2020/21

Swindon Borough Council & Group Statement of Accounts

Introduction by the Corporate Director of Finance and Assets

The 2020/21 financial year was marked by the work of the Council in supporting residents and businesses in dealing with COVID-19. As with all local authorities, Swindon faced additional costs in responding to the pandemic and shortfalls in its usual sources of income. Additional financial support from central government assisted the Council in ensuring that in-year budget pressures were contained within available resources.

There is still considerable uncertainty about funding in the years ahead along with the longer term financial implications of COVID-19. We will continue to deliver improvements that will enable the Council to respond to the anticipated challenges. A key part of this will include actively promoting Swindon's economic growth for the benefit of local people and businesses and to support its residents.

Mick Bowden

Corporate Director of Finance and Assets

May 2021

Narrative Report

These accounts relate to the financial year ended 31 March 2021 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain (The Code). The Code is to be adopted by Local Authorities when publishing their accounts. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible property, plant and equipment (PPE) assets. Any diversion from the Code is stated where applicable.

Updates to the Accounts Required Under Changes to Accounting Practice

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

The Statements

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

Financial Overview

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

- General Fund (GF) Revenue Account

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

- Housing Revenue Account (HRA)

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

- Capital

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

Financial Overview – The General Fund (GF)

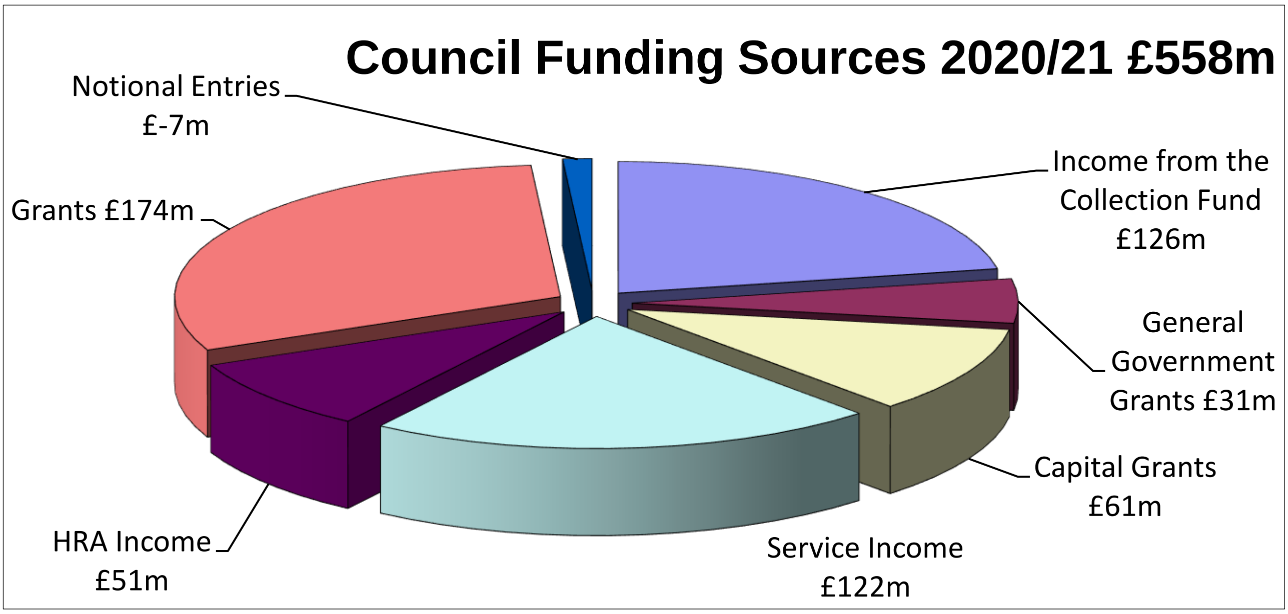
The net GF budget for the year was set at £149.1m. This excludes funding for schools, which is provided via the Dedicated Schools Grant (DSG).

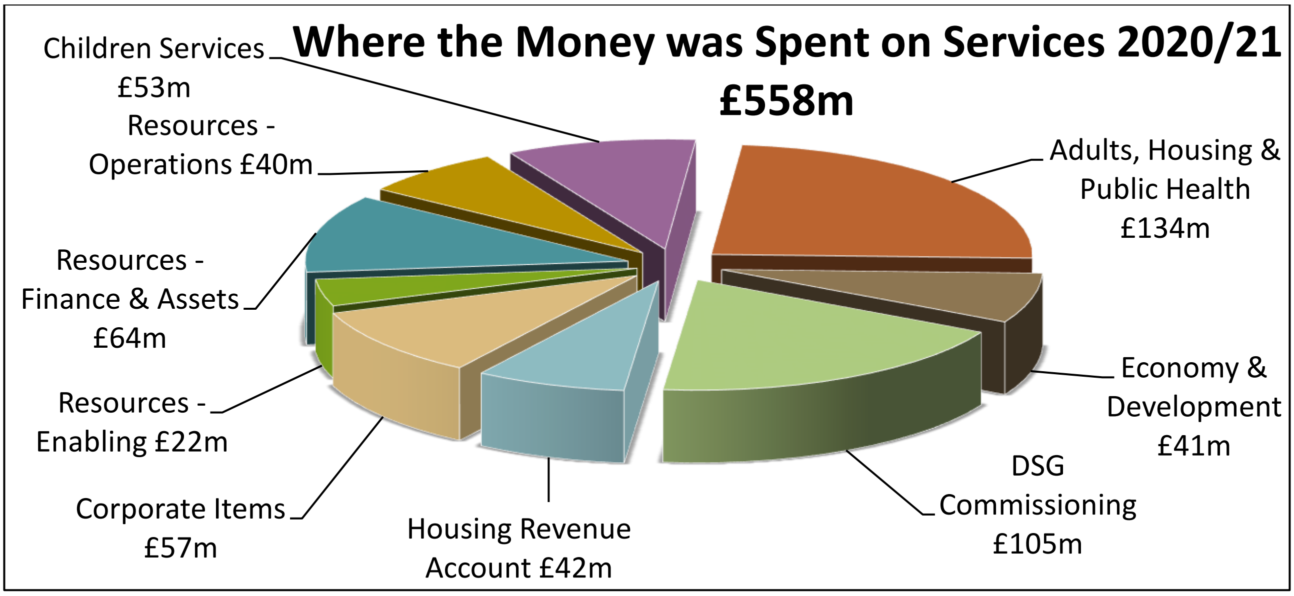
The overall budget was delivered with the balance on the general fund able to be increased but there remain variations within individual Service Areas. This includes significant pressures on Waste and recycling Services and Highways, within Resources - Operations, from reduced incomes and higher costs for Covid-secure working practices. Most services have been impacted from Covid-19, whether from higher costs to implement new practices, or from lower incomes due to services being reduced or shut. Additional grant funding and service savings have offset overspends.

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

	Budget £000	Actual £000	Variance £000
Resources - Enabling	16,180	16,154	**(26)**
Resources - Finance & Assets	(6,782)	(13,000)	**(6,218)**
Resources - Operations	23,303	29,099	**5,796**
Children Services	47,229	45,576	**(1,653)**
Adults, Housing & Public Health	66,567	66,269	**(298)**
Economy & Development	2,577	4,355	**1,778**
Net Cost of General Fund Services (outturn)	**149,074**	**148,453**	**(621)**
Reconciliation to Comprehensive Income & Expenditure Statement			
Parish Precepts		8,703	
Net Corporate Income and Expenditure		47,876	
Net HRA, Capital, Reserves and other Appropriations in Net Cost of Services		5,985	
Sub-total		**211,127**	
Taxation and Non-Specific Grant Income		(217,846)	
Net (Surplus)/Deficit For Year on Provision of services in CIES		**(6,829)**	

The following charts analyse the main income flows to the Council in 2020/21, 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 £53.4m at 31 March 2021. Specific grant funding has been received towards this deficit, but under the Collection Fund accounting requirements cannot be used until the next financial year. An earmarked reserve has been created where £29m of Collection Fund support for 2021/22 has bene transferred.

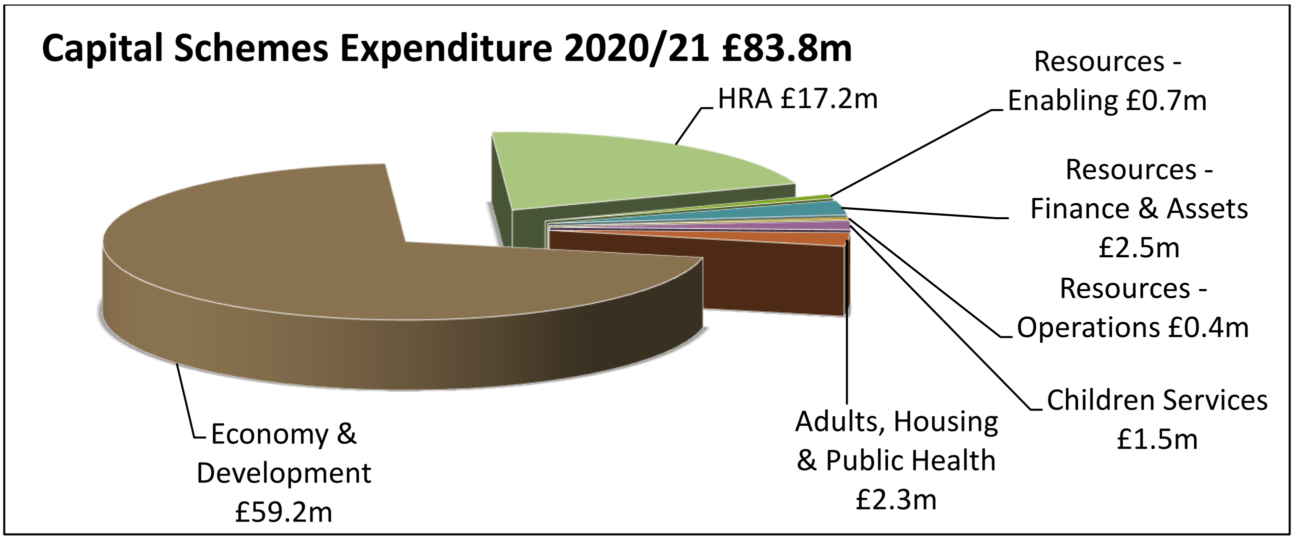
The accounting treatment for the Collection Fund means the Council shows only its own proportion of balances through the accounts on an agency basis. This does not change the Collection Fund itself, which is prescribed under statute, but does remove the overall Collection Fund balance from the Council's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

Financial Overview – The Housing Revenue Account (HRA)

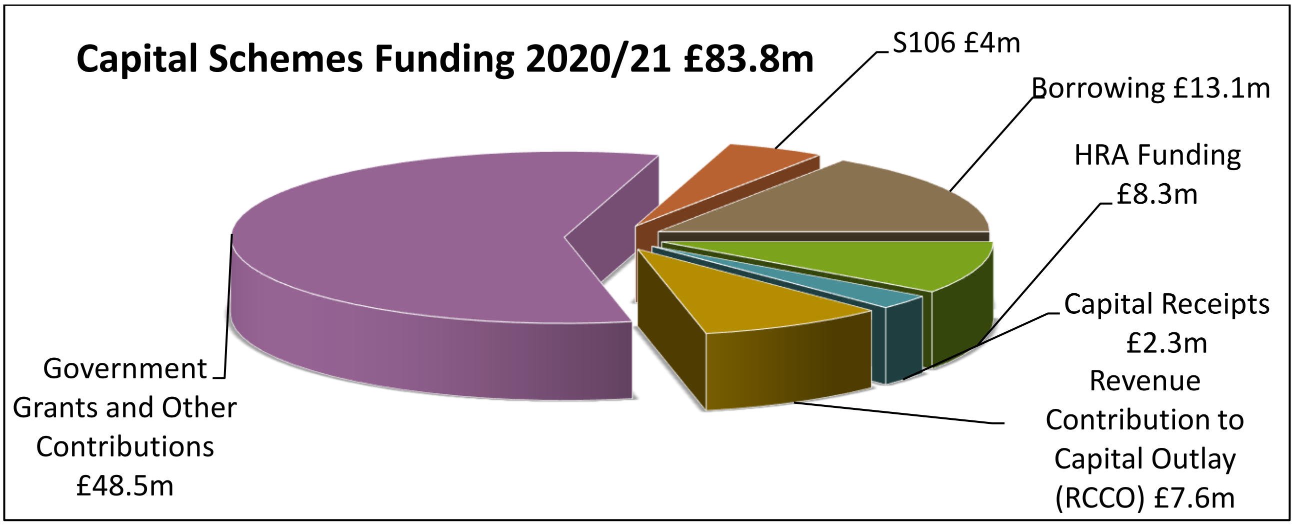
During the year the HRA came in underspent by £0.3m. This has seen the HRA reserve increase to £12m at 31 March 2020.

Financial Overview – Capital Income & Expenditure

During the year, the Council incurred additional borrowing of £13.1m towards capital expenditure of £83.8m. This expenditure is analysed in the following chart into key service areas of the Council. Long term debtors have been restated to include capital loans previously classified within long term investments. There is no other impact to the balance sheet from this adjustment.



In-year borrowing contributes to total borrowing of £361m, inclusive of HRA debt, with a related capital finance requirement of £500m. This should be seen in the context of a non-current asset base of £1,319m.



Financial Overview – Covid-19

As explained in the earlier narrative the Authority has been able to increase its general fund balance in closing 2020/21. The Council received £16.7m of emergency funding from central government and additional support to meet some of the shortfall in income. A review was undertaken of grants received as part of Covid-19 support and recovery activity and where the conclusion was that the Authority was acting as an agent of central government, the related grant award was removed from expenditure and income and any unspent grant shown as a central government creditor.

Financial Overview – Other Key Disclosures

Pension Liability

The net pension liability as disclosed in the balance sheet, under International Accounting Standard 19 (IAS19) requirements, has increased by £139m. The liability is reported as £364m

(£225m for 2019/20). This increase reflects changes to the financial assumptions, significantly from inflationary changes.

Major Asset Transfers

The Council continues to see transfer of schools into Academy status. Once transferred to Academy status the underlying assets are not classed as Council property but disposed of under long-term finance leasing at nil value. There were three such transfers in 2020/21 removing £22m from the balance sheet value of long term assets. There were three transfers in 2019/20 removing £19m.

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 for the Wichelstowe southern development area. This has seen the creation of a joint venture company with a housing developer; the Authority contributing land and the developer funding the infrastructure and building the housing, which will then go for sale with split proceeds.

