2025/26

Swindon Borough Council & Group Statement of Accounts

INTRODUCTION BY THE DIRECTOR OF FINANCE AND AUDIT 4
NARRATIVE REPORT 5
UPDATES TO THE ACCOUNTS REQUIRED UNDER CHANGES TO ACCOUNTING PRACTICE 5
THE STATEMENTS 5
FINANCIAL OVERVIEW 5
FINANCIAL OVERVIEW – MEDIUM TERM FINANCIAL PLAN (MTFP) 10
ORGANISATIONAL OVERVIEW 12
AUDIT REPORT 14
FURTHER INFORMATION 14
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS 15
THE FINANCIAL STATEMENTS 16
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES) 17
MOVEMENT IN RESERVES STATEMENT (MIRS) 18
BALANCE SHEET 20
CASH FLOW STATEMENT 22
NOTES TO THE FINANCIAL STATEMENTS 23
DISCLOSURES RELATING TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 24
1. EXPENDITURE AND FUNDING ANALYSIS 24
2. SUBJECTIVE ANALYSIS OF SERVICE EXPENDITURE 28
3. MATERIAL ITEMS OF INCOME AND EXPENSE 28
4. OTHER OPERATING EXPENDITURE 29
5. FINANCING AND INVESTMENT INCOME AND EXPENDITURE 29
6. DEDICATED SCHOOLS GRANT 29
7. TAX & GRANT INCOME 30
8. MEMBERS' ALLOWANCES 31
9. OFFICERS' REMUNERATION 32
10. EXIT PACKAGES 34
11. EXTERNAL AUDIT COSTS 34
12. BETTER CARE FUND 35
13. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS 36
14. TRANSFERS TO/FROM EARMARKED RESERVES 39
15. IMPACT OF PRIOR PERIOD ADJUSTMENTS 40
DISCLOSURES RELATING TO THE BALANCE SHEET 41
16. PROPERTY, PLANT AND EQUIPMENT 41

17. Investment Properties 45
18. Heritage Assets 46
19. Capital Commitment 46
20. Capital Expenditure and Capital Financing 47
21. Long-term Debtors 48
22. Short-term Debtors 48
23. Short-Term Creditors 49
24. Provisions 49
25. Capital Adjustment Account 50
26. Revaluation Reserve 52
27. Pensions Reserve 52
28. Collection Fund Adjustment Account 53
29. Leases 54
30. Private Finance Initiatives and Similar Contracts 56
31. Pensions Schemes Accounted for as Defined Contribution Schemes 59
32. Defined Benefit Pension Schemes 59
33. Financial Instruments 64
34. Nature and Extent of Risks Arising from Financial Instruments 67

DISCLOSURES RELATING TO THE CASHFLOW STATEMENT 70

35. Cash Flow Statement – Operating Activities 70
36. Cash Flow Statement – Investing Activities 71
37. Cash Flow Statement – Financing Activities 71

GENERAL DISCLOSURES 72

38. Accounting Standards That Have Been Issued but Have Not Yet Been Applied 72
39. Critical Judgements in Applying Accounting Policies 72
40. Assumptions Made About the Future & Other Major Sources of Estimation Uncertainty 73
41. Events after the Balance Sheet Date - Contingent Asset & Liability 74
42. Related Parties 75
43. Long Term Investments 76

THE SWINDON BOROUGH COUNCIL GROUP ACCOUNTS 77

The Group Comprehensive Income and Expenditure Statement 78
The Group Movement in Reserves Statement 79
The Group Balance Sheet 81
The Group Cash flow Statement 82

44. LONG TERM INVESTMENTS – GROUP CONSOLIDATION 82
45. GROUP PROPERTY, PLANT & EQUIPMENT 85
ACCOUNTING POLICIES 87
SUPPLEMENTARY STATEMENTS 96
THE COLLECTION FUND 97
NOTES TO THE COLLECTION FUND 98
46. RATEABLE VALUE 98
47. COUNCIL TAX BASE 98
THE HOUSING REVENUE ACCOUNT (HRA) 99
STATEMENT OF MOVEMENT IN THE HOUSING REVENUE ACCOUNT 100
NOTES TO THE HRA 101
48. HOUSING STOCK 101
49. VACANT POSSESSION VALUATION 101
50. MAJOR REPAIRS RESERVE 102
51. HRA CAPITAL EXPENDITURE 102
52. HOUSING REPAIRS ACCOUNT 102
53. HRA CAPITAL RECEIPTS 103
54. HRA COST OF CAPITAL CHARGE 103
55. HRA ARREARS & PROVISIONS FOR BAD DEBT 103
ANNUAL GOVERNANCE STATEMENT 104
AUDITOR'S REPORT 124
GLOSSARY 131

Introduction by the Director of Finance and Audit

The 2025/26 financial year has continued to be challenging for the Council. Like many local authorities, Swindon has continued to feel the ongoing effects of inflation, alongside increasing demand and/or complexity for Children Services. The budget in 2025/26 was supported by exceptional financial support (EFS); this is the ability to use capital receipts or borrowing to fund the gap between revenue expenditure and available revenue income and requires approval by the Ministry of Housing, Communities and Local Government (MHCLG). An amount up to £14.7m was agreed in principle, however the outturn position reduces this requirement to £5.1m. This remains subject to final approval from MHCLG in the form of a capitalisation direction. The reduced requirement is a significant achievement, despite ongoing pressures on the budgets, particularly for Children's Social Care.

The 2026/27 budget was also set based on a requirement to use capital funds to meet revenue costs. This was agreed in principle for an amount up to £22.3m, largely driven by the need to further increase investment in Children Services and inflation.

The continuing work on the Swindon 2028 transformation plan will enable the Council to both respond to the anticipated financial challenges and deliver against the council's priorities.

The Government's publication of a spending review covering three years from 2026/27 to 2028/29 aids the financial planning over the medium term. That does not remove the need for continued review of processes, service delivery and budget needs – what the Swindon 2028 transformation plan is set up to deliver.

Kim Chequer

Director of Finance and Audit

June 2026

Narrative Report

These accounts relate to the financial year ended 31 March 2026 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (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. Restatements relate to internal service arrangements and the need to realign prior year service analysis.

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 Collection Fund income.

- 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)

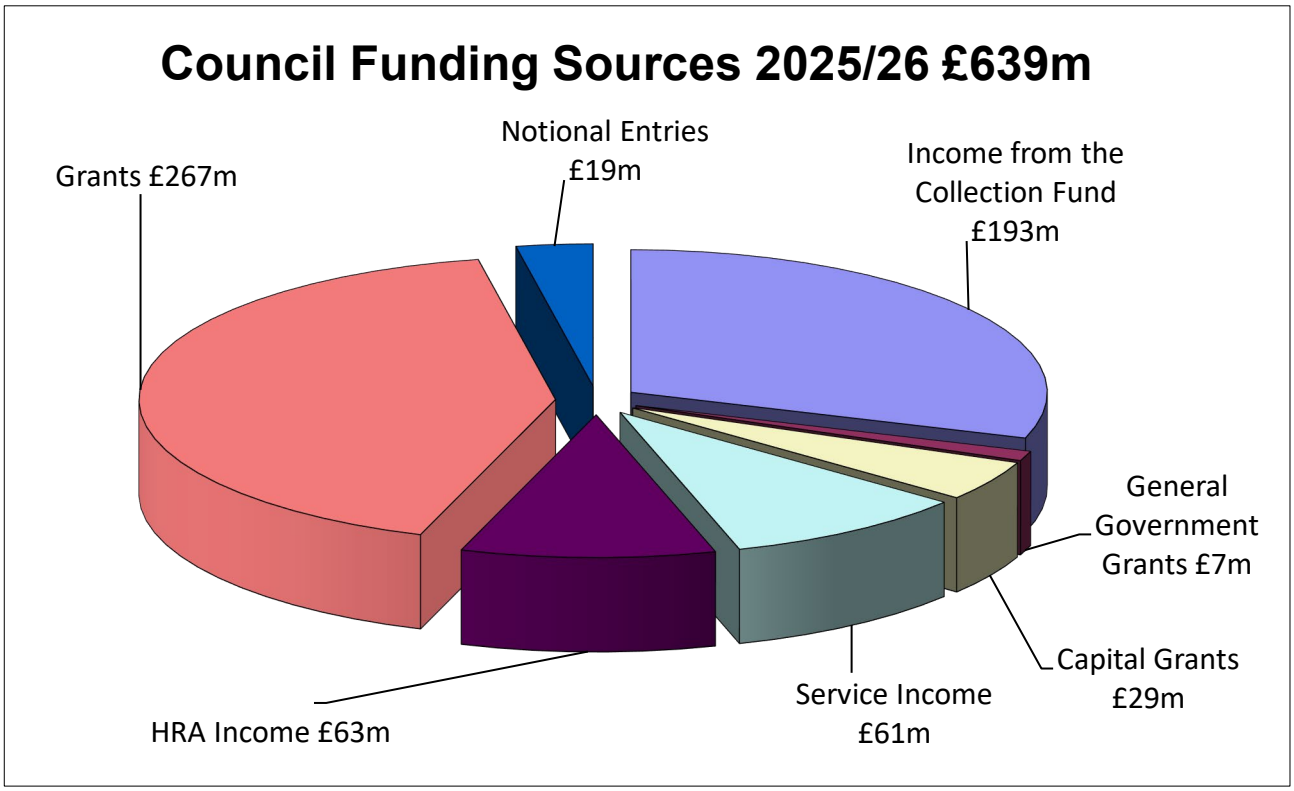
The net GF budget for the year was set at £188.4m. This excludes funding for schools, which is provided via the Dedicated Schools Grant (DSG).

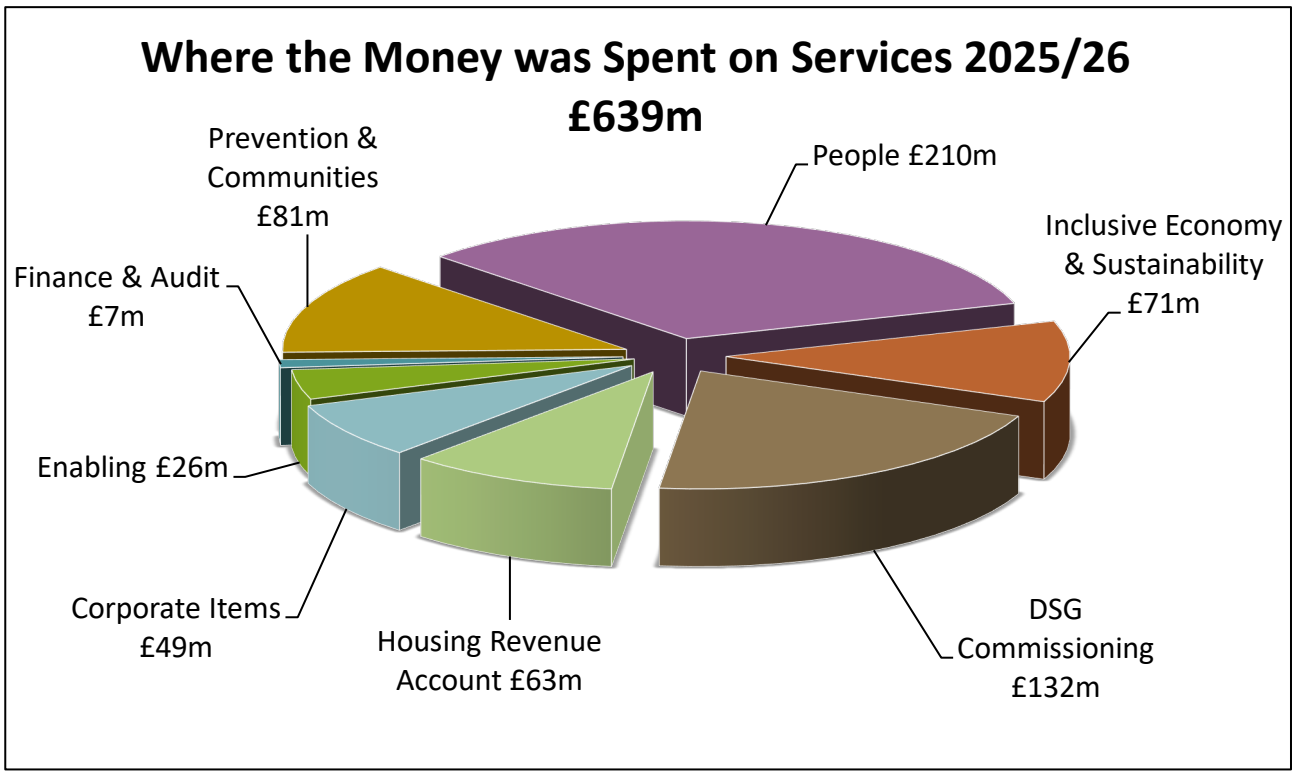
The overall budget was delivered with no movement on the GF balance but there remain variations within individual Service Areas. The Council applied for use of Exceptional Financial Support (EFS) for 2025/26 of £14.7m but required use of £5.1m at year-end. As has been reported throughout the year, the outturn position includes significant pressures on Children services, which has been 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
Enabling	20,291	20,023	**(268)**
Finance & Audit	(15,214)	(17,242)	**(2,028)**
Prevention & Communities	15,698	15,122	**(576)**
People	152,543	155,861	**3,318**
Inclusive Economy & Sustainability	15,064	14,618	**(446)**
Net Cost of General Fund Services (outturn)	**188,382**	**188,382**	**0**
Reconciliation to Comprehensive Income & Expenditure Statement			
Parish Precepts		12,942	
Net Corporate Income and Expenditure		35,821	
Net HRA, Capital, Reserves and other Appropriations in Net Cost of Services		11,656	
Sub-total		**248,801**	
Taxation and Non-Specific Grant Income		(230,098)	
Net (Surplus)/Deficit For Year on Provision of services in CIES		**18,703**	

The following charts analyse the main income flows to the Council in 2025/26, 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 deficit of £1.1m at 31 March 2026 which is a change to the 31 March 2025 position when it was a £3.1m surplus.

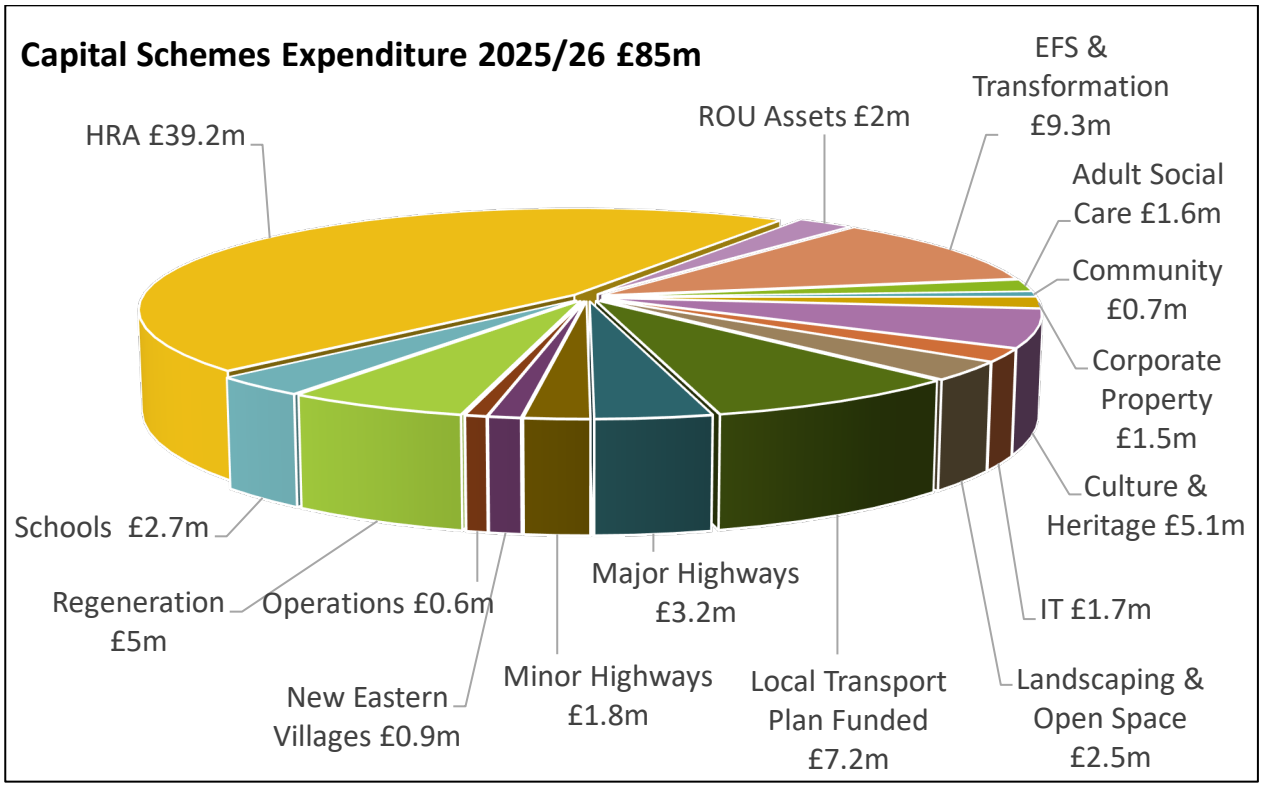
The accounting treatment for the Collection Fund means the Council shows only its own proportion of balances through the accounts on an agency basis. This does not change the Collection Fund itself, which is prescribed under statute, but does remove the overall Collection Fund balance from the Council's 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)

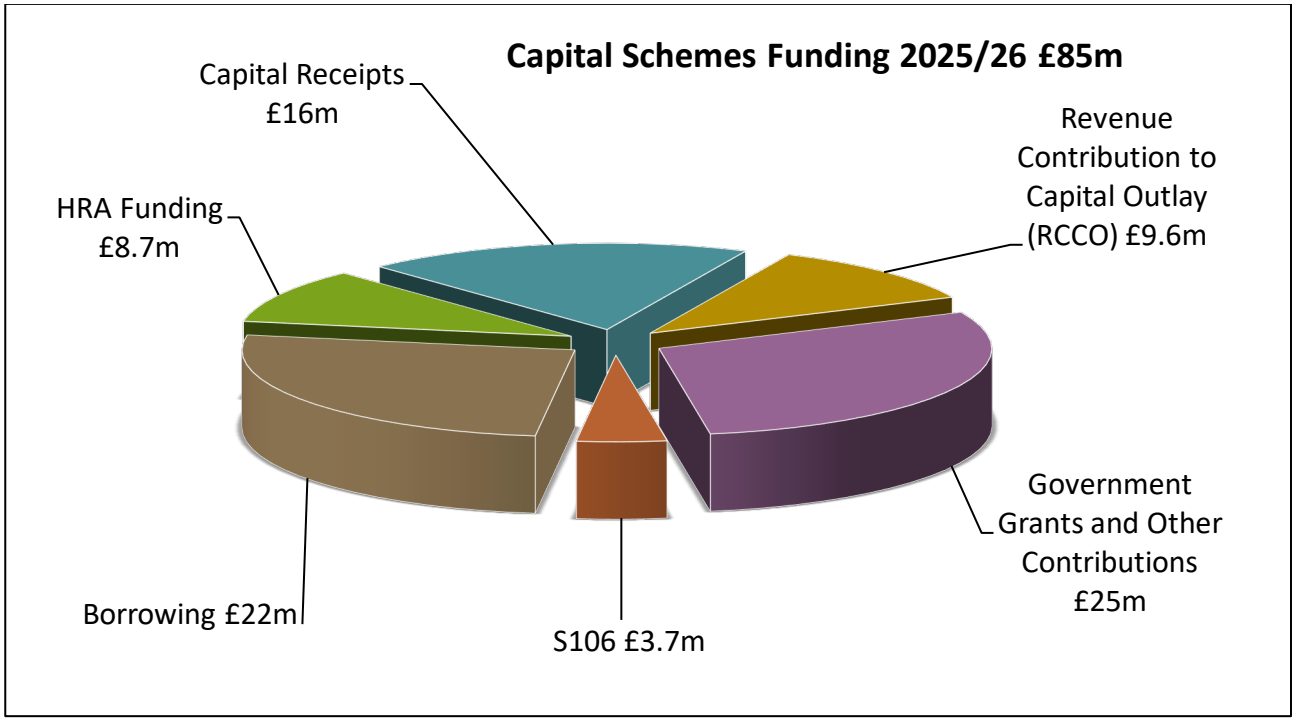
During the year the HRA was £0.955m overspent on services, compared to initial budget, which led to reduced revenue funding for capital, however, the reduced capital funding ensured the HRA reserve was unused. This means the HRA reserve remains at £4.1m at 31 March 2026.

Financial Overview – Capital Income & Expenditure

During the year, the Council incurred additional borrowing of £21.9m towards capital expenditure of £85m. This expenditure is analysed in the following chart into key service areas of the Council.



In-year borrowing contributes to total borrowing of £422.6m, inclusive of HRA debt, with a related capital finance requirement of £585.6m. This should be seen in the context of a non-current asset base of £1,409m.



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 £12.4m (£54.5m for 2024/25). The base position on the fund was a valuation that produced a net asset of £206m, 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 £218.8m reduces the net asset.

