## 23. Short-Term Creditors

	Balance at 31 March	2023 £'000	2024 £'000
Central government bodies		(25,748)	(23,552)
Other local authorities		(1,372)	(830)
NHS bodies		(1,733)	(1,140)
Collection Fund		(4,508)	(6,706)
Sundry organisations and individuals		(27,226)	(28,893)
Receipts in advance		(18,446)	(17,253)
<b>Total</b>		<b>(79,033)</b>	<b>(78,374)</b>

## 24.Provisions

### Insurance

The provision is in respect of employers and public liability claims where incidents have already taken place but the claims have yet to be settled. The provision is based on the total of the individual claim “reserves” estimated by the Council’s loss adjusters. It includes a provision for outstanding Municipal Mutual Insurance (MMI – relating to old Mesothelioma claims) claims that are now becoming certain that payment will be necessary in future.

### Capitalised Landfill

This provision represents the sixty year liability for the reclamation of the Shaw landfill site. The cost of the provision represents a capital cost as part of the decommissioning of the asset.

### Rates Appeals

This provision is required under the revised business rate accounting of the collection fund and is based upon estimates of valuations appeals.

### Other

The other provisions mainly relate to Housing, where housing review costs are known to be payable every fourth year, or where the Authority is required to underwrite accommodation costs and may need be charged if amounts are not paid.



Expenditure relating to these provisions occurs when the Insurers close claims, when confirmation of NDR balances can be used is received, or as temporary housing needs require. This occurs during the course of any year and is not fixed to specific dates. The provisions are reviewed annually to ensure they cover prudently estimated liabilities.

<b>2023/24</b>	<b>Insurance £'000</b>	<b>Landfill £'000</b>	<b>Rates Appeals £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>Balance Outstanding at start of year</b>	<b>(2,666)</b>	<b>(2,315)</b>	<b>(7,992)</b>	<b>(124)</b>	<b>(13,097)</b>
Additional provisions made	(500)	0	0	0	(500)
Amounts used	990	200	2,454	0	3,644
<b>Balance outstanding at year end</b>	<b>(2,176)</b>	<b>(2,115)</b>	<b>(5,538)</b>	<b>(124)</b>	<b>(9,953)</b>
Relating to short-term	(1,141)	0	0	0	(1,141)
Relating to long-term	(1,035)	(2,115)	(5,538)	(124)	(8,812)

## 25.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 Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

The movement in reserves statement provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>(276,696)</b>	<b>(273,902)</b>
Reversal of capital related items debited or credited to the CIES:		
Adjusting balance for rounding	4	(1)
Charges for depreciation of noncurrent assets	33,744	33,516
Charges for impairment of noncurrent assets	37,123	49,056
Depreciation written back on disposals	(26,559)	(1,049)
Depreciation written back on general gain/loss	(2,324)	(2,030)
Revenue expenditure funded from capital under statute	2,388	4,004
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	52,291	33,099
Application of the HRA debt	(5,000)	(5,000)
	<b>91,667</b>	<b>111,595</b>
Adjusting amounts written out of the Revaluation Reserve	(14,856)	(23,986)
Deferred Receipts	(1)	(1)
Use of the Capital Receipts Reserve to finance new capital expenditure	(4,960)	(1,854)
Use of the Major Repairs Reserve to finance new capital expenditure	(8,401)	(9,452)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(5,608)	(6,592)
Application of grants to capital financing from the Capital Grants Unapplied Account	(41,260)	(29,615)
Statutory provision for the financing of capital investment charged against the General Fund	(5,054)	(5,415)
Capital expenditure charged against the General Fund and HRA balances	(9,613)	(9,760)
Movement in the value of donated assets	0	(15)
Movement in the market value of investments	880	1,020
	<b>(88,873)</b>	<b>(85,670)</b>
<b>Balance at 31 March</b>	<b>(273,902)</b>	<b>(247,977)</b>

## 26. Revaluation Reserve

The Revaluation Reserve contains gains made by the Authority arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>(584,175)</b>	<b>(601,165)</b>
Revaluation of assets in asset table note	(12,812)	(14,964)
Depreciation added back on revaluation	(19,034)	(19,173)
<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>(31,846)</b>	<b>(34,137)</b>
Adjustments against historic cost	7,633	8,936
Accumulated gains on assets sold or scrapped	7,223	15,050
<b>Balance at 31 March</b>	<b>(601,165)</b>	<b>(611,316)</b>

## 27. 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 Authority 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.

	2022/23	2023/24
	£'000	£'000
<b>Balance at 1 April</b>	<b>270,210</b>	<b>25,917</b>
Remeasurement of the net defined benefit liability	(269,559)	34,234
Net reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	25,266	(2,741)
<b>Balance at 31 March</b>	<b>25,917</b>	<b>57,410</b>

Statutory arrangements, however, require a benefit earned to be financed as the Authority 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 Authority 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. Note 31 contains more detail on the pension fund.

## 28.Collection Fund Adjustment Account

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

	2022/23	2023/24
	£'000	£'000
<b>Balance at 1 April</b>	<b>14,104</b>	<b>(4,007)</b>
Amount by which council tax income credited to the CIES is different from council tax income calculated under statute	202	1,306
Amount by which business rates income credited to the CIES is different from business rates income calculated under statute	(18,313)	1,194
<b>Balance at 31 March</b>	<b>(4,007)</b>	<b>(1,507)</b>

## 29. Leases

### Authority as Lessee

Under reporting standards the Council has finance lease arrangements for its PFI scheme, shown in note 29. The Council has no other known finance lease arrangements, either as a direct leasing process or from service arrangements.

#### Operating Leases

The Council leases and then sub-lets a range of private sector accommodation for its Housing services.

	2022/23	2023/24
	£'000	£'000
Not later than one year	1,404	1,526
Later than one year not later than five	974	1,403
<b>Total</b>	<b>2,378</b>	<b>2,929</b>
The charge to services is:		
Minimum lease payments (total above)	2,378	2,929
Sublease payments receivable	(1,954)	(2,325)
<b>Charge to services</b>	<b>424</b>	<b>604</b>

### Authority as Lessor

#### Finance Leases

The Authority has leased out a range of property across the Borough where it holds assets on commercial estates, farms and office space. Most of these are classified as operating leases, but one lease for a recreational site is a finance lease.

#### Operating Leases

The Authority leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres
- For economic development purposes to provide suitable affordable accommodation for local businesses.

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

	2022/23	2023/24
	£'000	£'000
Not later than one year	5,088	8,361
Later than one year and not later than five	17,672	28,656
Later than five years	119,257	116,808
<b>Total Payments Due</b>	<b>142,017</b>	<b>153,825</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

### 30. Private Finance Initiatives and Similar Contracts

#### Schools PFI Scheme

In 2004/05 the Council entered into a PFI contract with Equion plc. to provide seven schools in the northern sector of Swindon. The Department for Education & Skills sponsored the project and has issued the Council with a Notional Credit Approval of £62.8m. The Council is committed to making payments estimated at £269.5m under the contract although the actual level of payments will depend on contract performance by the provider. Periodic contract reviews may also increase or decrease payments depending on inflation and utility costs. This payment covers a range of on-going services in the management of the schools, with the expectation that the schools will be available for educational use throughout the school term and day. The contract expires in 2032.

As the Council is deemed to control the services that are provided under its PFI scheme and as ownership of the schools will pass to the council at the end of the contracts, the council carries the PPE used under the contracts on the Balance Sheet. Assets are transferred out if a PFI schools changes to academy status. There are no known implications to the accounting model, or impact of onerous contracts, from agreed academy transfers that have taken place.

The original recognition of this PPE was balanced by the recognition of a finance lease liability for amounts due to the scheme operator to pay for the assets. In a departure from the Code, that is not material, lifecycle costs are recorded through revenue as modelled, rather than carried forward as a payment in advance if renewal works have not been undertaken. This ensures a consistent flow through revenue and limits the impact of significant prepayment balances building up over the duration of the contract.

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

- Fair value of the services received during the year – debited to the relevant service in the Income and Expenditure Account

- Finance cost – an interest charge of 13% on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the Income and Expenditure Account
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Income and Expenditure Account
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- Lifecycle replacement costs – recognised as expensed in the CIES.

PFI assets are accounted for on the Council's balance sheet at current value with a related finance lease liability. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 15. Revised MRP policy allows for PFI liability costs of the lease repayment to be funded from capital receipts, permissible under regulations.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the 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.

	2022/23 £'000	2023/24 £'000
Opening Balance	(43,052)	(40,433)
Unitary Charge Paid	11,615	11,682
Expenditure / Financing Cost	(8,996)	(8,692)
<b>Closing Balance</b>	<b>(40,433)</b>	<b>(37,444)</b>

The payments due, as calculated under the finance lease methodology, which relate to service charges, interest and lease liability are shown in the following table.

Balance at 31 March	2023			2024		
	Service Charges £'000	Interest £'000	Liability £'000	Service Charges £'000	Interest £'000	Liability £'000
Within 1 Year	4,028	4,665	2,989	4,201	4,320	3,232
Within 2 - 5 Years	17,828	14,906	14,727	18,620	13,207	15,947
Within 6 - 10 Years	21,939	7,280	22,717	16,946	4,659	18,265
	<b>43,795</b>	<b>26,851</b>	<b>40,433</b>	<b>39,767</b>	<b>22,186</b>	<b>37,444</b>

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

	2022/23	2023/24
	£'000	£'000
<b>Finance Lease Liabilities</b>		
- Current	(2,989)	(3,232)
- Non-current	(37,444)	(34,212)
Finance Cost Payable in Future Years	(70,550)	(62,267)
<b>Minimum lease payments</b>	<b>(110,983)</b>	<b>(99,711)</b>

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Not later than one year	11,273	11,358	(2,989)	(3,232)
Later than 1 not later than 5	57,951	58,535	(19,179)	(21,024)
Later than 5	41,760	29,817	(18,265)	(13,188)
	<b>110,983</b>	<b>99,711</b>	<b>(40,433)</b>	<b>(37,444)</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into.

### 31. Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Authority 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 authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme, however, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.



In 2023/24, the council paid £0.132m to Teachers' Pensions in respect of teachers' retirement benefits as part of the employer's payroll, representing 23.8% of pensionable pay. The figures for 2022/23 were £1.067m and 23.7%.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis.

Health staff transferred to the Council in 2013/14 and many maintained their membership in the NHS Pension Scheme. The Scheme provides these staff with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Authority is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

## **32. Defined Benefit Pension Schemes**

### **Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The authority participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Wiltshire Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions 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. However, there is 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.