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

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

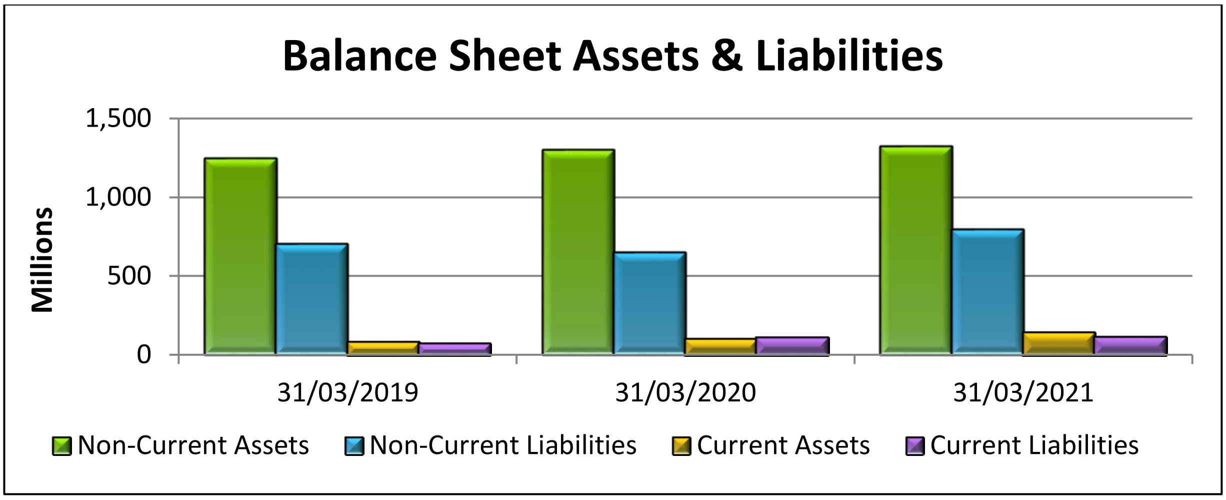
Impact of Materiality

Materiality impacts the accounting statements by either reducing the number of disclosures or the amount of detail within them, for example by combining several balances together which has no impact on understanding of the statements. It also acts as an aid when assessing the impact of events or transactions and whether they change the understanding of the statements if not corrected or highlighted. The general threshold for either individual or combined balances materially affecting the accounts is c£7m, though items identified below this level by the auditor will be presented to Audit Committee for review if not adjusted for.

Financial Overview – Financial Outlook

General Fund earmarked reserves have increased during 2020/21. This was mainly due to receipt of grants to support the COVID-19 response, which also saw significant debtors where grant remains due, and creditors where grants were provided under Agent basis. Planned use of reserves will reduce in future years, recognising the need to ensure the long-term sustainability of the Council. The General Fund balance increased from £7.2m to £7.8m.

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



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

Financial Overview – Medium Term Financial Strategy

The Council's Medium Term Financial Strategy was agreed by Full Council in February 2021 and set out the financial context for the Council up to 2024/25. This reflected the latest known funding position and the Council's approach for addressing the financial challenge over the next few years.

It was anticipated that a national spending review would take place during 2020, providing a new multi-year funding settlement for local government and that this would provide the basis for a refresh of the Council's financial plans. In the light of the COVID-19 pandemic the Government announced a Spending Review for one year only, on 25th November 2020. This means that the future funding arrangements for the Council are uncertain beyond that point and will be shaped by two main issues:

- Spending Review 2021 – this is expected to establish the total funding for local government nationally for 2022/23 and future years
- The extent and timing of any change to the system for distributing funding between local authorities

In the absence of any further information the central planning assumption is that the underlying funding levels for the Council will remain at the same level as 2021/22. This incorporates the current funding streams of Revenue Support Grant, Better Care Fund, Social Care Grant and the baseline level of retained business rates. The exceptions to this being the one-off Lower Tier Services Grant for 2021/22 and New Homes Bonus as the Government has indicated that this will continue to reduce as part of a wider review of how to incentivise and reward growth in future years. The 2021/22 budget is supported by the use of £761k carried forward from the 2020/21 budget risk contingency – this only provides a one-off funding solution and therefore increases the savings to be found in 2022/23.

For 2021/22 the limit of core council tax increases, without requiring a referendum, is 1.99%. There is also the opportunity to raise an Adult Social Care precept of up to 3%, which can be spread across the 2021/22 and 2022/23 years. The budget for 2021/22 is based on the full precept being raised in that year. The Government has not provided any guidance on limits in future years - the planning assumption used in the medium term projections is that increases of 3.99% (including a 2% adult social care precept) will be applied annually

Allowance has been made for growth in the council tax base and business rates (each increasing by £0.8m per annum). The latter item is the subject of a separate review by central government, which may change the nature of this funding stream for local authorities.

Following the experience of recent years the key expenditure pressures are anticipated to be related to demand pressures in children and adults social care. More generally the council will face pressures relating to population growth - particularly waste collection and disposal costs - and pay and price inflation and estimates of these have been produced for future years.

During the 2020/21 financial year the Council's financial position was significantly affected by Covid-19. This remains a risk that continues to be beyond the normal financial capacity of the Council and requires co-ordination with, and support from, central government. The extent to which this will be an issue over the medium term remains uncertain and will be a key element of the Council's financial planning activity over the forthcoming year. Any permanent increases in spending, or reductions in income, that are not matched by compensating increases in government funding would mean further budget savings would be required over the next four years.

Building on its existing approach to continuous improvement the Council will maintain a focus on developing the Council to be a modern, efficient and effective organisation. The performance of the Council's companies, both wholly owned and the joint venture, will continue to be a priority. In order to address the demand pressures over the period to March 2025 the following cross-cutting themes will continue to be developed:

- Transitions – to ensure that young people make a successful transition to adulthood achieving as much independence, choice and control as is possible so they can lead independent and successful lives.
- Strength based working - to ensure local people and families receive support that is responsive, community based and focused on resilience and keeping them in control of their lives.
- Place based working - to help the most vulnerable children, young people and adults living in Swindon to achieve better outcomes and, by maximising our use of resources with partners, deliver services more efficiently and effectively at lower cost.

The overriding purpose of these themes is to give residents greater opportunities to live safe, fulfilling and independent lives and to ensure that the Council's limited resources can be targeted effectively to manage the demand pressures it faces.

Financial Projections from 2022/23

	2022/23 £m	**2023/24 £m**	**2024/25 £m**
Pressures			
Pay and Prices Inflation	4.5	5.5	5.5
Adult Social Care Demand	4.8	4.8	4.8
Capital Financing	2.0	2.0	2.0
Other Pressures	2.0	1.0	1.0
Total Cost Pressures	**13.3**	**13.3**	**13.3**

Funding Changes			
Council Tax Increase - Core Element	(2.3)	(2.4)	(2.5)
Council Tax Increase - ASC Precept	(2.3)	(2.4)	(2.5)
Increase in council tax base	(0.8)	(0.8)	(0.8)
Removal of one-off funding	1.0	0.0	0.0
Reduction in Collection Fund Balance	0.4	0.4	0.0
Reduction in New Homes Bonus	1.5	2.1	0.0
Retained business rate growth	(0.8)	(0.8)	(0.8)
Total Funding Change	**(3.3)**	**(3.9)**	**(6.6)**
Savings needed	**10.0**	**9.4**	**6.7**
Indicative Savings			
Cross-cutting initiatives to address demand management	(5.5)	(5.5)	(3.5)
Operations	(1.2)	(1.2)	0.0
Efficiency and Productivity Savings	(1.0)	(1.0)	(1.0)
Prioritisation of core services	(2.4)	(1.7)	(2.2)
Total Indicative Savings	**(10.0)**	**(9.4)**	**(6.7)**

Organisational Overview

The following will give an overview of the Council's vision, priorities and pledges and summarises achievements during the financial year 20/21.

The Council's vision is that, by 2030, Swindon will have all of the positive characteristics of a British city with one of the UK's most successful economies; a low-carbon environment with compelling cultural, retail and leisure opportunities and excellent infrastructure. It will be a model of well managed housing growth which supports and improves new and existing communities. Swindon will be physically transformed with existing heritage and landmarks complemented by new ones that people who live, work and visit here will recognise and admire. It will remain, at heart, a place of fairness and opportunity where people can aspire to and achieve prosperity, supported by strong civic and community leadership.

The Council has established the following priorities to ensure that it is using its limited resources to best effect in pursuit of delivering the vision for Swindon:

Priority 1 - Improve infrastructure and housing to support a growing, low-carbon economy

Priority 2 - Offer education opportunities that lead to the right skills and right jobs in the right places

Priority 3 - Ensure clean and safe streets and improve our public spaces and local culture

Priority 4 - Help people to help themselves while always protecting our most vulnerable children and adults

Within each priority are a number of pledges which give them a practical expression of what the Council sets out to achieve.

Priority One

1. Set the ambition for Swindon to compete to at the forefront of digital innovation with a commitment to using technology for positive change.

2. Enhance Swindon's reputation as a sustainable energy exemplar, by exploring technology that converts energy from waste, facilitating the move to electrified transport, and delivering opportunities to invest in renewable energy to reduce carbon footprint.

3. Refresh and implement the Masterplan for Swindon Town Centre, supporting our vision that Swindon is a vibrant, modern place. We will do this through:

   a) Delivery of the Masterplan for Kimmerfields, in partnership with Homes England.
   b) Delivery of the Bus Boulevard.
   c) Delivering improvements to the strategic town centre transport network.
   d) Further redevelopment of the Carriage Works.
   e) Redevelopment of the former Aspen House Site.
   f) Working with Seven Capital, to deliver the development of the new regional leisure destination at North Star.
   g) Working with ambassadors and partners to promote Swindon effectively to improve the town's reputation, increase income from business rates and compete for the best business growth opportunities, inward investment and talent.

4. Support businesses by working in partnership to create conditions in which businesses succeed and grow.

5. Enhance Wellington Street as a prime thoroughfare for the town.

6.

   a) Deliver infrastructure in a timely way to assist in phased housing & employment delivery for the New Eastern Villages including White Hart Junction & A420.
   b) Working with Barratt Homes through the Joint Venture we will deliver the District Centre facilities including a public house, the next phases of housing, a retirement complex and education facilities – whilst also delivering new sections of canal.
   c) Create the Southern access to Wichelstowe via a tunnel to be constructed under the M4 to link to Junction 16.
   d) Through the Local Plan review identify brownfield and green field sites for housing to deliver homes and employment land on a range of sustainable sites whilst ensuring that urban extensions are of the highest quality.
   e) Continue to work with the developers at Tadpole Garden Village to bring forward facilities to ensure a sustainable community can continue to thrive
   f) Ensure that there is a range of good quality housing options in Swindon, including affordable opportunities to buy and rent.
   g) Work with Nationwide Building Society to deliver homes at the former Oakfield campus.
   h) Support final phases of additional housing at Badbury Park with community space and improvements to Day House Lane to link to Coate Water.

Priority Two

7. In addition to the two new free secondary schools, build one secondary and 13 primary schools to meet the needs of our increasing population.

8. Improve educational attainment, in particular at ages 16-19 so we are above the average in England by 2021.

9. Increase the number of people starting an apprenticeship in line with the targets in the Apprenticeship Strategy.

10. Secure a range of options to access Higher Education in Swindon to drive up attainment.

11. Work with partners to increase the level of skills of Swindon's workforce to support all our residents, including the most vulnerable, to access employment.

Priority Three

12. Work with partners to promote healthy lifestyles for the population of Swindon

13. Find new ways to engage communities and neighbourhoods to increase the cleanliness of their local areas.

14. Encourage Swindon residents to increase recycling and reduce their waste in line with the Council's Waste Strategy. Swindon Borough Council to reduce the use of single use plastics with the intention to stop using such plastics by 2019/20 and encourage local businesses to do the same.

15. a) Work to secure a viable and sustainable future for our key heritage assets.

15. b) Every Child will be encouraged to visit the Council's museums including the Swindon Museum and Art Gallery as a learning opportunity while they are at school

16. Deliver a programme of work to ensure that residents, visitors and businesses feel that Swindon's town centre is a safe place to live, work, visit and do business.

Priority Four

17. Provide early support so that Swindon residents are financially included and avoid getting into debt.

18. Deliver a borough-wide approach to increase the impact of volunteering, enabling more people to be active in supporting vulnerable people.

19. Ensure that more people and their carers are supported to live as independently as possible and reduce the length of time people need to spend in residential care. This will be achieved through work with the Clinical Commissioning Group and GP surgeries to help people with long term health and social care needs to manage their health effectively with support from community groups and multi-disciplinary teams.

20. Increase the number of foster carers in Swindon so that every 'child looked after' who should be, is placed in their home borough.

21. Ensure that there is a partnership approach to early prevention and intervention across Swindon so that more children and families are supported early, including through the Troubled Families Programme, to prevent escalation to statutory social care.

22. Ensure that Swindon's vulnerable children and young people are safeguarded and protected

23. Ensure that Swindon's vulnerable adults are safeguarded and protected.

24. Increase the number of organisations in Swindon working to achieve 'Dementia Friendly' Town Status for Swindon and ensure annual accreditation.

25. Work collaboratively with stakeholders to ensure the level of children in Swindon with excess weight is no higher than the England average.

26. To prevent homelessness where possible using additional measures including the temporary winter housing provision and enabling a day centre to prevent rough sleepers from returning to the streets.

Operational Model

The major spend areas for the Council are Adults Services, Children's Services and Operational Services.

In terms of adults:

By the end of February 2021, Swindon Borough Council was funding 378 care home placements, which represents a reduction of 129 placements compared with the February 2020 figure. This was made up of 273 residential care placements and 105 nursing care placements for people over the age of 65. Both of these figures have reduced by a large amount in the last year, particularly in nursing. The number of home care packages has decreased from 681 in February 2020 to 637 in February 2021 but at this time a number of patients discharged form hospital would have been NHS funded and this may have contributed to the lower number of people with a home care package. Overall, the demand has reduced particularly in nursing home placements. The impact of Covid-19 has been a reduction in demand for placements. Additional funding to discharge patients from hospital has also reduced the financial pressure on the Council. The demand for learning disability services stabilised in 2020/21.

In terms of children:

Swindon has had a history of educational underachievement at secondary school age and aims to be above the national average. The summer 2019 outcomes showed that Swindon was closing the gap to national with Attainment 8 outcomes. Due to Covid-19, there were no primary assessments taken in 2020 and KS4 and KS5 results cannot be used for accountability or comparison purposes. The focus has been on supporting schools and pupils during Covid-19 restrictions.

There have been changes in the number of children in need, looked after children and children on child protection plans. The number in children in need has increased by 101 from February 2020 to February 2021, however the number of looked after children has reduced by 5 and the number of children subject to a children protection plans has fallen by 3. This reflects the identification of need at an earlier opportunity to reduce the number of children requiring more intense care.

In Operational Services, major areas of spend include Streetsmart services such as waste collection, cleansing and grounds maintenance as well as Highways and Transport and Housing & Property Maintenance. Savings have focussed on increasing productivity and a significant programme of work to digitise services. Void properties are currently just above target with 81 properties, one above a target of 80.

Risks and Opportunities

The Council faces key risks relating to its long-term financial sustainability, safeguarding, managing service demand and ensuring infrastructure, housing and employment growth are delivered. The Corporate Risk Register is regularly updated with key risks, mitigating actions and progress. The Corporate Risk Register is signed off through the Audit Committee.

In common with other Local Authorities, Swindon Borough Council has had to deliver its commitments against a backdrop of increasing financial pressure. This financial pressure has been further affected by additional Covid-19 related demands and decreases in normal income streams. The Council has received Covid Emergency Funding to offset these pressures.