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 no such transfers in 2025/26 but three transfers in 2024/25 removing £26.7m.

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 (Wichelstowe LLP). 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 two energy production solar farm companies, Swindon Chapel Farm Solar Plc and Swindon Common Farm Solar Community Interest Plc. The third development relates to the establishment of a group of companies for the construction of dwellings for sale or rent through the Swindon Housing Development Company Ltd. The Authority is parent company to these. It was also parent company to Public Power Solutions (PPS), which previously operated waste and recycling services in the Borough but has not been in operation and is being wound down.

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.

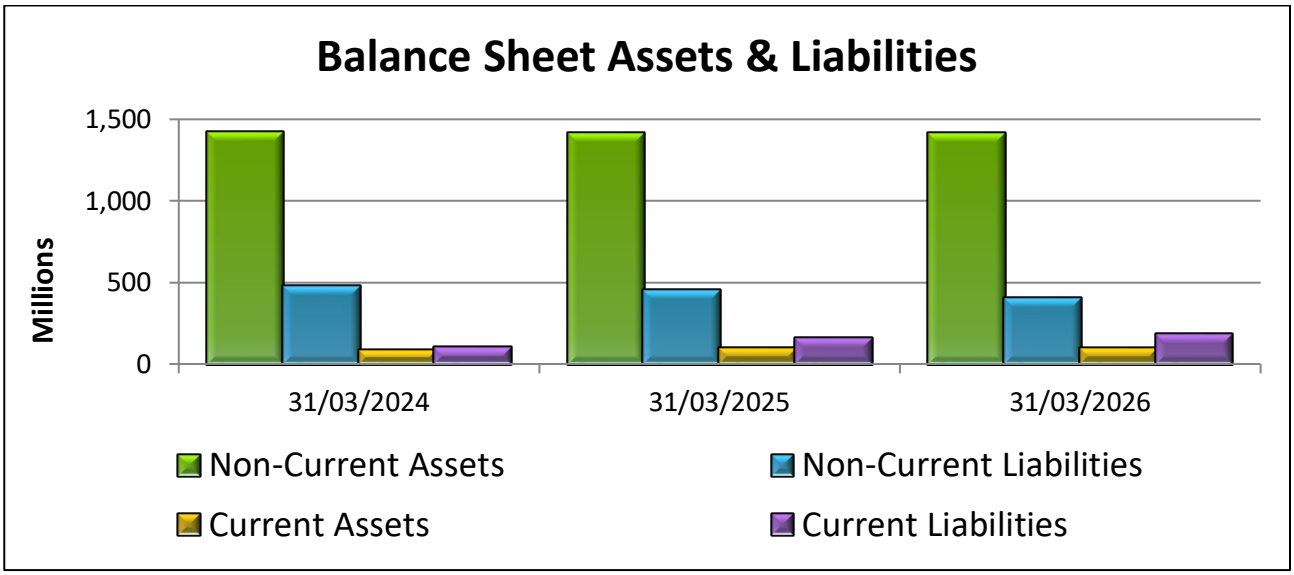
Impact of Materiality

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 slightly increased during 2025/26. This was mainly due to carrying forward of grant balances to be utilised over several years. Planned use of reserves will see reduction in future years, recognising the need to ensure the long-term sustainability of the Council. The General Fund balance remained at £9.1m.

Non-current assets have decreased by £5.9m, mainly due to the revaluation of Property assets and long-term debtor changes. 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 Plan (MTFP)

The Local Government finance settlement saw the return of multi-year settlements, setting out the funding for 2026/27 and provisional allocations for 2027/28 and 2028/29. The settlement also included the simplification of grants with individual service grants being rolled into Revenue Support Grant. Multi-year settlements are helpful to aid financial planning; however, it remains the case that the cost pressures set out in the MTFP far exceed the anticipated funding, resulting in funding gaps in 2027/28 and 2028/29.

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.

We acknowledge the challenges posed by limited resources and funding constraints. While we are committed to achieving our goals within existing budgets, additional funding through external

grants and reprioritisation may be necessary in the future. Any such requirements will be reflected in the development of the MTFP aligned to council priorities and business planning.

Forecast Expenditure

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

At the time of setting the budget, the Bank of England's inflation assumptions had expected inflation to steadily fall over 2026, however the conflict in the Middle East has changed the outlook, particularly in relation to energy forecasts and the impact on CPI. This, combined with the significant increases in the council's cost base over recent years means that variations in inflation compared to current assumptions can have a more significant impact on the Medium-Term Financial Plan (MTFP).

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.

The Swindon 2028 transformation plan is the council's response to make sure the council is set up and operates in a way that maximises resident outcomes, whilst also being financially sustainable.

Financial Projections from 2026/27

Budget Summary	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**
Base Budget	188.4	233.1	261.2
Inflation	9.4	5.2	5.4
Spending Pressures	23.7	8.5	8.7
Savings Plans	(12.2)	(9.2)	(2.4)
Service Funding Changes	31.4	1.3	1.2
Proposed Budget before EFS	**240.7**	**238.9**	**274.1**
Exceptional Financial Support (EFS) 25/26	14.7		
Exceptional Financial Support (EFS) 26/27	(22.3)	22.3	0
Proposed Net Budget after EFS	**233.1**	**261.2**	**274.1**
Less Funded By:			
Council Tax	147.8	156.2	165.2
Business Rates	45.5	46.5	47.5
Revenue Support Grant	40.0	43.9	47.7
Collection Fund Deficit	(0.2)	0	0
Total Funding	**233.1**	**246.6**	**260.4**
Indicative Gap	**0**	**14.6**	**13.7**

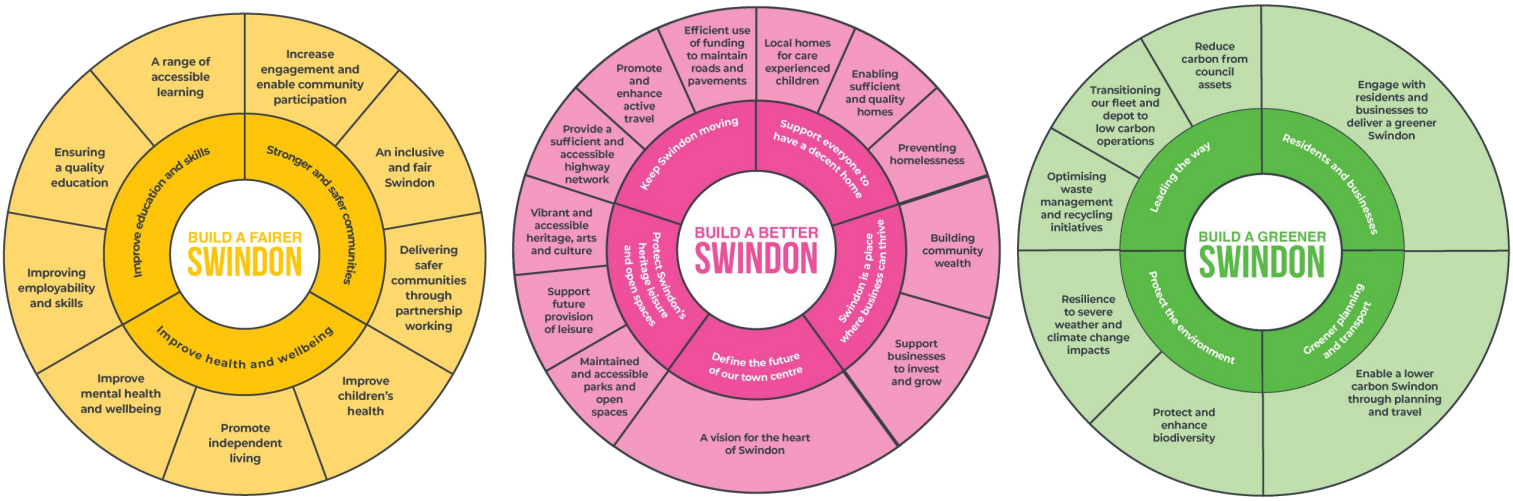
The Section 151 Officer has considered their duties under the Local Government Finance Act 2003 (Section 25) to report on the robustness of estimates and adequacy of reserves as well as their duties under the Local Government Finance Act 1988 to report on unlawful expenditure or a

shortfall in resources. They have reported that the 2026/27 budget is deliverable based on Exceptional Financial Support (EFS) being approved, progress with actions by directorates, no new commitments against reserves and contingencies and assurance by Corporate Directors of compliance with controls. Reserves increased during 2025/26, EFS has been provisionally approved for 2026/27 and the Council is engaging with the Ministry of Housing, Communities and Local Government (MHCLG) on the basis that EFS is likely to be required in 2027/28. As such, it is not anticipated that it will be necessary to issue a Section 114 notice in the short or medium term.

Organisational Overview

Following a borough-wide engagement exercise held in early 2024, the Council finalised the Swindon Plan in July 2024 that sets out our long-term priorities to improve the quality of life for all of the Borough's residents:

- **Build a Fairer Swindon** - Making Swindon a fairer place, reducing disadvantages and reducing big disparities in life expectancy, education levels and social justice.
- **Build a Better Swindon** - Creating a town ready for the challenges of the coming decades. Where possible, leading town centre improvement and creating more affordable housing with the private sector.
- **Build a Greener Swindon** - Fully playing 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.



Acknowledging the ongoing financial pressures on public finances, the Swindon Plan sets out how the Council is looking to progress each mission working with communities and partners across the private, public and voluntary sectors

An accompanying performance framework sets out the action we will take to progress each objective over the next three years and how we will measure progress.

Performance against this framework is regularly reported through several core boards:

- Mission boards – Co-chaired by a Corporate Management Team (CMT) member and the Cabinet Ambassador for the Mission. All relevant officers attend to discuss progress

quarterly against their deliverables and measures so that any escalations can be taken to CMT.

- Policy & performance committees – Councillor committees for each mission, influencing the agenda of the mission and scrutinising the delivery. Each of these committees now receives a twice-yearly report on the progress and performance being made within the mission.
- Cabinet – receive a twice-yearly report on the overall progress and performance in delivering the ambitions set out in the Corporate Plan and associated performance framework.

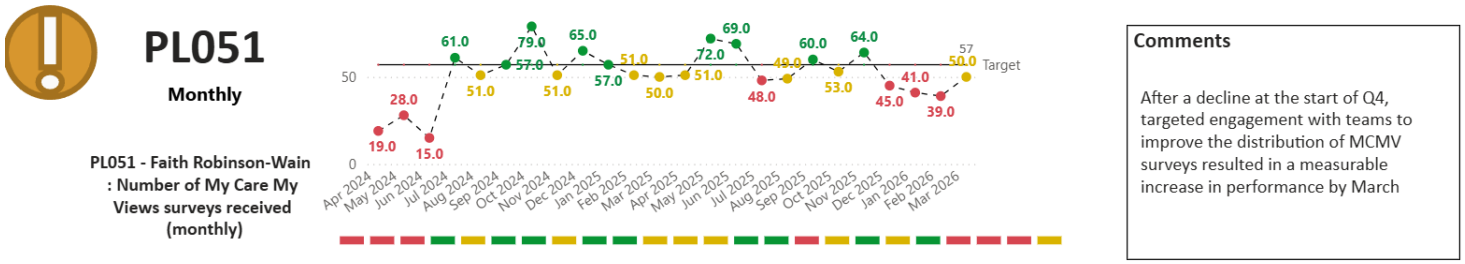
The detailed information to support these discussions and reports is accessible publicly through the Mission Dashboards:

- Build a Fairer Swindon
- Build a Better Swindon
- Build a Greener Swindon

More widely, the approach to core management of organisational performance and quality has been renewed through the design of a new suite of reports for each directorate. The foundations have been strengthened with full definition dictionaries for 250+ metrics that includes source information, calculation methodology, targets/benchmarks and clear owners.

All metrics are reported as a time series with trend information and qualitative commentary sought to understand the context performance risks and escalations. Calculated Red / Amber / Green (RAG) status also supports in identifying performance risks.

Example metric:



To further develop the maturity, triggers for escalations have also been applied which identify the following metrics:

- Sustained off target = five or more of the latest data points are red
- Off target but improving = Red or Amber, but getting closer to target for the last four or more data points
- Getting worse = negative direction of travel for the last three or more data points

This substantially enhances the robustness of the approach taken to internal performance management and reduces the risk of unfavourable metrics going unreported. These are raised as

part of the Wider CMT Performance and Governance board, attended by CMT and all directors quarterly to review performance matters in depth. The Annual Governance Statement can be viewed for further governance information.

Audit Report

The draft accounts are required to be approved by the 30 June 2026 by the Director of Finance and Audit, the Council's designated Section 151 Officer, and independently audited and published in their audited form by 31 January 2027. 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

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 2025/26, the designated officer was 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 2026.

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 2026.

Signed: *Kim Chequer* Date: 24 November 2026

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: *Steve Weisinger* Date: 24 November 2026

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.

Note	Continuing Operations:	2024/25 Restated Gross Expenditure £000	2024/25 Restated Gross Income £000	2024/25 Restated Net Expenditure £000	2025/26 Gross Expenditure £000	2025/26 Gross Income £000	2025/26 Net Expenditure £000
	Enabling	24,743	(3,765)	20,978	25,850	(3,279)	22,571
	Finance & Audit	8,193	(36,737)	(28,544)	7,350	(39,057)	(31,707)
	Stronger and Safer Communities	91,391	(73,970)	17,421	80,900	(69,484)	11,416
	Adults	206,410	(56,445)	149,965	210,432	(55,901)	154,531
	Inclusive Economy & Sustainability	72,150	(38,639)	33,511	70,695	(38,907)	31,788
6	DSG Commissioning	116,969	(108,889)	8,080	132,141	(121,207)	10,934
	HRA - Housing	54,821	(66,388)	(11,567)	47,013	(62,793)	(15,780)
	HRA - Operations	16,585	(201)	16,384	16,460	(175)	16,285
	Surplus / Deficit on Continuing Operations	**591,262**	**(385,034)**	**206,228**	**590,841**	**(390,803)**	**200,038**
4	Other operating expenditure			64,863			35,078
5	Financing & investment (income)/expenditure			15,816			13,685
7	Taxation and non-specific grant income			(219,605)			(230,098)
	(Surplus) / Deficit on Provision of Services			**67,302**			**18,703**
16	(Surplus) / Deficit on revaluation of PPE assets			(46,189)			(8,122)
32	Re-measurements on pension assets / liabilities			(812)			(27,421)
	Other Comprehensive Income and Expenditure			**(47,001)**			**(35,543)**
	Total Comprehensive Income and Expenditure			**20,301**			**(16,840)**

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 the increase or decrease on the General Fund balance after accounting adjustments and reserve transfer. 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	HRA	Earmarked GF Reserves	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£000	£000	£000	£000	£000	£000
1 April 2025	**(9,180)**	**(4,148)**	**(46,950)**	**(1,379)**	**(9,632)**	**0**	**(46,904)**	**(118,193)**	**(787,470)**	**(905,663)**
(Surplus) / Deficit on Service provision	(4,588)	23,291	0	0	0	0	0	18,703	0	18,703
Other (Income) / Exp.	0	0	0	0	0	0	0	0	(35,543)	(35,543)
Total Comprehensive (Income) /Exp.	**(4,588)**	**23,291**	**0**	**0**	**0**	**0**	**0**	**18,703**	**(35,543)**	**(16,840)**
Adjusts between accounting & funding basis (note 13)	3,722	(23,478)	0	0	(8,598)	0	(520)	(28,874)	28,874	0
Transfer of DSG deficit	(7,152)	0	0	0	0	0	0	(7,152)	7,152	0
Net (Increase)/ Decrease before Reserves	**(8,018)**	**(187)**	**0**	**0**	**(8,598)**	**0**	**(520)**	**(17,323)**	**483**	**(16,840)**
Transfers to / (from) Other Reserves (note 14)	8,018	187	(8,018)	(187)	0	0	0	0	0	0
(Increase)/ Decrease in-year	0	0	(8,018)	(187)	(8,598)	0	(520)	(17,323)	**483**	**(16,840)**
31 March 2026	**(9,180)**	**(4,148)**	**(54,968)**	**(1,566)**	**(18,230)**	**0**	**(47,424)**	**(135,516)**	**(786,987)**	**(922,503)**

Movement in Reserves Statement continued

	GF 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
	£'000	£'000	£'000	£'000	£000	£000	£000	£000	£000	£000
1 April 2024	**(8,496)**	**(9,639)**	**(46,946)**	**(998)**	**(8,365)**	**(1,881)**	**(57,011)**	**(133,336)**	**(792,628)**	**(925,964)**
(Surplus) / Deficit on Service provision	54,756	12,546	0	0	0	0	0	67,302	0	67,302
Other (Income) / Exp.	0	0	0	0	0	0	0	0	(47,001)	(47,001)
Total Comprehensive (Income) /Exp.	**54,756**	**12,546**	**0**	**0**	**0**	**0**	**0**	**67,302**	**(47,001)**	**20,301**
Adjusts between accounting & funding basis (note 13)	(48,698)	(7,436)	0	0	(1,267)	1,881	10,107	(45,413)	45,413	0
Transfer of DSG deficit	(6,746)	0	0	0	0	0	0	(6,746)	6,746	0
Net (Increase)/ Decrease before Reserves	**(688)**	**5,110**	**0**	**0**	**(1,267)**	**1,881**	**10,107**	**15,143**	**5,158**	**20,301**
Transfers to / (from) Other Reserves (note 14)	4	381	(4)	(381)	0	0	0	0	0	0
(Increase)/ Decrease in-year	**(684)**	**5,491**	**(4)**	**(381)**	**(1,267)**	**1,881**	**10,107**	**15,143**	**5,158**	**20,301**
31 March 2025	**(9,180)**	**(4,148)**	**(46,950)**	**(1,379)**	**(9,632)**	**0**	**(46,904)**	**(118,193)**	**(787,470)**	**(905,663)**

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 2025 £000	31st March 2026 £000
16/49	Property, Plant & Equipment	1,364,636	1,356,926
	Intangible Assets*	2,226	4,753
17	Investment property	4,580	4,400
18	Heritage	29,215	29,215
43	Long term investments	4,738	4,783
21	Long term debtors	10,108	9,429
	Total Non-Current Assets	**1,415,503**	**1,409,506**
	Cash & Cash equivalents	17,520	29,389
	Inventories & Work in Progress	962	849
22	Short term debtors	45,703	62,658
33	Short term investments	15,293	193
	Assets held for sale (current)	18,195	4,106
	Current Assets	**97,673**	**97,195**
23	Short term creditors	(75,416)	(70,783)
33	Short term borrowing	(82,936)	(110,485)
24	Provisions (short term)	(931)	(860)
	Current Liabilities	**(159,283)**	**(182,128)**
33	Long term borrowing	(312,541)	(312,119)
30/33	Long term creditors	(44,177)	(39,027)
24	Provisions (long term)	(7,558)	(4,696)
32	Pension Liability	(54,545)	(12,393)
7	Capital Grants receipts in advance	(29,409)	(33,835)
	Non-Current Liabilities	**(448,230)**	**(402,070)**
	Net Assets	**905,663**	**922,503**

Balance Sheet continued

Note		31st March 2025 £000	31st March 2026 £000
	General Fund Balance	(9,180)	(9,180)
	HRA Balance	(4,148)	(4,148)
14	GF Earmarked Reserves	(46,950)	(54,968)
14	HRA Earmarked Reserves	(1,379)	(1,566)
50	Major Repairs Reserve	0	0
	Capital Receipts Reserve	(9,633)	(18,230)
	Capital Grants Unapplied	(46,903)	(47,424)
MiRS**	**Usable Reserves**	**(118,193)**	**(135,516)**
25	Capital Adjustment Account	(222,364)	(189,010)
26	Revaluation Reserve	(631,464)	(631,873)
27	Pension Reserve	54,545	12,393
28	Collection Fund Adjustment Account	(2,539)	(3)
	Pooled Investment Funds Adjustment Account	437	437
6	DSG Deficit	15,146	22,296
	Deferred Capital Receipts	(1,231)	(1,227)
	Unusable Reserves:	**(787,470)**	**(786,987)**
	Total Reserves	**(905,663)**	**(922,503)**

*Intangible Assets consists only of non-operational development expenditure

**MiRS – Movement in Reserves Statement

The unaudited accounts were issued on 30 June 2026 and the final audited version authorised for issue on 24 November 2026.

Kim 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		2024/25 £'000	2025/26 £'000
	Net surplus or (deficit) on the provision of services	(67,302)	(18,703)
35	Adjustments to net surplus or deficit on the provision of services for non-cash movements	113,014	93,906
35	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(38,093)	(58,250)
	Net cash flows from Operating Activities	**7,619**	**16,953**
36	Investing Activities	(33,835)	(21,106)
37	Financing Activities	11,665	16,022
	Net increase or (decrease) in cash and cash equivalents	**(14,551)**	**11,869**
	Cash and cash equivalents at the beginning of the reporting period	32,071	17,520
	Cash and cash equivalents at the end of the reporting period	**17,520**	**29,389**

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 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.