The Council paid an employer's contribution of £16.6m (£16.82m in 2022/23) into Wiltshire Council's Pension Fund. Wiltshire Council manages the fund, which provides participants with defined benefits relating to pay and service. This represented 21.5% of employees' pensionable pay. The basic contribution rate to cover the cost of on-going pensions was 21.4% for General Fund staff, with additional lump sum payments being paid to reduce the deficit on the Pension Fund.

The Fund's Actuary, based on triennial actuarial valuations, determines the contribution rate. The last review was as at 31 March 2022. Future contribution rates are set so that fund assets should be sufficient to meet 100% of the overall liabilities of the fund over time; however, the current position of the pension fund is that it is not fully funded. Though a significant liability, the Council can meet the proportion applicable.

## Transactions Relating to Post-employment Benefits

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. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

<b>IAS19 Summary Disclosures Through The CIES</b>	<b>2022/23</b>	<b>2023/24</b>
Within Net Cost of Service:	<b>£'000</b>	<b>£'000</b>
Current service cost	42,169	18,523
Non-Distributed cost/(benefit) (impact of past service costs and settlements and curtailments)	(830)	(1,190)
Within Net operating Expenditure:		
Interest cost	7,528	1,170
Within Reserves Movement:		
Movement on Pensions Reserve	(25,266)	2,741
Actual Amount Charged Against Council tax for the Year:		
All employer's contributions payable to the scheme	(23,601)	(21,244)
Net effect on Council Tax of IAS19 adjustments	0	0

The principal assumptions used by the actuary have been:

<b>Assumptions as at 31 March</b>	<b>2023</b>	<b>2024</b>
Pension Increase Rate (CPI)	3.0%	2.8%
Salary Increase Rate	3.5%	3.3%
Discount Rate	4.8%	4.9%
<b>The average future life expectancies at age 65 , in years</b>	<b>Male</b>	<b>Female</b>
Current Pensioners	21.0	24.0
Future Pensioners	22.0	25.5

## Commutation Adjustment

An allowance is included for future retirements to elect to take a percentage of the maximum additional tax-free cash up to HMRC limits. There are different rates for pre- (50%) and post (75%) - April 2008 service.

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme.

There are risks associated with the pension liability around scheme membership, where the life expectancy of members may be longer than estimated, resulting in benefits being payable for a longer period.

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £784m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £57m. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due)
- Finance is only required to be raised to cover discretionary benefits when pensions are paid
- The total contributions expected to be made to the Local Government Pension Scheme by the council in the year to 31 March 2025 is £20.151m.

As part of the valuation of the 31 March 2024 net pension asset/liability the position on the fund was such that a net asset was present. However, the effect of accounting regulations limits the recording of an asset to take account of any asset ceiling – a reduction for the economic benefit that would be available from a reduction in future contributions. The impact of the asset ceiling is to reduce the original net asset to a net liability.

	2023/24
Pension Asset Adjustment for the Asset Ceiling	£'000
Original Net Asset	16,832
Asset Ceiling Adjustment	(74,242)
Revised Net Liability	(57,410)

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Reconciliation of present value of the scheme liabilities:			2023	2024		
	Asset £'000	Obligation £'000	Net £'000	Asset £'000	Obligation £'000	Net £'000
Fair Value of Employer Assets	800,974	0	800,974	750,904	0	750,904
Present Value of Liabilities	0	(1,071,184)	(1,071,184)	0	(776,821)	(776,821)
Opening balance adjustment	0	0	0	0	(631)	(631)
Opening Position 1 April	800,974	(1,071,184)	(270,210)	750,904	(777,452)	(26,548)
Current Service Cost	0	(42,169)	(42,169)	0	(18,523)	(18,523)
Past Service (Costs) / Gains	0	(617)	(617)	0	(89)	(89)
Effect of Settlements	(1,011)	2,458	1,447	(1,760)	3,039	1,279
Total Service Cost	(1,011)	(40,328)	(41,339)	(1,760)	(15,573)	(17,333)
Interest Income on plan assets	21,535	0	21,535	35,551	0	35,551
Interest cost on obligation	0	(29,063)	(29,063)	0	(36,721)	(36,721)
Total Net Interest	21,535	(29,063)	(7,528)	35,551	(36,721)	(1,170)
Total Cost Recognised in Profit/(Loss)	20,524	(69,391)	(48,867)	33,791	(52,294)	(18,503)
Plan participant contributions	5,672	(5,672)	0	6,305	(6,305)	0
Employer contributions	22,659	0	22,659	20,232	0	20,232
Contributions for Unfunded Benefits	942	0	942	(29,801)	29,801	0
Benefits Paid	(32,986)	32,986	0	(1,012)	1,012	0
Unfunded Benefits Paid	(942)	942	0	1,012	0	1,012
Effect of business combinations and disposals	0	0	0	0	0	0
Expected Closing Position	816,843	(1,112,319)	(295,476)	781,431	(805,238)	(23,807)
Change in financial assumptions	0	383,617	383,617	0	42,925	42,925
Change in demographic assumptions	0	1,938	1,938	0	4,801	4,801
Other experience	3,943	(50,057)	(46,114)	0	(26,549)	(26,549)
Return on assets excluding interest	(69,882)	0	(69,882)	19,462	0	19,462
Asset Ceiling Adjustment	0	0	0	(74,242)	0	(74,242)
Total Re-measurements in Other Income	(65,939)	335,498	269,559	(54,780)	21,177	(33,603)
Sub-Total	750,904	(776,821)	(25,917)	726,651	(784,061)	(57,410)
Fair Value of Employer Assets	750,904	0	750,904	800,893	0	800,893
Asset Ceiling Adjustment	0	0	0	(74,242)	0	(74,242)
Present Value of Funded Liabilities	0	(765,426)	(765,426)	0	(772,984)	(772,984)
Present Value of Unfunded Liabilities	0	(11,395)	(11,395)	0	(11,077)	(11,077)
Closing Position 31 March	750,904	(776,821)	(25,917)	726,651	(784,061)	(57,410)

Fair Value of Employer Assets

Asset Category	Non-Quoted Prices		Total	Non-Quoted Prices		Total
	£'000	£'000	%	£'000	£'000	%
<b>Real estate:</b>						
UK Property	52,338	<b>52,338</b>	7%	55,823	55,823	7.0%
Overseas Property	31,516	<b>31,516</b>	4%	33,614	33,614	4.2%
<b>Investment Funds &amp; Unit Trusts:</b>						
Equities	300,905	<b>300,905</b>	40%	320,937	320,937	40.1%
Bonds	205,669	<b>205,669</b>	27%	219,361	219,361	27.4%
Infrastructure	57,159	<b>57,159</b>	8%	60,964	60,964	7.6%
Other	99,932	<b>99,932</b>	13%	106,584	106,584	13.3%
<b>Derivatives:</b>						
Cash / Cash Equivalents	3,385	<b>3,385</b>	1%	3,610	3,610	0.5%
<b>Total</b>	<b>750,904</b>	<b>750,904</b>	<b>100%</b>	<b>800,893</b>	<b>800,893</b>	<b>100.0%</b>

### 33.Financial Instruments

#### Categories of Financial Instruments

The Authority's Treasury strategy is mainly to borrow or invest in Government institutions or highly credit-rated financial organisations. The majority of instruments are carried at amortised cost, whilst the Property Fund is carried at fair value (through profit and loss). The statutory override, extended until 2024/25, requires any gain/loss on revaluation of the Property Fund to be cleared to a Pooled Investments Adjustment Account and therefore any revaluation currently has no general fund impact. Current and non-current investments relate to deposits made with both group and other institutions.

The following categories of financial instrument are carried in the Balance Sheet, debtors and creditors relate only to trade activities. Money market funds were fully repaid during the year.

	Non-Current 31st March 2023 £'000	Non-Current 31st March 2024 £'000	Current 31st March 2023 £'000	Current 31st March 2024 £'000
<b>Amortised Cost</b>				
Investments	11,955	2,268	1,400	300
Debtors	5,401	5,251	13,833	15,316
Cash & Cash Equivalents	0	0	33,930	32,071
<b>Fair value through profit and Loss</b>				
Property Fund Investment	4,657	4,477	0	0
<b>Total Financial Assets</b>	<b>22,013</b>	<b>11,996</b>	<b>49,163</b>	<b>47,687</b>
<b>Borrowings</b>				
Financial liabilities PWLB	(292,199)	(347,998)	(13,501)	(3,890)
Financial liabilities Money Market	(30,000)	0	0	0
Financial liabilities Other Temporary Borrowing	(3,999)	(2,852)	(21,458)	(16,458)
Creditors	0	0	(262)	(1,460)
Other Long Term Liabilities	(2,547)	(2,470)	0	0
PFI	(37,444)	(34,212)	(2,989)	(3,231)
<b>Total Financial Liabilities</b>	<b>(366,189)</b>	<b>(387,532)</b>	<b>(38,210)</b>	<b>(25,039)</b>

#### Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to interest and investing financial instruments are shown in note 5.

#### Fair Values of Assets and Liabilities

One of the authority's financial assets is measured at fair value on a recurring basis and is described in the following table, including the valuation technique used to measure them.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	Basis of valuation	As at 31/3/23	As at 31/3/24
Fair value through profit and Loss				£'000	£'000
Property Fund Investment	Level 2	Observable inputs for the sales value of the asset	Evaluated prices provided by Fund management services.	4,657	4,475
<b>Total</b>				<b>4,657</b>	<b>4,475</b>

Gains and losses included in fair value through profit and loss for the current year relate to the Property Fund Investment and are taken to the Pooled Investment Funds Adjustment Account.

	2022/23	2023/24
	£'000	£'000
Opening Balance	16,845	4,657
Adjusting Transfer In/(Out)	(10,000)	0
Gain/(Loss) to Other Operating Income (reversed to Pooled Investment Funds Adjustment Account)	(2,188)	(182)
<b>Closing Balance</b>	<b>4,657</b>	<b>4,475</b>

Except for the financial asset carried at fair value described in the table above, all other financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their comparative fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For PWLB, and non-PWLB loans payable, new borrowing rates from the PWLB have been applied to provide the fair value
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying or billed amount;

These, and the PFI liability, are carried at amortised cost on the balance sheet, but for fair value comparison are estimated as Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and the fair values calculated by third party Treasury specialist are as follows.