Following on from the successful Swindon Programme, the Council aims to continue to the principles behind the programme and continuously develop our status as a modern, efficient and effective organisation. The words 'At Our Best' puts a name to an organisational ethos that will be established over the coming months and years. Three main aims are to be a Council which:

- Uses best practice and appropriate use of technology.
- Uses its money and people wisely in delivering services quickly and accurately.
- Delivers quality services to the expected standard and which makes a difference to the people of Swindon.

Swindon Borough Council has also identified cross cutting themes to enable Swindon to be one of the best council's in the Country. The strategy is underpinned by an intention to meet the needs of the people of Swindon through the earliest intervention and prevention:

- Strength Based Working– Helping local people to live the life they want and have choice and control over any support they need
- Place Based Working - Person-centred, bottom up approach to meet the needs of people within their community and deliver services as close to residents as possible by working together and making best use of skill, capacity and resource.
- Transition – working to ensure young people make a successful transition to adulthood achieving as much independence, choice and control as is possible so they can lead independent and successful lives.

Performance

As a result of Covid-19, the Council assessed the impacts, what it means for pledge delivery and how the Council will prioritise its response moving forward. As a result of this a number of pledges had revised timescales and deliverables. This was as a result of factors such as lockdown restrictions affecting different sectors such as delays in building, closure of libraries etc but also related to additional demands and pressures such as health and wellbeing. A full report was presented at Scrutiny Committee on 8th February but a summary of progress with pledges is below.

Priority One – Improve infrastructure and housing to support a growing, low-carbon economy

A number of capital projects are underway and the general fund has an existing capital programme of £309m of which £162.4m is funded through capital grants that the Council have been successful in securing.

Good progress is being made to deliver improved fibre and 5G. TechSwindon acts as an information hub across the region to celebrate innovation and to connect and inform those working in the tech sector.

Significant work continues to develop green energy through waste to energy, solar power and promotion of electric vehicles. The Council is working with Imperial College London to assess Swindon's route to net zero carbon. Cabinet approved the draft Climate Change Strategy and an implementation plan being developed

Swindon was successful in Government's Town Fund bid which will support in delivering enabling infrastructure to make land ready for new homes and offices on the next phase of Kimmerfields, adjacent to Zurich's new flagship building which is progressing well. Cabinet approved plans for the Cultural Quarter to move to Kimmerfields

The Bus Boulevard scheme is now fully funded. The Implementation Plan is being finalised with governance in place to oversee and support delivery.

The Council received £730,000 from the Government's Active Travel Fund to support walking and cycling provision and on street electric vehicle charging points are being installed.

The Carriage Works has seen a number of occupations with the Royal Agricultural University courses started in September 2021. Swindon was successful in Government's Town Fund bid which will support in further redevelopment of the Carriage Works.

Aspen House has had planning consent for a hotel and restaurant and the site has been sold.

The North Star development has been affected by the significant impact of Covid-19 on the leisure sector and the challenge this poses for any leisure schemes. The Council are in discussion with Seven Capital.

In terms of reputation and investment strong interest in Swindon continues and the Towns Funds bid is boosting reputation and investment.

The Council previously delivered the enhancements to Wellington Street as a prime thoroughfare from the Train Station into Town. The transport modelling for the Honda site is underway. The co-ordinating steering group continues to work with partners to support the suppliers and their employees with career transition. Business grant processing as a result of Covid-19 continues to be a priority. Over 8000 payments have been granted totalling £41.2m.

Housebuilding continues to be a focus with higher than targeted occupations at Tadpole Garden Village and Badbury Park despite the impact of Covid-19 on construction. The joint venture with Barratt David Wilson to develop the Wichelstowe area has led to successful house sales and delivery of district centre infrastructure including the canal and public house. The construction of the new underpass for southern access to Wichelstowe continues to go well. The former Oakfield School site has been successfully sold to Nationwide and the regeneration of Queens Drive is making good progress. Construction work for the highway infrastructure to support the ambitious New Eastern Villages is underway. The revised Local Development Scheme was confirmed at Cabinet in September and a consultation of the revised draft Local Plan is scheduled for summer 2021.

Priority Two - Offer education opportunities that lead to the right skills and right jobs in the right places

99% of primary admissions and 98% of secondary admissions were given one of their preferences. A School Place Planning strategy has been developed. Plans are in place to deliver new schools in Swindon alongside SEND provision. Admission Arrangements for 2022-23 and Transport Policy have been consulted on.

In terms of outcomes for assessments, there were no primary assessments in 2020 due to Covid-19 and for KS4 and KS5 the results cannot be used for comparison or accountability purposes. The focus this year has been on supporting schools and pupils to meet the challenges of Covid-19 on education. A School Improvement Policy and an inclusive Early Years, Education and Skills Strategy are being developed.

Apprenticeship starts in Swindon are below the target set however the same has been seen nationally and Swindon is closer to its target than the national average. There has been a focus on promotion and awareness campaigns, virtual job fairs and the delivery of JobFest.

Work is ongoing to raise attainment and progression to higher education. Swindon was successful in a £21 million bid for an Institute of Technology (IoT) and the Council are working with the merged Swindon College and New College to deliver and promote this. The Royal Agricultural University will also be delivering a postgraduate and professional training hub at the Carriage Works with courses started in September 2021. The plans for the coming year focus on a Study Higher Programme, a T level plan and support for vulnerable groups for entry into Higher Education.

In terms of adult learners, the Adult Learning provision was Ofsted rated Good and met target for at least 25% of learners having a learning disability and skills below level 2. Plans for the coming year focus on adult learners, care leavers, adults with learning disabilities and supporting young people into Education, Employment or Training

Priority Three – Ensure clean and safe streets and improve public spaces and local culture

The Council works to promote healthy lifestyles through a number of programmes. These include using funding from the Active Travel Fund to improve the provision of cycling and has been match funded with Healthy Schools Investment Fund money. The offer has been extended to schools for free cycle racks. The Football Fans in Training was completed in December with 30 participants. People referred to the falls prevention programme were included in the 'Be Active this Winter' offer and signposted to relevant resources and offered telephone coaching.

The Council has been unable to visit schools to deliver the education programme on all aspects on cleanliness due to Covid-19 restrictions however a new programme which will enable more remote learning is scheduled for delivery in the new financial year.

In terms of waste and recycling, recycling rates are below target. The amount of recycled waste collected per household has increased and is above target, however, the amount of non-recycled waste has also increased meaning the overall recycled rate has not been achieved. An end to end water review is underway with proposals being developed to support a Waste Strategy.

In terms of heritage assets, a recent parks consultation had a good response rate with over 1,500 respondents. The results have been analysed to support a Parks Strategy. A programme of work has taken place at Lydiard Park over the winter with repairs to the play park and improvements to parking. The Cultural Quarter has been approved to be developed as part of Kimmerfields and an investment prospectus has been developed. STEAM and Swindon Museum and Arts Gallery have been affected by Covid-19 restrictions but STEAM delivered a number of online activities and SMAG delivered a virtual Art of Tour. STEAM has been the location of the vaccination centre and will be until at least September.

The Council aims to deliver work in the town centre to improve its perception. The focus has been on supporting the safe re-opening of the high street for non-essential retail and the hospitality sector.

Priority Four – Help people to help themselves while always protecting the most vulnerable children and adults

The Council has supported residents with Covid-19 related relief funds such as council tax support claims, DEFRA food grants and test and trace support payments.

300 volunteers have played a big part of delivery of Covid-19 support such as volunteers at the vaccination site and supporting shielded residents through wellbeing calls, food and medicine deliveries.

In terms of supporting adults to lead independent lives, the Council have been working with the National Development Team of Inclusion. The innovation team have commenced work and started to deliver training on supporting a good conversation model with people who need support.

Improvements have been made in the percentage of looked after children who live within 20 miles of Swindon however the number of in house foster carers is below target. The Council has implemented a fostering recruitment campaign to address this.

There has been a reduction in the number of looked after children and children subject to a child protection plan however the number of children in need has increased which reflects the identification of need at an earlier opportunity to reduce the number of children requiring more intense care. Safeguarding continues to be a focus to carry on the improvement journey from the ‘Good’ Ofsted outcome.

Early prevention and early intervention continues to be a focus of the Family Intervention and Support Service (FISS). The Innovation Fund Programme for supporting children of alcohol dependent parents has been embedded and referrals have increased. A full programme of virtual and some face-to-face programmes are being delivered by the Parenting Hub. 82.8% of children had received a 12 month review by 12 months which was above target.

In terms of Adult's Safeguarding, a Safeguarding Improvement Plan was presented to Safeguarding Partnership Quality and Performance Assurance Group and improvements were noted by the partnership. As part of the Swindon Safeguarding Partnership, updated policies have been agreed with partners. Internal safeguarding procedures have been revised in line with case management system. Face-to-face delivery of Dementia Friends Information Sessions have been suspended due to Covid-19 however plans are in place to promote virtual dementia friends courses

In regards to Excess Weight in Children, the Breastfeeding Strategy 2021-2025 was agreed at Swindon Health and Wellbeing Board and a report on obesity and diabetes will be produced.

There has been significant work to address rough sleeping with 40 rough sleepers housed during Covid-19 restrictions. 70 households have also been prevented from becoming homeless or assisted into new accommodation against a target of 20. There are no households with children in bed and breakfast for longer than six weeks.

Audit Report

The draft accounts have normally required to be approved by the 31 May by the Corporate Director of Finance and Assets, the Council's designated Section 151 Officer, and independently audited and published in their audited form by 31 July. These dates have changed for 2020/21 and 2021/22 financial years to 31 July for draft and 30 November for audited. 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 Mick Bowden, Corporate Director of Finance and Assets, Civic Offices, Swindon SN1 2JH, or email mbowden@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 2020/21, the designated officer was the Corporate Director of Finance and Assets.

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

The Officer's Responsibilities
The Corporate Director of Finance and Assets 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 2021.

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

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

The Corporate Director Finance and Assets 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 2021.

Signed: *Mick Bowden* Date: 2/11/21

Mick Bowden
Corporate Director of Finance and Assets

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: 2/11/21

Cllr Steve Weisinger
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	**2019/20 Service Balances Restated** (note 39) Continuing Operations:	**2019/20 Gross Expenditure £000**	**2019/20 Gross Income £000**	**2019/20 Net Expenditure £000**	**2020/21 Gross Expenditure £000**	**2020/21 Gross Income £000**	**2020/21 Net Expenditure £000**
	Resources - Enabling	22,176	(4,091)	18,085	21,519	(3,113)	18,406
	Resources - Finance & Assets	69,157	(65,528)	3,630	64,591	(100,624)	(36,033)
	Resources - Operations	38,664	(12,637)	26,026	40,145	(6,595)	33,550
	Children Services	54,892	(7,368)	47,523	53,210	(6,617)	46,593
	Adults, Housing & Public Health	115,858	(51,731)	64,127	134,314	(75,883)	58,431
	Economy & Development	31,950	(8,343)	23,608	41,252	(5,963)	35,289
6	DSG Commissioning	115,810	(99,262)	16,548	104,842	(97,368)	7,474
	HRA - Housing	33,657	(50,485)	(16,828)	30,204	(50,865)	(20,661)
	HRA - Operations	10,035	(170)	9,864	11,477	(88)	11,389
	Surplus / Deficit on Continuing Operations	**492,198**	**(299,615)**	**192,583**	**501,554**	**(347,116)**	**154,438**
4	Other operating expenditure			34,217			37,270
5	Financing & investment (income)/expenditure			21,592			19,309
7	Taxation and non-specific grant income			(189,363)			(217,846)
	(Surplus) / Deficit on Provision of Services			**59,029**			**(6,829)**
15	(Surplus) / Deficit on revaluation of PPE assets			(60,062)			(40,124)
31	Re-measurements on pension assets / liabilities			(85,479)			127,644
	Other Comprehensive Income and Expenditure			**(145,541)**			**87,520**
	Total Comprehensive Income and Expenditure			**(86,512)**			**80,691**

Movement in Reserves Statement (MiRS)

This statement shows the movements between the CIES revenue account and balance sheet 'usable reserves' (i.e. revenue and capital reserves that can be applied to fund relevant expenditure or reduce local taxation) and other reserves. The (Surplus) / Deficit on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the CIES. The 'General Fund Balance' column shows that after accounting adjustments and reserve transfer the General Fund balance has increased by £620k. Earmarked GF reserves are a part of the statutory General Fund balance, whilst HRA balances are a statutory ring-fenced section for housing.

	GF Balance £'000	HRA £'000	Earmarked GF Reserves £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves Restated £000	Total Authority Reserves £000
1 April 2020	**(7,200)**	**(11,738)**	**(34,099)**	**(1,491)**	**(17,410)**	**(6,313)**	**(21,211)**	**(99,462)**	**(540,793)**	**(640,255)**
(Surplus) / Deficit on Service provision	(5,671)	(1,158)	0	0	0	0	0	(6,719)	0	(6,829)
Other (Income) / Exp.	0	0	0	0	0	0	0	0	87,520	87,520
Total Comprehensive (Income) /Exp.	**(5,671)**	**(1,158)**	**0**	**0**	**0**	**0**	**0**	**(6,719)**	**87,520**	**80,691**
Adjusts between accounting & funding basis (note 13)	(48,255)	655	0	0	801	(1,373)	(8,382)	(56,664)	56,664	0
Transfer of DSG deficit	(3,273)	0	0	0	0	0	0	(3,273)	3,273	0
Net (Increase)/ Decrease before Reserves	**(57,199)**	**(503)**	**0**	**0**	**801**	**(1,373)**	**(8,382)**	**(66,656)**	**147,457**	**80,691**
Transfers to / (from) Other Reserves (note 14)	56,579	206	(56,579)	(206)	0	0	0	0	0	0
(Increase)/ Decrease in-year	**(620)**	**(297)**	**(56,579)**	**(206)**	**801**	**(1,373)**	**(8,382)**	**(66,656)**	**147,457**	**80,691**
31 March 2021	**(7,820)**	**(12,035)**	**(90,678)**	**(1,697)**	**(16,609)**	**(7,686)**	**(29,593)**	**(166,118)**	**(393,336)**	**(559,564)**

Movement in Reserves Statement continued

	GF Balance £'000	HRA £'000	Earmarked GF Reserves £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves Restated £000	Total Authority Reserves £000
1 April 2019	**(6,587)**	**(10,300)**	**(41,970)**	**(1,282)**	**(14,318)**	**(2,954)**	**(25,807)**	**(103,218)**	**(450,525)**	**(553,743)**
(Surplus) / Deficit on Service provision	58,108	921	0	0	0	0	0	59,029	0	59,029
Other (Income) / Exp.	0	0	0	0	0	0	0	0	(145,541)	(145,541)
Total Comprehensive (Income) /Exp.	**58,108**	**921**	**0**	**0**	**0**	**0**	**0**	**59,029**	**(145,541)**	**(86,512)**
Adjusts between accounting & funding basis (note 13)	(49,165)	(2,568)	0	0	(4,777)	(3,359)	4,596	(55,273)	55,273	0
Net (Increase)/ Decrease before Reserves	**8,943**	**(1,647)**	**0**	**0**	**(4,777)**	**(3,359)**	**4,596**	**3,756**	**(90,268)**	**(86,512)**
Transfers to / (from) Other Reserves (note 14)	(9,556)	209	7,871	(209)	1,685	0	0	0	0	0
(Increase)/ Decrease in-year	**(613)**	**(1,438)**	**7,871**	**(209)**	**(3,092)**	**(3,359)**	**4,596**	**3,756**	**(90,268)**	**(86,512)**
31 March 2020	**(7,200)**	**(11,738)**	**(34,099)**	**(1,491)**	**(17,410)**	**(6,313)**	**(21,211)**	**(99,462)**	**(540,793)**	**(640,255)**