	2025/26 Net Exp. Report to Cabinet £000	2025/26 Remove Not Chargeable to the GF or HRA £000	2025/26 Net Exp. Chargeable to GF and HRA £000	2025/26 Changes Between Funding/Accounting Basis £000	2025/26 Net Expenditure In the CIES £000
Enabling	20,023	(191)	19,832	2,739	22,571
Finance & Audit	(17,242)	(6,415)	(23,657)	(8,050)	(31,707)
Prevention and Communities	15,122	(2,214)	12,908	(1,492)	11,416
People	155,861	971	156,832	(2,301)	154,531
Inclusive Economy & Sustainability	14,618	(2,738)	11,880	19,908	31,788
DSG Commissioning	0	2,569	2,569	8,365	10,934
HRA - Housing	(17,145)	(187)	(17,332)	1,552	(15,780)
HRA - Operations	17,145	0	17,145	(860)	16,285
(Surplus)/Deficit on Continuing Operations	**188,382**	**(8,205)**	**180,177**	**19,861**	**200,038**
Other Income & Expenditure	12,942	0	12,942	22,136	35,078
Financing and Investment Income and Expenditure	0	0	0	13,685	13,685
Taxation and Non-Specific Grant Income	(201,324)	0	(201,324)	(28,774)	(230,098)
(Surplus) / Deficit on Provision of Services	**0**	**(8,205)**	**(8,205)**	**26,908**	**18,703**

Reconciliation of Movement to Balances	Opening	(Surplus) or Deficit on Provision of Services	Closing
General Fund	(9,180)	0	(9,180)
HRA	(4,147)	0	(4,147)
Net Exp. Chargeable to the GF and HRA Balances		**0**	
Earmarked reserves	(48,330)	(8,205)	(56,535)
Remove Not Chargeable to the GF or HRA	(48,330)	(8,205)	(56,535)
(Surplus) / Deficit on Provision of Services (adjusted for rounding)		**(8,205)**	

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
£000	(8,205)	0	(8,205)	0

Restated	2024/25 Net Exp. Report to Cabinet £000	2024/25 Remove Not Chargeable to the GF or HRA £000	2024/25 Net Exp. Chargeable to GF and HRA £000	2024/25 Changes Between Funding & Accounting Basis £000	2024/25 Net Expenditure In the CIES £000
Enabling	18,848	(84)	18,764	2,214	20,978
Finance & Audit	(17,581)	2,593	(14,988)	(13,556)	(28,544)
Prevention and Communities	15,219	604	15,823	1,598	17,421
People	144,770	4,770	149,540	425	149,965
Inclusive Economy & Sustainability	16,919	(6,886)	10,033	23,478	33,511
DSG Commissioning	0	(1,000)	(1,000)	9,080	8,080
HRA - Housing	(16,681)	5,110	(11,571)	4	(11,567)
HRA - Operations	16,681	0	16,681	(297)	16,384
(Surplus)/Deficit on Continuing Operations	178,175	5,107	183,282	22,946	206,228
Other Income & Expenditure	11,637	0	11,637	53,226	64,863
Financing and Investment Income and Expenditure	0	0	0	15,816	15,816
Taxation and Non-Specific Grant Income	(190,497)	0	(190,497)	(29,108)	(219,605)
(Surplus) / Deficit on Provision of Services	(685)	5,107	4,422	62,880	67,302

Reconciliation of Movement to Balances	Opening	(Surplus) or Deficit on Provision of Services	Closing
General Fund	(8,496)	(684)	(9,180)
HRA	(9,638)	5,491	(4,147)
Net Exp. Chargeable to the GF and HRA Balances		**4,807**	
Earmarked reserves	(47,945)	(385)	(48,330)
Remove Not Chargeable to the GF or HRA	(47,945)	(385)	(48,330)
(Surplus) / Deficit on Provision of Services		**4,422**	

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
£000	5,107	(5,491)	385	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 IAS 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.

2025/26	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Enabling	(1,620)	4,500	(141)	0	2,739
Finance & Audit	852	5,144	(16,087)	2,041	(8,050)
Prevention and Communities	(2,224)	2,509	(2,037)	260	(1,492)
People	(3,892)	1,635	(44)	0	(2,301)
Inclusive Economy & Sustainability	(2,222)	23,507	(2,000)	623	19,908
DSG Commissioning	(3,261)	4,479	(4)	7,151	8,365
HRA - Housing	(910)	5,664	(3,075)	(127)	1,552
HRA - Operations	(860)	0	0	0	(860)
	(14,137)	**47,438**	**(23,388)**	**9,948**	**19,861**

2025/26	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Other Income & Expenditure	0	22,136	0	0	22,136
Financing and Investment Income and Expenditure	(594)	180	14,099	0	13,685
Taxation and Non-Specific Grant Income	0	(29,135)	0	361	(28,774)
(Surplus) or Deficit on Provision of Services	**(14,731)**	**40,619**	**(9,289)**	**10,309**	**26,908**

2024/25 Restated	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Enabling	(560)	2,927	(153)	0	2,214
Finance & Audit	1,080	6	(16,918)	2,276	(13,556)
Prevention and Communities	(539)	3,936	(2,062)	263	1,598
People	(1,533)	2,035	(77)	0	425
Inclusive Economy & Sustainability	(788)	25,302	(1,036)	0	23,478
DSG Commissioning	(1,339)	3,677	(4)	6,746	9,080
HRA - Housing	(320)	2,836	(2,512)	0	4
HRA - Operations	(297)	0	0	0	(297)
	(4,296)	**40,719**	**(22,762)**	**9,285**	**22,946**
Other Income & Expenditure	0	53,226	0	0	53,226
Financing and Investment Income and Expenditure	2,243	84	13,489	0	15,816
Taxation and Non-Specific Grant Income	0	(26,116)	0	(2,992)	(29,108)
(Surplus) or Deficit on Provision of Services	**(2,053)**	**67,913**	**(9,273)**	**6,293**	**62,880**

2. Subjective Analysis of Service Expenditure

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

Expenditure and Income Type	2024/25 £'000	2025/26 £'000
Employee related expenses	162,730	163,425
Other service expenses	365,703	377,725
Depreciation, amortisation and impairment	61,227	49,640
Interest Payments	20,829	18,428
Precepts & Levies	11,637	12,943
Payments to Housing Capital Receipts Pool	1,870	4,469
Gain or Loss on Disposal of Fixed Assets	51,356	17,668
Total operating expenses	**675,352**	**644,298**
Fees, charges & other service income	(125,862)	(124,151)
Interest and investment income	(5,013)	(4,807)
Income from Council Tax and Business Rates	(187,139)	(194,200)
Government grants and contributions	(290,036)	(302,437)
Total Income	**(608,050)**	**(625,595)**
Surplus or deficit on the provision of services	**67,302**	**18,703**

Description	2024/25 £'000	2025/26 £'000
Non-grant contributions to service provision Contributions from social care clients	(13,151)	(15,415)
Income from fees & licenses Includes parking, planning, permit and professional services income	(21,080)	(16,903)
Income from rentals and hires Includes income from rentals/hires, including HRA rents	(68,102)	(69,039)
Income from sales of goods & services Includes service charges, waste management and sales of goods	(17,932)	(17,352)
Other Miscellaneous Income	(5,597)	(5,442)
Total Fees, charges & other service income	**(125,862)**	**(124,151)**

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 2024/25, but exceptional financial support increases REFCUS values by £5.1m in 2025/26.

4. Other Operating Expenditure

Breakdown of items included under Other Operating Expenditure. The disposal of schools to academy status sees higher losses on disposal of non-current assets in 2024/25.

	2024/25 £'000	2025/26 £'000
(Gains)/losses on the disposal of non-current assets	51,356	17,668
Parish council precepts	11,637	12,942
Payments to the Government Housing Capital Receipts Pool	1,870	4,468
Total Other Operating Expenditure	**64,863**	**35,078**

5. Financing and Investment Income and Expenditure

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

	2024/25 £'000	2025/26 £'000
Interest payable and similar charges	18,502	18,958
Interest receivable and similar income	(4,434)	(4,237)
Investment income	(579)	(622)
Movement on market value of investment property	170	180
(Gains)/losses on financial instruments classified as fair value via P&L	(86)	0
Net interest on the net defined benefit liability	2,243	(594)
Total Financing and Investment Income and Expenditure	**15,816**	**13,685**

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.

	Total 2024/25 £'000	Central Expenditure 2025/26 £'000	Schools Budgets 2025/26 £'000	Total 2025/26 £'000
Final DSG before Academy Recoupment	268,727			297,339
Academy figure recouped for the year	181,188			198,217
DSG after Academy Recoupment	**87,539**			**99,122**
Brought Forward from prior year	0			
Carry Forward agreed in advance	0			
Agreed initial budgeted distribution	**87,539**	**74,919**	**24,203**	**99,122**
In year adjustments	(177)	(818)	(240)	(1,058)
Final budgeted distribution for year	**87,362**	**74,102**	**23,963**	**98,064**
Less actual central expenditure	69,519	84,578		84,578
Less actual ISB deployed to schools	24,589		20,637	20,637
Carry forward to next year (including carry forward agreed in advance)	**(6,746)**	**(10,476)**	**3,326**	**(7,151)**

DSG unusable reserves at the end of Year	(8,400)	(15,146)
Addition to DSG unusable reserves at end of year	(6,746)	(7,150)
Total of DSG unusable reserves at the end of the Financial Year	**(15,146)**	**(22,296)**

7. Tax & Grant Income

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

Funding For	**2024/25 £'000**	**2025/26 £'000**
Dedicated Schools Grant	(87,142)	(97,568)
Housing Benefit Subsidy	(40,931)	(34,804)
Public Health Grant	(11,309)	(11,951)
PFI Grant	(5,012)	(5,248)
Pupil Premium Grant	(1,990)	(1,753)
Homelessness Prevention	(2,518)	(3,470)
Improved Better Care Fund	(5,395)	(6,656)
Adult Social Care Projects	(18,129)	(19,143)
Rates relief	(12,648)	(12,367)
Household Support	(2,822)	(2,671)
Social Care Health Funding	(16,541)	(13,834)
Unaccompanied Asylum-Seeking Children	(1,740)	(1,982)
Placements - Positive Futures	(1,084)	(1,056)
Other Schools Grants	(17,774)	(19,932)
Better Care Fund	(7,258)	(8,819)
NI increase compensation	0	(1,665)
Childrens Social Care	0	(2,732)
Waste Processing	0	(4,821)
Resettlement	0	(1,343)
Total of Other Grants	(25,275)	(14,722)
Total	**(257,568)**	**(266,537)**

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:

Capital Grants Receipts in Advance	**2024/25 £'000**	**2025/26 £'000**
Balance at 1 April	**(21,873)**	**(29,409)**
New funds received	(40,874)	(37,632)
Funds written out to fund capital schemes	33,338	32,521
Funds written out for repayment	0	685
Balance at 31 March	**(29,409)**	**(33,835)**

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.

Credited to Taxation and Non-Specific Grant Income	2024/25 £'000	2025/26 £'000
Collection Fund Income - Council Tax	(142,730)	(154,980)
Collection Fund Adjustments – Council Tax	(6,371)	(107)
Collection Fund Income - Business Rates	(57,740)	(60,545)
Collection Fund Income - Prior Year Surplus	(5,093)	(913)
Collection Fund Income - Business Rates Tariff	20,563	20,838
Collection Fund Adjustments – Business Rates	4,232	1,508
Revenue Support Grant	(5,497)	(5,726)
Other non-ring-fenced government grants	(853)	(1,038)
S106 - used in funding	(1,961)	(3,680)
Capital grants and contributions - to CGUA*	(24,155)	(25,455)
Total	**(219,605)**	**(230,098)**

*Capital Grants Unapplied Account

8. Members' Allowances

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

	2024/25 £'000	2025/26 £'000
Basic Allowances	532	554
Special Responsibility Allowances	237	251
Expenses	2	2
Total	**771**	**807**

9. Officers' Remuneration

The below shows estimates of remuneration to senior officers of the Corporate Management Team. In 25/26 one senior officer was not in the pension scheme. A statutory post was covered by an agency interim for part of the year, the cost shown is the payment to the agency.

Position	Period	Remuneration	Emp. Pension Contributions	Compensation for Loss of Office	Total Remuneration
		£	£	£	£
2025/26					
Chief Executive Officer - S Mowbray	Full Year	185,573	39,713	0	225,286
Corporate Director of Children's Services	Left May 25	19,548	0	64,205	83,753
Corporate Director of Inclusive Economy & Sustainability	Full Year	148,092	31,692	0	179,784
Chief Operating Officer	Full Year	148,092	31,692	0	179,784
Corporate Director – People (DASS) - C Deards	Full Year	157,308	33,664	0	190,972
Director of Finance and Audit (S151 Officer)	Full Year	116,358	24,901	0	141,259
Corporate Director – Prevention & Communities – K Nelson	Full Year	158,397	33,897	0	192,294
Director of Public Health	Full Year	118,581	25,376	0	143,957
Director of Children's Services (Agency Interim)	May to Nov 25	101,186	0	0	101,186
Director of Children's Services	Started Nov 25	45,508	9,739	0	55,247
Chief Legal Officer	Full Year	109,900	23,519	0	133,419

DASS – Director of Adult Social Services

Position	Period	Remuneration	Emp. Pension Contributions	Compensation for Loss of Office	Total Remuneration
2024/25 Restated		**£**	**£**	**£**	**£**
Chief Executive Officer - S Mowbray	Full Year	179,819	38,481	0	218,300
Corporate Director of Children's Services	Full Year	148,626	31,806	0	180,432
Corporate Director of Inclusive Economy & Sustainability	Full Year	143,500	30,709	0	174,209
Chief Operating Officer	Full Year	143,500	30,709	0	174,209
Corporate Director Integrated Adult Social Care	Full Year	139,678	29,891	0	169,569
Director of Finance and Audit (S151 Officer)	Full Year	112,750	24,128	0	136,878
Corporate Director of Stronger & Safer Communities	Started July24	107,625	23,032	0	130,657
Director Public Health*	Left Dec 24	84,061	18,442	0	102,503
Director of Public Health (Interim)*	Dec 24 to Mar 25	33,668	7,205	0	40,873
Chief Legal Officer*	Full Year	106,492	22,789	0	129,281

Restatement*

The above table has been restated for 2024/25 to reflect the inclusion of additional statutory posts. This is a disclosure adjustment only.

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	
£		£	2024/25	2025/26
50,000	to	54,999	97	194
55,000	to	59,999	51	65
60,000	to	64,999	54	68
65,000	to	69,999	21	18
70,000	to	74,999	26	26
75,000	to	79,999	9	18
80,000	to	84,999	9	15
85,000	to	89,999	4	2
90,000	to	94,999	2	3
95,000	to	99,999	3	0
100,000	to	104,999	3	5
105,000	to	109,999	0	4
110,000	to	114,999	0	1
115,000	to	119,999	1	0
125,000	to	129,999	1	0
140,000	to	144,999	0	1

10. Exit Packages

The Council incurred costs of £0.35m (£0.99m in 24/25) for known compulsory redundancy and other departure reasons payments. Costs are disclosed based on the costs incurred or estimated accrued cost in the relevant year. Where accrued estimates are lower than the final amount paid the value of cost greater than accrual will be shown in the following year, and vice versa. There was £132k incurred in 25/26 relating to 24/25 estimates

Exit Package Band			2024/25			2025/26		
£		£	Compulsory	Other	Total Cost £	Compulsory	Other	Total Cost £
0	to	19,999	13	22	201,591	2	23	114,751
20,000	to	260,000*	6	3	790,149	2	2	233,471
Total			**19**	**25**	**991,740**	**4**	**25**	**348,222**

* 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. This includes an estimated £10k of grant claim fees payable in 2025/26.

	2024/25 £'000	2025/26 £'000
Statutory Audit of the Accounts	404	398
Review of Grant Claims	45	41
Other services	20	20
Scale Fees Due	**469**	**459**

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 NHS BaNES, Swindon and Wiltshire 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. 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.

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.

			2024/25			2025/26
	SBC	ICB	Total	SBC	ICB	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Section 75	9,783	14,846	24,629	8,957	13,807	22,764
Public Health	0	33	33	0	37	37
Children - Commissioning & Service Delivery	0	2,573	2,573	1,086	847	1,933
Capital - DFG	1,663	0	1,663	1,580	0	1,580
Total	**11,447**	**17,452**	**28,898**	**11,623**	**14,691**	**26,314**
Better Care Fund						
SBC Commissioned activities	6,656	12,671	19,327	6,656	13,241	19,898
Capital - DFG	1,663	0	1,663	1,580	0	1,580
Total	**8,320**	**12,671**	**20,990**	**8,236**	**13,241**	**21,478**
Activities directly commissioned and recorded within Swindon ICB accounts.	0	6,462	6,462	0	6,621	6,621

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:

2025/26	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	(27,938)	(8,647)	0	0	0	(36,585)
Charges for impairment and revaluation losses of non-current assets	2,107	(15,163)	0	0	0	(13,056)
Movement in the market value of investment properties	(180)	0	0	0	0	(180)
Capital grants and contributions applied	3,680	0	0	0	0	3,680
Revenue expenditure funded from capital under statute	(15,961)	0	0	0	0	(15,961)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(19,652)	(27,129)	0	0	0	(46,781)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	8,670	0	0	0	0	8,670
Voluntary provision for the financing of capital investment	0	0	0	0	0	0
Capital expenditure charged against the GF and HRA balances	16	9,499	0	0	0	9,515
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	25,455	0	0	0	(25,455)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	24,935	24,935
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	21,637	7,477	(29,114)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	6,736	0	0	6,736
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(4,468)	0	4,468	0	0	0
Transformational use of UCR	0	0	4,168	0	0	4,168
Exceptional Financial Support use of UCR	0	0	5,144	0	0	5,144

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	0	0	0	0
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	8,647	0	(8,647)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	8,647	0	8,647
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	12,892	1,838	0	0	0	14,730
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	(2,536)	0	0	0	0	(2,536)
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	0	0	0	0	0	0
Total Adjustments	**3,722**	**(23,478)**	**(8,598)**	**0**	**(520)**	**(28,874)**

2024/25	**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	(26,749)	(10,262)	0	0	0	(37,011)
Charges for impairment and revaluation losses of non-current assets	(2,855)	(21,360)	0	0	0	(24,215)
Movement in the market value of investment properties	(170)	0	0	0	0	(170)
Capital grants and contributions applied	1,961	0	0	0	0	1,961
Revenue expenditure funded from capital under statute	(8,309)	0	0	0	0	(8,309)
Movement in the value of donated assets	0	0	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(51,934)	(8,691)	0	0	0	(60,625)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	8,695	0	0	0	0	8,695
Voluntary provision for the financing of capital investment	0	0	0	0	0	0
Capital expenditure charged against the GF and HRA balances	28	18,524	0	0	0	18,552

Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	24,155	0	0	0	(24,155)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	34,262	34,262
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	5,942	3,327	(9,268)	0	0	1
Flexible use of UCR to finance transformational projects	0	0	6,132	0	0	6,132
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(1,870)	0	1,870	0	0	1
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	10,262	0	(10,262)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	12,143	0	12,143
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	1,288	764	0	0	0	2,052
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	1,032	0	0	0	0	1,032
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	88	0	0	0	0	88
Total Adjustments	**(48,698)**	**(7,436)**	**(1,267)**	**1,881**	**10,107**	**(45,413)**

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 31/3/24 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/25 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/26 £'000
HRA Earmarked	**(998)**	**(392)**	**11**	**(1,379)**	**(309)**	**122**	**(1,566)**
Service Earmarked	(24,295)	(12,102)	10,593	(25,804)	(10,169)	5,370	(30,603)
Major Project Cashflowing	(119)	(380)	0	(499)	(1,061)	0	(1,560)
Schools	(3,748)	0	743	(3,005)	0	476	(2,529)
Infrastructure & Regeneration	(875)	(24)	96	(803)	(20)	0	(823)
Budget Delivery Cashflowing	(17,909)	(1,164)	2,234	(16,839)	(2,614)	0	(19,453)
General Fund Reserves per BS	**(46,946)**	**(13,670)**	**13,666**	**(46,950)**	**(13,864)**	**5,846**	**(54,968)**
Total Earmarked Reserves	**(47,944)**	**(14,062)**	**13,677**	**(48,329)**	**(14,173)**	**5,968**	**(56,534)**

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 2024/25 CIES classification to adjust for the internal re-alignment of services within reported Directorates.