Balance at 31 March	2023		2024	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
PWLB long term liabilities	(292,199)	(242,581)	(347,998)	(309,378)
PWLB short term liabilities	(13,501)	(12,065)	(14,200)	(14,077)
Non-PWLB long term liabilities	(3,999)	(3,999)	(2,852)	(2,852)
Non-PWLB short term liabilities	(21,458)	(21,459)	(6,148)	(8,513)
Money Market	(30,000)	(53,377)	0	0
PFI liability	(40,433)	(55,052)	(37,443)	(50,785)
Investments	1,400	1,400	300	300

The fair value of Public Works Loan Board (PWLB) loans of £323.455m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the new borrowing rates available from the PWLB. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates. However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates.

A supplementary measure of the fair value as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the PWLB redemption interest rates. If a value is calculated on this basis, the carrying amount of £3362.205m would be valued at £281.339m. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption of £42.116m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £320.083m.

The fair values of assets or liabilities shown above are higher or lower than the carrying amount because the Authority's portfolio includes a number of fixed rate loans where the interest rate varies over the prevailing rates at the Balance Sheet date. This shows notional future gains/losses (based on economic conditions at 31 March) arising from a commitment to pay or receive interest at market rates that differ from the current market at the balance sheet date. This includes the PFI liability which has a higher internal rate of return than current market conditions. Premature repayment rate has been used in estimating the PFI fair value, which is expected to be similar to new loan value and includes the penalty charge that would be expected by the market in ending the term early.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.



### **34. Nature and Extent of Risks Arising from Financial Instruments**

The Authority's activities expose it to a variety of financial risks where there is the possibility that:

- Credit risk – other parties might fail to pay amounts due to the Authority
- Liquidity risk – the Authority might not have funds available to meet its commitments to make payments
- Market risk – financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects 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. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

#### **Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. This risk is minimised through the Annual Investment Strategy, available via the Council website, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

The instruments carried by the Authority are such that they have no lifetime expected credit loss applied as they are either held with government institutions, are highly credit-rated with non-material risk or are consolidated under the group. Short-term debtors held at amortised cost are assessed via the simplified approach and the balance of debtor impairment for the year was £7.5m.

The Authority's maximum exposure to credit risk at 31 March, in relation to its investments in banks and building societies of £10m, cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of not being able to recover funds applies to all of the Authority's deposits, but there was no evidence at the 31 March that this was likely to crystallise.

The Authority does not generally allow credit for customers, such that all of the balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

	2022/23	2023/24
	£'000	£'000
Less than three months	7,126	5,354
Three to six months	1,385	1,025
Six months to one year	1,281	1,963
More than one year	4,708	5,869
<b>Total</b>	<b>14,500</b>	<b>14,211</b>

#### Liquidity Risk

The authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Instead, the risk is that the authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The authority sets limits on the proportion of its fixed rate borrowing during specified periods. The strategy is to ensure that not more than 45% of loans are due to mature within any rolling three-year period through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

	2022/23	2023/24
	£'000	£'000
Less than one year	34,959	20,347
Between one and two years	14,200	81,477
Between two and five years	48,278	51,354
More than five years	89,926	79,225
Over ten years	173,794	138,796
<b>Total</b>	<b>361,157</b>	<b>371,199</b>

All trade and other payables are due to be paid in less than one year.

### Market Interest Rate & Price Risk

The Council is exposed to changes in interest rates as a result of its borrowings being at long-term fixed rates and investment being short-term or at variable rates of interest. Falls in interest rates will subsequently have an adverse impact on the Council's finances but other movements in interest rates can have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – interest charged to the Surplus / Deficit on the Provision of Services will rise
- Borrowings / Investments at fixed rates – the fair value of the liability/asset will fall
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise

The impact of a 1% increase in interest rates on the fair values of the below liabilities would be:

Balance at 31 March	2024	Impact of 1% Rise	2024		2024
	Fair Value £'000		Revised Fair Value £'000		Impact of 1% increase on: £'000
PWLB liabilities	(323,455)	42,121	(281,334)	Interest payable	160
Non-PWLB liabilities	(11,365)	0	(11,365)	Interest receivable	(51)
PFI liability	(50,785)	2,069	(48,716)	Surplus or Deficit on the Provision of Services	564
<b>Total</b>	<b>(385,605)</b>	<b>44,191</b>	<b>(341,415)</b>		
Balance at 31 March	2023	Impact of 1% Rise	2023		2023
	Fair Value £'000		Revised Fair Value £'000		Impact of 1% increase on: £'000
PWLB liabilities	(254,639)	22,762	(231,878)	Interest payable	164
Non-PWLB liabilities	(25,458)	0	(25,458)	Interest receivable	(49)
Money Market	(53,377)	4,176	(49,201)	Surplus or Deficit on the Provision of Services	114
PFI liability	(55,052)	2,442	(52,610)		
<b>Total</b>	<b>(388,527)</b>	<b>29,380</b>	<b>(359,147)</b>		

The Authority holds £5m in property/multi-asset fund, and the interest / price varies, however, any movements in price will not currently impact on the General Fund Balance as regulations are in force to ameliorate the impact of fair value movements.

# Disclosures Relating to the Cashflow Statement

## 35.Cash Flow Statement – Operating Activities

	2022/23	2023/24
	£'000	£'000
The cash flows for operating activities include the following items:		
Interest received	6,269	5,060
Interest paid	(16,632)	(15,021)
<b>Total</b>	<b>(10,363)</b>	<b>(9,961)</b>
The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:		
Depreciation	31,585	33,516
Impairment and downward valuations	36,958	47,026
Increase/(decrease) in creditors	(39,456)	4,012
(Increase)/decrease in debtors	6,069	3,531
Increase/(decrease) in inventories	(69)	102
Pension Liability Movement	25,266	(2,741)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	25,732	32,050
Other non-cash items charged to the net surplus or deficit on the provision of services, mainly relating to pension adjustments	354	(889)
<b>Total</b>	<b>86,439</b>	<b>116,607</b>
The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:		
Proceeds from the sale of property, plant and equipment, intangible assets and investment assets	(13,053)	5,192
Any other items for which the cash effects are investing or financing cash flows, mainly relating to capital grants	(48,776)	(47,289)
<b>Total</b>	<b>(61,829)</b>	<b>(42,097)</b>

### 36. Cash Flow Statement – Investing Activities

	2022/23 £'000	2023/24 £'000
Purchase of property, plant and equipment, investment property and intangible assets	(113,115)	(77,515)
Purchase of short-term and long-term investments	(313,631)	(78,129)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	13,053	4,849
Proceeds from short-term and long-term investments	330,603	78,876
Other payments / receipts from investing activities, mainly capital grants for funding capital	63,274	44,754
<b>Net cash flow from Investing Activities</b>	<b>(19,816)</b>	<b>(27,165)</b>

### 37. Cash Flow Statement – Financing Activities

	2022/23 £'000	2023/24 £'000
Cash receipts of short- and long-term borrowing	45,269	111,342
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(2,630)	(2,990)
Repayments of short- and long-term borrowing	(38,528)	(101,301)
Collection Fund & Other receipts / (payments) for financing activities	17,525	(2,615)
<b>Net cash flow from Financing Activities</b>	<b>21,636</b>	<b>4,436</b>

# General Disclosures

## **38.Accounting Standards That Have Been Issued but Have Not Yet Been Applied**

The following accounting standards have been issued that will be applied in the Code in the following year:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1),
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16),
- Non-current Liabilities with Covenants (Amendments to IAS 1),
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12),
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

None of these standards are known to impact on the 2024/25 statements.

- IFRS 16 Leases will be implemented prospectively for statement of accounts starting 1/4/24.

The implementation of IFRS 16 is not currently known to have an impact on the 2024/25 statement of accounts. Lease, or similar, details have been reviewed for a number of areas where such arrangements have been identified but due to either timescale or value the initial assessment is that they remain as revenue incurred cost as expensed.

Areas identified and reviewed consist of schools, where low value leases exist for copiers or vehicle lease terms soon expire; IT, where there is no limitation to the specific assets used to deliver the print solution; and fleet vehicles, where due to the outright purchase of vehicles in recent years the need to lease has reduced to ad hoc hire agreements.

Identification and review of leasing arrangements is an ongoing process which may still mean that new leases are entered into which would make right of use asset on balance sheet accounting necessary.

## **39.Critical Judgements in Applying Accounting Policies**

There remains uncertainty about future levels of funding for individual local authorities in the absence of multi-year financial settlements.

The Authority is deemed to control the services provided under the agreement for school provision in seven PFI schools and also to control the residual value of the buildings at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the schools are recognised as Property, Plant and Equipment on the Authority's Balance Sheet. However, with on-going transfers of schools to Academy status, the authority is left with no relevant asset, but still holds the long-term liability. Schools are charged each year for their own contribution to the PFI costs, both before and after Academy transfer

where relevant. As the schools continue to contribute their share of funding, there is no indicator that this change results in an onerous contract.

The Authority transferred the operating of its leisure services to third party providers in 2014/15. Review of the status of the long-term assets connected with the transfer concluded that they should remain on the Local Authority balance sheet as operational assets. This is in line with requirements of the Code, where assets are leased for the provision of services but risks and rewards from ownership remain. By holding the leisure centres on balance sheet the revenue account is exposed to annual depreciation charges and any valuation changes that would affect surplus or deficit on provision of services. Capital expenditure will also be added to the balance sheet asset rather than adjusted for through revenue expenditure funded by capital under statute.

The Authority is party to an arrangement initially entered into with the Swindon Clinical Commissioning Group (CCG), now the Integrated Care Board (ICB) from July 2022. The agreement between the bodies has previously been reviewed and discussion had with stakeholders in agreeing that the Council does not control the commissioning activities of the CCG/ICB as each party retains responsibility for services provided within its own areas of social care/health.

The overriding concept of materiality has been applied in the production of these accounts. This involves both the judgement of materiality in the application of transactions for accruals, and in the presentation of disclosures that relate to the accounting statements. Statutory notes are not affected.

#### 40. Assumptions Made About the Future & Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, and current inflationary activity running high, actual results could be different from the assumptions and estimates.