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	Restated between long term debtors/investments (note 39)	31st March 2019 £000	31st March 2020 £000	31st March 2021 £000
15/48	Property, Plant & Equipment	1,172,120	1,218,273	1,244,868
16	Investment property	9,013	8,484	7,887
17	Heritage	29,200	29,200	29,200
43	Long term investments	16,302	24,859	20,202
20	Long term debtors	16,185	16,041	16,216
	Total Non-Current Assets	**1,242,820**	**1,296,857**	**1,318,373**
	Cash & Cash equivalents	31,290	29,501	38,144
	Inventories & Work in Progress	1,174	1,287	829
21	Short term debtors	29,350	43,741	94,026
32	Short term investments	14,000	22,078	6,524
	Assets held for sale (current)	5,658	1,525	3,909
	Current Assets	**81,472**	**98,132**	**143,432**
22	Short term creditors	(51,598)	(65,217)	(88,815)
33	Short term borrowing	(16,501)	(41,350)	(21,125)
23	Provisions (short term)	(1,418)	(1,491)	(1,275)
	Current Liabilities	**(69,517)**	**(108,058)**	**(111,215)**
33	Long term borrowing	(324,753)	(338,904)	(340,550)
29/32	Long term creditors	(49,323)	(47,157)	(44,786)
23	Provisions (long term)	(12,537)	(13,314)	(13,210)
31	Pension Asset/Liability	(290,914)	(224,783)	(363,982)
7	Capital Grants receipts in advance	(23,505)	(22,518)	(28,498)
	Non-Current Liabilities	**(701,032)**	**(646,676)**	**(791,026)**
	Net Assets	**553,743**	**640,255**	**559,564**

Balance Sheet continued

Note		31st March 2019 £000	31st March 2020 £000	31st March 2021 £000
	General Fund Balance	(6,587)	(7,200)	(7,820)
	HRA Balance	(10,300)	(11,738)	(12,035)
14	GF Earmarked Reserves	(41,970)	(34,099)	(90,678)
14	HRA Earmarked Reserves	(1,282)	(1,491)	(1,697)
	Major Repairs Reserve	(2,954)	(6,313)	(7,686)
	Capital Receipts Reserve	(14,318)	(17,410)	(16,609)
	Capital Grants Unapplied	(25,807)	(21,211)	(29,593)
MiRS*	**Usable Reserves**	**(103,218)**	**(99,462)**	**(166,118)**
24	Capital Adjustment Account	(273,305)	(261,332)	(260,643)
25	Revaluation Reserve	(465,373)	(503,416)	(526,690)
26	Pension Reserve	290,914	224,783	363,982
27	Collection Fund Adjustment Account	(1,545)	(151)	27,196
	Pooled Investment Funds Adjustment Account	29	567	669
6	DSG Deficit	0	0	3,273
	Deferred Capital Receipts	(1,245)	(1,244)	(1,233)
	Unusable Reserves:	**(450,525)**	**(540,793)**	**(393,446)**
	Total Reserves	**(553,743)**	**(640,255)**	**(559,564)**

*MiRS – Movement in Reserves Statement

The unaudited accounts were issued on 28 May 2021 and the final audited on 2 November 2021.

Mick Bowden

Mick Bowden

Corporate Director of Finance and Assets

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		2019/20 £'000	2020/21 £'000
	Net surplus or (deficit) on the provision of services	(59,029)	6,829
34	Adjustments to net surplus or deficit on the provision of services for non-cash movements	113,062	107,572
34	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(44,499)	(62,982)
	Net cash flows from Operating Activities	**9,534**	**51,419**
35	Investing Activities	(49,424)	4,607
36	Financing Activities	38,101	(47,383)
	Net increase or (decrease) in cash and cash equivalents	**(1,789)**	**8,643**
	Cash and cash equivalents at the beginning of the reporting period	31,290	29,501
	Cash and cash equivalents at the end of the reporting period	**29,501**	**38,144**

Notes to the Financial Statements

Disclosures Relating to the Comprehensive Income and Expenditure Statement

1. Expenditure and Funding Analysis

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

	2020/21 Net Exp. Report to Cabinet £000	2020/21 Remove Not Chargeable to the GF or HRA £000	2020/21 Net Exp. Chargeable to GF and HRA £000	2020/21 Changes Between Funding & Accounting Basis £000	2020/21 Net Expenditure In the CIES £000
Resources - Enabling	16,154	(12)	16,142	2,264	18,406
Resources - Finance & Assets	(13,000)	(44,273)	(57,273)	21,240	(36,033)
Resources - Operations	29,099	53	29,152	4,398	33,550
Children Services	45,576	(78)	45,498	1,095	46,593
Adults, Housing & Public Health	66,269	(10,360)	55,909	2,522	58,431
Economy & Development	4,355	460	4,815	30,474	35,289
DSG Commissioning	0	(2,370)	(2,370)	9,844	7,474
HRA - Housing	(10,955)	(503)	(11,458)	(9,203)	(20,661)
HRA - Operations	10,955	0	10,955	434	11,389
(Surplus) / Deficit on Continuing	**148,453**	**(57,083)**	**91,370**	**63,068**	**154,438**

Other Income & Expenditure	8,703	0	8,703	28,568	37,270
Financing and Investment Income and	0	0	0	19,309	19,309
Taxation and Non-Specific Grant Income	(157,777)	0	(157,777)	(60,069)	(217,846)
(Surplus) / Deficit on Provision of	**(621)**	**(57,083)**	**(57,704)**	**50,875**	**(6,829)**

Reconciliation of Movement to Balances	Opening	(Surplus) or Deficit on Provision of Services	Closing
General Fund	(7,199)	(621)	(7,820)
HRA	(11,737)	(297)	(12,034)
Net Exp. Chargeable to the GF and HRA Balances		**(918)**	
Earmarked reserves	(35,592)	(56,786)	(92,378)
Remove Not Chargeable to the GF or HRA	**(35,592)**	**(56,786)**	**(92,378)**
(Surplus) / Deficit on Provision of Services		**(57,704)**	

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	(57,083)	0	57,083	0

The 2019/20 EFA has been restated for the same internal management restructuring changes that the 2019/20 CIES underwent.

Restated (note 39)	**2019/20** Net Exp. Report to Cabinet	**2019/20** Remove Not Chargeable to the GF or HRA	**2019/20** Net Exp. Chargeable to GF and HRA	**2019/20** Changes Between Funding & Accounting Basis	**2019/20** Net Expenditure In the CIES
	£000	**£000**	**£000**	**£000**	**£000**
Resources - Enabling	15,437	(1,124)	14,313	3,772	18,085
Resources - Finance & Assets	(4,454)	5,424	970	2,660	3,630
Resources - Operations	24,052	1,693	25,745	281	26,026
Children Services	43,461	2,630	46,091	1,432	47,523
Adults, Housing & Public Health	61,226	71	61,297	2,830	64,127
Economy & Development	2,162	(2,234)	(72)	23,680	23,608
DSG Commissioning	0	3,101	3,101	13,447	16,548
HRA - Housing	(11,301)	(209)	(11,510)	(5,318)	(16,828)
HRA - Operations	9,864	0	9,864	0	9,864
(Surplus) / Deficit on Continuing	**140,447**	**9,352**	**149,799**	**42,784**	**192,583**

Other Income & Expenditure	8,039	0	8,039	26,178	34,217
Financing and Investment Income and	0	0	0	21,592	21,592
Taxation and Non-Specific Grant Income	(150,536)	(6)	(150,542)	(38,821)	(189,363)
(Surplus) / Deficit on Provision of	**(2,050)**	**9,346**	**7,296**	**51,733**	**59,029**

Reconciliation of Movement to Balances	**Opening**	**(Surplus) or Deficit on Provision of Services**	**Closing**
General Fund	(6,587)	(613)	(7,200)
HRA	(10,300)	(1,437)	(11,737)
Net Exp. Chargeable to the GF and HRA Balances		**(2,050)**	
Earmarked reserves	(43,252)	7,660	(35,592)
Direct BS reserve transfer		1,686	
Remove Not Chargeable to the GF or HRA		**9,346**	
(Surplus) / Deficit on Provision of Services		**7,296**	

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	9,346	(1,686)	(7,660)	0

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

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

2020/21	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Resources - Enabling	651	859	(108)	862	2,264
Resources - Finance & Assets	(422)	5,369	(10,951)	27,244	21,240
Resources - Operations	490	5,180	(1,272)	0	4,398
Children Services	1,130	(35)	0	0	1,095
Adults, Housing & Public Health	928	1,594	0	0	2,522
Economy & Development	441	30,033	0	0	30,474
DSG Commissioning	2,331	4,240	0	3,273	9,844
HRA - Housing	336	(1,340)	(8,409)	210	(9,203)
HRA - Operations	434	0	0	0	434
Total Adjustments	**6,319**	**45,900**	**(20,740)**	**31,589**	**63,068**
Other Income & Expenditure	0	28,567	0	0	28,567
Financing and Investment Income and Expenditure	5,238	702	13,369	0	19,309
Taxation and Non-Specific Grant Income	0	(60,804)	0	735	(60,069)
(Surplus) or Deficit on Provision of Services	**11,557**	**14,365**	**(7,371)**	**32,324**	**50,875**

Restated 2019/20	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Resources - Enabling	2,141	1,631	0	0	3,772
Resources - Finance & Assets	(378)	8,007	(10,619)	5,650	2,660
Resources - Operations	(4,138)	3,921	0	498	281
Children Services	1,732	(300)	0	0	1,432
Adults, Housing & Public Health	1,381	1,449	0	0	2,830
Economy & Development	6,079	18,743	(1,142)	0	23,680
DSG Commissioning	4,123	9,324	0	0	13,447
HRA - Housing	1,279	1,708	(8,507)	202	(5,318)
HRA - Operations	0	0	0	0	0
Total Adjustments	**12,219**	**44,483**	**(20,268)**	**6,350**	**42,784**
Other Income & Expenditure	0	26,178	0	0	26,178
Financing and Investment Income and Expenditure	7,130	1,065	13,397	0	21,592
Taxation and Non-Specific Grant Income	0	(34,701)	0	(4,120)	(38,821)
(Surplus) or Deficit on Provision of Services	**19,349**	**37,025**	**(6,871)**	**2,230**	**51,733**

2. Subjective Analysis of Service Expenditure

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

Expenditure and Income Type	2019/20 £'000	2020/21 £'000
Employee related expenses	164,224	154,579
Other service expenses	276,157	298,895
Depreciation, amortisation and impairment	52,042	48,514
Interest Payments	25,661	23,375
Precepts & Levies	8,039	8,703
Payments to Housing Capital Receipts Pool	2,754	2,120
Gain or Loss on Disposal of Fixed Assets	23,424	26,447
Total operating expenses	**552,301**	**562,633**
Fees, charges & other service income	(103,086)	(93,286)
Interest and investment income	(3,235)	(3,224)
Income from Council Tax and Business Rates	(145,470)	(126,467)
Government grants and contributions	(241,481)	(346,485)
Total Income	**(493,272)**	**(569,462)**
Surplus or deficit on the provision of services	**59,029**	**(6,829)**

Description	2019/20 £'000	2020/21 £'000
Non-grant contributions to service provision Contributions from social care clients	(9,254)	(8,468)
Income from fees & licenses Includes parking, planning, permit and professional services income	(18,959)	(13,237)
Income from rentals and hires Includes income from rentals/hires, including HRA rents	(55,380)	(54,761)
Income from sales of goods & services Includes service charges, waste management and sales of goods	(12,637)	(11,115)
Other Miscellaneous Income	(6,856)	(5,705)
Total Fees, charges & other service income	**(103,086)**	**(93,286)**

3. Material Items of Income and Expense

A number of material items are included within the Comprehensive Income and Expenditure Statement (CIES) surplus or deficit, that relate to the below:

Items	Explanation
2020/21	
COVID-19 Funding	The Council received £16.7m of emergency COVID-19 grant funding during the year and the support for sales, fees and charges shortfalls is estimated to be £4.3m

2019/20	
	There are considered to be no material items outside of typical service spend or capital recharges in 2019/20.

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.

4. Other Operating Expenditure

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

	2019/20 £'000	2020/21 £'000
(Gains)/losses on the disposal of non-current assets	23,425	26,447
Parish council precepts	8,038	8,703
Payments to the Government Housing Capital Receipts Pool	2,754	2,120
Total Other Operating Expenditure	**34,217**	**37,270**

5. Financing and Investment Income and Expenditure

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

	2019/20 £'000	2020/21 £'000
Interest payable and similar charges	17,467	17,440
Interest receivable and similar income	(3,235)	(3,224)
Investment income	(834)	(845)
Movement on market value of investment property	529	597
(Gains)/losses on assets held for sale	535	103
Net interest on the net defined benefit liability	7,130	5,238
Total Financing and Investment Income and Expenditure	**21,592**	**19,309**

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. Due to the Covid-19 pandemic the recovery plan for the below deficit has not yet been agreed, engagement with Schools and stakeholders is well underway and the principals have been agreed through Schools Forum. The deficit is shown as a specific unusable reserve with a debit balance.

	Central Expenditure 2020/21 £'000	Schools Budgets 2020/21 £'000	Total 2020/21 £'000
Final DSG before Academy Recoupment			198,985
Academy figure recouped for the year			122,710
DSG after Academy Recoupment			**76,275**
Brought Forward from prior year			(1,679)
Carry Forward agreed in advance			(1,679)
Agreed initial budgeted distribution	**35,287**	**40,988**	**76,275**
In year adjustments	(59)		(59)
Final budgeted distribution for year	**35,228**	**40,988**	**76,216**
Less actual central expenditure	40,406		
Less actual ISB deployed to schools		37,404	
Carry forward to next year (including carry forward agreed in advance)	**(5,178)**	**3,584**	**(3,273)**

7. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement. 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.

The below amounts were credited to Net Cost Services, which includes increases in 20/21 for specific funding from MHCLG in response to the pandemic.