	2024/25	2024/25	2024/25	Amounts Removed			Amounts Reclassified			2024/25	2024/25	2024/25
Continuing Operations	**Expenditure**	**Income**	**Net**	**Expenditure**	**Income**	**Net**	**Expenditure**	**Income**	**Net**	**Expenditure**	**Income**	**Net**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Enabling	24,743	(3,765)	20,978	0	0	0	0	0	0	24,743	(3,765)	20,978
Finance & Assets	8,193	(36,737)	(28,544)	0	0	0	0	0	0	8,193	(36,737)	(28,544)
Stronger and Safer Communities	79,052	(71,689)	7,363	0	0	0	12,341	(2,281)	10,060	91,393	(73,970)	17,423
Children Services	80,943	(9,428)	71,515	(80,943)	9,428	(71,515)	0	0	0	0	0	0
Adults, Housing & Public Health	137,806	(49,298)	88,508	0	0	0	68,603	(7,148)	61,455	206,409	(56,446)	149,963
Economy & Development	72,150	(38,639)	33,511	0	0	0	0	0	0	72,150	(38,639)	33,511
DSG Commissioning	116,969	(108,889)	8,080	0	0	0	0	0	0	116,969	(108,889)	8,080
HRA - Housing	54,821	(66,388)	(11,567)	0	0	0	0	0	0	54,821	(66,388)	(11,567)
HRA - Operations	16,585	(201)	16,384	0	0	0	0	0	0	16,585	(201)	16,384
Surplus / Deficit on Continuing Operations	**591,262**	**(385,034)**	**206,228**	**(80,943)**	**9,428**	**(71,515)**	**80,944**	**(9,429)**	**71,515**	**591,263**	**(385,035)**	**206,228**

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 2025/26 the Council followed required changes to the Code of Practice in how accounting estimates methods for Property, Plant and Equipment are derived. This saw the introduction of indexed valuation methods applied to relevant asset categories where a formal revaluation was last done less than five years ago. As the prior programme of asset valuations typically saw a two year-cycle, most assets have seen an indexed valuation applied. The HRA dwellings also underwent a revision to the beacon groupings, and therefore all beacons were formally assessed for valuation. Accumulated depreciation is written back at the revaluation date. The value of indexed assets in the following table includes the gross book value of assets indexed on a zero rate de minimis basis.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	0	33,802	15,917	0	48,078	**97,797**
Value of assets revalued in year ending:							
31-Mar-26 - indexed	0	408,897	0	0	25,859	0	434,756
31-Mar-26 - non-indexed	580,330	6,746	0	0	1,328	0	588,404
Total Value of category on the balance sheet	**580,330**	**415,643**	**33,802**	**15,917**	**27,187**	**48,078**	**1,120,957**

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 March but previously was the 31 December with the Valuer confirming any material change to the valuations at the end of the year.

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 to take economic or other decisions relating to infrastructure assets.

2025/26	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	588,329	417,077	32,398		15,480	34,245	75,422	**1,162,951**
Adjustment to brought forward	0	0	145		0	4	0	149
At 1 April 2025	**588,329**	**417,077**	**32,543**		**15,480**	**34,249**	**75,422**	**1,163,100**
Additions	36,233	11,625	1,259		554	8	7,597	**57,276**
Revaluation + / (-) recognised in the Revaluation Reserve	(4,069)	(12,050)	0		0	(427)	0	**(16,546)**
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(15,163)	(3,406)	0		0	555	0	**(18,014)**
Derecognition – disposals	(30,110)	(328)	0		(117)	(367)	0	**(30,922)**
Reclassification	5,110	2,725	0		0	(6,831)	(34,941)	**(33,937)**
At 31 March 2026	**580,330**	**415,643**	**33,802**		**15,917**	**27,187**	**48,078**	**1,120,957**
Accumulated Depreciation and Impairment	(2,468)	(7,567)	(18,983)		0	(66)	0	(29,084)
Adjustment to brought forward	0	0	(145)		0	0	0	(145)
At 1 April 2025	**(2,468)**	**(7,567)**	**(19,128)**		**0**	**(66)**	**0**	**(29,229)**
Depreciation charge	(8,732)	(13,769)	(3,031)		0	(36)	0	**(25,568)**
Depreciation w/b on Revaluation	8,220	16,382	0		0	66	0	**24,668**
Depreciation written to/from the CIES	0	4,921	0		0	37	0	**4,958**
Depreciation written to/from the CIES - Reclassifications	0	0	0		0	0	0	**0**
Derecognition – disposals	2,980	39	0		0	0	0	**3,019**
At 31 March 2026	**0**	**6**	**(22,159)**		**0**	**1**	**0**	**(22,152)**
Net Book Value as per the Balance Sheet								
At 1 April 2025	**585,861**	**409,510**	**13,415**	**230,769**	**15,480**	**34,179**	**75,422**	**1,364,636**
At 31 March 2026	**580,330**	**415,649**	**11,643**	**258,121**	**15,917**	**27,188**	**48,078**	**1,356,926**

2024/25	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/F	572,409	448,904	28,878		14,431	28,943	65,659	1,159,224
Adjustment to brought forward		(224)						(224)
At 1 April 2024	**572,409**	**448,680**	**28,878**		**14,431**	**28,943**	**65,659**	**1,159,000**
Additions	28,440	26,177	3,520		1,049	171	18,175	**77,532**
Revaluation + / (-) recognised in the Revaluation Reserve	17,719	9,704	0		0	(57)	0	**27,366**
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(21,360)	(2,957)	0		0	(1,505)	0	**(25,822)**
Derecognition – disposals	(9,066)	(48,034)	0		0	(313)	0	**(57,413)**
Reclassification	187	(16,493)	0		0	7,006	(8,412)	**(17,712)**
At 31 March 2025	**588,329**	**417,077**	**32,398**		**15,480**	**34,245**	**75,422**	**1,162,951**
Accumulated Depreciation B/F	(2,273)	(5,344)	(15,438)		0	(42)	0	(23,097)
Adjustment to brought forward		224						224
At 1 April 2024	**(2,273)**	**(5,120)**	**(15,438)**		**0**	**(42)**	**0**	**(22,873)**
Depreciation charge	(9,867)	(13,881)	(3,545)		0	(14)	0	**(27,307)**
Depreciation w/b on Revaluation	9,297	9,526	0		0	0	0	**18,823**
Depreciation written to/from the CIES	0	1,671	0		0	0	0	**1,671**
Depreciation written to/from the CIES - Reclassifications	0	27	0		0	(27)	0	**0**
Derecognition – disposals	375	210	0		0	17	0	**602**
At 31 March 2025	**(2,468)**	**(7,567)**	**(18,983)**		**0**	**(66)**	**0**	**(29,084)**
Net Book Value as per the Balance Sheet								
At 1 April 2024	**570,136**	**443,560**	**13,440**	**233,146**	**14,431**	**28,901**	**65,659**	**1,369,273**
At 31 March 2025	**585,861**	**409,510**	**13,415**	**230,769**	**15,480**	**34,179**	**75,422**	**1,364,636**

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.

Net movement in Infrastructure Assets	2024/25 £'000	2025/26 £'000
Net Book Value (modified historical cost) at 1 April	**233,146**	**230,769**
Additions	7,327	8,538
Reclassifications	0	29,831
Depreciation	(9,704)	(11,017)
Net book value at 31 March	**230,769**	**258,121**

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	31/3/26 NBV £000	Percentage
Carriageways	30	(9,725)	197,670	74%
Footways/ Cycle Tracks	30	(160)	4,285	2%
Structures (bridges, tunnels, underpasses)	100	(413)	38,558	17%
Street Lighting	30	(607)	15,300	7%
Street Furniture	30	(112)	2,308	1%
NBV per the Balance Sheet		**(11,017)**	**258,121**	**100%**

In valuing surplus assets either an index has been used or 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 where the valuer has reviewed. 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 March 2026 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 31/3/26	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 31/3/26 is shown.	Surplus assets	+/- 10%	27,130	2,713

17. Investment Properties

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

	2024/25 £'000	2025/26 £'000
Balance at start of the year	**4,750**	**4,580**
Net gains/losses from fair value adjustments	(170)	(180)
Balance at end of the year	**4,580**	**4,400**

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 2	Valued at Fair Value as at 31 March 2026 using market and income approach.	Estimated rental value. Capitalisation rate. Local market 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 31/3/26	Valuation Variation
			£'000	£'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 31/3/26 is shown.	Lysander House	+/- 10%	4,400	440

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:

Collections held on location at:	2024/25 £'000	2025/26 £'000
Steam Railway Heritage Centre	14,200	14,200
Bath Road Museum	11,815	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
Total Valuation	**29,215**	**29,215**

19.Capital Commitment

At 31 March 2026, Council has approved a Capital Programme of £723m with £354m remaining budgeted to be spent on the construction or enhancement of Property, Plant and Equipment in 2026/27 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 2025 were £484m.

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 £572.1m as at 31/03/25 and has increased by £13.4m to £585.6m as at 31/03/26.

	2024/25 £'000	2025/26 £'000
Property, Plant & Equipment	51,495	29,798
HRA Dwellings & AUC	33,424	39,226
Total Additions to Balance Sheet	**84,919**	**69,024**
Revenue Expenditure Funded from Capital Under Statute	8,309	15,961
Total Expenditure to be Financed	**93,228**	**84,985**
HRA Funding	(12,143)	(8,647)
Capital Receipts	(6,132)	(16,048)
Revenue Contribution to Capital Outlay (RCCO)	(18,552)	(9,515)
Government Grants and Other Contributions	(34,262)	(24,935)
S106	(1,961)	(3,680)
Sources of non-borrowing finance	**(73,050)**	**(62,825)**
Opening CFR	**560,641**	**572,124**
Balance of capital expenditure financed from borrowing	14,438	20,186
Balance of capital expenditure financed from borrowing - ROU Assets	5,740	1,974
Reduction from MRP	(6,806)	(7,035)
Reduction from MRP - ROU Leases (split in 24/25 restated from core MRP)	(1,889)	(1,635)
Movement in CFR	**11,483**	**13,490**
Closing CFR	**572,124**	**585,614**

21. Long-term Debtors

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

Balance at 31 March	2025	2026
	£'000	£'000
Mortgage Advances	225	207
Finance Lease Asset	1,231	1,231
Long term loans	8,652	7,991
Total	**10,108**	**9,429**

22. Short-term Debtors

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

Balance at 31 March	2025	2026
	£'000	£'000
Central government bodies	6,044	8,487
Other local authorities	1,412	3,899
NHS bodies	1,837	1,590
Collection Fund	27,879	33,092
Sundry organisations and individuals	25,047	32,085
Payments in Advance	5,437	5,879
Sub-total	**67,656**	**85,032**
Impairment of debtors	(8,500)	(8,459)
Collection Fund loss allowance	(13,453)	(13,915)
Net Debtors	**45,703**	**62,658**

23. Short-Term Creditors

Balance at 31 March	2025	2026
	£'000	£'000
Central government bodies	(18,086)	(12,945)
Other local authorities	(971)	(2,538)
NHS bodies	(2,210)	(3,375)
Collection Fund	(5,107)	(5,827)
Short-term Lease Payments	(1,967)	(1,785)
Sundry organisations and individuals	(33,230)	(27,121)
Receipts in advance	(13,845)	(17,192)
Total	**(75,416)**	**(70,783)**

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 and Insurance Manager. 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.

2025/26	Insurance	Landfill	Rates Appeals	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance Outstanding at start of year	**(1,909)**	**(1,880)**	**(4,655)**	**(45)**	**(8,489)**
Additional provisions made	(498)	0	0	0	(498)
Amounts used	592	241	2,598	0	3,431
Balance outstanding at year end	**(1,815)**	**(1,639)**	**(2,057)**	**(45)**	**(5,556)**
Relating to short-term	(860)	0	0	0	(860)
Relating to long-term	(955)	(1,639)	(2,057)	(45)	(4,696)

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.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**(244,774)**	**(222,364)**
Reversal of capital related items debited or credited to the CIES:		
Charges for depreciation of noncurrent assets	37,011	36,585
Charges for impairment or general gain/loss of noncurrent assets	25,886	18,044
Depreciation written back on disposals	(591)	(2,992)
Depreciation written back on general gain/loss	(1,671)	(4,988)
Revenue expenditure funded from capital under statute	8,309	10,817
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	61,216	49,773
Revenue expenditure funded from capital under statute - Exceptional Financial Support	0	5,144
	130,160	**112,383**
Adjusting amounts written out of the Revaluation Reserve	(26,173)	(7,713)
Deferred Receipts	(1)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	(6,132)	(16,048)
Use of the Major Repairs Reserve to finance new capital expenditure	(12,143)	(8,647)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,961)	(3,680)
Application of grants to capital financing from the Capital Grants Unapplied Account	(34,262)	(24,935)
Statutory provision for the financing of capital investment charged against the General Fund	(6,806)	(7,035)
Statutory provision for the financing of capital investment charged against the General Fund – ROU Lease liability	(1,889)	(1,635)
Capital expenditure charged against the General Fund and HRA balances	(18,552)	(9,515)
Movement in the market value of investments	170	180
Adjusting balance for rounding	(1)	(1)
	(107,750)	**(79,029)**
Balance at 31 March	**(222,364)**	**(189,010)**

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.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**(611,448)**	**(631,464)**
Revaluation of assets in asset table note 16	(27,366)	16,546
Depreciation added back on revaluation	(18,823)	(24,668)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	**(46,189)**	**(8,122)**
Adjustments against historic cost	8,260	6,669
Accumulated gains on assets sold or scrapped	17,913	1,044
Balance at 31 March	**(631,464)**	**(631,873)**

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.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**57,410**	**54,545**
Remeasurement of the net defined benefit liability	(812)	(27,421)
Net reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(2,052)	(14,730)
Rounding on closing balance	(1)	(1)
Balance at 31 March	**54,545**	**12,393**

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 32 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.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**(1,507)**	**(2,539)**
Amount by which council tax income credited to the CIES is different from council tax income calculated under statute	(5,243)	1,169
Amount by which business rates income credited to the CIES is different from business rates income calculated under statute	4,211	1,367
Balance at 31 March	**(2,539)**	**(3)**

29.Leases

Authority as Lessee for Right of Use Assets

Movement of Right-of-use assets

This table shows the change in the value of the right-of-use assets held under lease by authority:

	2025/26 £'000	2025/26 £'000	2025/26 £'000
Right of use assets	**Land and Buildings**	**Vehicles, Plant and Equipment**	**Total**
Gross Value B/F	**5,725**	**14**	**5,739**
Additions	1,974	0	**1,974**
Revaluation	(1,927)	0	**(1,927)**
Disposal	(660)	0	**(660)**
Depreciation B/F	**(1,908)**	**(3)**	**(1,911)**
Depreciation	(1,106)	(3)	**(1,109)**
Depreciation Added Back	3,014	0	**3,014**
Balance at 31 March	**5,112**	**8**	**5,120**

	2024/25 £'000	2024/25 £'000	2024/25 £'000
Right of use assets	**Land and Buildings**	**Vehicles, Plant and Equipment**	**Total**
Gross Value B/F	0	0	**0**
Additions	5,725	14	**5,739**
Depreciation B/F	0	0	**0**
Depreciation	(1,908)	(3)	**(1,911)**
Balance at 31 March	**3,817**	**11**	**3,828**

The authority incurred the following expenses and cash flows in relation to leases:

	2024/25	2025/26
	£'000	£'000
Interest expense on lease liabilities	198	393
Expense relating to short-term leases	30	8
Expense relating to exempt lease of low-value items	29	25
Balance at 31 March	**257**	**426**

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	2024/25	2025/26
	£'000	£'000
Less than one year	(1,967)	(1,785)
One to five years	(1,884)	(1,743)
Total	**(3,851)**	**(3,528)**

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.

Operating lease income for the year and the future minimum lease payments receivable under non-cancellable operating leases in future years are shown in the following table:

	Restated 31 March 2025	31 March 2026
	£'000	£'000
Operating lease income for the year	9,511	8,894
Minimum lease receivables profiled in the year from the balance sheet date:		
Year One	8,686	9,423
Year Two	8,404	8,481
Year Three	7,995	8,110
Year Four	6,930	7,804
Year Five	6,485	7,410
Later Than Five Years	117,338	107,736
Total Payments Due	**155,838**	**148,964**

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.

Restatement

The above table has been restated for 2024/25 to reflect the splitting of the previously disclosed balances from one year, between two and five years, and over five years into distinct annual balances up to five years to reflect the requirements of the Code. This is a disclosure adjustment only and splits a total of £29.814m into the four balances above of £8.404m, £7.995m, £6.930m and £6.483m.

30. Private Finance Initiatives and Similar Contracts

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. To date, all PFI schools have transferred to academies. At contract end the Council will continue to retain the freehold of the assets but the academies will retain the leasehold responsibility. 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.

As part of IFRS16 the value of the associated lease liability for the service concession arrangement is required to be revalued by accounting for future contingent rents (increases in the amount to be paid for the property arising during the contract), as part of the overall liability. This has seen an increase to the carrying liability of £0.660m (£9.653m in 2024/25). This also required the balance sheet value of the related assets to be enhanced by an equivalent amount of expenditure, however, as all PFI schools have transferred to Academy status, that value is then disposed of, leaving a nil carrying value.

The amounts payable to the PFI operators each year are analysed into different 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
- 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 but are disposed of on transfer to Academy status. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 16.

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.

	2024/25	**2025/26**
	£'000	**£'000**
Brought Forward Balance	(37,444)	(43,254)
Remeasurement	(9,653)	(660)
Opening Balance	**(47,097)**	**(43,914)**
Unitary Charge Paid	12,505	12,642
Expenditure / Financing Cost	(8,662)	(8,339)
Closing Balance	**(43,254)**	**(39,611)**

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

Balance at 31 March	2025			2026		
	Service Charges £'000	Interest £'000	Liability £'000	Service Charges £'000	Interest £'000	Liability £'000
Within 1 Year	3,273	4,990	**4,242**	3,489	4,570	4,583
Within 2 - 5 Years	17,989	16,726	**27,811**	18,065	13,725	31,422
Within 6 - 10 Years	4,812	1,702	**11,201**	1,246	416	3,606
	26,074	**23,418**	**43,254**	**22,800**	**18,711**	**39,611**

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:

	2024/25	2025/26
Lease Liabilities	**£'000**	**£'000**
- Current	(4,242)	(4,583)
- Non-current	(39,012)	(35,028)
Finance Cost Payable in Future Years	(49,492)	(41,511)
Minimum lease payments	**(92,746)**	**(81,122)**

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

	Minimum Lease Payments		Lease Liabilities	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Not later than one year	12,505	12,642	(4,242)	(4,583)
Later than 1 not later than 5	62,525	63,212	(27,811)	(31,422)
Later than 5	17,716	5,268	(11,201)	(3,606)
	92,746	**81,122**	**(43,254)**	**(39,611)**

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 2025/26, the council paid £0.177m to Teachers' Pensions in respect of teachers' retirement benefits as part of the employer's payroll, representing 28.68% of pensionable pay. The figures for 2024/25 were £0.174m and 28.55%.

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 £18.6m (£17.7m in 2024/25) into Wiltshire Council's Pension Fund. Wiltshire Council manages the fund, which provides participants with defined benefits relating to pay and service. This represented 21.4% 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 2025. 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:

IAS19 Summary Disclosures Through The CIES	**2024/25**	**2025/26**
Within Net Cost of Service:	**£'000**	**£'000**
Current service cost	16,996	10,545
Non-Distributed cost/(benefit) (impact of past service costs and settlements and curtailments)	1,245	1,278
Within Net operating Expenditure:		
Interest cost	2,244	(594)
Within Reserves Movement:		
Movement on Pensions Reserve	2,052	14,731
Actual Amount Charged Against Council tax for the Year:		
All employer's contributions payable to the scheme	(22,537)	(25,960)
Net effect on Council Tax of IAS19 adjustments	0	0

The principal assumptions used by the actuary have been:

Assumptions as at 31 March	**2025**	**2026**
Pension Increase Rate (CPI)	2.9%	2.9%
Salary Increase Rate	3.4%	3.9%
Discount Rate	5.8%	6.1%
Inflation	3.3%	3.3%
The average future life expectancies at age 65, in years	**Male**	**Female**
Current Pensioners	21.20	24.60
Future Pensioners	22.80	26.30

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 Barnett Waddingham, 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 £685m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £12m. 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 2027 is £20.029m.

As part of the valuation of the 31 March 2026 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.

Pension Asset Adjustment for the Asset Ceiling	2024/25 £'000	2025/26 £'000
Original Net Asset	115,268	206,452
Asset Ceiling Adjustment	(169,813)	(218,845)
Revised Net Liability	(54,545)	(12,393)

Fair Value of Employer Assets

Asset Category	Quoted Prices in Active Markets £'000	Non-Quoted Prices in Active Markets £'000	Total 2025 £'000	%	Quoted Prices in Active Markets £'000	Non-Quoted Prices in Active Markets £'000	Total 2026 £'000	%
Equities	264,478	62,038	326,516	40.2%	216,206	145,439	361,645	40.5%
Bonds	288,839	0	288,839	35.6%	317,682	0	317,682	35.6%
Property	0	184,253	184,253	22.7%	0	187,856	187,856	21.1%
Cash & Temporary Investments	0	12,297	12,297	1.5%	0	24,828	24,828	2.8%
Total	**553,317**	**258,588**	**811,905**	**100.0%**	**533,888**	**358,123**	**892,011**	**100.0%**

A previous court case involving Virgin Media considered that where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a "section 37" confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in the absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located).

The Department for Work and Pensions (DWP) published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to the Virgin Media vs NTL Trustees ruling. The new legislation is hoped to provide clarity to affected schemes, and the actuary has assumed that there will be no impact on the LGPS as a result of the ruling.

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.