The below show the potential impact of some key assumptions:

Item	Uncertainties	Effect if Results Differ from Assumptions	
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets.  Assets are valued based on estimates and assumptions at a point in time but market conditions can fluctuate.	If useful lives of assets reduce, depreciation increases and the net book value falls. Assets may be under or over-valued but should be within valuation tolerances acceptable to valuers.	
		Change	Est. value
Revaluation charge through the CIES from reduction in operational land and building valuation		10% reduction	£102m
Depreciation charge through the CIES from reduction in life of operational land and building		2 year reduction	£3.7m

Net Pensions Liability / Asset	Estimation of the net liability to pay pensions depends on a number of complex judgements, advised by actuaries, 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 fund assets.	Changes to the pension liability can be complex with a variety of items that may cause impact on the balance sheet or revenue statement with either a positive or negative change. Sensitivity analysis on the liability assumptions is shown below.	
		Est. % Liability increase	Est. value
0.1% decrease in Real Discount Rate		2%	13,831
1 year increase in member life expectancy		4%	31,362
0.1% increase in the Salary Increase Rate		0%	404
0.1% increase in the Pension Increase Rate		2%	13,688

#### 41.Events after the Balance Sheet Date / Contingent Liability

Subject to receipt of the actuarial data, there are no known events that would have material impact on the Council's position as at 31 March 2024.

#### 42.Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

##### Central Government

The UK government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework, within which the Authority operates, provides funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are shown elsewhere in the accounts.

##### Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid is shown in Note 8. Members have completed an annual declaration of any possible related party situation and transactions with them. There are no significant transactions identified.

##### Officers

Officers of the Council have also made an annual declaration involving related parties. There are no significant transactions identified.

##### Controlled Companies



The Council is parent company to Public Power Solutions Limited (PPSL), Common and Chapel Solar Farms and Housing companies. Further details on these companies are contained within the group section of these accounts.

Company	PPSL	Common Farm	Chapel Farm	Housing Dev. Co.	JV
	£'000	£'000	£'000	£'000	£'000
Payments	(2)	0	0	0	0
Receipts	40	37	48	256	0
Loan Balances	0	0	0	2,041	0
Capital Loan Balances	0	2,038	2,704	0	510

#### Entities Controlled or Significantly Influenced by the Authority

The Council entered into a 50/50 Joint Venture development agreement in January 2018, with Barratt Developments PLC, for the development of the Wichelstowe area of the Borough through the creation of a new company, Wichelstowe LLP.

The Council makes several grants and contributions to third party organisations each year, which follow individual process before award.

The Council is responsible as Trustee for a range of small charitable funds, totalling £780k over eighteen Funds. Internal interest is applied to the balances held by the Council's Treasury service, whilst the direction of Trust Fund support is agreed by Council.

Members of the Council also sit on boards of other groups or organisations, such as the Group Companies of the Council, and the Fire Authority. These are not necessarily material related parties but show the range of bodies that Members are involved with. A listing of outside bodies that Members are represented on can be found on the Committee and Member Information Site pages of the Council website.

There were 20 maintained Community schools within the Council's group included within the single entity accounts. Such schools account for expenditure of £48m, income of £51.5m and reserve balances of £3.5m. This includes income and expenditure of schools that have transferred to academy status up until the point of transfer. Academies are outside the Council's control.

### 43.Long Term Investments

The Council has a number of group companies which form part of the balance of the Council's long-term investments. These investments include deposits made to the companies and the Council shareholdings. They are removed as part of the consolidation process in the following group accounts section.

	2022/23	2023/24
	£'000	£'000
Property Fund	4,657	4,475
Subsidiary Companies	1,915	2,268
Joint Venture	10,040	0
<b>Total</b>	<b>16,612</b>	<b>6,743</b>

# **The Swindon Borough Council Group Accounts**

## The Group Comprehensive Income and Expenditure Statement

	2022/23 Restated	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
<b>Continuing Operations</b>							
Enabling		70,056	(44,738)	25,318	70,128	(47,348)	22,780
Finance & Audit		8,967	(29,320)	(20,353)	6,006	(34,505)	(28,499)
Children Services		76,427	(12,247)	64,180	82,517	(10,445)	72,072
Adults, Housing & Public Health		156,015	(74,985)	81,030	164,252	(81,890)	82,362
Inclusive Economy & Sustainability		81,840	(27,276)	54,564	86,914	(30,711)	56,203
DSG Commissioning		111,864	(98,688)	13,176	109,883	(102,218)	7,665
HRA - Housing		43,591	(55,399)	(11,808)	56,998	(59,394)	(2,396)
HRA - Operations		13,196	(394)	12,802	14,900	(183)	14,717
<b>Surplus / Deficit on All Services</b>		<b>561,956</b>	<b>(343,047)</b>	<b>218,909</b>	<b>591,598</b>	<b>(366,694)</b>	<b>224,904</b>
Group taxation & share of joint venture				104			(2,917)
Other operating expenditure				24,983			40,238
Financing and investment income and expenditure				21,690			13,185
Taxation and non-specific grant income				(227,805)			(224,443)
<b>Group (Surplus) / Deficit on Provision of Services</b>				<b>37,881</b>			<b>50,967</b>
(Surplus) / deficit on revaluation of Property, Plant and Equipment				(31,846)			(34,137)
Re-measurements on pension assets / liabilities				(269,559)			34,234
<b>Other Comprehensive Income and Expenditure</b>				<b>(301,405)</b>			<b>97</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>(263,524)</b>			<b>51,064</b>

## The Group Movement in Reserves Statement

2023/24	General Fund Balance	HRA	Earmarked GF Reserves	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's Share of Group Reserves	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	<b>(8,335)</b>	<b>(12,340)</b>	<b>(52,854)</b>	<b>(1,294)</b>	<b>(11,388)</b>	<b>(1,855)</b>	<b>(44,145)</b>	<b>(132,211)</b>	<b>(848,750)</b>	<b>(980,961)</b>	<b>(2,965)</b>	<b>(983,926)</b>
Surplus /deficit on provision of services	35,585	18,055	0	0	0	0	0	53,640	0	53,640	(2,673)	50,967
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	97	97	0	97
<b>Total Comprehensive Income and Expenditure</b>	<b>35,585</b>	<b>18,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,640</b>	<b>97</b>	<b>53,737</b>	<b>(2,673)</b>	<b>51,064</b>
Adjustments between Group and Authority accounts	458	0	0	0	0	0	0	458	0	458	(458)	0
<b>Net increase before transfers</b>	<b>36,043</b>	<b>18,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,098</b>	<b>97</b>	<b>54,195</b>	<b>(3,131)</b>	<b>51,064</b>
Adjustments between accounting basis & funding basis under regulations	(27,134)	(15,058)	0	0	3,023	(26)	(11,118)	(50,313)	49,855	(458)	458	0
Transfer of DSG deficit	(3,099)	0	0	0	0	0	0	(3,099)	3,099	0	0	0
<b>Net Increase/Decrease before Transfers to Reserves</b>	<b>5,810</b>	<b>2,997</b>	<b>0</b>	<b>0</b>	<b>3,023</b>	<b>(26)</b>	<b>(11,118)</b>	<b>686</b>	<b>53,051</b>	<b>53,737</b>	<b>(2,673)</b>	<b>51,064</b>
Transfers to/from Earmarked Reserves	(5,971)	(296)	5,971	296	0	0	0	0	0	0	0	0
<b>Increase/Decrease in year</b>	<b>(161)</b>	<b>2,701</b>	<b>5,971</b>	<b>296</b>	<b>3,023</b>	<b>(26)</b>	<b>(11,118)</b>	<b>686</b>	<b>53,051</b>	<b>53,737</b>	<b>(2,673)</b>	<b>51,064</b>
<b>Balance at 31 March</b>	<b>(8,496)</b>	<b>(9,639)</b>	<b>(46,883)</b>	<b>(998)</b>	<b>(8,365)</b>	<b>(1,881)</b>	<b>(55,263)</b>	<b>(131,525)</b>	<b>(795,699)</b>	<b>(927,224)</b>	<b>(5,638)</b>	<b>(932,862)</b>

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2022/23	General Fund Balance	HRA	Earmarked GF Reserves	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's Share of Group Reserves	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	<b>(8,220)</b>	<b>(12,186)</b>	<b>(79,250)</b>	<b>(1,569)</b>	<b>(7,195)</b>	<b>(1,034)</b>	<b>(32,237)</b>	<b>(141,691)</b>	<b>(575,266)</b>	<b>(716,957)</b>	<b>(3,445)</b>	<b>(720,402)</b>
Surplus /deficit on provision of services	28,721	8,680	0	0	0	0	0	37,401	0	37,401	480	37,881
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(301,405)	(301,405)	0	(301,405)
<b>Total Comprehensive Income and Expenditure</b>	<b>28,721</b>	<b>8,680</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,401</b>	<b>(301,405)</b>	<b>(264,004)</b>	<b>480</b>	<b>(263,524)</b>
Adjustments between Group and Authority accounts	(1,369)	0	0	0	0	0	0	(1,369)	0	(1,369)	1,369	0
<b>Net increase before transfers</b>	<b>27,352</b>	<b>8,680</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,032</b>	<b>(301,405)</b>	<b>(265,373)</b>	<b>1,849</b>	<b>(263,524)</b>
Adjustments between accounting basis & funding basis under regulations	(141)	(8,559)	0	0	(4,193)	(821)	(11,908)	(25,622)	26,991	1,369	(1,369)	0
Transfer of DSG deficit	(930)	0	0	0	0	0	0	(930)	930	0	0	0
<b>Net Increase/Decrease before Transfers to Reserves</b>	<b>26,281</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>(4,193)</b>	<b>(821)</b>	<b>(11,908)</b>	<b>9,480</b>	<b>(273,484)</b>	<b>(264,004)</b>	<b>480</b>	<b>(263,524)</b>
Transfers to/from Earmarked Reserves	(26,396)	(275)	26,396	275	0	0	0	0	0	0	0	0
<b>Increase/Decrease in year</b>	<b>(115)</b>	<b>(154)</b>	<b>26,396</b>	<b>275</b>	<b>(4,193)</b>	<b>(821)</b>	<b>(11,908)</b>	<b>9,480</b>	<b>(273,484)</b>	<b>(264,004)</b>	<b>480</b>	<b>(263,524)</b>
<b>Balance at 31 March</b>	<b>(8,335)</b>	<b>(12,340)</b>	<b>(52,854)</b>	<b>(1,294)</b>	<b>(11,388)</b>	<b>(1,855)</b>	<b>(44,145)</b>	<b>(132,211)</b>	<b>(848,750)</b>	<b>(980,961)</b>	<b>(2,965)</b>	<b>(983,926)</b>