Funding Body	2019/20 £'000	2020/21 £'000
Arts Council - South West	0	(2)
Department for Education	(83,740)	(84,220)
Department for Work & Pensions (DWP)	(42,386)	(40,402)
Ministry of Housing, Communities and Local Government (MHCLG)	(19,586)	(50,619)
Department of Health	(10,302)	(21,476)
Department of Transport	(219)	(515)
DEFRA	0	(228)
Heritage Lottery Fund	(223)	(236)
Home Office	(1,110)	(959)
Learning Skills Council /Skills Funding Agency	(598)	(379)
Sport England	0	(8)
Youth Justice board	(263)	(238)
Department for Business Energy & Industrial Strategy (BEIS)	0	(7,201)
	(158,427)	**(206,483)**

Credited to Taxation and Non-Specific Grant Income	2019/20 £'000	2020/21 £'000
Collection Fund Income - Council Tax	(111,254)	(117,492)
Collection Fund Adjustments – Council Tax	1,035	1,743
Collection Fund Income - Business Rates	(35,015)	(35,948)
Collection Fund Adjustments – Business Rates	(236)	25,230
Revenue Support Grant	(4,268)	(4,337)
Other non-ring-fenced government grants	(4,923)	(26,238)
S106 - used in funding	(3,152)	(4,021)
Capital grants and contributions - to CGUA*	(31,550)	(56,783)
Total	**(189,363)**	**(217,846)**

*Capital Grants Unapplied Account

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

Capital Grants Receipts in Advance	2019/20 £'000	2020/21 £'000
Balance at 1 April	**(23,505)**	**(22,518)**
New funds received	(33,715)	(66,783)
Funds written out to fund capital schemes	34,702	60,803
Balance at 31 March	**(22,518)**	**(28,498)**

8. Members' Allowances

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

	2019/20 £'000	2020/21 £'000
Basic Allowances	477	487
Special Responsibility Allowances	215	234
Expenses	3	0
Total	**695**	**721**

9. Officers' Remuneration

The below shows payments to senior officers of the Corporate Management Team. In both years the Chief Executive was not in the pension scheme.

Position	Salary, Allowances and Exit Costs	Expenses	Remuneration	Emp. Pension Contributions	Total Remuneration
	£	£	£	£	£
2020/21					
Chief Executive – Susie Kemp	175,024	0	175,024	0	175,024
Corporate Director of Finance and Assets (S151 Officer)	125,625	0	125,625	26,884	152,509
Corporate Director of Adults, Housing & Public Health	133,626	0	133,626	29,122	162,748
Corporate Director of Children Services	133,626	0	133,626	28,596	162,222
Chief Operating Officer	128,438	0	128,438	27,486	155,924

Position	Salary, Allowances and Exit Costs	Expenses	Remuneration	Emp. Pension Contributions	Total Remuneration
	£	£	£	£	£
2019/20					
Chief Executive – Susie Kemp	170,340	0	170,340	0	170,340
Corporate Director of Finance and Assets (S151 Officer) – started November 2019	44,150	0	44,150	9,448	53,598
Director of Finance (S151 Officer) – role changed to post above November 2019	65,012	0	65,012	13,913	78,925
Director of Public Health – left May 2019	20,565	0	20,565	2,438	23,003
Interim Director of Public Health – started May 2019	81,307	0	81,307	11,320	92,627
Corporate Director of Communities & Housing – left March 2020	124,456	0	124,456	26,634	151,090
Corporate Director of Adult Social Services	128,417	0	128,417	26,956	155,373
Corporate Director of Children Services	130,050	0	130,050	27,831	157,881
Chief Operating Officer – started Feb 2020	18,678	0	18,678	3,997	22,675

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

Remuneration Band			Number of Employees	
£		£	2019/20	2020/21
50,000	to	54,999	48	53
55,000	to	59,999	35	56
60,000	to	64,999	22	18
65,000	to	69,999	13	20
70,000	to	74,999	22	15
75,000	to	79,999	3	11
80,000	to	84,999	5	2
85,000	to	89,999	1	8
90,000	to	94,999	0	0
95,000	to	99,999	0	2
100,000	to	104,999	1	1
105,000	to	109,999	1	0
115,000	To	119,999	0	1

10. Exit Packages

The Council incurred costs of £0.656m (£0.752m in 19/20) for known compulsory redundancy and other departure reasons payments.

Exit Package Band			Number of Employees			
			2019/20		2020/21	
£		£	Compulsory	Other	Compulsory	Other
0	to	19,999	15	4	3	18
20,000	to	39,999	3	1	1	1
40,000	to	59,999	3	0	1	0
60,000	to	79,999	0	0	3	0
80,000	to	179,999	3*	0	2*	0

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

11. External Audit Costs

The Authority has the following scale fees in relation to the audit of the Statement of Accounts and certification of grant claims provided by the Authority's external auditors. Additional fees of £43k were billed as part of 2019-20 audit and £63k of additional fees have been proposed for the 2020-21 audit.

	2019/20	2020/21
	£'000	£'000
Statutory Audit of the Accounts	99	99
Review of Grant Claims	25	14
Other services	6	9
Scale Fees Due	**130**	**122**
Total Fees including additional	**173**	**185**

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), to comply with the requirements of the Better Care Fund. The Section 75 (“S75”) agreement covers a range of budgets as well as the Better Care Fund and runs for 5 years. Each year a Deed of Variation to the S75 is drawn up and agreed by both partners, this variation document provides up to date budget allocations for the financial year.

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 Swindon CCG retains responsibility for service and financial pressures on health services.

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 CCG commissioning activities and expenditure. The following table is for information only and provides a memorandum of the split between parties. The amounts shown against the Council as Better Care Fund are included within the Adults Section 75 arrangement balances. Costs from activities directly commissioned by the CCG are shown at the foot of the table.

			2019/20			**2020/21**
	SBC	**CCG**	**Total**	**SBC**	**CCG**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adult Section 75	68,270	11,603	79,873	71,117	11,970	83,087
Public Health	9,839	0	9,839	10,176	0	10,176
Children - Commissioning & Service Delivery	38,718	3,968	42,686	40,835	4,114	44,949
Capital - DFG	724	0	724	746	0	746
Total	**117,551**	**15,571**	**133,122**	**122,874**	**16,084**	**138,958**
Better Care Fund						
SBC Commissioned activities	25,598	8,674	34,271	26,402	8,991	35,394
Capital - DFG	724	0	724	746	0	746
Total	**26,322**	**8,674**	**34,995**	**27,148**	**8,991**	**36,140**
Activities directly commissioned and recorded within Swindon CCG accounts.	0	20,861	20,861	0	30,545	30,545

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:

2020/21	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	(31,262)	(9,969)	0	0	0	(41,232)
Charges for impairment and revaluation losses of non-current assets	(1,299)	(5,984)	0	0	0	(7,283)
Movement in the market value of investment properties	(525)	(72)	0	0	0	(597)
Capital grants and contributions applied	4,021	0	0	0	0	4,021
Revenue expenditure funded from capital under statute	(14,681)	0	0	0	0	(14,681)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(24,169)	(7,566)	0	0	0	(31,735)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	1,527	0	0	0	0	1,527
Voluntary provision for the financing of capital investment	0	5,000	0	0	0	5,000
Capital expenditure charged against the GF and HRA balances	0	7,593	0	0	0	7,593
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	56,783	0	0	0	(56,783)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	48,401	48,401
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	1,990	3,298	(5,288)	0	0	0
Flexible use of UCR to finance transformational projects	(861)	0	861	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	2,310	0	0	2,310
Voluntary set aside of capital receipts	0	0	808	0	0	808

Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(2,120)	0	2,120	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	(10)	0	0	(10)
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	9,701	0	(9,701)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	8,328	0	8,328
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	(10,209)	(1,346)	0	0	0	(11,555)
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	(27,347)	0	0	0	0	(27,347)
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	(103)	0	0	0	0	(103)
Total Adjustments	**(48,255)**	**655**	**801**	**(1,373)**	**(8,382)**	**(56,554)**

2019/20	**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	(28,270)	(11,198)	0	0	0	(39,468)
Charges for impairment and revaluation losses of non-current assets	(5,311)	(7,263)	0	0	0	(12,574)
Movement in the market value of investment properties	(550)	21	0	0	0	(529)
Capital grants and contributions applied	3,152	0	0	0	0	3,152
Revenue expenditure funded from capital under statute	(9,195)	0	0	0	0	(9,195)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(25,177)	(8,045)	0	0	0	(33,222)

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	1,038	0	0	0	0	1,038
Voluntary provision for the financing of capital investment	0	5,000	0	0	0	5,000
Capital expenditure charged against the GF and HRA balances	0	5,813	0	0	0	5,813
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	31,550	0	0	0	(31,550)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	36,146	36,146
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	5,585	4,212	(9,797)	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	1,459	0	0	1,459
Voluntary set aside of capital receipts	0	0	808	0	0	808
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(2,754)	0	2,754	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	(1)	0	0	(1)
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	10,940	0	(10,940)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	7,581	0	7,581
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	(17,300)	(2,048)	0	0	0	(19,348)
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	(1,393)	0	0	0	0	(1,393)
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	(540)	0	0	0	0	(540)
Total Adjustments	**(49,165)**	**(2,568)**	**(4,777)**	**(3,359)**	**4,596**	**(55,273)**

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. As at 31/3/20 the schools' reserves included a £1.7m dedicated schools grant reserve deficit, which following updated guidance is now shown within the unusable reserves balances. Budget Delivery Cashflowing includes £29m of Collection Fund deficit support.

	Balance 31/3/19 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/20 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/20 £'000
HRA Earmarked	**(1,282)**	**(547)**	**338**	**(1,491)**	**(335)**	**129**	**(1,697)**
Service Earmarked	(14,894)	(716)	5,427	(10,183)	(16,775)	765	(26,193)
Major Project Cashflowing	(2,614)	0	225	(2,389)	0	279	(2,110)
Schools	(5,336)	0	3,030	(2,306)	(2,359)	0	(4,665)
Infrastructure & Regeneration	(3,252)	(9)	1,728	(1,533)	0	546	(987)
Budget Delivery Cashflowing	(15,874)	(2,481)	667	(17,688)	(39,459)	424	(56,723)
General Fund Reserves per BS	**(41,970)**	**(3,206)**	**11,077**	**(34,099)**	**(58,593)**	**2,014**	**(90,678)**
Total Earmarked Reserves	**(43,252)**	**(3,753)**	**11,415**	**(35,590)**	**(58,928)**	**2,143**	**(92,375)**

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	Implementing future year's savings, such as service redevelopment and IT reshaping.

Disclosures Relating to the Balance Sheet

15. Property, Plant and Equipment

In 2020/21 the Council made no material changes to its accounting estimates methods for Property, Plant and Equipment.
The revaluation programme is such that the top twenty assets by value are revalued annually, whilst the majority of the remaining items of Other Land and Buildings are revalued bi-annually. This results in the majority of assets going no longer than a year without undergoing revaluation review. Accumulated depreciation is written back at the revaluation date.

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	0	0	19,137	301,861	17,623	0	35,413	374,034
Value of assets revalued in year ending:								
31-Mar-21	492,584	343,749	0	0	0	43,562	0	879,895
31-Mar-20	0	137,891	0	0	0	7,613	0	145,504
Total Value of category on the balance sheet	**492,584**	**481,640**	**19,137**	**301,861**	**17,623**	**51,175**	**35,413**	**1,399,433**

The revaluation decreases recognised in the surplus/deficit on provision of services relates to a general fall in prices across the relevant asset categories for General Fund assets. HRA council dwellings are also subject to specific impairment where the value of new build property is affected by social housing valuations. The certified valuation date is the 31 December, but the Valuer confirms there is no material change to the valuations at the end of the year. There remains some uncertainty in 2020/21 due to the ongoing Covid-19 impact on the property market. There has been an improvement in the housing market during the year which is reflected in the increase to HRA dwellings valuation, although such valuations are limited by application of a social housing discount factor.

2020/21	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant, & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE £'000	PFI Assets in PPE £'000
Cost or Valuation									
At 1 April 2020	**486,945**	**497,160**	**18,010**	**274,462**	**17,538**	**45,157**	**14,569**	**1,353,841**	**10,831**
Additions	12,862	4,597	1,211	27,399	85	400	22,546	**69,100**	9
Revaluation + / (-) recognised in the Revaluation Reserve	6,774	5,093	0	0	0	9,256	0	**21,123**	0
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(5,984)	(3,191)	0	0	0	17	0	**(9,158)**	0
Derecognition – disposals	(8,225)	(23,496)	0	0	0	(1,372)	0	**(33,093)**	(10,840)
Reclassification	212	1,477	(84)	0	0	(2,283)	(1,702)	**(2,380)**	0
At 31 March 2021	**492,584**	**481,640**	**19,137**	**301,861**	**17,623**	**51,175**	**35,413**	**1,399,433**	**0**
Accumulated Depreciation and Impairment									
At 1 April 2020	**(4,065)**	**(7,676)**	**(12,439)**	**(110,982)**	**0**	**(406)**	**0**	**(135,568)**	**(38)**
Depreciation charge	(9,701)	(12,804)	(2,370)	(16,109)	0	(247)	0	(41,231)	0
Depreciation w/b on Revaluation	7,385	11,591	0	0	0	25	0	19,001	0
Depreciation written to/from the CIES	0	1,866	0	0	0	9	0	1,875	0
Depreciation written to/from the CIES - Reclassifications	0	(8)	8	0	0	0	0	0	0
Derecognition – disposals	659	288	0	0	0	411	0	1,358	38
At 31 March 2021	**(5,722)**	**(6,743)**	**(14,801)**	**(127,091)**	**0**	**(208)**	**0**	**(154,565)**	**0**
Net Book Value									
At 1 April 2020	**482,880**	**489,484**	**5,571**	**163,480**	**17,538**	**44,751**	**14,569**	**1,218,273**	**10,793**
At 31 March 2021	**486,862**	**474,897**	**4,336**	**174,770**	**17,623**	**50,857**	**35,413**	**1,244,758**	**0**

2019/20	**Council Dwellings**	**Other Land & Buildings**	**Vehicles, Plant, & Equipment**	**Infrastructure Assets**	**Community Assets**	**Surplus Assets**	**Assets Under Construction**	**Total PPE**	**PFI Assets in PPE**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or Valuation									
At 1 April 2019	**477,103**	**478,525**	**43,894**	**249,790**	**17,673**	**47,256**	**11,954**	**1,326,195**	**22,423**
Additions	14,379	22,368	2,678	13,090	231	122	14,305	67,173	49
Revaluation + / (-) recognised in the Revaluation Reserve	11,037	22,273	0	0	0	1,557	0	34,867	310
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(7,263)	(4,702)	0	0	(366)	(3,492)	0	(15,823)	0
Derecognition – disposals	(8,380)	(21,304)	(28,562)	(39)	0	(286)	0	(58,571)	(11,951)
Reclassification	69	0	0	11,621	0	0	(11,690)	0	0
At 31 March 2020	**486,945**	**497,160**	**18,010**	**274,462**	**17,538**	**45,157**	**14,569**	**1,353,841**	**10,831**
Accumulated Depreciation and Impairment									
At 1 April 2019	**(2,532)**	**(15,228)**	**(38,641)**	**(96,865)**	**0**	**(809)**	**0**	**(154,075)**	**(342)**
Depreciation charge	(10,941)	(11,827)	(2,392)	(14,159)	0	(149)	0	(39,468)	(149)
Depreciation w/b on Revaluation	9,073	15,924	0	0	0	30	0	25,027	252
Depreciation written to/from the CIES	0	2,745	0	0	0	504	0	3,249	0
Depreciation written to/from the CIES - Reclassifications	0	0	0	0	0	0	0	0	0
Derecognition – disposals	335	710	28,594	42	0	18	0	29,699	201
At 31 March 2020	**(4,065)**	**(7,676)**	**(12,439)**	**(110,982)**	**0**	**(406)**	**0**	**(135,568)**	**(38)**
Net Book Value									
At 1 April 2019	**474,571**	**463,297**	**5,253**	**152,925**	**17,673**	**46,447**	**11,954**	**1,172,120**	**22,081**
At 31 March 2020	**482,880**	**489,484**	**5,571**	**163,480**	**17,538**	**44,751**	**14,569**	**1,218,273**	**10,793**

In valuing surplus assets the valuers have used a desktop valuation with physical inspections. There has been no change in the valuation techniques used during the year for surplus assets. The material proportion of surplus assets (88%) relates to land available for development, which is considered the highest and best use of the asset.