Reconciliation of present value of the scheme liabilities:	2025			2026		
	Asset £'000	Obligation £'000	Net £'000	Asset £'000	Obligation £'000	Net £'000
Fair Value of Employer Assets	800,893	0	800,893	811,905	0	811,905
Asset Ceiling Adjustment	(74,242)	0	(74,242)	(169,813)	0	(169,813)
Present Value of Liabilities	0	(772,984)	(772,984)	0	(686,892)	(686,892)
Opening balance adjustment	0	(11,077)	(11,077)	0	(9,745)	(9,745)
Opening Position 1 April	**726,651**	**(784,061)**	**(57,410)**	**642,092**	**(696,637)**	**(54,545)**
Current Service Cost	0	(16,996)	(16,996)	0	(10,545)	(10,545)
Past Service (Costs) / Gains	0	(269)	(269)	0	(30)	(30)
Effect of Settlements	(1,073)	1,061	(12)	(860)	706	(154)
Total Service Cost	**(1,073)**	**(16,204)**	**(17,277)**	**(860)**	**(9,869)**	**(10,729)**
Interest Income on plan assets	38,543	0	38,543	46,829	0	46,829
Interest cost on obligation	0	(37,185)	(37,185)	0	(36,395)	(36,395)
Interest on asset ceiling	(3,601)	0	(3,601)	(9,840)	0	(9,840)
Total Net Interest	**34,942**	**(37,185)**	**(2,243)**	**36,989**	**(36,395)**	**594**
Total Cost Recognised in Profit/(Loss)	**33,869**	**(53,389)**	**(19,520)**	**36,129**	**(46,264)**	**(10,135)**
Plan participant contributions	6,176	(6,176)	0	6,461	(6,461)	0
Employer contributions	21,457	0	21,457	24,862	0	24,862
Benefits Paid	(38,741)	38,741	0	(37,187)	37,187	0
Unfunded Benefits Paid	(1,080)	1,080	0	(1,098)	1,098	0
Contributions for Unfunded Benefits	1,080	0	1,080	1,098	0	1,098
Admin Expense	(964)	0	(964)	(1,094)	0	(1,094)
Expected Closing Position	**748,448**	**(803,805)**	**(55,357)**	**671,263**	**(711,077)**	**(39,814)**
Change in financial assumptions	0	88,857	88,857	0	28,622	28,622
Change in demographic assumptions	0	13,280	13,280	0	(10,689)	(10,689)
Other experience	0	5,031	5,031	8,666	7,585	16,251
Return on assets excluding interest	(14,386)	0	(14,386)	32,429	0	32,429
Asset Ceiling Adjustment	(91,970)	0	(91,970)	(39,192)	0	(39,192)
Total Re-measurements in Other Income	**(106,356)**	**107,168**	**812**	**1,903**	**25,518**	**27,421**
Sub-Total	**642,092**	**(696,637)**	**(54,545)**	**673,166**	**(685,559)**	**(12,393)**
Fair Value of Employer Assets	811,905	0	811,905	892,011	0	892,011
Asset Ceiling Adjustment	(169,813)	0	(169,813)	(218,845)	0	(218,845)
Present Value of Funded Liabilities	0	(686,892)	(686,892)	0	(678,931)	(678,931)
Present Value of Unfunded Liabilities	0	(9,745)	(9,745)	0	(6,628)	(6,628)
Closing Position 31 March	**642,092**	**(696,637)**	**(54,545)**	**673,166**	**(685,559)**	**(12,393)**

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 for IFRS9, extended until 31 March 2029, 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 2025	Non-Current 31st March 2026	Current 31st March 2025	Current 31st March 2026
Amortised Cost	**£'000**	**£'000**	**£'000**	**£'000**
Investments	175	220	15,293	193
Debtors	8,652	7,992	11,850	19,483
Cash & Cash Equivalents	0	0	17,520	29,389
Fair value through profit and Loss				
Property Fund Investment	4,563	4,563	0	0
Total Financial Assets	**13,390**	**12,775**	**44,663**	**49,065**
Borrowings at Amortised Cost				
Financial liabilities PWLB	(306,520)	(312,119)	(81,478)	(84,401)
Financial liabilities Other Temporary Borrowing	(6,021)	0	(1,458)	(26,084)
Creditors	0	0	(631)	(4,086)
Other Long Term Liabilities	(4,553)	(3,999)	0	0
PFI	(39,624)	(35,028)	(3,630)	(4,583)
Total Financial Liabilities	**(356,718)**	**(351,146)**	**(87,197)**	**(119,154)**

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 the next table.

	2024-25			2025-26		
	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value through profit and loss	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value through profit and loss
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	13,073	0	0	13,353	0	0
Loss on financial assets at fair value through profit and loss	0	0	0	0	0	0
Gain on financial assets at fair value through profit and loss	0	0	(86)	0	0	0
Interest income	0	(5,883)	(234)	0	(3,832)	(210)
Net (gain) or loss for the year	**13,073**	**(5,883)**	**(320)**	**13,353**	**(3,832)**	**(210)**

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 31/3/25	As at 31/3/26
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.	4,563	4,563
Total				**4,563**	**4,563**

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.

	2024/25 £'000	2025/26 £'000
Opening Balance	4,475	4,563
Adjusting Transfer In/(Out)	0	0
Gain/(Loss) to Other Operating Income (reversed to Pooled Investment Funds Adjustment Account)	88	0
Closing Balance	**4,563**	**4,563**

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	**2025**		**2026**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	£'000	**£'000**	**£'000**	**£'000**
PWLB long term liabilities	(306,520)	(153,253)	(312,119)	(240,149)
PWLB short term liabilities	(81,478)	(83,198)	(84,401)	(84,598)
PWLB Sub-Total	**(387,998)**	**(236,451)**	**(396,520)**	**(324,747)**
Non-PWLB long term liabilities	(6,021)	(5,997)	0	0
Non-PWLB short term liabilities	(1,458)	(1,458)	(26,084)	(26,084)
PFI liability	(43,254)	(43,254)	(39,611)	(39,611)
Investments	15,293	15,293	193	193

The fair value of Public Works Loan Board (PWLB) loans of £240.149m 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 £396.520m would be valued at £342.331m. 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 £102.183m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £498.702m.

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.

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 £8.5m.

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:

	2024/25 £'000	2025/26 £'000
Less than three months	4,031	6,016
Three to six months	962	919
Six months to one year	1,928	1,069
More than one year	5,920	4,283
Total	**12,841**	**12,287**

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:

	2024/25 £'000	2025/26 £'000
Less than one year	82,936	110,485
Between one and two years	59,420	49,400
Between two and five years	61,802	70,224
More than five years	62,524	58,699
Over ten years	128,795	133,796
Total	**395,477**	**422,604**

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	**2026 Fair Value £'000**	**Impact of 1% Rise £'000**	**2026 Revised Fair Value £'000**		**2026 £'000**
PWLB liabilities	(324,747)	15,901	(308,846)	Interest payable	190
Non-PWLB liabilities	(26,084)	0	(26,084)	Interest receivable	(42)
				Surplus or Deficit on the Provision of Services	187
Total	**(350,831)**	**15,901**	**(334,930)**		
Balance at 31 March	**2025 Fair Value £'000**	**Impact of 1% Rise £'000**	**2025 Revised Fair Value £'000**		**2025 £'000**
PWLB liabilities	(236,451)	(66,778)	(303,229)	Interest payable	185
Non-PWLB liabilities	(7,455)	111	(7,344)	Interest receivable	(44)
				Surplus or Deficit on the Provision of Services	673
Total	**(243,905)**	**(66,668)**	**(310,573)**		

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

The cash flows for operating activities include the following items:	2024/25 £'000	2025/26 £'000
Interest received	3,864	2,994
Interest paid	(16,466)	(18,962)
Total	**(12,602)**	**(15,968)**
The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:		
Depreciation	37,011	36,585
Impairment and downward valuations	24,215	13,056
Increase/(decrease) in creditors	3,797	3,264
(Increase)/decrease in debtors	(9,248)	11,317
Increase/(decrease) in inventories	(176)	113
Pension Liability Movement	(2,052)	(14,730)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	60,625	46,781
Other non-cash items charged to the net surplus or deficit on the provision of services, mainly relating to pension adjustments	(1,158)	(2,480)
Total	**113,014**	**93,906**
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	(9,268)	(29,114)
Any other items for which the cash effects are investing or financing cash flows, mainly relating to capital grants	(28,825)	(29,136)
Total	**(38,093)**	**(58,250)**

36. Cash Flow Statement – Investing Activities

	2024/25 £'000	2025/26 £'000
Purchase of property, plant and equipment, investment property and intangible assets	(69,831)	(72,923)
Purchase of short-term and long-term investments	(370,361)	(208,945)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9,269	29,118
Proceeds from short-term and long-term investments	354,312	204,000
Other payments / receipts from investing activities, mainly capital grants for funding capital	42,776	27,644
Net cash flow from Investing Activities	**(33,835)**	**(21,106)**

37.Cash Flow Statement – Financing Activities

	2024/25 £'000	2025/26 £'000
Cash receipts of short- and long-term borrowing	50,000	148,000
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(5,731)	(5,279)
Repayments of short- and long-term borrowing	(25,721)	(120,936)
Collection Fund & Other receipts / (payments) for financing activities	(6,883)	(5,763)
Net cash flow from Financing Activities	**11,665**	**16,022**

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:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.None of these standards are known to impact on the 2025/26 statements.

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 (note 12). 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.

IFRS16 Leases requires a number of judgements to be made in the review of leases and their subsequent treatment. The classification as either an on or off balance sheet asset based on terms, value or whether there is a specific asset being referred to in agreements. In some cases the lease agreements may not include ideal information and a judgement is taken on the known values. Such judgements take place against each individually reviewed lease agreement/grouping. A portfolio approach has been taken with private sector landlord property where there is the judgement that all properties used for this service are of a similar standard. There is an overriding judgement that based on contract records, service feedback and knowledge of the services being provided, material leases have been considered for IFRS16 adjustment.

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.

	Carrying Value of Assets	Change	Est. variation
Revaluation charge through the CIES from reduction in operational land and building valuation (Dwellings & OLB)	£996.4m	10% reduction	£99.6m
Depreciation charge through the CIES from reduction in life of operational land and building (Depreciable assets)	£1,348.2m	2-year reduction	£14.9m

Item	Uncertainties	Effect if Results Differ from Assumptions
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. This includes adjustment to an initially calculated pension asset to take account of the required 'asset ceiling' of £218m, where limited future benefit can be recognised, which has resulted in a pension liability of £12m remaining on the balance sheet. The calculation of the asset ceiling can change materially between years as it is affected by the level and duration of future contribution rates relative to future service costs. Changes in these could therefore result in a material movement in the asset ceiling even if the pension fund remains strongly funded.	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. If the pension asset ceiling was not accounted for the balance sheet would show a net pension asset of £206m. It is not practicable to quantify the effect of a change in future contribution rates on the asset ceiling. It is reasonably possible that outcomes within the next financial year will require a material adjustment to the net defined benefit position. Note 32 contains further details on the pension liability.

Sensitivity Analysis / Change in Assumptions at 31 March on Pension Calculations

Adjustment to discount rate	**0.50%**	**0.10%**	**0.00%**	**-0.10%**	**-0.50%**
Present value of total obligation	640,158	676,051	685,559	695,295	736,662
Projected service cost	9,270	10,869	11,302	11,749	13,692
Adjustment to long term salary increase	**0.50%**	**0.10%**	**0.00%**	**-0.10%**	**-0.50%**
Present value of total obligation	687,181	685,879	685,559	685,241	683,988
Projected service cost	11,302	11,302	11,302	11,302	11,302
Adjustment to pension increases and deferred revaluation	**0.50%**	**0.10%**	**0.00%**	**-0.10%**	**-0.50%**
Present value of total obligation	734,129	695,566	685,559	677,651	644,295
Projected service cost	13,872	11,782	11,302	10,837	9,123
Adjustment to life expectancy assumptions		**+1 Year**	**None**	**-1 Year**	
Present value of total obligation		711,238	685,559	660,930	
Projected service cost		11,708	11302	10,905	

41. Events after the Balance Sheet Date - Contingent Asset & Liability

On 2nd October 2026, the Council was notified that its SEND Reform Plan had been approved and that £20.067m of High Needs Stability Grant (90% of the accumulated Dedicated Schools Grant deficit at March 2026) has been provisionally allocated.

The Council is currently in the process of adjudication with a contractor which has submitted a claim for payments in relation to a contract for highway works. The Council is also currently in dispute with the administrator for a former contractor over a potential claim for payments from the Council in relation to highway works. The Council disputes both of these matters and they are therefore being disclosed as contingent liabilities.

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 Common and Chapel Solar Farms and Housing companies. Further details on these companies are contained within the group section of these accounts.

Company	Common Farm	Chapel Farm	Housing Dev. Co.	JV
	£'000	£'000	£'000	£'000
Receipts	127	235	221	0
Capital Loan Balances	1,888	2,435	0	9,333

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 £852k 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 14 maintained Community schools within the Council's group included within the single entity accounts. Such schools account for expenditure of £36.56m, income of £39.05m and reserve balances of £2.53m. 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.

	2024/25 £'000	2025/26 £'000
Property Fund	4,563	4,563
Subsidiary Companies	175	220
Total	**4,738**	**4,783**

The Swindon Borough Council Group Accounts

The Group Comprehensive Income and Expenditure Statement

2024/25 Restated Continuing Operations	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000	2025/26 Gross Expenditure £000	2025/26 Gross Income £000	2025/26 Net Expenditure £000
Enabling	24,743	(3,765)	20,978	25,850	(3,279)	22,571
Resources - Finance & Audit	7,897	(36,398)	(28,501)	7,132	(38,839)	(31,707)
Stronger and Safer Communities	91,391	(73,970)	17,421	80,900	(69,484)	11,416
Adults	207,314	(57,902)	149,412	211,267	(57,338)	153,929
Inclusive Economy & Sustainability	72,150	(38,639)	33,511	70,695	(38,907)	31,788
DSG Commissioning	116,969	(108,889)	8,080	132,141	(121,207)	10,934
HRA - Housing	54,821	(66,388)	(11,567)	47,013	(62,793)	(15,780)
HRA - Operations	16,585	(201)	16,384	16,460	(175)	16,285
Surplus / Deficit on All Services	**591,870**	**(386,152)**	**205,718**	**591,458**	**(392,022)**	**199,436**
Group taxation & share of joint venture			(4,529)			(2,214)
Other operating expenditure			64,863			35,078
Financing and investment income and expenditure			16,381			14,189
Taxation and non-specific grant income			(219,605)			(230,098)
Group (Surplus) / Deficit on Provision of Services			**62,828**			**16,391**
(Surplus) / deficit on revaluation of Property, Plant and Equipment			(46,189)			(8,122)
Re-measurements on pension assets / liabilities			(812)			(27,421)
Other Comprehensive Income and Expenditure			**(47,001)**			**(35,543)**
Total Comprehensive Income and Expenditure			**15,827**			**(19,152)**

The Group Movement in Reserves Statement

2025/26	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
Balance at 1 April	**(9,180)**	**(4,148)**	**(46,950)**	**(1,379)**	**(9,632)**	**0**	**(46,904)**	**(118,193)**	**(787,470)**	**(905,663)**	**(10,394)**	**(916,057)**
Surplus /deficit on provision of services	(4,364)	23,291	0	0	0	0	0	18,927	0	18,927	(2,536)	16,391
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(35,543)	(35,543)	0	(35,543)
Total Comprehensive Income and Expenditure	**(4,364)**	**23,291**	**0**	**0**	**0**	**0**	**0**	**18,927**	**(35,543)**	**(16,616)**	**(2,536)**	**(19,152)**
Adjustments between Group and Authority accounts	(224)	0	0	0	0	0	0	(224)	0	(224)	224	0
Net increase before transfers	**(4,588)**	**23,291**	**0**	**0**	**0**	**0**	**0**	**18,703**	**(35,543)**	**(16,840)**	**(2,312)**	**(19,152)**
Adjustments between accounting basis & funding basis under regulations	3,722	(23,478)	0	0	(8,598)	0	(520)	(28,874)	28,874	0	0	0
Transfer of DSG deficit	(7,152)	0	0	0	0	0	0	(7,152)	7,152	0	0	0
Net Increase/Decrease before Transfers to Reserves	**(8,018)**	**(187)**	**0**	**0**	**(8,598)**	**0**	**(520)**	**(17,323)**	**483**	**(16,840)**	**(2,312)**	**(19,152)**
Transfers to/from Earmarked Reserves	8,018	187	(8,018)	(187)	0	0	0	0	0	0	0	0
Increase/Decrease in year	**0**	**0**	**(8,018)**	**(187)**	**(8,598)**	**0**	**(520)**	**(17,323)**	**483**	**(16,840)**	**(2,312)**	**(19,152)**
Balance at 31 March	**(9,180)**	**(4,148)**	**(54,968)**	**(1,566)**	**(18,230)**	**0**	**(47,424)**	**(135,516)**	**(786,987)**	**(922,503)**	**(12,706)**	**(935,209)**

2024/25	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
Balance at 1 April	**(8,496)**	**(9,639)**	**(46,946)**	**(998)**	**(8,365)**	**(1,881)**	**(57,011)**	**(133,336)**	**(792,628)**	**(925,964)**	**(5,920)**	**(931,884)**
Surplus /deficit on provision of services	50,282	12,546	0	0	0	0	0	62,828	0	62,828	0	62,828
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(47,001)	(47,001)	0	(47,001)
Total Comprehensive Income and Expenditure	**50,282**	**12,546**	**0**	**0**	**0**	**0**	**0**	**62,828**	**(47,001)**	**15,827**	**0**	**15,827**
Adjustments between Group and Authority accounts	4,474	0	0	0	0	0	0	4,474	0	4,474	(4,474)	0
Net increase before transfers	**54,756**	**12,546**	**0**	**0**	**0**	**0**	**0**	**67,302**	**(47,001)**	**20,301**	**(4,474)**	**15,827**
Adjustments between accounting basis & funding basis under regulations	(48,698)	(7,436)	0	0	(1,267)	1,881	10,107	(45,413)	45,413	0	0	0
Transfer of DSG deficit	(6,746)	0	0	0	0	0	0	(6,746)	6,746	0	0	0
Net Increase/Decrease before Transfers to Reserves	**(688)**	**5,110**	**0**	**0**	**(1,267)**	**1,881**	**10,107**	**15,143**	**5,158**	**20,301**	**(4,474)**	**15,827**
Transfers to/from Earmarked Reserves	4	381	(4)	(381)	0	0	0	0	0	0	0	0
Increase/Decrease in year	**(684)**	**5,491**	**(4)**	**(381)**	**(1,267)**	**1,881**	**10,107**	**15,143**	**5,158**	**20,301**	**(4,474)**	**15,827**
Balance at 31 March	**(9,180)**	**(4,148)**	**(46,950)**	**(1,379)**	**(9,632)**	**0**	**(46,904)**	**(118,193)**	**(787,470)**	**(905,663)**	**(10,394)**	**(916,057)**

The Group Balance Sheet

Note		31 March 2025 £000	31 March 2026 £000
45	Property, Plant & Equipment	1,371,389	1,363,142
	Intangibles	2,226	4,753
	Investment property	4,580	4,400
	Heritage	29,215	29,215
	Long term investments	15,605	19,738
	Long Term debtors	5,623	5,121
	Total Non-Current Assets	**1,428,638**	**1,426,369**
	Short term investments	15,293	193
	Inventories & Work in Progress	1,121	1,242
	Short term debtors	45,956	62,768
	Cash & Cash equivalents	18,171	30,264
	Assets held for sale (current)	18,195	4,106
	Current Assets	**98,736**	**98,573**
	Short term borrowing	(82,936)	(112,592)
	Short term creditors	(76,058)	(71,393)
	Provisions (short term)	(931)	(860)
	Current Liabilities	**(159,925)**	**(184,845)**
	Long term borrowing	(312,541)	(312,119)
	Long term creditors	(47,339)	(41,845)
	Provisions (long term)	(7,558)	(4,696)
	Pension Liability	(54,545)	(12,393)
	Capital Grants receipts in advance	(29,409)	(33,835)
	Non-Current Liabilities	**(451,392)**	**(404,888)**
	Net Assets	**916,057**	**935,209**
	Usable Reserves of Group	(128,587)	(148,222)
	Unusable Reserves of authority only	(787,470)	(786,987)
	Total Reserves	**(916,057)**	**(935,209)**

The Group Cash flow Statement

Note		2024/25 £'000	2025/26 £'000
	Net surplus or (deficit) on the provision of services	(62,828)	(16,391)
	Adjustments to net surplus or deficit on the provision of services for non-cash movements	113,402	94,293
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(42,057)	(59,960)
	Net cash flows from Operating Activities	**8,517**	**17,942**
	Investing Activities	(34,476)	(21,609)
	Financing Activities	11,568	15,760
	Net increase or decrease in cash and cash equivalents	**(14,391)**	**12,093**
	Cash and cash equivalents at the beginning of the reporting period	32,562	18,171
	Cash and cash equivalents at the end of the reporting period	**18,171**	**30,264**

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 line by line consolidation of Swindon Housing Development Company Ltd, Swindon Common Farm Solar Community Interest Plc (Common Farm) and Chapel Farm Solar 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.