## The Group Balance Sheet

Note		31 March 2023 £000	31 March 2024 £000
44	Property, Plant & Equipment	1,388,249	1,380,072
	Investment property	5,770	4,750
	Heritage	29,200	29,215
	Long term investments	20,085	9,802
	Long Term debtors	1,996	1,979
	<b>Total Non-Current Assets</b>	<b>1,445,300</b>	<b>1,428,769</b>
	Short term investments	1,400	300
	Inventories & Work in Progress	1,035	945
	Short term debtors	46,836	43,142
	Cash & Cash equivalents	34,736	32,493
	Assets held for sale (current)	6,515	6,527
	<b>Current Assets</b>	<b>90,522</b>	<b>83,407</b>
	Short term borrowing	(35,015)	(20,404)
	Short term creditors	(81,185)	(78,419)
	Provisions (short term)	(1,583)	(1,141)
	<b>Current Liabilities</b>	<b>(117,783)</b>	<b>(99,964)</b>
	Long term borrowing	(326,198)	(350,850)
	Long term creditors	(43,464)	(40,405)
	Provisions (long term)	(11,514)	(8,812)
	Pension Asset/Liability	(25,917)	(57,410)
	Capital Grants receipts in advance	(27,020)	(21,873)
	<b>Non-Current Liabilities</b>	<b>(434,113)</b>	<b>(479,350)</b>
	<b>Net Assets</b>	<b>983,926</b>	<b>932,862</b>
	Usable Reserves of Group	(135,176)	(137,163)
	Unusable Reserves of authority only	(848,750)	(795,699)
	<b>Total Reserves</b>	<b>(983,926)</b>	<b>(932,862)</b>

## The Group Cash flow Statement

Note	2022/23 £'000	2023/24 £'000
Net surplus or (deficit) on the provision of services	(37,881)	(50,967)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	87,207	116,746
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(61,609)	(44,541)
<b>Net cash flows from Operating Activities</b>	<b>(12,283)</b>	<b>21,238</b>
Investing Activities	(20,382)	(27,731)
Financing Activities	21,450	4,250
<b>Net increase or decrease in cash and cash equivalents</b>	<b>(11,215)</b>	<b>(2,243)</b>
Cash and cash equivalents at the beginning of the reporting period	45,951	34,736
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>34,736</b>	<b>32,493</b>

### 44. Long Term Investments – Group Consolidation

For a variety of legal and regulatory reasons, organisations are often required to conduct their activities through several undertakings, each under the control of the parent company. In such circumstances the financial reports of the parent organisation do not present the full picture by themselves. To understand the full picture, and therefore the full economic benefits and risks, group accounts are required.

The authority has considered its relationship with key partners and has produced Group Accounts for consolidation of Public Power Solutions Ltd (PPSL), Swindon Common Farm Solar Community Interest Plc (Common Farm), Chapel Farm Solar Ltd, and Swindon Housing Development Company Ltd only. As a joint venture (JV) Wichelstowe LLP is not consolidated on a line by line basis but requires the relevant share of the net assets to be accounted for, with the Council's investment being adjusted to represent the gain/loss of the Council's 50% interest.

#### Public Power Solutions Limited (PPSL)

The Council wholly owned the PPSL Company at a notional shareholding value of £10. The company was created on 1st January 2010 (as Swindon Commercial Services), however, services providing waste, highways, catering, grounds, cleaning and buildings services reintegrated back to the Council in 2013. The accounts and annual report of the company are held at Public Power Solutions Limited, Waterside, Darby Close, Cheney Manor, Swindon, Wiltshire, from which the figures below are extracted.

#### Swindon Common Farm Solar Community Interest Company Plc

The Council became owner of the above company during 2016/17. This company generates electricity from a solar array, part funded from a community bond issue.

#### Swindon Chapel Farm Solar Ltd

The Council became owner of the above company at the end of 2016/17. This company generates electricity from a solar array.

#### Swindon Housing Development Company Limited

The Council became owner of the above company during 2017/18. This company is involved in the construction and selling of housing.

#### **Changes from Single Entity**

In consolidating the group accounts transactions with the group entities are removed. Long term debtors on the balance sheet are different between the single entity and group accounts, where other group loans within the single entity accounts do not exist on consolidation.



The following tables summarise the performance of the group companies prior to their consolidation:

	PPSL		Housing Dev. Co.	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	125	114	(69)	(69)
Tax Adjustment	0	0	13	13
<b>Profit / (Loss) after taxation</b>	<b>125</b>	<b>114</b>	<b>(56)</b>	<b>(56)</b>
<b>As at 31 March</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>
	£'000	£'000	£'000	£'000
<b>Net Balance Sheet Asset/(Liability)</b>	<b>(286)</b>	<b>(96)</b>	<b>(889)</b>	<b>(1,238)</b>

	Common Farm Solar		Chapel Farm Solar	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	(85)	(85)	(91)	(87)
Tax Adjustment	11	11	68	(104)
<b>Profit / (Loss) after taxation</b>	<b>(74)</b>	<b>(74)</b>	<b>(23)</b>	<b>(192)</b>
<b>As at 31 March</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>
	£'000	£'000	£'000	£'000
<b>Net Balance Sheet Asset/(Liability)</b>	<b>(105)</b>	<b>5</b>	<b>(852)</b>	<b>(1,081)</b>

These group statements contain the accounts for Swindon Borough Council, Public Power Solutions Limited, Swindon Common Farm Solar Community Interest Plc, Swindon Chapel Farm Solar Ltd, and Swindon Housing Development Company Limited. They have been adjusted for presentational changes to statements and for transactions between the parent and subsidiary undertakings. For example, to show lower spend paid out by the parent and lower income received by the subsidiary, or the removal of long term investments from the parent and long term creditors from the subsidiary.

The statements are also adjusted for any accruals made by the organisations. This generally results in debtors and creditors figures reducing. Disclosure notes are only included within the consolidated group accounts if they are materially different from those disclosed in the single entity accounts.

#### 45. Group Property, Plant & Equipment

2023/24	Council Dwellings	Other Land and Buildings	Vehicles, Plant, & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>1st April</b>	<b>551,820</b>	<b>495,861</b>	<b>28,266</b>		<b>13,014</b>	<b>28,032</b>	<b>61,159</b>	<b>1,178,152</b>
Additions	16,742	5,814	10,547		1,417	23	27,629	62,172
Revaluation increases / (decreases) recognised in the Revaluation Reserve	16,099	(1,040)	0		0	(100)	0	14,959
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(26,639)	(18,094)	0		0	(4,323)	0	(49,056)
Derecognition – disposals	(8,742)	(24,621)	(189)		0	265	0	(33,287)
Reclassification	23,129	276	0		0	(276)	(23,129)	0
<b>31st March</b>	<b>572,409</b>	<b>458,196</b>	<b>38,624</b>		<b>14,431</b>	<b>23,621</b>	<b>65,659</b>	<b>1,172,940</b>
<b>1st April</b>	<b>(2,205)</b>	<b>(6,799)</b>	<b>(14,894)</b>		<b>0</b>	<b>(103)</b>	<b>0</b>	<b>(24,001)</b>
Depreciation charge	(9,088)	(11,877)	(3,277)		0	(22)	0	(24,264)
Depreciation w/b on Revaluation	8,016	11,114	0		0	43	0	19,173
Depreciation written to/from the CIES	0	1,992	0		0	38	0	2,030
Depreciation written to/from the CIES - Reclassifications	0	(2)	0		0	2	0	0
Derecognition – disposals	872	176	0		0	0	0	1,048
<b>31st March</b>	<b>(2,405)</b>	<b>(5,396)</b>	<b>(18,171)</b>		<b>0</b>	<b>(42)</b>	<b>0</b>	<b>(26,014)</b>
<b>Net Book Value</b>								
<b>1st April</b>	<b>549,615</b>	<b>489,062</b>	<b>13,372</b>	<b>234,098</b>	<b>13,014</b>	<b>27,929</b>	<b>61,159</b>	<b>1,154,151</b>
<b>31st March</b>	<b>570,004</b>	<b>452,800</b>	<b>20,453</b>	<b>233,146</b>	<b>14,431</b>	<b>23,579</b>	<b>65,659</b>	<b>1,146,926</b>

<b>2022/23</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant, &amp; Equipment</b>	<b>Infra-structure Assets</b>	<b>Community Assets</b>	<b>Surplus Assets</b>	<b>Assets Under Construction</b>	<b>Total PPE</b>
<b>Cost or Valuation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>1st April</b>	<b>530,713</b>	<b>475,941</b>	<b>38,051</b>		<b>12,453</b>	<b>50,893</b>	<b>71,751</b>	<b>1,179,802</b>
Additions	13,566	44,074	4,316		561	30	28,254	90,801
Revaluation increases / (decreases) recognised in the Revaluation Reserve	19,380	9,545	0		0	(16,113)	0	12,812
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(16,273)	(16,723)	0		0	(4,127)	0	(37,123)
Derecognition – disposals	(8,844)	(14,881)	(14,101)		0	(151)	0	(37,977)
Reclassification	13,278	(2,095)	0		0	(2,500)	(38,846)	(30,163)
<b>31st March</b>	<b>551,820</b>	<b>495,861</b>	<b>28,266</b>		<b>13,014</b>	<b>28,032</b>	<b>61,159</b>	<b>1,178,152</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>1st April</b>	<b>(2,492)</b>	<b>(6,570)</b>	<b>(24,770)</b>		<b>0</b>	<b>(165)</b>	<b>0</b>	<b>(33,997)</b>
Depreciation charge	(8,817)	(13,533)	(2,555)		0	(59)	0	(24,964)
Depreciation w/b on Revaluation	8,305	10,675	0		0	54	0	19,034
Depreciation written to/from the CIES	112	2,144	0		0	68	0	2,324
Depreciation written to/from the CIES - Reclassifications	(117)	123	0		0	(6)	0	0
Derecognition – disposals	804	362	12,431		0	5	0	13,602
<b>31st March</b>	<b>(2,205)</b>	<b>(6,799)</b>	<b>(14,894)</b>		<b>0</b>	<b>(103)</b>	<b>0</b>	<b>(24,001)</b>
<b>Net Book Value</b>								
<b>1st April</b>	<b>528,221</b>	<b>469,371</b>	<b>13,281</b>	<b>200,260</b>	<b>12,453</b>	<b>50,728</b>	<b>71,751</b>	<b>1,346,065</b>
<b>31st March</b>	<b>549,615</b>	<b>489,062</b>	<b>13,372</b>	<b>234,098</b>	<b>13,014</b>	<b>27,929</b>	<b>61,159</b>	<b>1,388,249</b>

# ACCOUNTING POLICIES

## **a) General Principles**

The Statement of Accounts for Swindon Borough Council are prepared and published in accordance with the Accounts and Audit Regulations 2015 and the latest Code of Practice on Local Authority Accounting in the United Kingdom (“the Code”) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Any divergence from the Code is noted where applicable. The Code is based on International Financial Reporting Standards, as adapted for the UK public sector. The Accounts are prepared under a going concern and modified historical cost basis and also apply to the group accounts consolidation.