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and non-observable inputs	Key sensitivities
Surplus assets	Level 2	Valued at Fair Value as at 31 December 2020 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 31/3/21	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 31/3/21 is shown.	Surplus assets	+/- 10%	50,857	5,085

16. Investment Properties

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

	2019/20 £'000	2020/21 £'000
Balance at start of the year	**9,013**	**8,484**
Subsequent expenditure	0	0
Disposals	0	0
Net gains/losses from fair value adjustments	(529)	(597)
To/from Property, Plant and Equipment	0	0
Balance at end of the year	**8,484**	**7,887**

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

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and non-observable inputs	Key sensitivities
Investment property	Level 3	Valued at Fair Value as at 31 December 2020 using the income method.	Estimated rental value. Capitalisation rate.	The inputs listed are exposed to future market changes. These are either at a macro level based on factors such as the performance of the economy, or micro level such as the local tenant demand for property or house prices.

Sensitivity of asset	Asset	Valuation Range	Value as at 31/3/21 £'000	Valuation Variation £'000
The Council owns one material investment property, Lysander House in Bristol, which it has considered the potential impact of valuation changes on. The valuation report states that there is a valuation tolerance of +/- 10%, and the impact of this range on the closing value of this investment at 31/3/21 is shown.	Lysander House	+/- 10%	7,175	718

17.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. 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 also insures £11m of items which are loaned for display. The Council's holdings can be broken down to collections held at the following sites:

Collections held on location at:	2019/20 £'000	2020/21 £'000
Steam Railway Heritage Centre	14,200	14,200
Bath Road Museum	11,800	11,800
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	**29,200**	**29,200**

18.Capital Commitment

At 31 March 2021, Council has approved a Capital Programme of £581.8m with £393.7m remaining budgeted to be spent on the construction or enhancement of Property, Plant and Equipment in 2020/21 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 budgeted commitments at 31 March 2020 were £297.3m.

19.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 has been restated for the realignment of investment balances to long term debtors and at the 01/04/20 was £508.8m it has increased by £5.9m to £514.7m as at 31/03/21.

	2019/20	2020/21
	£'000	£'000
Property, Plant & Equipment	50,835	51,940
HRA Dwellings & AUC	16,385	17,164
Total Additions to Balance Sheet	**67,220**	**69,104**
Revenue Expenditure Funded from Capital Under Statute	9,195	14,681
Total Expenditure to be Financed	**76,415**	**83,785**
HRA Funding	(7,581)	(8,328)
Capital Receipts	(1,459)	(2,310)
Revenue Contribution to Capital Outlay (RCCO)	(5,813)	(7,593)
Government Grants and Other Contributions	(36,146)	(48,401)
S106	(3,152)	(4,021)
Sources of non-borrowing finance	**(54,151)**	**(70,653)**
Opening CFR	**493,498**	**508,774**
Balance of capital expenditure financed from borrowing	22,264	13,132
Reduction from MRP	(1,845)	(2,335)
Reduction from Voluntary HRA repayments	(5,000)	(5,000)
Other movements (loan/debtor adjustments)	(143)	175
Movement in CFR	**15,276**	**5,972**
Closing CFR	**508,774**	**514,746**

20. Long-term Debtors

The balance of long-term debtors consists of the following elements. The prior year balances have been restated for the inclusion of capital loans transferred in that were previously classified as investments:

Balance at 31 March	2019	2020	2021
31 March 2019 and 2020 Restated for long term loans	£'000	£'000	£'000
Mortgage Advances	176	176	241
Finance Lease Asset	1,236	1,235	1,235
Long term loans	14,773	14,630	14,740
Total	**16,185**	**16,041**	**16,216**

21. Short-term Debtors

The balances of short-term debtors are summarised in the following table. The 31/3/20 balances have been restated for a correction between government and sundry classes. Balances as at 31/3/21 have seen increases, which are mostly due to committed grant funding.

Balance at 31 March	2020	2021
31 March 2020 restated	£'000	£'000
Central government bodies	7,441	29,142
Other local authorities	947	1,310
NHS bodies	3,484	4,668
Collection Fund	16,107	19,943
Sundry organisations and individuals	26,022	47,569
Payments in Advance	7,666	10,851
Sub-total	**61,667**	**113,483**
Impairment of debtors	(6,515)	(6,854)
Collection Fund loss allowance	(11,411)	(12,603)
Net Debtors	**43,741**	**94,026**

22. Short-Term Creditors

Balance at 31 March	2020	2021
	£'000	£'000
Central government bodies	(4,146)	(41,356)
Other local authorities	(985)	(2,912)
NHS bodies	(568)	(2,566)
Collection Fund	(11,365)	(4,588)
Sundry organisations and individuals	(26,827)	(24,117)
Receipts in advance	(21,326)	(13,276)
Total	**(65,217)**	**(88,815)**

23.Provisions

Insurance

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

Capitalised Landfill

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

Rates Appeals

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

Other

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

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

2020/21	Insurance	Landfill	Rates Appeals	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance Outstanding at start of year	(3,553)	(2,761)	(8,268)	(223)	(14,805)
Additional provisions made	(334)	0	(229)	0	(563)
Amounts used	630	154	0	99	883
Balance outstanding at year end	**(3,257)**	**(2,607)**	**(8,497)**	**(124)**	**(14,485)**
Relating to short-term	(1,275)	0	0	0	(1,275)
Relating to long-term	(1,982)	(2,607)	(8,497)	(124)	(13,210)

24.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.

	2019/20 £'000	2020/21 £'000
Balance at 1 April	**(273,305)**	**(261,332)**
Reversal of capital related items debited or credited to the CIES:		
Charges for depreciation of noncurrent assets	39,468	41,231
Charges for impairment of noncurrent assets	15,823	9,158
Depreciation written back on disposals	(855)	(1,350)
Depreciation written back on general gain/loss	(3,249)	(1,875)
Revenue expenditure funded from capital under statute	9,195	14,681
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	34,077	33,085
Application of the HRA debt	(5,000)	(5,000)
	89,459	**89,930**
Adjusting amounts written out of the Revaluation Reserve	(22,019)	(16,850)
Deferred Receipts	1	(9)
Use of the Capital Receipts Reserve to finance new capital expenditure	(1,459)	(2,301)
Use of the Major Repairs Reserve to finance new capital expenditure	(7,581)	(8,328)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(3,152)	(4,021)
Application of grants to capital financing from the Capital Grants Unapplied Account	(36,146)	(48,401)
Statutory provision for the financing of capital investment charged against the General Fund	(1,038)	(1,527)
PFI Finance Lease Liability MRP	(808)	(808)
Capital expenditure charged against the General Fund and HRA balances	(5,813)	(7,593)
Movement in the market value of investments	529	597
	(77,486)	**(89,241)**
Balance at 31 March	**(261,332)**	**(260,643)**

25. 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.

	2019/20 £'000	2020/21 £'000
Balance at 1 April	**(465,373)**	**(503,416)**
Revaluation of assets in asset table note	(34,867)	(21,123)
Revaluation of held for sale assets	(168)	0
Depreciation added back on revaluation	(25,027)	(19,001)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	**(60,062)**	**(40,124)**
Adjustments to Capital Adjustment Account	221	0
Adjustments against historic cost	6,434	7,577
Accumulated gains on assets sold or scrapped	15,364	9,273
Balance at 31 March	**(503,416)**	**(526,690)**

26.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.

	2019/20 £'000	2020/21 £'000
Balance at 1 April	**290,914**	**224,783**
Remeasurement of the net defined benefit liability	(85,479)	127,644
Net reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	19,348	11,555
Balance at 31 March	**224,783**	**363,982**

Statutory arrangements, however, require a benefit earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. Note 31 contains more detail on the pension fund.

27.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.

	2019/20 £'000	2020/21 £'000
Balance at 1 April	**(1,545)**	**(151)**
Amount by which council tax income credited to the CIES is different from council tax income calculated under statute	1,391	2,338
Amount by which business rates income credited to the CIES is different from business rates income calculated under statute	3	25,009
Balance at 31 March	**(151)**	**27,196**

28.Leases

Authority as Lessee

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

Operating Leases

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

	2019/20 £'000	2020/21 £'000
Not later than one year	1,263	1,177
Later than one year not later than five	784	1,242
Total	**2,047**	**2,419**
The charge to services is:		
Minimum lease payments (total above)	2,047	2,419
Sublease payments receivable	(1,894)	(2,334)
Charge to services	**153**	**85**

Authority as Lessor

Finance Leases

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

Operating Leases

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

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

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

	2019/20	2020/21
	£'000	**£'000**
Not later than one year	6,007	6,061
Later than one year and not later than five	19,694	19,072
Later than five years	3,894	3,853
Total Payments Due	**29,595**	**28,986**

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.

29.Private Finance Initiatives and Similar Contracts

Schools PFI Scheme

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

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

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

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

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

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

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

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

	2019/20 £'000	2020/21 £'000
Opening Balance	(49,556)	(47,633)
Unitary Charge Paid	11,433	11,491
Expenditure / Financing Cost	(9,510)	(9,363)
Closing Balance	**(47,633)**	**(45,505)**

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

Balance at 31 March	2020			2021		
	Service Charges £'000	Interest £'000	Liability £'000	Service Charges £'000	Interest £'000	Liability £'000
Within 1 Year	3,868	5,495	2,128	3,849	5,250	2,453
Within 2 - 5 Years	16,106	19,201	11,293	16,576	17,898	12,399
Within 6 - 10 Years	23,589	15,314	21,024	24,437	12,889	23,021
Within 11 - 15 Years	11,977	2,552	13,188	6,810	1,030	7,632
	55,540	**42,562**	**47,633**	**51,672**	**37,067**	**45,505**

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:

	2019/20	2020/21
Finance Lease Liabilities	**£'000**	**£'000**
- Current	(2,128)	(2,453)
- Non-current	(45,505)	(43,052)
Finance Cost Payable in Future Years	(96,552)	(87,724)
Minimum lease payments	**(144,185)**	**(133,229)**

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

	Minimum Lease Payments		Finance Lease Liabilities	
	2019/20	2020/21	2019/20	2020/21
	£'000	£'000	£'000	£'000
Not later than one year	10,956	11,071	(2,128)	(2,453)
Later than 1 not later than 5	56,340	56,853	(14,852)	(16,153)
Later than 5	76,889	65,305	(30,653)	(26,899)
	144,185	**133,229**	**(47,633)**	**(45,505)**

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

30.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 2020/21, the council paid £1,072k to Teachers' Pensions in respect of teachers' retirement benefits, representing 23.68% of pensionable pay. The figures for 2019/20 were £934k and 20.7%.

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

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

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

31.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 £14.9m (£14.1m in 2019/20) into Wiltshire Council's Pension Fund. Wiltshire Council manages the fund, which provides participants with defined benefits relating to pay and service. This represented 22.1% of employees' pensionable pay including some lump sum payments. The basic contribution rate to cover the cost of on-going pensions was 21.4% for General Fund staff, with the 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 2019. 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	**2019/20 £'000**	**2020/21 £'000**
Within Net Cost of Service:		
Current service cost	32,946	28,061
Non-Distributed cost/(benefit) (impact of past service costs and settlements and curtailments)	361	(677)
Within Net operating Expenditure:		
Interest cost	7,130	5,238
Within Reserves Movement:		
Movement on Pensions Reserve	(19,348)	(11,555)
Actual Amount Charged Against Council tax for the Year:		
All employer's contributions payable to the scheme	(21,089)	(21,067)
Net effect on Council Tax of IAS19 adjustments	0	0

The principal assumptions used by the actuary have been:

Assumptions as at 31 March	**2020**	**2021**
Pension Increase Rate (CPI)	1.9%	2.9%
Salary Increase Rate	2.3%	3.3%
Discount Rate	2.3%	2.0%
The average future life expectancies at age 65 , in years	**Male**	**Female**
Current Pensioners	21.9	24.4
Future Pensioners	22.9	26.2

Commutation Adjustment

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

Basis for Estimating Assets and Liabilities

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

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

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £1,108m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £364m. 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 2022 is £19.9m.

Reconciliation of present value of the scheme liabilities:

			2020			2021
	Asset	**Obligation**	**Net**	**Asset**	**Obligation**	**Net**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Fair Value of Employer Assets	678,888	0	**678,888**	643,658	0	**643,658**
Present Value of Liabilities	0	(969,802)	**(969,802)**	0	(868,441)	**(868,441)**
Opening Position 1 April	**678,888**	**(969,802)**	**(290,914)**	**643,658**	**(868,441)**	**(224,783)**
Current Service Cost	0	(32,946)	**(32,946)**	0	(28,061)	**(28,061)**
Past Service (Costs) / Gains	0	(1,381)	**(1,381)**	0	(45)	**(45)**
Effect of Settlements	(2,079)	3,099	**1,020**	(3,798)	4,555	**757**
Total Service Cost	**(2,079)**	**(31,228)**	**(33,307)**	**(3,798)**	**(23,551)**	**(27,349)**
Interest Income on plan assets	16,282	0	**16,282**	14,700	0	**14,700**
Interest cost on obligation	0	(23,412)	**(23,412)**	0	(19,938)	**(19,938)**
Total Net Interest	**16,282**	**(23,412)**	**(7,130)**	**14,700**	**(19,938)**	**(5,238)**
Total Cost Recognised in Profit/(Loss)	**14,203**	**(54,640)**	**(40,437)**	**10,902**	**(43,489)**	**(32,587)**
Plan participant contributions	4,856	(4,856)	**0**	5,057	(5,057)	**0**
Employer contributions	19,927	0	**19,927**	19,936	0	**19,936**
Contributions for Unfunded Benefits	1,162	0	**1,162**	1,131	0	**1,131**
Benefits Paid	(26,468)	26,468	**0**	(29,625)	29,625	**0**
Unfunded Benefits Paid	(1,162)	1,162	**0**	(1,131)	1,131	**0**
Effect of business combinations and disposals	0	0	**0**	136	(171)	**(35)**
Expected Closing Position	**691,406**	**(1,001,668)**	**(310,262)**	**650,064**	**(886,402)**	**(236,338)**
Change in demographic assumptions	0	24,248	**24,248**	0	(13,407)	**(13,407)**
Change in financial assumptions	0	77,362	**77,362**	0	(218,249)	**(218,249)**
Other experience	0	31,617	**31,617**	0	9,607	**9,607**
Return on assets excluding interest	(47,748)	0	**(47,748)**	94,405	0	**94,405**
Total Re-measurements in Other Income	**(47,748)**	**133,227**	**85,479**	**94,405**	**(222,049)**	**(127,644)**
Sub-Total	**643,658**	**(868,441)**	**(224,783)**	**744,469**	**(1,108,451)**	**(363,982)**
Fair Value of Employer Assets	643,658	0	**643,658**	744,469	0	**744,469**
Present Value of Funded Liabilities	0	(852,351)	**(852,351)**	0	(1,091,545)	**(1,091,545)**
Present Value of Unfunded Liabilities	0	(16,090)	**(16,090)**	0	(16,906)	**(16,906)**
Closing Position 31 March	**643,658**	**(868,441)**	**(224,783)**	**744,469**	**(1,108,451)**	**(363,982)**