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

	Housing Dev. Co.		Common Farm Solar	
	2024/25	**2025/26**	**2024/25**	**2025/26**
	£'000	**£'000**	**£'000**	**£'000**
Profit / (Loss) before taxation	341	251	(253)	(332)
Tax Adjustment	0	0	(85)	9
Profit / (Loss) after taxation	**341**	**251**	**(338)**	**(323)**
As at 31 March	**2025**	**2026**	**2025**	**2026**
	£'000	**£'000**	**£'000**	**£'000**
Net Balance Sheet Asset/(Liability)	(1,579)	(1,830)	153	494
Company Purpose	The Council became owner of the above company during 2017/18. This company is involved in the construction and selling of housing.		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.	
	Chapel Farm Solar		**Wichelstowe LLP**	
	2024/25	**2025/26**	**2024/25**	**2025/26**
	£'000	**£'000**	**£'000**	**£'000**
Profit / (Loss) before taxation	75	15	9,199	4,614
Tax Adjustment	15	(102)	0	0
Profit / (Loss) after taxation	**90**	**(87)**	**9,199**	**4,614**
As at 31 March	**2025**	**2026**	**2025**	**2026**
	£'000	**£'000**	**£'000**	**£'000**
Net Balance Sheet Asset/(Liability)	(827)	(915)	3,385	5,057
Company Purpose	The Council became owner of the above company at the end of 2016/17. This company generates electricity from a solar array.		A 50/50 Joint Venture development agreement entered in January 2018, with Barratt Developments PLC, for the development of Wichelstowe.	

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.

These group statements contain the accounts for Swindon Borough Council, 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

2025/26	Council Dwellings	Other Land and Buildings	Vehicles, Plant, & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation BF	588,329	418,016	41,751		15,480	34,245	75,422	1,173,243
Opening Adjustment	0	0	145		0	4	0	149
1st April	**588,329**	**418,016**	**41,896**		**15,480**	**34,249**	**75,422**	**1,173,392**
Additions	36,233	11,625	1,259		554	8	7,597	57,276
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(4,069)	(12,050)	0		0	(427)	0	(16,546)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(15,163)	(3,406)	0		0	555	0	(18,014)
Derecognition – disposals	(30,110)	(328)	0		(117)	(367)	0	(30,922)
Reclassification	5,110	2,585	0		0	(6,831)	(34,941)	(34,077)
31st March	**580,330**	**416,442**	**43,155**		**15,917**	**27,187**	**48,078**	**1,131,109**
Accumulated Depreciation and Impairment BF	(2,468)	(7,791)	(22,298)		0	(66)	0	(32,623)
Opening Adjustment	0	0	(145)		0	0	0	(145)
1st April	**(2,468)**	**(7,791)**	**(22,443)**		**0**	**(66)**	**0**	**(32,768)**
Depreciation charge	(8,732)	(13,769)	(3,429)		0	(36)	0	(25,966)
Depreciation w/b on Revaluation	8,220	16,382	0		0	66	0	24,668
Depreciation written to/from the CIES	0	4,921	0		0	37	0	4,958
Depreciation written to/from the CIES - Reclassifications	0	0	0		0	0	0	0
Derecognition – disposals	2,980	39	0		0	0	0	3,019
31st March	**0**	**(218)**	**(25,872)**		**0**	**1**	**0**	**(26,089)**
Net Book Value								
1st April	**585,861**	**410,225**	**19,453**	**230,769**	**15,480**	**34,183**	**75,422**	**1,371,393**
31st March	**580,330**	**416,224**	**17,283**	**258,121**	**15,917**	**27,188**	**48,078**	**1,363,141**

2024/25 Cost or Valuation	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, & Equipment £'000	Infra-structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE £'000
1st April	**572,409**	**449,619**	**38,806**		**14,431**	**28,943**	**65,659**	**1,169,867**
Additions	28,440	26,177	3,520		1,049	171	18,175	**77,532**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	17,719	9,704	0		0	(57)	0	**27,366**
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(21,360)	(2,957)	0		0	(1,505)	0	**(25,822)**
Derecognition – disposals	(9,066)	(48,034)	(575)		0	(313)	0	**(57,988)**
Reclassification	187	(16,493)	0		0	7,006	(8,412)	**(17,712)**
31st March	**588,329**	**418,016**	**41,751**		**15,480**	**34,245**	**75,422**	**1,173,243**
1st April	**(2,273)**	**(5,344)**	**(18,355)**		**0**	**(42)**	**0**	**(26,014)**
Depreciation charge	(9,867)	(13,881)	(3,943)		0	(14)	0	**(27,705)**
Depreciation w/b on Revaluation	9,297	9,526	0		0	0	0	**18,823**
Depreciation written to/from the CIES	0	1,671	0		0	0	0	**1,671**
Depreciation written to/from the CIES - Reclassifications	0	27	0		0	(27)	0	**0**
Derecognition – disposals	375	210	0		0	17	0	**602**
31st March	**(2,468)**	**(7,791)**	**(22,298)**		**0**	**(66)**	**0**	**(32,623)**
Net Book Value								
1st April	**570,136**	**444,275**	**20,451**	**233,146**	**14,431**	**28,901**	**65,659**	**1,376,999**
31st March	**585,861**	**410,225**	**19,453**	**230,769**	**15,480**	**34,179**	**75,422**	**1,371,389**

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 of 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

Lease contracts, or similar arrangements that convey the right of use of specific assets, are accounted for under the lease policy.

Leases that are either a) short term of 12 months or less or b) for assets of low value under £10,000 per individual asset, are treated as revenue cost.

All other leases containing right of use assets are considered to relate to on balance sheet assets with the creation of a lease liability and long term asset valued at the discounted value of payments to be made over the lease term.

The lease payments are split between writing down the lease liability and an interest charge.

Once a leased asset is on balance sheet it is treated in line with policies for Property, Plant and Equipment, using the most appropriate period that benefit of the asset is received for depreciation purposes.

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, where the rights and rewards of ownership transfer to the lessee, 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 a lease over a property or an item of plant or equipment, which is not considered a finance lease, the asset is retained in the Balance Sheet and rental income credited to the CIES as an operating lease.

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).
- ROU assets - the discounted value of payments to be made over the lease term
- 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 every five years and appropriate indices are applied to these values in the intervening years. 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.

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.

Deprecation is calculated on the following bases:

- Dwellings, surplus assets and other buildings – straight-line allocation over the useful life of the property, generally 70 years or as estimated by the valuer
- Vehicles, plant, furniture and equipment – generally straight-line over five years (dependent on the assessed expected useful life) with specialist assets having eight to fifteen year lives (such as recycling vehicles)
- Infrastructure – generally straight-line allocation over thirty years for carriageway, path, lighting, street furniture and 100 for structures unless other specific timeframes are appropriate as advised by Highways engineers.
- ROU Leased assets - straight-line over the most appropriate period relevant to the lease term or asset life

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 Government has granted increased flexibilities on the use of these Right to Buy Receipts for the two financial years 2024-25 and 2025-26, increasing the cap to 100% from 50% for the periods. 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 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/expenditure transferred to the Council general ledger at year end for inclusion in the CIES.

t) Accounting for schools within the Single Entity Accounts

The Code confirms that the balance of control for local authority-maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the group accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

The Authority has no assets and limited involvement with Voluntary Aided or Controlled schools which gives no control around school operations and are off balance sheet.

Academy schools within the borough operate under a long-term lease of their assets and are funded independently of the Council. These schools have transferred out of local authority control. Assets that form part of the academy transfer are no longer accounted for as having ownership value, effectively a nil-value finance lease, and are excluded from the statements.

u) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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.

INCOME	2024/25 Business Rates £000	Council Tax £000	Total £000	2025/26 Business Rates £000	Council Tax £000	Total £000
Council Tax Receivable	0	(172,822)	(172,822)	0	(183,671)	(183,671)
Business Rates Receivable	(120,558)	0	(120,558)	(119,013)	0	(119,013)
	(120,558)	**(172,822)**	**(293,380)**	**(119,013)**	**(183,671)**	**(302,684)**
EXPENDITURE						
Apportionment of Previous Year Surplus						
Central Government	5,197	0	5,197	931	0	931
Billing Authority	5,093	0	5,093	913	2,274	3,187
Fire Authority	104	0	104	19	107	126
Police Authority	0	0	0	0	332	332
	10,394	**0**	**10,394**	**1,863**	**2,713**	**4,576**
Precepts, Demands and Shares						
Central Government	58,918	0	58,918	61,780	0	61,780
Billing Authority	57,740	142,730	200,470	60,545	152,706	213,251
Fire Authority	1,178	6,736	7,914	1,235	7,229	8,464
Police Authority	0	20,866	20,866	0	22,270	22,270
	117,836	**170,332**	**288,168**	**123,560**	**182,205**	**305,765**
Charges to Collection Fund						
Less write offs of uncollectable amounts	1	24	25	0	(2)	(2)
Less : Increase / (Decrease) in Debtor Impairment	1,639	(3,794)	(2,155)	689	151	840
Less : Increase / (Decrease) in Provision for Appeals	(1,803)	0	(1,803)	(5,301)	0	(5,301)
Less : Renewables	843	0	843	877	0	877
Less : Cost of Collection	263	0	263	260	0	260
	943	**(3,770)**	**(2,827)**	**(3,475)**	**149**	**(3,326)**
(Surplus) / Deficit arising during the year	8,615	(6,260)	2,355	2,935	1,396	4,331
(Surplus) / Deficit brought forward 1st April	(8,897)	3,394	(5,503)	(282)	(2,866)	(3,148)
(Surplus) / deficit carried forward 31st March	**(282)**	**(2,866)**	**(3,148)**	**2,653**	**(1,470)**	**1,183**
Less Balance Attributable to Major Preceptors	144	465	609	(1,424)	238	(1,186)
Balance Remaining Attributable to SBC	**(138)**	**(2,401)**	**(2,539)**	**1,229**	**(1,232)**	**(3)**

Notes to the Collection Fund

46.Rateable Value

	31 March 2025	31 March 2026
Total rateable value in the Local Rating List	£285,787,853	£281,498,565
	2024/25	**2025/26**
Multiplier for most properties	54.6p	55.5p
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 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 - Disabled	69	5/9	38
A	12,874	6/9	8,582
Total Band A	**12,942**		**8,620**
B	25,306	7/9	19,683
C	22,759	8/9	20,230
D	17,044	9/9	17,044
E	9,067	11/9	11,081
F	3,809	13/9	5,502
G	1,436	15/9	2,394
H	65	18/9	131
Total	**Band D equivalents**		**84,684**
Contributions in lieu	(MOD properties)		97
Add:	Anticipated changes in year		(5,209)
Less:	Provision for non-collection (1.20%)		(955)
	Tax Base		**78,617**

* 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.

HRA Income and Expenditure Statement	2024/25 £'000	2025/26 £'000
Expenditure		
Repairs and maintenance	21,595	20,552
Supervision and management	8,866	9,338
Special Services	8,307	8,315
Rents, rates, taxes and other charges	758	1,116
Depreciation and impairment of non-current assets	31,622	23,810
Debt management costs	80	80
Movement in the allowance for bad debts	178	262
Total Expenditure	**71,406**	**63,473**
Income		
Dwelling rents	(55,012)	(55,461)
Non-dwelling rents	(370)	(403)
Charges for services and facilities	(7,610)	(5,407)
Contributions towards expenditure	(3,134)	(1,396)
Leaseholders' charges for services and facilities	(463)	(301)
Total Income	**(66,589)**	**(62,968)**
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	**4,817**	**505**
HRA services' share of Corporate and Democratic Core	127	127
HRA share of other amounts included in the whole authority Cost of Services but not allocated to specific services	9	0
Net (Income)/Expense for HRA Services	**4,953**	**632**
HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
(Gain) / loss on sale of HRA non-current assets	5,364	19,652
Interest payable and similar charges	2,870	3,075
Interest and investment income	(490)	0
Net Pensions Interest Cost / Return on Asset	(151)	(68)
(Surplus) / deficit for the year on HRA services	**12,546**	**23,291**

Statement of Movement in the Housing Revenue Account

	2024/25 £000	2025/26 £000
1 April	**(9,639)**	**(4,148)**
(Surplus) / Deficit on Service provision	12,546	23,291
Adjustments between accounting & funding basis	(7,436)	(23,478)
Transfers to / (from) Earmarked Reserves	381	187
(Increase)/Decrease in-year	**5,491**	0
31 March	**(4,148)**	**(4,148)**

HRA Movement in Reserves Adjustments	**2024/25 £'000**	**2025/26 £'000**
Adjustments between accounting & funding basis in reconciling the HRA balance for the year		
Charges for depreciation of non-current assets	(10,262)	(8,647)
Charges for impairment of non-current assets	(21,360)	(15,163)
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	(8,691)	(27,129)
Capital expenditure charged against the General Fund and HRA balances	18,524	9,499
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	3,327	7,477
HRA resources credited to the MRR	10,262	8,647
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	764	1,838
Total Adjustments	**(7,436)**	**(23,478)**

Notes to the HRA

48.Housing Stock

The stock of Council dwellings at 31st March was:

Type	31st March 25	Movement	31st March 26
Low Rise Flats:			
1 Bedroom	1,807	(4)	1,803
2 Bedrooms	729	(1)	728
3 or more Bedrooms	15	0	15
Medium Rise Flats:			
1 Bedroom	863	(1)	862
2 Bedrooms	496	0	496
3 or more Bedrooms	49	(1)	48
High Rise Flats:			
1 Bedroom	90	0	90
2 Bedrooms	250	0	250
Houses and Bungalows:			
1 Bedroom	924	(2)	922
2 Bedrooms	1,396	3	1,399
3 Bedrooms	3,546	(42)	3,504
4 or more Bedrooms	216	(4)	212
Total	**10,381**	**(52)**	**10,329**

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

Assets:	**2024/25 £'000**	**2025/26 £'000**
Dwellings	585,861	580,330
Plant and Equipment	398	745
Total Balance Sheet Value	**586,259**	**581,075**

There is a requirement for the Council's assets to be revalued every 5 years. The tenanted dwellings were revalued as at 31 March 2026.

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 2025 £'000	**31 March 2026 £'000**
Vacant possession valuation	1,680,937	1,658,085

50. Major Repairs Reserve

Balance at 31 March	2025 £'000	2026 £'000
Capital expenditure for HRA purposes financed by MRR Resources:		
Houses	12,143	8,647
Total Expenditure	**12,143**	**8,647**
Amount equivalent to total depreciation charges for all HRA assets	(10,262)	(8,647)
Transfer from HRA		
Total Income	**(10,262)**	**(8,647)**
Deficit / (Surplus) for the Year	**1,881**	**0**
Deficit / (Surplus) brought forward	(1,881)	0
Deficit / (Surplus) Carried Forward	**0**	**0**

51. HRA Capital Expenditure

The capital expenditure and financing for the HRA was:

	2024/25 £'000	2025/26 £'000
Dwellings	26,832	35,124
Buildings	4,808	2,824
Other works contribution	1,784	1,278
Total to Finance	**33,424**	**39,226**
Major Repairs Reserve	12,143	8,647
Usable Capital Receipts	3,134	4,467
Revenue Contributions	8,088	9,499
Other contributions	7,302	2,478
HCA Grant for New Build	2,757	0
Borrowing	0	14,135
Total Finance	**33,424**	**39,226**

52. Housing Repairs Account

Balance at 31 March	2024/25 £'000	2025/26 £'000
Repairs & Maintenance	19,456	19,713
Total Expenditure	**19,456**	**19,713**
Contribution from HRA	(19,200)	(19,538)
Service charges	(256)	(175)
Total Income	**(19,456)**	**(19,713)**
Deficit / (Surplus) for the Year	**0**	**0**
Deficit / (Surplus) brought forward	0	0
Deficit / (Surplus) Carried Forward	**0**	**0**

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.

	2024/25 £'000	2025/26 £'000
Sale of Council Houses	6,692	8,935
Capital receipt retained for new property acquisitions	(3,134)	(4,469)
Total	**3,558**	**4,467**

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.

	2024/25 £'000	2025/26 £'000
Depreciation on dwellings	9,867	8,732
Depreciation on plant & equipment	395	(85)
Impairment and revaluation losses of dwellings	21,360	15,163
Total	**31,622**	**23,810**

55.HRA Arrears & Provisions for Bad Debt

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

	2024/25 £'000	2025/26 £'000
Current tenants	2,022	2,277
Former tenants	375	237
Total Arrears	**2,397**	**2,514**
Less: provision for bad debts	(2,397)	(2,514)
Total Arrears After Provisions	**0**	**0**

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

Annual Governance Statement

Introduction

Swindon Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Council also has a duty to arrange to secure continuous improvement in the way in which its functions are exercised, having a regard to a combination of economy, efficiency and effectiveness.

In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, the Council has conducted a review of the effectiveness of its system of internal control in accordance with the proper practice set out in the Chartered Institution of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016) and addendum (May 2025).

The Council is required to produce an Annual Governance Statement each year that describes its governance arrangements not just for the Council but also for the whole group including wholly owned subsidiaries. The Council reviews its governance framework through the Audit Committee. This review identifies where the framework is working; and whether there are any significant governance issues that need to be addressed.

The Annual Governance Statement is signed by both the Leader of the Council and the Chief

Executive after being reviewed by the Council's Audit Committee.

Corporate Governance

The purpose of a governance framework

The Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA and Society of Local Authority Chief Executives and Senior Managers – ("SOLACE") "Framework for Delivering Good Governance in Local Government (2016) (including Addendum)" and was considered by the Audit committee.

This statement explains how the Council has complied with the code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

The governance framework comprises the systems, processes, culture, and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

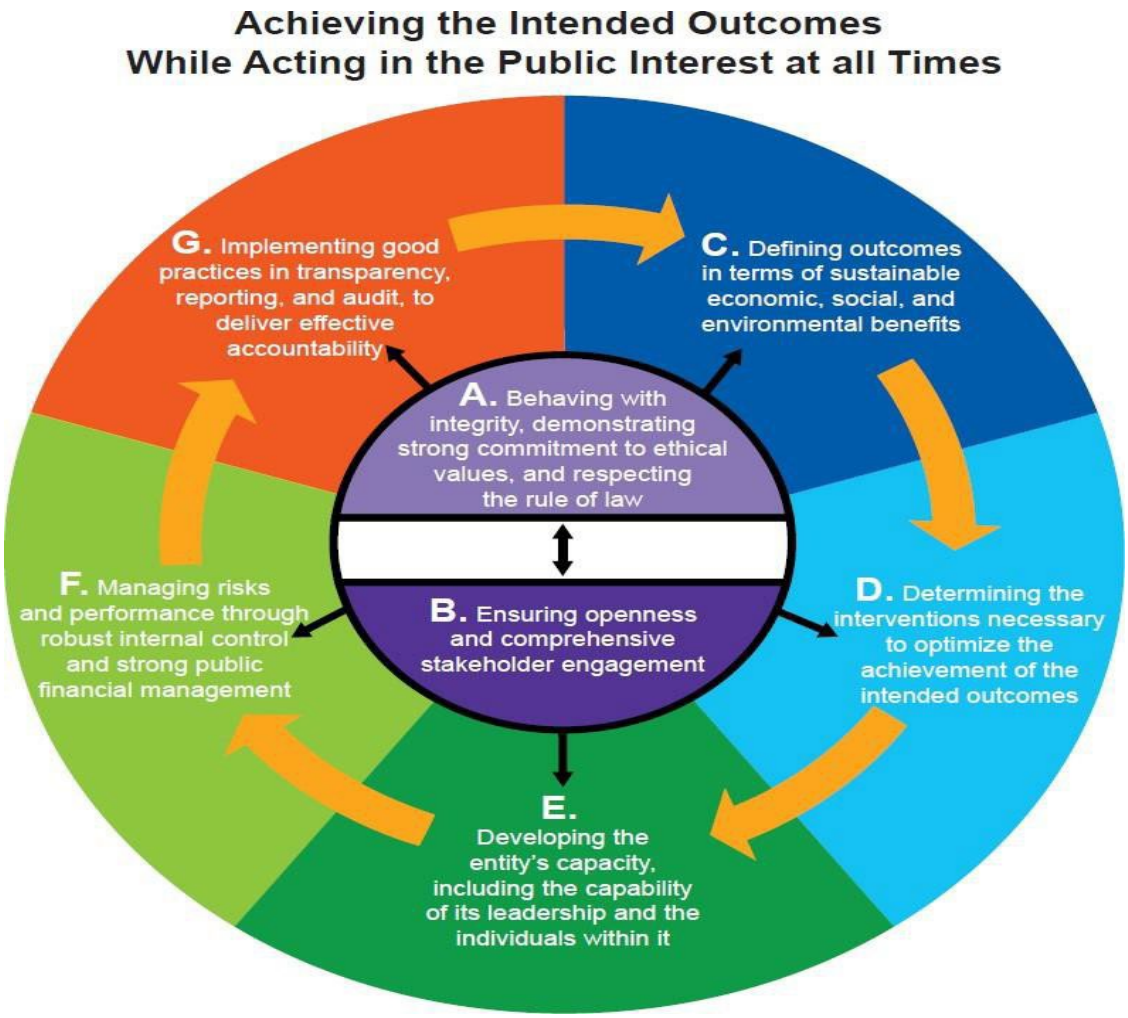
The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not an absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the

risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically.

The Council's framework for ensuring compliance with the core principles of effective governance:

Good corporate governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusion. The Council's Local Code of Corporate Governance sets out the framework by which the Council will meet that commitment.