## **b) Revenue recognition and Accruals of Income and Expenditure**

Transactions are accrued into the period that rights and obligations are transferred, or performance obligations are met, except for immaterial items or where cyclical payments include twelve months’ worth of charges, but not necessarily Apr-Mar.

## **c) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable within 24 hours. Cash equivalents are readily convertible investments that mature within one month of acquisition.

## **d) Prior Period Adjustments, Changes in Accounting Policies and Errors**

Unless changes from the Code require otherwise, when a prior period adjustment is made due to a change in accounting policy, or from correcting material errors, it is applied retrospectively by adjusting opening balances and comparatives. Balances are rounded separately for the main statements and disclosure notes which may cause minor inconsistency between table balances but are not material errors.

## **e) Charges to Revenue for Non-Current Assets**

Services making use of long term assets will be charged with an amount for the assets’ depreciation, and revaluation and impairment losses where no accumulated gains exists.

These transactions are not charged against council tax, but reversed out to the capital adjustment account through the movement in reserves statement. The minimum revenue provision charge represents the Council's payment to reduce its borrowing.

## **f) Employee Benefits**

### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages, salaries, and paid annual leave for current employees.

### **Post-Employment Benefits**

Employees of the Authority are members of The Teachers' Pension Scheme or the Local Government Pension Scheme. The schemes provide defined benefits earned as employees work for the Authority.

Arrangements for the teachers' scheme, administered by the Teachers' Pensions Agency, mean that these liabilities cannot ordinarily be identified specifically to the Authority and is accounted for as if it was a defined contribution scheme, with no balance sheet liability.

#### The Local Government Pension Scheme

The Authority's liabilities of the Local Government scheme, administered by Wiltshire pension fund, are included in the Balance Sheet on an actuarial basis.

The change in the net pension liability is analysed into seven components of past service cost, interest cost, net interest on the defined benefit liability, gains or losses on settlements or curtailments, remeasurement and contributions paid to the pension fund.

Statutory provisions require the General Fund balance to be charged with the amount of retirement benefits payable by the Authority to the pension fund or directly to pensioners in the year. The movements on accounting entries for pensions are therefore reversed through the MiRS to/from the Pension Reserve.

#### Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **g) Events after the Balance Sheet Date**

Events after the Balance Sheet date are events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. They may provide evidence of conditions that existed at the balance sheet date which require the Statements to be adjusted, or indicate conditions that arose after the balance sheet date, where only disclosure is made if material.

### **h) Financial Instruments**

This accounting policy was amended for 2018/19 statements due to the introduction of IFRS9 Financial Instruments. The introduction has not had material impact on the statements or ongoing policy, as the material financial instruments of the Authority are with other Government institutions and recorded at cost.

#### Financial Liabilities

Financial liabilities are recognised on the balances sheet when the authority becomes party to contractual provisions of a financial instrument. They are initially measured at fair value and carried at amortised cost, meaning the balance sheet typically contains balance for the outstanding principle repayable. Interest is charged to the CIES as per loan agreements.

#### Financial Assets

The authority's business model is to hold investments to collect contractual cash flows, i.e. there is no speculation on the capital appreciation of an investment to sell for a profit. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are initially measured at fair value and are subsequently measured at their amortised cost. Interest receivable is charged annually based on the asset carrying amount and effective interest rate. For the authority this means the balance sheet records the outstanding principal receivable and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### Expected Credit Loss Model

The authority recognises expected credit losses on its financial assets either on a 12-month or lifetime basis. The authority uses the simplified approach for trade and lease receivables where a collective assessment is undertaken based upon an historic and professional understanding of the risk involved with different customers.

Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not significantly changed, losses are assessed on the basis of 12-month expected losses.

### Financial Assets Measured at Fair Value through Profit or Loss

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

The fair value measurements of the financial assets are based on the quoted market price where instruments have one, or where none exists the relevant market or analysis of cash flows.

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

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

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

### i) Government Grants and Contributions

Grants, contributions and donations are recognised as due to the Authority when there is reasonable assurance that any conditions will be complied with and the grants will be received.

Where monies are advanced but conditions have not been satisfied a creditor or receipt in advance is carried on the balance sheet, released to services in the CIES when conditions are met.

Capital grants credited to the CIES are reversed out of the General Fund to the Capital Grants Unapplied Reserve. When used in funding it is transferred to the Capital Adjustment Account.

## **j) Inventories**

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

## **k) Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services, production of goods, is a surplus asset held for sale or held for any regeneration or other community benefit.

Investment properties are measured initially at cost and subsequently at fair value. Such properties are not depreciated but revalued according to market conditions at the year-end. Gains and losses are transferred in and out of the CIES to the capital adjustment account or capital receipts reserve, if receipts are over £10,000.

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

## **l) Leases**

Leases are either classified as finance leases, where the risks and rewards incidental to ownership substantially transfer from the lessor to the lessee, or as operating leases if not. Arrangements that may include the right to use an asset for a payment are accounted for under this policy where non-substitutable specific assets are involved.

The Authority 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 its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower), plus or minus initial costs and premiums. Once on balance sheet it is accounted for under relevant policies for long term assets.

Lease payments are apportioned between an interest charge and a writing down of the lease liability.

Operating Leases

An operating lease is any lease other than a finance lease and rentals paid are charged as an expense of the services benefitting from use of the leased property, plant or equipment.

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal, matched by the creation of a lease (long-term debtor) asset.

Lease rentals receivable are subsequently apportioned between writing down the lease asset and an interest receipt.

## Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet and rental income credited to the CIES.

## **m) Property, Plant and Equipment (PPE)**

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.

Highways infrastructure assets include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land which together form a single integrated network.

## Recognition

Expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accruals basis, where probable that the associated future economic benefits or service potential will flow to the Authority and the cost of the item can be measured reliably.

## Measurement

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

Assets are initially measured at cost, comprising the purchase price and any attributable costs of bringing the asset into use intended.

The measurement of cost for assets acquired other than by purchase is deemed to be its fair value.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets - fair value, estimated at highest and best use to reflect their likely rather than last use.
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- 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 there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end.

Valuations are carried out by internal valuers. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.



Where decreases in value are identified, they are initially accounted for by charging against any previously accumulated revaluation gains, or charging to services in the CIES if there are none.

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.

The Authority carries out a rolling programme that ensures that all operational property is revalued at least every five years, with more frequent reviews for market valued assets. The valuers consider the impact of market changes to valuations and will revalue assets annually where evidence suggests carrying value is materially misstated. The de minimis level applied for balance sheet revaluation additions is £10,000. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. All valuations have been carried out by the Council's internal valuers, who are RICS qualified.

#### Impairment

Assets categories are assessed at each year-end for 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 by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Depreciation

The Council uses the straight-line method of calculating depreciation on its PPE, with the exception of non-depreciable land, community assets, investment properties and assets under construction.

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

Depreciation is charged for a full year, in the year of addition or revaluation, no depreciation is charged in the year of disposal.

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property, 20 years for dwellings, and up to 70 years as estimated by the valuer for other assets
- Vehicles, plant, furniture and equipment – generally straight-line over five years (dependent on the assessed expected useful life)

- Infrastructure – generally straight-line allocation over thirty years for carriageway/path/lighting, fifteen for street furniture and 100 for structures unless other specific timeframes are appropriate as advised by Highways engineers.

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.

#### Components

Each asset on the balance sheet is made up of possible components, some of which may have different life spans to others and which might be accounted for distinctly for depreciation purposes. Componentisation is applied to HRA Dwellings. Other assets that are valued over £5m and undergone activity in year would also be considered for componentisation where a components would form material elements of the asset.

#### Disposals and Non-current Assets Held for Sale

When it is probable an asset will be sold and is being actively marketed it is reclassified as an asset held for sale. Depreciation is not charged on this category of asset. If an asset no longer meets the criteria to be classed as held for sale they are transferred back to non-current assets and revalued accordingly.

When an asset is disposed of or decommissioned the carrying amount of the asset is written off to the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line (i.e. netted off against the carrying value of the asset at the time of disposal). Associated costs of disposal are contained within the net cost of services analysis, as part of apportioned central support costs. Any associated revaluation gains held in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for other assets) is payable to the Government. The balance of receipts received is credited to the Capital Receipts Reserve through the MiRS, and unless a statutory override exist, can only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow.

The carrying value of disposals written off to the CIES is not a charge against council tax but is reversed to the Capital Adjustment Account from the General Fund Balance in the MiRS.

#### Assets under Construction

These assets are in the process of being built, are not operational for use and do not have depreciation applied.

#### Heritage Assets

The Authority's Heritage Assets are mainly held in the Authority's Museums. The Museums contain a range of artistic, porcelain, locomotive and archaeological collections which are held for local knowledge, details of which can be found on the Council's related websites.

Heritage Assets follow the Authority's accounting policies on property, plant and equipment, however, rules for their measurement are relaxed and have been taken by reference to insurance valuations.

#### **n) Private Finance Initiative (PFI) and Similar Contracts**

As the Authority is deemed to control the services that are provided under its PFI scheme, 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 Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment and accounts for them under relevant policies.

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. For the PFI schools, the liability was written down by an initial capital contribution of £10m.

The amounts payable to the PFI operators each year are analysed into elements for service charges, finance/interest costs and asset lifecycle replacement.

#### **o) Provisions, Contingent Liabilities and Contingent Assets**

##### **Provisions**

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires a payment to settle, 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 in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date.

Related payments are charged against the provision carried in the Balance Sheet. Where it becomes less than probable that an existing provision is needed at the current carrying value, the provision is reversed and credited back to the relevant service.

##### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the authority a possible obligation but whose existence will only be confirmed by the occurrence, or otherwise, of future events. Contingent liabilities also arise in circumstances where a provision would otherwise be made but the amount of resources cannot be reliably measured or a payment is not probable.

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

##### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of future events.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

#### **p) Reserves**

The Authority sets aside specific amounts as useable reserves for future policy purposes or to cover contingencies. Reserves are created on the balance sheet by appropriating amounts out of the General Fund via the MiRS. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service and the reserve is then appropriated back into the General Fund.

**q) Revenue Expenditure Funded from Capital under Statute**

This represents expenditure incurred which ordinarily could be revenue, or which does not result in the creation of a non-current asset for the Authority. It is charged as expenditure to the relevant service in the CIES but reversed under statutory provision to the capital adjustment account via the MiRS to be funded from capital resources.