Fair Value of Employer Assets

Asset Category	Quoted Prices £'000	Non-Quoted Prices £'000	Total 2020 £'000	%	Quoted Prices £'000	Non-Quoted Prices £'000	Total 2021 £'000	%
Real estate:								
UK Property	0	53,839	**53,839**	8%	0	50,644	**50,644**	7%
Overseas Property	0	24,324	**24,324**	4%	0	25,516	**25,516**	3%
Investment Funds & Unit Trusts:								
Equities	0	347,062	**347,062**	54%	0	322,080	**322,080**	43%
Bonds	0	165,572	**165,572**	26%	0	231,464	**231,464**	31%
Hedge Funds	0	0	**0**	0%	0	0	**0**	0%
Commodities	0	0	**0**	0%	0	0	**0**	0%
Infrastructure	0	49,837	**49,837**	8%	0	49,180	**49,180**	7%
Other	0	135	**135**	0%	0	56,969	**56,969**	8%
Derivatives:								
Foreign Exchange	0	0	**0**	0%	0	0	**0**	0%
Other	0	0	**0**	0%	0	0	**0**	0%
Cash / Cash Equivalents	2,890	0	**2,890**	0%	0	8,616	**8,616**	1%
Total	**2,890**	**640,768**	**643,658**	**100%**	**0**	**744,469**	**744,469**	**100%**

32.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 until 2022/23 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. Non-current debtors carried at amortised cost relate to group undertakings where loans for capital purposes have been restated. 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:

Restated for group loans from investments to debtors	Non-Current 31st March 2020 £'000	Non-Current 31st March 2021 £'000	Current 31st March 2020 £'000	Current 31st March 2021 £'000
Amortised Cost				
Investments	10,426	5,871	22,078	6,524
Debtors	14,630	14,740	7,774	12,376
Cash & Cash Equivalents	0	0	29,501	38,144
Fair value through profit and Loss				
Property Fund Investment	14,428	14,325	0	0
Total Financial Assets	**39,484**	**34,936**	**59,353**	**57,044**
Borrowings				
Financial liabilities PWLB	(308,252)	(297,501)	(11,850)	(11,125)
Financial liabilities Money Market	(30,000)	(40,000)	0	0
Financial liabilities Other Temporary Borrowing	(651)	(3,048)	(29,500)	(10,000)
Creditors	0	0	(1,078)	(478)
Other Long Term Liabilities	(1,652)	(1,734)	0	0
PFI	(45,506)	(43,053)	(2,128)	(2,453)
Total Financial Liabilities	**(386,061)**	**(385,336)**	**(44,556)**	**(24,056)**

Income, Expense, Gains and Losses

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

Fair Values of Assets and Liabilities

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

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	Basis of valuation	As at 31/3/20	As at 31/3/21
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.	14,428	14,325
Total				**14,428**	**14,325**

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.

	2019/20 £'000	2020/21 £'000
Opening Balance	14,968	14,428
Transfer In	0	0
Gain/(Loss) to Other Operating Income (reversed to Pooled Investment Funds Adjustment Account)	(540)	(103)
Closing Balance	**14,428**	**14,325**

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	2020		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
PWLB long term liabilities	(308,253)	(332,782)	(297,502)	(340,241)
PWLB short term liabilities	(11,850)	(12,429)	(11,125)	(11,049)
Non-PWLB long term liabilities	(651)	(651)	(13,048)	(13,048)
Non-PWLB short term liabilities	(29,500)	(29,500)	(10,000)	(10,000)
Money Market	(30,000)	(44,337)	(30,000)	(55,508)
PFI liability	(47,633)	(80,376)	(45,505)	(77,159)
Investments	22,078	22,078	6,524	6,524

The fair value of Public Works Loan Board (PWLB) loans of £351.290m 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 £297.502m would be valued at £389.309m. 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 £49.244m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £400.534m.

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

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

33.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 £6.8m.

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:

	2019/20 - £'000	2020/21 - £'000
Less than three months	3,881	11,679
Three to six months	424	511
Six months to one year	674	1,127
More than one year	3,091	3,529
Total	**8,070**	**16,846**

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:

	2019/20 £'000	2020/21 £'000
Less than one year	41,350	21,125
Between one and two years	11,402	11,801
Between two and five years	39,503	52,229
More than five years	81,681	88,025
Over ten years	206,318	188,495
Total	**380,254**	**361,675**

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	**2021**		**2021**		**2021**
	Fair Value	**Impact of 1% Rise**	**Revised Fair Value**		
	£'000	**£'000**	**£'000**	**Impact of 1% increase on:**	**£'000**
PWLB liabilities	(351,290)	41,146	(310,144)	Interest payable	174
Non-PWLB liabilities	(23,048)	0	(23,048)	Interest receivable	(32)
Money Market	(55,508)	8,139	(47,369)	Surplus or Deficit on the Provision of Services	142
PFI liability	(77,159)	4,313	(72,846)		
Total	**(507,005)**	**53,598**	**(453,407)**		

The Authority holds £14m 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

34.Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:	**2019/20 £'000**	**2020/21 £'000**
Interest received	3,394	2,793
Interest paid	(17,399)	(16,976)
Total	**(14,005)**	**(14,183)**
The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:		
Depreciation	39,031	39,881
Impairment and downward valuations	12,574	7,283
Increase/(decrease) in creditors	14,677	32,033
(Increase)/decrease in debtors	(7,866)	(17,179)
Increase/(decrease) in inventories	(113)	458
Pension Liability Movement	19,348	11,555
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	33,659	33,085
Other non-cash items charged to the net surplus or deficit on the provision of services, mainly relating to pension adjustments	1,752	456
Total	**113,062**	**107,572**
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	(9,797)	(5,288)
Any other items for which the cash effects are investing or financing cash flows, mainly relating to capital grants	(34,702)	(57,694)
Total	**(44,499)**	**(62,982)**

35. Cash Flow Statement – Investing Activities

	2019/20 £'000	2020/21 £'000
Purchase of property, plant and equipment, investment property and intangible assets	(69,385)	(69,339)
Purchase of short-term and long-term investments	(73,307)	(62,307)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9,798	5,299
Proceeds from short-term and long-term investments	56,280	79,306
Other payments / receipts from investing activities, mainly capital grants for funding capital	27,190	51,648
Net cash flow from Investing Activities	**(49,424)**	**4,607**

36.Cash Flow Statement – Financing Activities

	2019/20 £'000	2020/21 £'000
Cash receipts of short- and long-term borrowing	152,872	57,396
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(1,848)	(2,127)
Repayments of short- and long-term borrowing	(113,872)	(75,975)
Collection Fund & Other receipts / (payments) for financing activities	949	(26,677)
Net cash flow from Financing Activities	**38,101**	**(47,383)**

General Disclosures

37.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: Definition of a Business: Amendments to IFRS 3 Business Combinations, Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7, Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.. None of these standards are known to impact on the 2021/22 statements.

38.Critical Judgements in Applying Accounting Policies

There remains uncertainty about future levels of funding for individual local authorities, which is heightened by the post-Brexit and Covid-19 economic environment.

The Council received significant amounts of funding for distribution or use to support the Covid-19 lockdown and recovery. The terms of such grants meant some could be considered service or general funding with wider judgement required on whether the Authority was acting as agent or principle.

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.

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

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

39.The Impact of Prior Period Restatement

The following table indicates the restatements necessary to the 2019/20 CIES classification to adjust for the internal re-alignment of services within reported Directorates.

	2019/20	2019/20	2019/20	Amounts Removed			Amounts Reclassified			2019/20 Restated	2019/20 Restated	2019/20 Restated
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
Continuing Operations	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Resources - Enabling	0	0	0	0	0	0	22,176	(4,091)	18,085	22,176	(4,091)	18,085
Resources - Finance & Assets	88,173	(69,214)	18,959	(19,540)	3,706	(15,835)	525	(19)	506	69,157	(65,528)	3,630
Resources - Operations	1,684	182	1,866	(1,613)	316	(1,297)	38,593	(13,136)	25,457	38,664	(12,637)	26,026
Children Services	54,874	(7,614)	47,260	(240)	264	24	258	(18)	240	54,892	(7,368)	47,523
Adults, Housing & Public Health	109,743	(46,291)	63,452	(254)	0	(254)	6,370	(5,440)	930	115,858	(51,731)	64,127
Economy & Development	78,223	(26,761)	51,462	(47,886)	18,735	(29,151)	1,613	(316)	1,297	31,950	(8,343)	23,608
DSG Commissioning	115,810	(99,262)	16,548	0	0	0	0	0	0	115,810	(99,262)	16,548
HRA - Housing	43,691	(50,655)	(6,964)	(10,035)	170	(9,864)	0	0	0	33,657	(50,485)	(16,828)
HRA - Operations	0	0	0	0	0	0	10,035	(170)	9,864	10,035	(170)	9,864
Surplus / Deficit on Continuing Operations	**492,198**	**(299,615)**	**192,583**	**(79,569)**	**23,191**	**(56,378)**	**79,569**	**(23,191)**	**56,378**	**492,198**	**(299,615)**	**192,583**

The EFA was also restated for the changes to services that impacted the CIES. The relevant adjustments were:

EFA Restatement Movements relating to:				
	Original	**Transfer out services**	**Re-align**	**Restated EFA**
Net Exp. Chargeable to the GF and HRA Balances	**£'000**	**£'000**	**£'000**	**£'000**
Resources - Enabling	0	0	15,437	15,437
Resources - Finance & Assets	8,790	(13,244)	0	(4,454)
Resources - Operations	1,137	0	22,915	24,052
Children Services	43,198	0	263	43,461
Adults, Housing & Public Health	61,631	(405)	0	61,226
Economy & Development	27,128	(24,966)	0	2,162
DSG Commissioning	0	0	0	0
HRA - Housing	(1,437)	(9,864)	0	(11,301)
HRA - Operations	0	0	9,864	9,864
	140,447	**(48,479)**	**48,479**	**140,447**
Remove Not Chargeable to the GF or HRA				
Resources - Enabling	0	0	(1,124)	(1,124)
Resources - Finance & Assets	4,300	1,124	0	5,424
Resources - Operations	160	0	1,533	1,693
Children Services	2,630	0	0	2,630
Adults, Housing & Public Health	71	0	0	71
Economy & Development	(701)	(1,533)	0	(2,234)
DSG Commissioning	3,101	0	0	3,101
HRA - Housing	(209)	0	0	(209)
HRA - Operations	0	0	0	0
	9,352	**(409)**	**409**	**9,352**

Changes Between Funding & Accounting Basis	Original £'000	Transfer out services £'000	Re-align £'000	Restated EFA £'000
Resources - Enabling	0	0	3,772	3,772
Resources - Finance & Assets	5,869	(3,209)	0	2,660
Resources - Operations	569	(288)	0	281
Children Services	1,432	0	0	1,432
Adults, Housing & Public Health	1,750	0	1,080	2,830
Economy & Development	25,035	(1,355)	0	23,680
DSG Commissioning	13,447	0	0	13,447
HRA - Housing	(5,318)	(0)	0	(5,318)
HRA - Operations	0	0	0	0
	42,784	**(4,852)**	**4,852**	**42,784**

The material element of the re-alignment of changes between funding and accounting basis relates to depreciation and impairment charges. Other changes in this section related to realignment of pension charges.

The following table shows the movement in long term debtors for the transfer of loans from long term investments. It was identified that the original loans being restated were provided from borrowing to enable the purchase of equipment that would have been capital expenditure if acquired by the authority. The loans that remain as investments were funded as treasury transactions through surplus cash.

Restatement of Long Term Debtors	31/03/2019 £'000	31/03/2020 £'000
Investment Balances	31,075	39,489
Long term debtor balances	1,412	1,411
Loans transferred out of investments and into debtors	14,773	14,630
Restated investment balances	16,302	24,859
Restated long term debtor balances	16,185	16,041

As the above lending was identified as being capital loans funded through borrowing and not previously captured within the CFR it has resulted in a related restatement increase. The CFR as at 31/03/20 was originally £494.1m and after the adjustment for the £14.7m loan balances the restated CFR at 1/4/20 was £508.8m. The transfer of the loan balances to long term debtors has also seen restatement within the financial instrument disclosure for the £14.6m of long term balances as at 31/3/20.

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, 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, the effect of which may be increased by the Covid-19 pandemic.	If useful lives of assets reduce, depreciation increases and the net book value falls. Assets may be under or over-valued but should be within valuation tolerances acceptable to valuers.	
		Change	Est. value
Revaluation charge through the CIES from reduction in operational land and building valuation		10% reduction	£96m
Depreciation charge through the CIES from reduction in life of operational land and building		2 year reduction	£2.8m
Net Pensions Liability / Asset	Estimation of the net liability to pay pensions depends on a number of complex judgements, advised by actuaries, relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets.	Changes to the pension liability can be complex with a variety of items that may cause impact on the balance sheet or revenue statement with either a positive or negative change. Sensitivity analysis on the liability assumptions is shown below.	
		Est. % Liability increase	Est. value(£000)
0.5% decrease in Real Discount Rate		10%	106,319
0.5% increase in the Salary Increase Rate		1%	5,842
0.5% increase in the Pension Increase Rate		9%	98,593

41. Events after the Balance Sheet Date / Contingent Liability

There are no known events that would have material impact on the Council's position as at 31 March 2021, however, the continued impact of the Covid-19 pandemic could still see changes during 2021/22 to valuations and services. This could see revaluation changes for PPE and investment property, with provision of some services remaining reduced and corresponding lower income; a re-opening of services could see the opposite.

42.Related Parties

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

Central Government

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

Members

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

Officers

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

Controlled Companies

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

Company	PPSL	Common Farm	Chapel Farm	Housing Dev. Co.	JV
	£'000	£'000	£'000	£'000	£'000
Payments	(8,750)	0	0	0	0
Receipts	363	236	242	242	0
Loan Balances	1,250	0	0	2,257	3,400
Capital Loan Balances	8,900	2,638	2,913	0	290

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 £732k 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 27 maintained Community schools within the Council's group included within the single entity accounts. Such schools account for expenditure of £51m, income of £56m and reserve balances of £5m. This includes income and expenditure of schools that have transferred to academy status up until the point of transfer. Academies are outside the Council's control.

43.Long Term Investments

The Council has a number of group companies which form part of the balance of the Council's long-term investments. These investments include deposits made to the companies and the Council shareholdings. They are removed as part of the consolidation process in the following group accounts section. The prior year has been restated to remove balances that were included in investments but now classified as long term debtors.