The Code is based upon the following seven core principles:



This statement provides:

a) An opinion on the council's governance arrangements from the council's senior officers and signed by the Chief Executive and Leader of the Council. A review of the effectiveness of the council's governance arrangements during 2025/2026 was undertaken in order to prepare this Annual Governance statement.

b) A conclusion in relation to the effectiveness of the council's governance arrangements, including the Significant Governance issues for 2026/2027.

c) A review of the activity undertaken in 2025/2026.

d) High level action required in 2026/2027.

The Council's Governance Framework

The Council is a statutory organisation whose powers and duties are set out in legislation and often supplemented by statutory guidance and codes of practice.

The Local Code of Corporate Governance forms part of the Council's Constitution and the full version can be found in the Council Constitution.

The Council has 57 Councillors and operates a Leader and Executive model of decision making. All Councillors meet at Full Council to agree the budget and the policy framework. Ten Councillors, including the Leader, form the Executive (Cabinet). The Executive decides how to deliver the budget and the policy framework.

The Council's first whole Council elections were held in May 2026, resulting in all 57 Councillors being elected for a four-year term commencing May 2026.

The role of Elected Members

Elected members are collectively responsible for the governance of the Council. The full

Council's responsibilities include:

- Agreeing the Council's constitution, comprising the key governance documents including the executive arrangements and making major changes to reflect best practice
- Agreeing the policy framework including key strategies and agreeing the budget
- Appointing the Chief Officers
- Appointing committees responsible for overview and scrutiny functions, audit, and regulatory matters and for appointing members to them.

The executive (Cabinet) is responsible for:

- Proposing the policy framework and key strategies
- Proposing the budget
- Implementing the policy framework and key strategies.

The role of management

The Chief Executive advises Councillors on policy and necessary procedures to drive the aims and objectives of the authority. The Chief Executive leads the "Corporate Management Team (CMT)" consisting of Corporate Directors, and the Director of Finance and Audit. The Director of Children's Services has a standing invitation. The Chief Executive determines the structure of the authority to ensure delivery of its objectives.

The Council's Corporate Management Team has a shared responsibility for delivering the organisational strategic direction, agreeing priorities, and driving their successful achievement. They are responsible for implementing councillors' decisions and for service performance.

The Director of Finance and Audit and Chief Legal Officer, and other senior managers are responsible for advising the executive and Scrutiny committees on financial, legislative, and other policy considerations to achieve the aims and objectives of the authority.

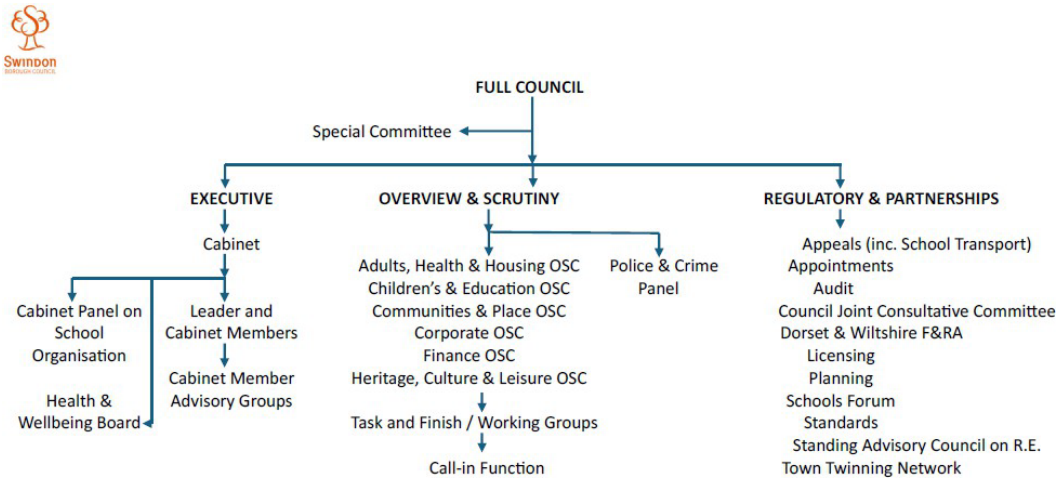
The council's workforce is led by the Chief Executive (Head of Paid Service), supported by the Corporate Management Team (CMT). The statutory Section 151 officer is a member of CMT.

The statutory S151 officer and the Monitoring Officer are responsible for ensuring the financial and legal probity of the decisions that the Council makes.

The council's Scrutiny arrangements at the start of the 2025/26 municipal year comprised a 'Corporate' Overview and Scrutiny Committee, a Children's and Adults Overview and Scrutiny Committee and three overview and policy Committee's to support the objectives of the Swindon Plan. Following feedback from Ofsted, elected members and senior officers, the Children's and Adults committee was separated into two separate Committees, the Children's & Education committee and the Adults and Health Committee. These changes provide increased specialist focus on these significant areas. In August 2026, housing scrutiny was added to the Adults and Health Committee.

Performance information was made available to the Committees.

There are also a number of regulatory committees such as Audit, Standards, Planning, and Licensing. The Council's decision making structure is set out below:



Outcomes

The Swindon Plan 2024-2027

The Swindon Plan remains the Council's overarching strategic framework and sets out the Council's ambitions for residents, communities, and businesses to create programmes of work which will improve the lives of all residents. In July 2024, Cabinet and Council agreed to the

Swindon Plan following significant engagement with residents and communities. The Swindon Plan has the following missions:

- Build a Fairer Swindon – Making Swindon a fairer place, reducing disadvantages and reducing big disparities in life expectancy, education levels, and social justice.

- Build a Better Swindon – Creating a town ready for the challenges of the coming decades. Where possible, leading town centre improvement and creating more affordable housing with the private sector.

- Build a Greener Swindon – Fully playing 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.

Governance arrangements continue to support delivery of the Plan through performance management, financial planning, risk management, and organisational assurance processes.

Performance against the Swindon Plan is monitored through established reporting arrangements, governance boards (mission boards), Scrutiny, Cabinet, and Corporate Management Team. The performance framework includes regular reporting into Cabinet with key deliverables set out for years 1 to 3 of the plan. Internal Mission Boards also support the delivery of the Swindon Plan objectives, along with strategic performance monitoring through the Corporate Management Team Performance and Improvement Board (quarterly).

Performance against the Swindon Plan is also reported to Cabinet twice a year. During 2025/26 there was an increasing integration between performance management, financial governance, transformation activity, and corporate risk management to strengthen oversight of delivery against intended outcomes.

The Council continued to align performance reporting, financial stewardship and organisational improvement through the Swindon 2028 Transformation Programme and associated improvement programmes supporting Children's Services, Special Educational Needs and Disabilities ("SEND"), and Housing.

Ensuring prudent use of resources

The council continued to operate with a highly challenging financial environment during 2025/26. Demand-lead pressures, particularly within Children's Services and necessary improvements in services continue to be financially challenging.

The Council maintained a comprehensive framework of financial governance, including Medium Term Financial Planning (MTFP), in year budget monitoring and controls over spend, Corporate Management Team oversight, regular Cabinet reporting, Audit committee oversight. The review found that the financial management arrangements remained integrated within wider governance, performance management, and risk management processes and that financial risks were routinely supported, scrutinised and monitored through established governance structures.

The council's budget was set for 2025/2026 with the support of £14.653m of Exceptional Financial Support. Through rigorous and robust financial controls on spending together with improvement and transformation progress, the Outturn position resulted in the Council using

£5.144m of Exceptional Financial Support, an improvement of £9.509m compared to the budgeted amount of £14.653m. The ESF requirement was met entirely from Capital receipts without needing to borrow.

Spending controls have been in place throughout the year to mitigate the risk of overspending and minimise the use of ESF. The impact of these controls, some one-off mitigations and ongoing improvement activity has resulted in the reduced need for ESF in this year.

The budget for the year 2026/2027 will also be supported with Exceptional Financial Support of £22.3m.

Transformation

The Council continued with its approach to improve and transform the Council in order to reduce failure and service demand and ensure residents are given support by the most appropriate organisation at the earliest point. In December 2023, Cabinet agreed to a transformation fund to support the development of a Corporate Transformation Programme to support the Council's future operating model. In December 2024, Cabinet approved the Swindon 2028 Programme to deliver its transformation plan – the case for change. During

2025/26 progress was made in the council's transformation journey. The Swindon 2028 Transformation Programme is supported by a Transformation Strategic Board. The main aims of the transformation plan ambition are for the council:

- to provide a better resident experience when interacting with the council,
- to create capacity for prevention activity that enables residents to live well, and
- to be as effective and efficient as we can be, operating within our budget

The Swindon 2028 Transformation Programme reported to Cabinet in October 2026, setting out that the focus is: Resident Experience, Prevention and Early Intervention, At our Best, Enabling Services (including Commissioning and Procurement; Digital, Data and Technology and Improved core services – Housing; SEND and Children's improvement programme).

In order to ensure it is financially sustainable, the transformation programme is organised in a way that maximises resident outcomes and is able to respond to increasing demand and financial pressures. The programe will see the Council move from reactive services to prevention and early intervention. The programme will improve how residents access services through:-

- simpler and more joined up routes,

- by strengthening locality-based working,

- making smarter use of data technology and digital services,

- improving organisational efficiency,

- reducing avoidable demand on services and

- targeting resources where they can have the greatest impact.

- The year 2025/2026 saw the council turn its transformation ambitions into action with foundations put in place to deliver long term transformation.

Governance arrangements were strengthened by the Strategic Transformation board, with clearer accountability across delivery workstreams to enable robust oversight of progress, risks, dependencies, and benefits. The transformation work has created savings in commissioning in health and housing, and two community hubs are operating, the Swindon Commitment launched, and the Digital, Data and Technology strategy progressed.

The Council also continues with the following service improvement programmes: Children's Improvement Plan, SEND Improvement, and the Housing Service Improvement Plan.

In February 2026, the Council agreed its budget for the 2026/2027 financial year and its medium-term financial plan up to 2027/2028. The 2026/2027 budget is balanced relying upon Exceptional Financial Support thereby utilising of capital receipts to fund revenue expenditure for a gap of £22.3m. The Council's MTFP is not balanced in the medium term and relies upon the Swindon 2028 Transformation programme to address the gap. Strict spending controls were continued in 2025/2026 to manage expenditure, including a number of panels to agree on expenditure decisions, including recruitment, procurement, and placements. These measures, along with organisation-wide improvement activity, have been successful in addressing the pressures seen in 2025/2026, with the final out-turn position requiring significantly reduced used of EFS.

Value for Money

The Council's External Auditor, Grant Thornton, in the value for money assessment identified the following Significant risks.

- Financial sustainability and progress with the Transformation plan
- Children's services continue to be inadequate, and improvements should be assessed against Ofsted 2024 findings.
- Quality of Housing Services – risks in relation to the Housing Improvement Plan and ensuring they have adequate resources and Cabinet has oversight.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015). The Council has carried out a self-assessment against the requirements of the CIPFA Financial Management Code and reported the outcome to the Corporate Management Team and to Audit Committee.

Findings and recommendations from both our Internal and External Auditors are considered by senior management and at the Council's Audit Committee.

The Audit Plan for Swindon Borough Council, year ending 31st March 2026, by Grant Thornton identified areas of focus as including - management override of controls, valuation of land and buildings (including council dwellings and surplus assets, valuation of pension fund net liability.

The Head of Internal Audit and Corporate Fraud

The Annual report concluded that the Council's arrangements for governance, risk management and internal control provide reasonable assurance resulting in a 'moderate' level of risk. While the control environment is effective, recurring weaknesses were identified in some high-risk areas requiring management action and continued oversight.

An internal self-assessment of audit services against the Global Internal Audit standards confirms general conformity with the standards with actions identified to achieve full compliance. The areas of partial conformance do not materially impact the independence, scope, or overall reliability of the audit opinion.

The External Quality Assessment concluded that the Council's Internal Audit complies with Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.

Risk Management

Risk management is a key component in delivering the council's missions and services.

Risk management is about identifying and understanding the threats to the achievement of the Swindon Plan and strategic objectives by taking reasonable and sensible action to reduce the chance of them happening. The Council is committed to managing risks within its control, keeping employees safe, protecting assets, maintaining, and improving its services, and making good use of funds, as part of sound corporate governance.

Risk is managed through the activities of the Council, including planning, monitoring, design, and decision-making. Risk is integrated within the planning and performance system and is not a separate standalone process as the management of risk and uncertainty is integral to the delivery of priorities and object. Corporate risks are escalated from service and directorate risk registers and reviewed by Corporate Management Team. Risk continues to be an intrinsic part of the discussions focusing on risk and performance in the context of the Corporate Management Team's (CMT) focus on improvement.

Risk is on the CMT agenda quarterly and is regularly reported to Audit Committee. The Council's corporate risk register is also discussed with Cabinet at least twice a year. The Council introduced risk management guidance in 2024 when risk arrangements were improved. The Risk management guidance outlined the roles of CMT, risk appetite, risk matrix and definition, our approach to mitigations and action and our approach to escalation and de-escalation.

During the year internal audit undertook a review of the risk arrangements and reported to Audit committee in September 2025 that system controls were satisfactory and worked well at CMT level, but the overall framework lacked maturity and consistency across the organisation. Key improvement areas included the development of a formal Risk Management Policy and Strategy, clarification of roles and responsibilities, strengthening links between risk, business planning, and performance management. An improvement action programme was agreed, with actions to be implemented during 2026/2027.

The Council's internal audit plan is risk-based and derived from the corporate risk register, directorate priorities, service risks, and emerging issues.

Risk is embedded into the decision-making process by each report containing an assessment of the financial and legal implications, diversity impact, and risk.

In June 2026, the Annual Internal Audit report concluded that the Council's arrangements for governance, risk management and internal control provide reasonable assurance, with a control environment that is effective but with some weaknesses requiring improvement.

Review of the effectiveness of our governance arrangements

Swindon Borough Council annually reviews the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by Corporate Directors, their direct reports, statutory officers and other officers within the Council who have responsibility for the development and maintenance of the governance environment including the Head of Internal Audit and Corporate Fraud's annual report and by comments made by the external auditors and other review agencies and inspectorates.

The Council's External Auditor has been very positive regarding the content and nature of the Internal Audit reports presented to Audit Committee stating that where issues are found they are reported upon and relevant senior managers attend Audit Committee to respond to queries raised by Members.

Corporate Directors and their direct reports have completed an assurance questionnaire reviewing the control environment within their service and the results of the questionnaire have been used to help inform our assessment of significant control issues for the Council.

Additional assurance was also provided by the Monitoring Officer, Section 151 Officer ("S151 officer"), Senior Information Risk Owner and Director of Human Resources and Organisational Development, Head of Internal Audit and Corporate Fraud, and the Chief Executive.

Details of the review of effectiveness will be presented to Audit Committee at their November 2026 meeting, together with the draft Annual Governance Statement. Details can be found at: review of effectiveness (review of effectiveness)

The review of Effectiveness

The Local Code of Corporate Governance sets out the Council's arrangements to deliver and support the principles of Good Governance as set out in the CIPFA/SOLACE (the CIPFA–("SOLACE") "Framework for Delivering Good Governance in Local Government (2016) (including Addendum)". A review of each of the principles of good governance is contained within the Review of Effectiveness. The review concludes that there the arrangements are in place and are generally effective for each of the principles. Where significant issues were identified last year, there are improvement plans in place that are monitored and are progressing. The review identifies a number of continuous improvements to the arrangements with a full review of the Local Code of Governance planned for 2026/2027.

Common Governance Themes

Assurance sources considered as part of the review of effectiveness, including Internal Audit, identified a number of recurring themes across the organisation. These include information governance and data quality, consistency of management oversight and accountability, workforce capacity and resilience, programme and change governance, the embedding of risk management arrangements below corporate level. Whilst these issues do not individually represent separate

significant governance issues, they provide important context to the Council's overall governance assessment and have informed improvement activity during 2026/2027.

Opinion on the Council's governance arrangements

The draft Annual Governance statement has been reviewed by the Corporate Management Team, the Head of Internal Audit, the Leader of the council and the Audit Committee.

The review has found that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Areas of Focus looking forward

Whilst the council's governance arrangements generally work, the review identified a number of significant issues that need to be addressed or continue to be addressed. All of the proposed areas for inclusion as significant governance issues are Significant governance issues carried forward from previous AGS. This does mean that progress has not been made over the last year, rather, it is due to the complexity and significance of the issues themselves.

Governance issue	Lead Officer	Action required
Ofsted Inspecition of Local Authority Children's Services – "ILACS Inspection	Corporate Director of People	To continue to lead the Childrens improvement plan to secure the necessary improvements, supported by the Director of Children's Services, the improvement board and the DfE.
Dedicated Schools Grant: High-needs block	Corporate Director of Prevention and Communities	To robustly monitor compliance with statutory timeframes and implement improvements to strengthen delivery. To review the SEND banding framework To work with government to agree the reform plan and monitor its implementation.
Highways asset management	Corporate Director of Inclusive Economy and Sustainability	To complete the implementation of the improvements set out in the five high priority Audits recommendations.

Conditions of Social Housing	Corporate Director for Prevention and Communities	To progress the housing improvement plan to secure the necessary improvement To work with the external regulator to oversee the necessary improvements.
Financial Stability and Transformation	Director Finance & Audit; and Chief Operating Officer	S151 officer to continue to robustly monitor financial commitments, ensuring they are within budget, service areas are actively monitoring budget. To ensure spending controls remain in place. The Chief Operating Officer to ensure that the transformation programme progresses at pace and that the benefits are realised as operational savings to reduce the council's budget requirement. To explore all options to remove the need to rely upon Exceptional financial support.
SEND services and EHCP completion timeframe	Corporate Director for Prevention and Communities	To continue with the SEND improvement plan To actively monitor compliance with statutory timeframe.
Systems implementation, data, and information governance	Chief Operating Officer	To continue to monitor data and digital system implementation through the data and digital board and transformation programme. To ensure improvement programmes are delivered across the organisation to ensure data and information governance compliance.

Progress against these areas was considered in the review of effectiveness found here: and is also set out below.

Ofsted ILACS Inspection and Childrens improvements – Ofsted conducted an ILACS Inspection in July 2023, of the Council's Children's Services provision. The findings of the inspection were that three domain areas – the 'impact of leaders on social work practice with children and

families', the 'experiences and progress of children who need help and protection', and the 'experiences and progress of children in care' were graded as 'inadequate'. An improvement plan was implemented and is monitored by an Improvement Board which has good representation from key partner agencies. The CSC leadership team works closely with the Department for Education ("DfE") Advisor who observes the Director of Social Care ("DCS") Assurance Meeting each month. The Improvement Plan is monitored through the Children's Improvement Board (now chaired by the DfE Advisor) and through DfE Reviews every 6 months. Both Scrutiny and Cabinet have reviewed aspects of the improvement journey in 2024/2025 and 2025/2026. 'Monitoring visits' from Ofsted inspectors have taken place in February 2024, May 2024 and September 2024.

The fourth monitoring visit took place in June 2025 and the fifth in November 2025. The Ofsted monitoring letters can be found here: https://reports.ofsted.gov.uk/provider/44/80568. A sixth monitoring visit took place in May 2026 with the Final ILACS Inspection due from January 2027.

The fourth monitoring visit – recognised positive progress in children's experiences with increasing number living in long term homes and achieving permanence more quickly. Lead Member, The Leader and the Chief Executive were actively engaged in the corporate parenting board and Improvement Board and Senior management changes had brought renewed focus and momentum to improve activity. The review stated that sufficiency remained a significant issue with too many children living out of area and considerable distances from home.

Following this inspection, the council agreed to provide additional resources to children's services up to £3.3m.

The fifth monitoring visit reviewed the Multi-Agency Safeguarding hub (MASH) and Assessment and Child Protection Teams, often known as Social Care's 'Front Door'. The inspectors also reviewed the work on the Out of Hours Emergency Duty Service (EDS) and also reviewed management and oversight. This visit concluded that the inspectors identified improvements in front door decision making, assessment quality, capture of children's voices, early help and improvement to the Out of Hours Emergency Duty Service, whilst also identifying the need to strengthen responses to cumulative harm, improve consistency of management oversight and address workforce stability and workload pressures. These were reported to cabinet alongside planned improvement actions.

The headline findings were that there has been continuing political and corporate support to improving the quality and help and support provided to vulnerable children. The 'front door' is now consistently applying appropriate thresholds for provision of help and support. The quality and depth of assessments is increasing, the ability of social workers to capture the child's voice is now strong.

The sixth visit, undertaken in 2026/2027 found that the local authority has not made sufficient progress since the ILACS Inspection in 2023 to improve the experience of children who receive help and protection from the family safeguarding service. Too many children experience delays in receiving support that they need to reduce risk or to receive help. They also have too many changes of social workers, making it difficult for social workers to establish trusting relationships

with children. Some social workers are unable to offer proactive and responsive interventions that meet children needs due to high workloads. However, children experiencing cumulative harm are not receiving an effective response and the regularity and quality of management oversight remain variable. They also noted that the permanent Director of Children's services has implemented measures and strategies to accelerate the improvement journey.