**r) Agency Arrangements - Collection Fund / BCF**

Following principle and agent standards, whereby only those costs/incomes that the Authority is responsible for and is not just acting as an agent of a third party, the Better Care Fund (see note) and Collection Fund are accounted for under agency arrangements.

The Collection Fund is a separate account that presents the amounts collected as income and the amounts paid out as precepts to precepting authorities. Within the balance sheet the Authority records on an agency basis the amounts that relate only to its own balances.

**s) Group Accounts- Interests in Companies and Other Entities**

In the Authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost.

In the group accounts consolidation of Public Power Solutions Limited, Swindon Housing Development Company and Common & Chapel Solar Farms figures is by the acquisition method, on a line-by-line basis, using the companies' final accounts as the base detail for consolidation, using the accounting policies of the Authority, disclosing only material differences.

The Wichelstowe LLP joint venture company is considered a joint venture for accounting purposes, with net assets and liabilities of the company shown proportionately (50%) in the SBC statements when material.

The Authority includes maintained schools within its single entity accounts as per the Code. For such schools their material assets are contained on the single entity balance sheet, and their income and expenditure transferred onto the Council general ledger at end of year for inclusion in the CIES.

# Supplementary Statements

The following statements are not core statements of the authority but do constitute a significant element in understanding the wider services and position the authority holds.

# The Collection Fund

Shows the Council Tax and National Non-Domestic rates income collected and paid during the year.

	2022/23			2023/24		
	Business	Council	Total	Business	Council	Total
INCOME	Rates	Tax		Rates	Tax	
	£000	£000	£000	£000	£000	£000
Council Tax Receivable	0	(152,545)	(152,545)	0	(162,663)	(162,663)
Business Rates Receivable	(101,991)	0	(101,991)	(109,133)	0	(109,133)
	<b>(101,991)</b>	<b>(152,545)</b>	<b>(254,536)</b>	<b>(109,133)</b>	<b>(162,663)</b>	<b>(271,796)</b>
<b>EXPENDITURE</b>						
<b>Apportionment of Previous Year Surplus</b>						
Central Government	0	0	0	2,674	0	2,674
Billing Authority	0	0	0	2,620	0	2,620
Fire Authority	0	0	0	53	0	53
Police Authority	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,347</b>	<b>0</b>	<b>5,347</b>
<b>Precepts, Demands and Shares</b>						
Central Government	33,746	0	33,746	54,546	0	54,546
Billing Authority	33,078	126,606	159,684	54,460	135,742	190,202
Fire Authority	675	6,053	6,728	1,091	6,566	7,657
Police Authority	0	18,390	18,390	0	19,929	19,929
	<b>67,499</b>	<b>151,049</b>	<b>218,548</b>	<b>110,097</b>	<b>162,237</b>	<b>272,334</b>
<b>Charges to Collection Fund</b>						
Less write offs of uncollectable amounts	650	(277)	373	0	593	593
Less : Increase / (Decrease) in Bad Debt Provision	(105)	2,019	1,914	1,005	1,391	2,396
Less : Increase / (Decrease) in Provision for Appeals	(4,291)	0	(4,291)	(5,009)	0	(5,009)
Less : Renewables	604	0	604	838	0	838
Less : Cost of Collection	259	0	259	263	0	263
	<b>(2,883)</b>	<b>1,742</b>	<b>(1,141)</b>	<b>(2,903)</b>	<b>1,984</b>	<b>(919)</b>
(Surplus) / Deficit arising during the year	(37,376)	246	(37,130)	2,409	1,559	3,968
(Surplus) / Deficit brought forward 1st April	26,070	1,589	27,659	(11,306)	1,835	(9,471)
<b>(Surplus) / deficit carried forward 31st March</b>	<b>(11,306)</b>	<b>1,835</b>	<b>(9,471)</b>	<b>(8,897)</b>	<b>3,394</b>	<b>(5,503)</b>
Less Balance Attributable to Major Preceptors	5,764	(300)	5,464	4,548	(552)	3,996
<b>Balance Remaining Attributable to SBC</b>	<b>(5,542)</b>	<b>1,535</b>	<b>(4,007)</b>	<b>(4,349)</b>	<b>2,842</b>	<b>(1,507)</b>

## Notes to the Collection Fund

### 46. Rateable Value

	31 March 2023	31 March 2024
Total rateable value in the Local Rating List	£265,245,237	£287,246,879
	<b>2022/23</b>	<b>2023/24</b>
Multiplier for most properties	51.2p	51.2p
Small Business Multiplier	49.9p	49.9p

### 47. Council Tax Base

The Council Tax Base for the year, i.e. the number of chargeable dwellings in each band (adjusted for dwellings where discounts apply in band A) converted to an equivalent number of Band D dwellings, was as shown in the table below.

Band	No of Taxable Properties *	Ratio to Band D	Band D Equivalents
A	12,825	6/9	8,585
B	25,025	7/9	19,464
C	22,396	8/9	19,908
D	16,593	9/9	16,593
E	8,897	11/9	10,874
F	3,739	13/9	5,401
G	1,372	15/9	2,287
H	61	18/9	123
<b>Total</b>	<b>Band D equivalents</b>		<b>83,235</b>
Contributions in lieu	(MOD properties)		95
Add:	Anticipated changes in year		(4,612)
Less:	Provision for non-collection (1.20%)		(944)
	<b>Tax Base</b>		<b>77,774</b>

\* After adjustment for discounts and relief.

# The Housing Revenue Account (HRA)

This statement consolidates the income and expenditure in respect of the provision of local authority housing.

<b>HRA Income and Expenditure Statement</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>		
Repairs and maintenance	16,203	18,186
Supervision and management	7,401	7,204
Special Services	7,230	9,356
Rents, rates, taxes and other charges	251	521
Depreciation and impairment of non-current assets	25,382	36,117
Debt management costs	60	70
Movement in the allowance for bad debts	260	444
<b>Total Expenditure</b>	<b>56,787</b>	<b>71,898</b>
<b>Income</b>		
Dwelling rents	(46,173)	(48,417)
Non-dwelling rents	(420)	(425)
Charges for services and facilities	(6,293)	(8,046)
Contributions towards expenditure	(1,986)	(2,075)
Leaseholders' charges for services and facilities	(921)	(614)
<b>Total Income</b>	<b>(55,793)</b>	<b>(59,577)</b>
<b>Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>	<b>994</b>	<b>12,321</b>
HRA services' share of Corporate and Democratic Core	124	127
HRA share of other amounts included in the whole authority Cost of Services but not allocated to specific services	9	9
<b>Net (Income)/Expense for HRA Services</b>	<b>1,127</b>	<b>12,457</b>
<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:</b>		
(Gain) / loss on sale of HRA non-current assets	3,737	3,207
Interest payable and similar charges	3,202	3,036
Interest and investment income	(253)	(789)
Net Pensions Interest Cost / Return on Asset	867	144
<b>(Surplus) / deficit for the year on HRA services</b>	<b>8,680</b>	<b>18,055</b>



**Statement of Movement in the Housing Revenue Account**

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
<b>1 April</b>	<b>(12,186)</b>	<b>(12,340)</b>
(Surplus) / Deficit on Service provision	8,680	18,055
Adjustments between accounting & funding basis	(8,559)	(15,058)
Transfers to / (from) Earmarked Reserves	(275)	(296)
<b>(Increase)/Decrease in-year</b>	<b>(154)</b>	<b>2,701</b>
<b>31 March</b>	<b>(12,340)</b>	<b>(9,639)</b>

<b>HRA Movement in Reserves Adjustments</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Adjustments between accounting & funding basis in reconciling the HRA balance for the year		
Charges for depreciation of non-current assets	(9,221)	(9,478)
Charges for impairment of non-current assets	(16,161)	(26,639)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(8,040)	(7,870)
Voluntary provision for the financing of capital investment	5,000	5,000
Capital expenditure charged against the General Fund and HRA balances	9,344	9,597
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,303	4,663
HRA resources credited to the MRR	9,222	9,478
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,006)	191
<b>Total Adjustments</b>	<b>(8,559)</b>	<b>(15,058)</b>

## Notes to the HRA

### 48.Housing Stock

The stock of Council dwellings at 31st March was:

Type	31 <sup>st</sup> March 23	Movement	31st March 24
<b>Low Rise Flats:</b>			
1 Bedroom	1794	14	1808
2 Bedrooms	726	4	730
3 or more Bedrooms	15	0	15
<b>Medium Rise Flats:</b>			
1 Bedroom	836	26	862
2 Bedrooms	479	18	497
3 or more Bedrooms	49	0	49
<b>High Rise Flats:</b>			
1 Bedroom	79	2	81
2 Bedrooms	248	1	249
<b>Houses and Bungalows:</b>			
1 Bedroom	926	-2	924
2 Bedrooms	1401	5	1406
3 Bedrooms	3557	7	3564
4 or more Bedrooms	209	7	216
<b>Total</b>	<b>10,319</b>	<b>82</b>	<b>10,401</b>

The Balance Sheet value of land, houses and other property relating to the Housing Revenue Account as at 31 March is summarised below.

	2022/23 £'000	2023/24 £'000
<b>Assets:</b>		
Dwellings	549,615	570,004
Plant and Equipment	2,517	726
<b>Total Balance Sheet Value</b>	<b>552,132</b>	<b>570,730</b>

There is a statutory requirement for the Council's assets to be revalued at least every 5 years. The tenanted dwellings were revalued as at 31<sup>st</sup> December 2022.

### 49.Vacant Possession Valuation

In addition to the balance sheet valuation it is a requirement of the HRA (Accounting Practices) Direction 2007 that the vacant possession value of dwellings as at 1st April is disclosed as a note to the accounts. The inclusion of both the balance sheet valuation and the vacant possession valuation ensures that the economic cost to the Government of providing council housing at less than open market rents is shown in the accounts.