Additionally, the Introduction of Liquid Logic has resulted in accurate and detailed performance information which gives a true picture of children's experiences, this indicates sustained improved performance.

A full ILACS Inspection is due before January 2027.

Progress has been made; however, this remains a corporate risk and a significant governance issue for 2026/2027

Dedicated Schools Grant - (High Needs block) –The Dedicated Schools Grant (DSG) is a ring fenced-grant that is allocated to all top tier councils by the Education and Skills Funding Agency (ESFA), an agency of the Department for Education (DfE).

The HNB is one of the four of the DSG blocks. The others are, individual school budgets (ISBs); the early years block and the central block. All maintained schools and academies have ISBs, which are fully delegated to the governing bodies / academy trusts. The early years block is largely allocated to early years providers, but the Council can withhold up to five per cent of the budget of its central costs. The central block is a council budget, out of which certain eligible costs can be paid. Although almost all the DSG grant goes to settings and schools, the DSG is a Council budget, which, although recommended by Schools Forum, must be formally agreed by the Council with the exception of the schools' block funding which is agreed by Schools Forum.

The HNB is controlled by the Council, and funds 'high needs' pupils in settings and schools. Any overspend of the HNB is the responsibility of the Council. In all but a few top-tier councils in England, the HNB allocation is overspent and in many, overspending has occurred in previous years.

The DSG deficit has continued to increase annually, the cumulative deficit in 2024/2025 was £15.1m and the deficit at the end of 2025/2026 of £7.1m, creating a cumulative deficit at March 2026 of £22.3 million.

The accounting treatment for deficit DSG balances was provided by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020. This requires local authority with a deficit in respect of its school budget to note the following: (a) Must not charge to a revenue account an amount in respect of that deficit; and (b) Must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising school budget deficits.https://www.legislation.gov.uk/uksi/2020/1212/regulation/2/made

The regulations which require the negative balance (DSG deficits) to be held in an unusable reserve (Statutory Override) has been extended to March 2028. On the expiry of the Statutory Override, the DSG deficit may have to be transferred back to the Council's general fund leading to serious financial implications for the Council. However, the Government announced that it will pay up to 90% of SEND deficits recognised at March 2026 subject to each local authority submitting and securing the Department for Education's approval to its reform plan. The council has submitted

and received confirmation that its SEND reform plan has been accepted and as a result can expect to receive £20m towards the deficit that existed at 31st March 2026. The Government has indicated that, for further DSG deficits arising in 2026/27 and 2027/28, it will take a proportionate approach, though this will not be unlimited. The council remains responsible for the residual deficit; future government support is not guaranteed and will take into account delivery of the approved local SEND Reform Plan.

DSG deficits are a national issue, and financial instability was recognised by the DfE in the Special Educational Needs and/or Disabilities (SEND) and Alternative Provision (AP) green paper. This identified three key challenges facing the SEND system: poor outcomes for children and young people with SEND in AP; low parental and provider confidence and financial unsustainability.

Alongside this, a high-level DSG Management Plan has been devised, and a full HNB recovery plan, which will propose urgent and significant spending reductions, savings and cost-avoidance measures. There continue to be matters arising in relation to the High needs block and this matter should therefore continue to be a significant issue for the purpose of the AGS (of 'this statement').

During 2025/2026, continued progress has been made in strengthening the management and oversight of the High Needs Block, although significant financial pressures remain due to sustained increases in demand and complexity of need. All high cost SEND placements are reviewed by the Director of Education where additional scrutiny is built into test case work, including the approach to commissioning, high cost placements. The strengthened governance arrangements provide improve consistency of decision making with regular monitoring through Directorate and corporate finance processes. There has been increased challenge and a continued focus on developing local provision to reduce reliance on independent placements. Work is ongoing to align financial planning with SEND system reform, including promoting ordinarily available provision and improving inclusion within mainstream settings.

While the deficit position remains a key risk, there is increased grip and oversight, with clear mitigating actions in place and regular reporting to senior leaders and members.

Whilst there is delivery of the DSG management plan, with strengthened financial oversight, demand management, and improved commissioning of provision and regular reporting through governance structures and continued focus on reducing high-cost placements, Audit findings and current assessment result in this area remaining an area of significant concern and requiring significant oversight.

Progress has been made; however, this remains a corporate risk and a significant governance issue for 2026/2027

Highways asset management – The overall internal audit opinion was that there is significant risk to the Council as fundamental weaknesses have been identified in the current systems and procedures. Highways Asset Management improvement plan, which aligns to Audit recommendations, is in progress being delivered by the service. Audit Committee received an update on progress against actions in January 2026 and a further update will be presented in January 2027. There remain high priority audit recommendations with actions to be addressed and therefore this area requires continued management oversight.

Some progress has been made; however, this remains a corporate risk and a significant governance issue for 2026/2027

Housing – Housemark was commissioned by Swindon Borough Council to assess compliance against the Regulator of Social Housing's (RSH) standards in 2023/24 and identified a number of weaknesses including: Weakness in governance (strategies, policies, procedures, processes), Operational difficulties and risk presented by the structural separation between housing and repairs, Weakness around internal and external communication, The Capital investment programme was not delivering as much as it could/should, Supply of affordable/social homes in Swindon was not meeting demand, Voids were presenting significant challenges (increase in major works voids, escalating costs etc.), Issues around data quality and reporting, Technology was a key issue (internal systems, field-based technology, hardware provided to staff).

The Council self-referred to the regulator and the Council was subsequently inspected by the regulator. Internal Audits were undertaken within the year which raised significant concerns regarding compliance. A housing improvement plan was created and is in place supported by a Housing Improvement Board.

The results of the inspection were delivered to the council in May 2025. The Council has been given a C3 rating. Action will continue to be taken to address these issues in 2026/2027. https://www.gov.uk/government/publications/swindon-borough-council/swindon-borough-council-00hx-regulatory-judgement-14-may-2025

Following the C3 judgement by the Regulator of Social Housing, we are now in the Provider Improvement process, where we meet the Regulator monthly to review our performance, specifically in relation to compliance and the safety of the homes we provide. Oversight and Assurance is being delivered through the Housing Improvement Board (chaired by the Chief Executive and attended by Cabinet and Shadow Cabinet Members, and tenant representatives). A full review of housing governance has been completed, and all teams in the housing department have been through a service redesign. We have co-produced (with tenants) a Housing Improvement Plan, called 'Our Plan to Improve Homes and Services for tenants' and progress against the plan is being published online and in six monthly reports to Cabinet (in July 2026). All areas of concern (gas, electric, smoke & CO, and stock condition) have recovery plans in place and are monitored by the Housing Improvement Board and the Regulator. The improvement plan is found here:

https://www.swindon.gov.uk/info/20025/homes_and_property/1697/improving_our_housing_services

Improvement board - It is expected that progress on the Housing Improvement Plan and the governance arrangements will be reported regularly to Cabinet. Cabinet has agreed to significant investment in its housing to secure the necessary improvements.

There is significant public oversight of progress against the actions which are published on the council's website.

Significant improvements have been made in tenant engagement, and in the development of housing policy.

Housing disrepair and mould and damp continue to present challenges which are being addressed by the council. Long-term proposals for the six decommissioned high-rise blocks continue to progress. A follow up damp and mould audit is planned for 2026/2027.

Progress has been made; however, this remains a corporate risk and a significant governance issue for 2026/2027.

Financial Stability and Transformation - There are significant risks to the Council regarding its financial position. The Local Government Association ("LGA") Finance Peer Challenge in 2023 identified financial pressures, including limited and reducing reserves and balances, an increasing Dedicated Schools Grant deficit and the continuing need to invest into children's services given the Ofsted inadequate rating. These are recognised in the Corporate Risk Register.

There is a regular cycle of financial reporting to CMT and Cabinet setting out the financial position and planned response. Action is taken in response to financial reporting, and there is a strong track record of managing risks and delivering savings targets. Significant spending controls were continued in 2025/2026 to reduce projected in year overspends. The significant spending controls have been effective, and the out-turn position shows an underspend which will be used to increase council reserves.

The Council's latest approved MTFP reflects the three-year local government finance settlement, inflationary and demand pressures and approved departmental and transformation savings. This MTFP continues to show financial gaps with both 2025/2026 and 2026/2027 budgets reliant on 'Exceptional Financial Support' (EFS) in order to set a balanced budget. The priority is to remove or reduce the need for EFS, approval of which is not guaranteed.

Full Council approved the Council's budget for 2025/26 and the MTFP to 2027/2028 at its meeting in February 2025. During the budget setting process, the Council made an application for EFS of £14.7m to support its budget for 2025/2026.

The council's budget was set for 2025/2026 with the support of £14.653m of Exceptional Financial Support. Through rigorous and robust financial controls on spending together with improvement and transformation progress, the Outturn position resulted in the Council using

£5.144m of Exceptional Financial Support, an improvement of £9.509m compared to the budgeted amount of £14.653m. The ESF requirement was met entirely from Capital receipts without needing to borrow. A review of the outturn position will be undertaken to identify where underspends are ongoing savings and can be removed from the budget for 2026/2027 onwards. The 2026/27 budget is supported by £22.3 million EFS.

The financial strategy is supported by a transformation programme, overseen by an in-house Programme Management Office (PMO) with standardised reporting and defined escalation route to Delivery Boards and a Transformation Board to provide accountability and assurance over delivery. A prioritised pipeline of activity has been agreed with services required to redirect existing capacity where possible before calling on available transformation funding. Delivery is progressing across six transformation workstreams and key savings programmes are moving into delivery.

Within the Resident Experience workstream, the Swindon Connect programme is redesigning the Council's contact channels to improve first-time resolution and reduce avoidable demand. Prevention and Early Intervention is developing integrated, locality-based models to bring services and partners together around resident need. Digital, data and technology capability underpin all workstreams through improved insight, decision making, service design and more efficient delivery, with ongoing work to strengthen alignment between digital delivery, transformation

priorities, and resident outcomes. Activity is now focused on developing a further pipeline of savings both to mitigate the risk of incomplete delivery on the existing programme and to address the underlying financial gaps in future years while minimising the need for EFS.

During the year Audit has identified delivery risks within the transformation programme and work is underway to strengthen this and to monitor risks and progress of transformation activities.

Financial stability and transformation remain the council's highest risk. Whilst the council has a good track record in delivering its savings, transformation is necessary to enable the Council to deliver within its financial budget.

Transformation is progressing however this remains a corporate risk given its significance in relation to the Councils financial position.

SEND - Issues have been identified in relation to SEND provision, including the failure to meet the 20-week timeline for completion of Early Help Care Plan's (EHCP's). Whilst it is noted that there are national issues relating to this, it is important that the council addresses the issues. During 2025/2026, the service has taken steps to improve the timeliness and quality of Early Help Care Plan ("EHCP") processes, supported by strengthened governance through the SEND Strategic Board. Actions have included reviewing and refining operational processes, improving triage and workflow management, and increasing management oversight of performance.

Demand for statutory assessment has continued to rise, which has impacted the ability to consistently meet the 20-week statutory timeframe. However, performance is more closely monitored, with targeted recovery actions in place and regular reporting through governance structures.

Work has also progressed to improve the quality and consistency of plans, strengthen workforce capacity, and make better use of data and the Synergy system to support statutory delivery. Alongside this, there has been a continued focus on early intervention and ordinarily available provision to reduce demand over time.

The government published proposals for significant reform of the SEND system during 2026, including the introduction of Individual Support plans, strengthened expectation regarding inclusion with mainstream education and reforms to the existing EHCP framework. Whilst detailed implementation arrangements remain subject to further legislation, the reforms have significant implications for SEND services, sufficiency planning, and long-term sustainability of the High needs block.

Swindon is in the Delivering Better Value programme ("DBV"), with a £1m grant to provide additional resource to deliver its DBV plan.

Overall, while statutory timeliness remains an area of challenge, there is clearer strategic direction, improved oversight, and a defined programme of work in place to deliver sustained improvement. There is a planned audit in 2026/2027 to provide assurance of improvements.

Progress has been made; however, this remains a corporate risk and a significant governance issue for 2026/27

Systems implementation, data, and information governance - A number of audits have recognised organisational issues with systems implementation, data governance, information

governance, and there is a continual cyber security risk. Activity through transformation will provide oversight and necessary improvement activity.

System Implementation - There are issues across the Council with system implementation. Issues have been highlighted in both the "NEC Housing System" and "Synergy" system implementation. An Internal Audit identified a number of issues regarding system implementation. In 2024/2025 Cabinet approved a significant increase in budget to continue the implementation of the NEC Housing system. This has resulted in an extended timeline for implementation and significantly increased cost.

Synergy system for education - Continued embedding and optimisation of the Synergy case management system, including system improvements, staff training, and data quality checks to ensure it supports statutory processes effectively.

Progress of other Significant Issues from 2024/2025

The following areas included in last year's statement have progressed sufficiently during 2025/2026 for them not to be included in the significant issues for this year. These areas will continue to be reviewed, and relevant risks will be included and managed through the Council's corporate risk register and service area risk registers.

- Lack of Approved Mental Health Practitioners (AMHPS) – in Emergency Duty Services
- Homeline service
- Adults Social care ("ASC") Details:

Approved Mental Health Practitioners – (AMHP) Emergency Duty Service

Due to staff availability in the Emergency Duty Service (out of Office hours), the Council has been unable to provide a 24-hour service as required by Mental Health Act (MHA) Code of practice para 14.35, local authorities are responsible for ensuring sufficient Approved Mental Health Professional' s (AMPH) are available to carry out their roles under the Act, including assessing patients to decide whether an application for detention should be made.

During the previous year, the Council was able to respond in compliance with para 14.35 during Office hours with Wiltshire Council undertaking AMHP assessments on behalf of the Council for residents who are placed in the Wiltshire Health Based Place of Safety over a 24-hour period. Temporary arrangements have now been made to provide a response out of hours. A full review of EDS/AMHP is being undertaken to provide an improvement plan to resolve matters in the longer term.

During 2025/2026, an audit of the out of hours emergency duty services was undertaken and improvement activity was determined. Progress on actions was reported to audit in November 2025, with completion of some activity reported and the improvement plan was reported to be on track and completed by April 2026. Governance and workforce arrangements within the AMHP service have been strengthened following completion of an internal audit of the EDS. A joint ASC/CSC improvement plan is in place, enhanced leadership support has been established

across daytime and out-of-hours services, and additional capacity has been secured through casual staffing arrangements and agency cover. A “grow our own” workforce pipeline has also been developed to improve resilience and future service capacity.

Given the significant improvement in this area, **this area of concern can be removed from the Annual Governance statement and can be monitored within usual operational practice.**

Homeline - Internal Audit identified service failures within the delivery of the service which required a full review of the service to ensure it is effective and safe. Homeline was reported in the corporate risk register as a high-risk service area due to uncertainty over the future operating model, staffing pressures, a freeze on new customers and concerns regarding providing a reliable and safe emergency response services. Strengthened management interventions were agreed to stabilize the service, and consultation was undertaken on future operating options which were to be reported to cabinet in July 2026.

Risks can now be managed within the service area and will continue to be monitored. Adults Social care

Adults social care – Care Quality Commission – the CQC provided their inspection outcome which was reviewed and updated to Good in February 2026. The service area has an improvement plan to secure continuous improvement. Given the rating, service provision is to be monitored through usual governance framework.

Certification

To the best of our knowledge, the governance arrangements, as defined above, have been adequately operating during the year although we recognise the areas for additional focus identified in this statement. We are satisfied that these enhancements will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Gary Sumner

Councillor Gary Sumner
Leader of the Council

Sam Mowbray

Sam Mowbray
Chief Executive

Auditor's Report

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

Report on the Audit of the Financial Statements

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Swindon Borough Council (the 'Authority') and its subsidiaries and joint venture (the 'group') for the year ended 31 March 2026, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Collection Fund Statement, the Housing Revenue Account Income and Expenditure Statement, the Statement of Movement on the Housing Revenue Account, and notes to the financial statements, including material accounting policy information, notes to the group accounts, notes to the Collection Fund, and notes to the Housing Revenue Account. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2026 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance and Audit's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Director of Finance and Audit's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance and Audit's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance and Audit with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and Audit is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Authority and the Director of Finance and Audit

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and Audit. The Director of Finance and Audit is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local

Authority Accounting in the United Kingdom 2025/26, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and Audit determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit [Amendment] Regulations 2024, the Local Government and Housing Act 1989, the Local Government Finance Act 1992, the Local Government Finance Act 2012 and the Local Government Act 2003).
- We enquired of management and the Audit Committee, concerning the group and Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, Internal Audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. We determined that the principal fraud risk was in relation to management override of controls, specifically inappropriate manual journals, journals posted by senior finance officers, management accounting estimates and judgements and transactions outside of the normal course of business.
- Our audit procedures to address the principal fraud risk included:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on large and unusual entries, material post year-end journal entries, and journal entries posted by senior officers; and
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of property, plant and equipment, including council dwellings, net defined benefit pension liability and PFI liability.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from the

events and transactions reflected in the financial statements, the less likely we would become aware of it or recognise non-compliance.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority audit team members included consideration of their:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector in which the group and Authority operates
  - understanding of the legal and regulatory requirements specific to the Authority and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026

We have nothing to report, except that we identified four significant weaknesses in the Authority's arrangements for the year ended 31 March 2026:

Significant weaknesses in arrangements identified:	Recommendations:
Financial sustainability	
1. Reliance on Exceptional Financial Support and unresolved structural deficit Although the Authority delivered 94% of its 2025/26 savings target, achieved a balanced General Fund outturn and reduced its use of Exceptional Financial Support (EFS) during the year, it required £22.3 million of EFS to balance its 2026/27 budget. It continues to forecast funding gaps of £14.5 million in 2027/28 and £13.6 million in 2028/29. The Authority has not yet demonstrated a sustainable route to eliminating its underlying structural deficit, ending its reliance on EFS and restoring reserves to its approved minimum level.	**Key recommendation 1** The Authority should develop and implement a sustainable medium-term financial plan, supported by deliverable recurrent savings and transformation plans, annual recovery targets, clear milestones and contingency actions. The plan should set out a credible route to reducing and ultimately removing reliance on EFS, eliminating the structural deficit and restoring reserves.

Significant weaknesses in arrangements identified:	Recommendations:
Continuing. First reported in 2024/25; the key recommendation has been retained and revised in 2025/26.	
2. Dedicated Schools Grant (DSG) deficit The cumulative DSG deficit increased from £15.1 million to £22.3 million at 31 March 2026, and a further in-year deficit of £12.7 million is forecast for 2026/27. The Department for Education approved the Authority's SEND Reform Plan in October 2026, enabling government support for 90% of the relevant High Needs deficit accumulated at 31 March 2026. However, the Authority remains responsible for the residual deficit and subsequent pressures, and has not yet demonstrated sustainable annual High Needs expenditure. Continuing. First reported in 2024/25; the key recommendation has been retained and revised in 2025/26.	**Key recommendation 2** The Authority should continue to implement and embed the SEND Reform Plan, mitigate growth in the DSG deficit and reduce the associated financial risk to a sustainable level over the medium term. It should maintain effective governance and oversight and keep under review the adequacy of reserves and provisions for the residual deficit.
Improving economy, efficiency and effectiveness	
3. Children's services improvement Ofsted judged the Authority's children's services inadequate in its July 2023 inspection. Although the Authority strengthened its improvement arrangements during 2025/26, Ofsted's May 2026 monitoring visit found insufficient progress in the family safeguarding service. The Authority has not yet demonstrated sustained improvement in the principal areas of continuing concern: the timeliness and quality of help and protection, management oversight, social-worker continuity, and workforce and placement capacity. Continuing. First reported in 2024/25; the key recommendation has been retained and revised in 2025/26.	**Key recommendation 3** The Authority should continue to implement and embed its improvement actions arising from the 2023 Ofsted inspection and subsequent monitoring visits, and demonstrate sustained improvement ahead of the next full inspection, currently anticipated in early 2027.
4. Housing regulation The Regulator of Social Housing issued a C3 judgement in May 2025. The Authority approved and began implementing a Housing Improvement Plan and strengthened its oversight arrangements. However, the C3 judgement remains in place and sustained compliance with the consumer standards has not yet been demonstrated. Continuing. First reported in 2024/25; the key recommendation has been retained and revised in 2025/26.	**Key recommendation 4** The Authority should continue to address the weaknesses underlying the C3 judgement, implement and report progress against its Housing Improvement Plan, and provide the Regulator with evidence that improvements are embedded and sustained.

Responsibilities of the Authority

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

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

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

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

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

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

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Swindon Borough Council for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

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

Grace Hawkins

Grace Hawkins, Key Audit Partner

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

Bristol

25 November 2026

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-term 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 the asset, where the carrying value of the asset falls below it's recoverable amount and requires the value of PPE to be adjusted.

INDEX – A value representing the change in price of a range of goods, services or market conditions, typically applied as the change in an index over a twelve month period.

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.

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.

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.

PROPERT, 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 STAUTUE - 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.

RIGHT OF USE ASSET (ROU) - A ROU asset signifies the lessee's right to use a leased asset (e.g., a building, vehicle, or equipment) for the duration of the lease term. It is added to the lessee's balance sheet measured at the present value of future lease payments.

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.

If you require Council Information in another format please contact Customer Services on 01793 44 55 00