	31 March 2024 £'000	31 March 2023 £'000
Vacant possession valuation	1,576,628	1,635,450

## 50. Major Repairs Reserve

	Balance at 31 March	2022	2023
		£'000	£'000
Capital expenditure for HRA purposes financed by MRR Resources:			
Houses		8,401	9,452
<b>Total Expenditure</b>		<b>8,401</b>	<b>9,452</b>
Amount equivalent to total depreciation charges for all HRA assets		(9,222)	(9,478)
Transfer from HRA		0	
<b>Total Income</b>		<b>(9,222)</b>	<b>(9,478)</b>
<b>Deficit / (Surplus) for the Year</b>		<b>(821)</b>	<b>(26)</b>
Deficit / (Surplus) brought forward		(1,034)	(1,855)
<b>Deficit / (Surplus) Carried Forward</b>		<b>(1,855)</b>	<b>(1,881)</b>

## 51. HRA Capital Expenditure

The capital expenditure and financing for the HRA was:

	2022/23	2023/24
	£'000	£'000
Dwellings	10,233	10,197
Buildings	15,984	14,876
Other works contribution	82	138
<b>Total to Finance</b>	<b>26,299</b>	<b>25,211</b>
Major Repairs Reserve	8,401	9,452
Usable Capital Receipts	1,723	1,854
Revenue Contributions	9,344	9,736
Other contributions	28	68
HCA Grant for New Build	6,803	4,101
<b>Total Finance</b>	<b>26,299</b>	<b>25,211</b>

## 52. Housing Repairs Account

	Balance at 31 March	2023	2024
		£'000	£'000
Repairs & Maintenance		13,598	17,009
<b>Total Expenditure</b>		<b>13,598</b>	<b>17,009</b>
Contribution from HRA		(13,111)	(16,753)
Service charges		(487)	(256)
<b>Total Income</b>		<b>(13,598)</b>	<b>(17,009)</b>
<b>Deficit / (Surplus) for the Year</b>		<b>0</b>	<b>0</b>
Deficit / (Surplus) brought forward		0	0
<b>Deficit / (Surplus) Carried Forward</b>		<b>0</b>	<b>0</b>

### 53.HRA Capital Receipts

The following table shows how much the Council paid to the Secretary of State for pooling of capital receipts arising from the disposal of housing assets as required in the Local Government Act 2003. Notional amounts were also payable under Pooling Payment requirement, however, under relevant conditions is allowed to be retained as a receipt in advance for new acquisitions.

	2022/23	2023/24
	£'000	£'000
Sale of Council Houses	4,303	4,570
Capital receipt retained for new property acquisitions	(2,705)	(2,716)
<b>Total</b>	<b>1,598</b>	<b>1,854</b>

### 54.HRA Cost of Capital Charge

Depreciation is the cost of capital charge on the HRA that pays for the wearing out, using up or other reduction in the remaining life of the asset through use, passage of time or obsolescence. The majority of council dwellings are being depreciated over 70 years.

	2022/23	2023/24
	£'000	£'000
Depreciation on dwellings	8,817	9,088
Depreciation on plant & equipment	404	390
Impairment and revaluation losses of dwellings	16,161	26,639
<b>Total</b>	<b>25,382</b>	<b>36,117</b>

### 55.HRA Arrears & Provisions for Bad Debt

Arrears of rent and other housing related charges due to the Council at 31st March were:

	2022/23	2023/24
	£'000	£'000
Current tenants	1,790	1,977
Former tenants	235	375
<b>Total Arrears</b>	<b>2,025</b>	<b>2,352</b>
Less: provision for bad debts	(2,025)	(2,352)
<b>Total Arrears After Provisions</b>	<b>0</b>	<b>0</b>

Arrears after provisions represent 0% of rent income and service charges due to the Council.

# Annual Governance Statement

To Follow

# Auditor's Report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWINDON BOROUGH COUNCIL

### Report on the Audit of the Financial Statements

To follow.

# GLOSSARY

## ACCRUALS

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

## AMORTISATION

The depreciation write-out of long-term assets to revenue on a systematic basis over its economic life.

## ASSET

An item having value in monetary terms. Assets are defined as current or long-term.

A current asset will be consumed or cease to have value within the next financial year, e.g. stock and debtors.

A long-current asset provides benefits to the Authority and to the services that it provides for a period of greater than one year.

## BUDGET

A forecast of revenue or capital expenditure over the accounting period.

## CAPITAL EXPENDITURE

Expenditure on the acquisition of a PPE that will be used in providing services beyond the current accounting period or expenditure that adds to an existing PPE.

## CAPITAL RECEIPTS

The proceeds from the disposal of land or other long-term assets.

## CASH EQUIVALENTS

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

## COMMUNITY ASSETS

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

## CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

## CONTINGENCY

A condition that exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

#### CREDITOR

Amounts owed by the Authority for works done, goods received or services rendered before the end of the accounting period but for which payments have not been made by the end of that accounting period.

#### CURRENT SERVICE COST (PENSIONS)

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

#### CURTAILMENT

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

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

#### DEBTOR

Amounts owed to the Authority for works done, goods received or services rendered before the end of the accounting period but for which payments have not been received by the end of that accounting period.

#### DEFERRED ASSETS AND LIABILITIES

Expenditure or income that may properly be deferred but is recognised in the appropriate section of the balance sheet, e.g. mortgage repayments.

#### DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

#### DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

#### DEPRECIATION

The theoretical loss in value of an asset due to age, wear and tear, deterioration or obsolescence.

#### DISCRETIONARY BENEFITS

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



Payments and Injury Benefits)(Scotland) Regulations 1998, or The Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

#### EXPECTED RATE OF RETURN ON PENSIONS ASSETS

For a funded defined benefit pension scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

#### EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items nor do they include prior period items merely because they relate to a prior period.

#### FAIR VALUE

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 other motive in their negotiations other than to secure a fair price.

#### FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of PPE to the lessee.

#### FINANCIAL INSTRUMENTS

Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For local authorities, which do not issue equity instruments such as share capital, this means the following:

##### Financial asset

A right to future economic benefits controlled by the authority that is represented by:

- Cash
- An equity instrument of another entity
- A contractual right to receive cash (or another financial asset) from another entity
- A contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the authority.

##### Financial liability

An obligation to transfer economic benefits controlled by the authority that is represented by:

- A contractual obligation to deliver cash (or another financial asset) to another entity
- A contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavourable to the authority.

##### Equity instrument

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (such as an equity share in a company) – will only apply to investments in other entities held by the authority.

#### GOVERNMENT GRANTS

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

#### GRANT CONDITIONS

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

#### IMPAIRMENT OF ASSETS

Impairment is caused by the consumption of economic benefits e.g. physical damage to be a general fall in process and requires the value of PPE to be adjusted.

#### INTANGIBLE NON-CURRENT ASSETS

Intangible assets are defined as non-financial assets that do not have physical substance but are identifiable and controlled by the entity through custody or legal right. Examples are: scientific or technical knowledge in order to produce new or improved materials, copyright, intellectual property rights and computer software licences. The Authority itself has no class of this asset.

#### INTEREST COST (PENSIONS)

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

#### INVENTORIES

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

- Goods or other assets purchased for resale;
- Consumable stores;
- Raw materials and components purchased for incorporation into products for sale;
- Products and services in intermediate stages of completion;
- Long-term contract balances; and
- Finished goods.

#### INVESTMENTS (NON-PENSIONS FUND)

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

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

#### INVESTMENTS (PENSIONS FUND)

The investments of the Pensions Fund will be accounted for in the statements of that Fund. However authorities (other than town parish and community councils and district councils in

Northern Ireland) are also required to disclose the relevant share of pension scheme assets associated with their underlying obligations.

#### MAJOR REPAIRS RESERVE (MRR)

A reserve to be created from HRA contributions, for investment in large-scale capital investment schemes to improve Council dwellings and estates in future years.

#### NET BOOK VALUE

The amount at which PPE is included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

#### NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

#### NET REALISABLE VALUE

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

#### NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and should not be apportioned to services.

#### NON-OPERATIONAL ASSETS

PPE held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets surplus to requirement awaiting disposal or redevelopment, assets in construction.

#### OPERATING LEASES

A lease where the ownership of PPE remains with the lessor.

#### OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

#### PAST SERVICE COST

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

#### PENSIONS / IAS 19

The requirements of the International Accounting Standard on retirement benefits is based on a simple principle – that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. The important accounting distinction for pension schemes is whether they are “defined contribution” or “defined benefit”.

#### PFI (PRIVATE FINANCE INITIATIVE)

PFI allows the public sector to contract with the private sector to provide quality services on a long-term basis, typically 25-30 years, so as to take advantage of private sector infrastructure delivery and service management skills, incentivised by having private finance at risk.

The private sector takes on the responsibility for providing a public service against an agreed specification of required outputs prepared by the public sector.

The private sector carries the responsibility and risks for designing, financing, enhancing or constructing, maintaining and operating the infrastructure assets to deliver the public service in accordance with the public sector's output specification.

The public sector typically pays for the project through a series of performance or throughput related payments, which cover service delivery and return on investment. Central Government may provide payment support to the public sector through grants and other financial mechanisms.

#### POST BALANCE SHEET EVENTS

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the Chair of the Audit Committee.

#### PRIOR PERIOD ADJUSTMENT

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

#### PROJECTED UNIT METHOD

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

#### PROPERTY, PLANT & EQUIPMENT

The overarching classification for operational non-current assets.

#### PRUDENCE

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

#### RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party; or
- The parties are subject to common control from the same sources; or

- One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interest; or
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:

- Central Government;
- Local authorities and other bodies precepting or levying demands on the Council Tax;
- Its subsidiary and associated companies;
- Its joint ventures and joint venture partners;
- Its members;
- Its chief officers; and
- Its pension fund.

Examples of related parties of a pension fund include its:

- Administering authority and its related parties;
- Scheduled bodies and their related parties; and
- Trustees and advisers.

These lists are not intended to be comprehensive.

For individuals identified as related parties, the following are also presumed to be related parties:

- Members of the close family, or the same household; and
- Partnerships, companies, trusts or other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

#### RELATED PARTY TRANSACTION

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Examples of related party transactions include:

- The purchase, sale, lease, rental or hire of assets between related parties;
- The provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund;
- The provision of a guarantee to a third party in relation to a liability or obligation or a related party;
- The provision of services to a related party, including the provision of pension fund administration services;
- Transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

#### REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or
- The actuarial assumptions have changed.

#### RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

#### REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure which may properly be capitalised, but which does not result in, or remain matched with, tangible assets and is written out to revenue in the year it is incurred.

#### SCHEME LIABILITIES

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

#### SECTION 106

Monies received from developers under section 106 of the Town & Country Planning Act 1990, as a contribution towards the cost of providing facilities and infrastructure which may be required as a result of their development.

#### TOTAL COST

The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and capital charges. This includes an appropriate share of all support services and overheads, which need to be apportioned.

#### USEFUL LIFE

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

#### VESTED RIGHTS

In relation to a defined benefit pension scheme, these are:

- For active members, benefits they would unconditionally be entitled on leaving the scheme;
- For deferred pensioners, their preserved benefits;
- For pensioners, pensions to which they are entitled.

Vested rights include where appropriate the related benefits for spouses or other dependants.

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