	2019/20	**2020/21**
Restated	**£'000**	**£'000**
Property Fund	14,433	14,331
Subsidiary Companies	6,761	3,916
Joint Venture	3,665	3,400
Total	**24,859**	**21,647**

The Swindon Borough Council Group Accounts

The Group Comprehensive Income and Expenditure Statement

2019/20 Service Balances Restated (See note 39 for applied changes) **Continuing Operations**	**2019/20 Gross Expenditure £000**	**2019/20 Gross Income £000**	**2019/20 Net Expenditure £000**	**2020/21 Gross Expenditure £000**	**2020/21 Gross Income £000**	**2020/21 Net Expenditure £000**
Resources - Enabling	22,176	(4,091)	18,085	21,519	(3,113)	18,406
Resources - Finance & Assets	68,772	(65,143)	3,630	64,238	(100,271)	(36,033)
Resources - Operations	38,664	(12,637)	26,026	40,145	(6,595)	33,550
Children Services	54,892	(7,368)	47,523	53,210	(6,617)	46,593
Adults, Housing & Public Health	115,858	(51,731)	64,127	140,266	(82,156)	58,110
Economy & Development	37,669	(13,734)	23,936	41,252	(5,963)	35,289
DSG Commissioning	115,810	(99,262)	16,548	104,842	(97,368)	7,474
HRA - Housing	33,657	(50,485)	(16,828)	30,204	(50,865)	(20,661)
HRA - Operations	10,035	(170)	9,864	11,477	(88)	11,389
Surplus / Deficit on All Services	**497,532**	**(304,621)**	**192,911**	**507,153**	**(353,036)**	**154,117**
Group taxation			5			(1,507)
Other operating expenditure			34,217			37,270
Financing and investment income and expenditure			22,496			20,266
Taxation and non-specific grant income			(189,363)			(217,846)
Group (Surplus) / Deficit on Provision of Services			**60,266**			**(7,700)**
(Surplus) / deficit on revaluation of Property, Plant and Equipment			(60,062)			(40,124)
Re-measurements on pension assets / liabilities			(85,479)			127,644
Other Comprehensive Income and Expenditure			**(145,541)**			**87,520**
Total Comprehensive Income and Expenditure			**(85,275)**			**79,820**

The Group Movement in Reserves Statement

2020/21	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	**(7,200)**	**(11,738)**	**(34,099)**	**(1,491)**	**(17,410)**	**(6,313)**	**(21,211)**	**(99,462)**	**(540,793)**	**(640,255)**	**5,606**	**(634,649)**
Surplus /deficit on provision of services	(6,542)	(1,158)	0	0	0	0	0	(7,700)	0	(7,700)	0	(7,700)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	87,520	87,520	0	87,520
Total Comprehensive Income and Expenditure	**(6,542)**	**(1,158)**	**0**	**0**	**0**	**0**	**0**	**(7,700)**	**87,520**	**79,820**	**0**	**79,820**
Adjustments between Group and Authority accounts	871	0	0	0	0	0	0	871	0	871	(871)	0
Net increase before transfers	**(5,671)**	**(1,158)**	**0**	**0**	**0**	**0**	**0**	**(6,829)**	**87,520**	**80,691**	**(871)**	**79,820**
Adjustments between accounting basis & funding basis under regulations	(48,255)	655	0	0	801	(1,373)	(8,382)	(56,554)	56,554	0	0	0
Transfer of DSG deficit	(3,273)	0	0	0	0	0	0	(3,273)	3,273	0	0	0
Net Increase/Decrease before Transfers to Reserves	**(57,199)**	**(503)**	**0**	**0**	**801**	**(1,373)**	**(8,382)**	**(66,656)**	**147,347**	**80,691**	**(871)**	**79,820**
Transfers to/from Earmarked Reserves	56,579	206	(56,579)	(206)	0	0	0	0	0	0	0	0
Increase/Decrease in year	**(620)**	**(297)**	**(56,579)**	**(206)**	**801**	**(1,373)**	**(8,382)**	**(66,656)**	**147,347**	**80,691**	**(871)**	**79,820**
Balance at 31 March	**(7,820)**	**(12,035)**	**(90,678)**	**(1,697)**	**(16,609)**	**(7,686)**	**(29,593)**	**(166,118)**	**(393,446)**	**(559,564)**	**4,735**	**(554,829)**

2019/20	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	**(6,587)**	**(10,300)**	**(41,970)**	**(1,282)**	**(14,318)**	**(2,954)**	**(25,807)**	**(103,218)**	**(450,525)**	**(553,743)**	**4,369**	**(549,374)**
Surplus /deficit on provision of services	59,345	921	0	0	0	0	0	**60,266**	0	**60,266**	0	**60,266**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	**0**	(145,541)	**(145,541)**	0	**(145,541)**
Total Comprehensive Income and Expenditure	**59,345**	**921**	**0**	**0**	**0**	**0**	**0**	**60,266**	**(145,541)**	**(85,275)**	**0**	**(85,275)**
Adjustments between Group and Authority accounts	(1,237)	0	0	0	0	0	0	**(1,237)**	0	**(1,237)**	1,237	**0**
Net increase before transfers	**58,108**	**921**	**0**	**0**	**0**	**0**	**0**	**59,029**	**(145,541)**	**(86,512)**	**1,237**	**(85,275)**
Adjustments between accounting basis & funding basis under regulations	(49,165)	(2,568)	0	0	(4,777)	(3,359)	4,596	**(55,273)**	55,273	**0**	0	**0**
Net Increase/Decrease before Transfers to Reserves	**8,943**	**(1,647)**	**0**	**0**	**(4,777)**	**(3,359)**	**4,596**	**3,756**	**(90,268)**	**(86,512)**	**1,237**	**(85,275)**
Transfers to/from Earmarked Reserves	(9,556)	209	7,871	(209)	1,685	0	0	**0**	0	**0**	0	**0**
Increase/Decrease in year	**(613)**	**(1,438)**	**7,871**	**(209)**	**(3,092)**	**(3,359)**	**4,596**	**3,756**	**(90,268)**	**(86,512)**	**1,237**	**(85,275)**
Balance at 31 March	**(7,200)**	**(11,738)**	**(34,099)**	**(1,491)**	**(17,410)**	**(6,313)**	**(21,211)**	**(99,462)**	**(540,793)**	**(640,255)**	**5,606**	**(634,649)**

The Group Balance Sheet

Note	2019/20 Balances Restated for loans movement (See note 39 for applied changes)	31 March 2019 £000	31 March 2020 £000	31 March 2021 £000
45	Property, Plant & Equipment	1,186,904	1,233,695	1,259,769
	Investment property	9,013	8,484	7,887
	Heritage	29,200	29,200	29,200
	Intangible Assets	28	29	19
	Long term investments	15,282	18,464	19,681
	Long Term debtors	1,439	1,436	1,983
	Total Non-Current Assets	**1,241,866**	**1,291,308**	**1,318,539**
	Short term investments	14,000	22,078	5,274
	Inventories & Work in Progress	1,730	5,596	1,835
	Short term debtors	30,614	45,698	93,331
	Cash & Cash equivalents	32,364	31,453	41,268
	Assets held for sale (current)	5,658	1,525	3,909
	Current Assets	**84,366**	**106,350**	**145,617**
	Short term borrowing	(16,643)	(41,529)	(21,124)
	Short term creditors	(54,473)	(69,752)	(92,111)
	Provisions (short term)	(1,418)	(1,491)	(1,275)
	Current Liabilities	**(72,534)**	**(112,772)**	**(114,510)**
	Long term borrowing	(324,753)	(338,904)	(340,550)
	Long term creditors	(52,615)	(50,718)	(48,577)
	Provisions (long term)	(12,537)	(13,314)	(13,210)
	Pension Asset/Liability	(290,914)	(224,783)	(363,982)
	Capital Grants receipts in advance	(23,505)	(22,518)	(28,498)
	Non-Current Liabilities	**(704,324)**	**(650,237)**	**(794,817)**
	Net Assets	**549,374**	**634,649**	**554,829**
	Usable Reserves of Group	(98,849)	(93,856)	(161,383)
	Unusable Reserves of authority only	(450,525)	(540,793)	(393,446)
	Total Reserves	**(549,374)**	**(634,649)**	**(554,829)**

The Group Cash flow Statement

Note		2019/20 £'000	2020/21 £'000
	Net surplus or (deficit) on the provision of services	(60,145)	5,842
	Adjustments to net surplus or deficit on the provision of services for non-cash movements	111,290	112,529
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(43,712)	(61,674)
	Net cash flows from Operating Activities	**7,433**	**56,697**
	Investing Activities	(50,763)	4,082
	Financing Activities	42,419	(50,964)
	Net increase or decrease in cash and cash equivalents	**(911)**	**9,815**
	Cash and cash equivalents at the beginning of the reporting period	32,364	31,453
	Cash and cash equivalents at the end of the reporting period	**31,453**	**41,268**

44.Long Term Investments – Group Consolidation

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

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

Public Power Solutions Limited (PPSL)

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

Should the organisation face financial difficulties in the future, elected Members would state the degree of commitment of the Council and the Council's willingness to meet any accumulated losses would be established at that time.

Swindon Common Farm Solar Community Interest Company Plc

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

Swindon Chapel Farm Solar Ltd

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

Swindon Housing Development Company Limited

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

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

	PPSL		Housing Dev. Co.	
	2019/20	2020/21	2019/20	2020/21
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	(917)	(622)	(335)	352
Tax Adjustment	(273)	0	75	(78)
Profit / (Loss) after taxation	**(1,190)**	**(622)**	**(260)**	**274**
As at 31 March	**2020**	**2021**	**2020**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Net Balance Sheet Asset/(Liability)	(4,958)	(5,580)	(495)	(221)

	Common Farm Solar		Chapel Farm Solar	
	2019/20	2020/21	2019/20	2020/21
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	111	(14)	(91)	(351)
Tax Adjustment	(11)	(117)	70	(156)
Profit / (Loss) after taxation	**99**	**(131)**	**(21)**	**(507)**
As at 31 March	**2020**	**2021**	**2020**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Net Balance Sheet Asset/(Liability)	51	(81)	(82)	(589)

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

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

45. Group Property, Plant & Equipment

2020/21 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 2020	**486,945**	**497,875**	**39,036**	**274,462**	**17,538**	**45,157**	**14,569**	**1,375,582**
Additions	12,862	4,597	1,758	27,399	85	400	22,546	69,647
Revaluation increases / (decreases) recognised in the Revaluation Reserve	6,774	5,093	0	0	0	9,256	0	21,123
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(5,984)	(3,191)	0	0	0	17	0	(9,158)
Derecognition – disposals	(8,225)	(23,496)	(171)	0	0	(1,372)	0	(33,264)
Reclassification	212	1,477	(84)	0	0	(2,283)	(1,702)	(2,380)
31st March 2021	**492,584**	**482,355**	**40,539**	**301,861**	**17,623**	**51,175**	**35,413**	**1,421,550**
Accumulated Depreciation and Impairment								
1st April 2020	**(4,065)**	**(7,676)**	**(18,758)**	**(110,982)**	**0**	**(406)**	**0**	**(141,887)**
Depreciation charge	(9,701)	(12,804)	(3,320)	(16,109)	0	(247)	0	(42,181)
Depreciation w/b on Revaluation	7,385	11,591	0	0	0	25	0	19,001
Depreciation written to/from the CIES	0	1,866	0	0	0	9	0	1,875
Depreciation written to/from the CIES - Reclassifications	0	(8)	8	0	0	0	0	0
Derecognition – disposals	659	288	53	0	0	411	0	1,411
31st March 2021	**(5,722)**	**(6,743)**	**(22,017)**	**(127,091)**	**0**	**(208)**	**0**	**(161,781)**
Net Book Value								
1st April 2020	**482,880**	**490,199**	**20,278**	**163,480**	**17,538**	**44,751**	**14,569**	**1,233,695**
31st March 2021	**486,862**	**475,612**	**18,522**	**174,770**	**17,623**	**50,967**	**35,413**	**1,259,769**

2019/20 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 2019	**477,103**	**478,525**	**64,245**	**249,790**	**17,673**	**47,256**	**11,954**	**1,346,546**
Additions	14,379	23,083	3,651	13,090	231	122	14,305	**68,861**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	11,037	22,273	0	0	0	1,557	0	**34,867**
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,263)	(4,702)	0	0	(366)	(3,492)	0	**(15,823)**
Derecognition – disposals	(8,380)	(21,304)	(28,850)	(39)	0	(286)	0	**(58,859)**
Reclassification	69	0	(10)	11,621	0	0	(11,690)	**(10)**
31st March 2020	**486,945**	**497,875**	**39,036**	**274,462**	**17,538**	**45,157**	**14,569**	**1,375,582**
Accumulated Depreciation and Impairment								
1st April 2019	**(2,532)**	**(15,228)**	**(44,208)**	**(96,865)**	**0**	**(809)**	**0**	**(159,642)**
Depreciation charge	(10,941)	(11,827)	(3,284)	(14,159)	0	(149)	0	**(40,360)**
Depreciation w/b on Revaluation	9,073	15,924	0	0	0	30	0	**25,027**
Depreciation written to/from the CIES	0	2,745	0	0	0	504	0	**3,249**
Depreciation written to/from the CIES - Reclassifications	0	0	0	0	0	0	0	**0**
Derecognition – disposals	335	710	28,734	42	0	18	0	**29,839**
31st March 2020	**(4,065)**	**(7,676)**	**(18,758)**	**(110,982)**	**0**	**(406)**	**0**	**(141,887)**
Net Book Value								
1st April 2019	**474,571**	**463,297**	**20,037**	**152,925**	**17,673**	**46,447**	**11,954**	**1,186,904**
31st March 2020	**482,880**	**511,503**	**20,278**	**163,480**	**17,538**	**44,751**	**14,569**	**1,233,695**

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 form 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.

b) Revenue recognition and Accruals of Income and Expenditure

This accounting policy was amended for 2018/19 statements due to the introduction of IFRS15 Revenues from Contracts with Customers. The introduction has not had material impact on the statements or ongoing policy, as most revenue is received from sources outside the scope of the standard, or from point of service charges.

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

Guarantees

The Authority views requests for parent company guarantees on a case-by-case basis. It is assessed whether there is any significant risk in the arrangement and the subsequent extent that any provision would be required.

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.

j) 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.

l) Inventories

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

m) 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.

n) Leases

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

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease’s inception (or the present value of the minimum lease payments, if lower), plus or minus initial costs and premiums. Once on balance sheet it is accounted for under relevant polices for long term assets.

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

Operating Leases

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

The Authority as Lessor

Finance Leases

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

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

Operating Leases

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

p) 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.

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

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

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

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Surplus assets - fair value, estimated at highest and best use to reflect their likely rather than last use.
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end. Valuations are carried out by internal valuers. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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

Impairment

Assets categories are assessed at each year-end for any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

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

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

Depreciation

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

Depreciation is 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 and other buildings – straight-line allocation over the useful life of the property, 20 years for dwellings, and up to 70 years as estimated by the valuer for other assets
- Vehicles, plant, furniture and equipment – generally straight-line over five years (dependent on the assessed expected useful life)
- Infrastructure – generally straight-line allocation over twenty years unless specific longer timeframes up to 70 years are appropriate.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components

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

Disposals and Non-current Assets Held for Sale

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

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

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

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

Assets under Construction

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

Heritage Assets

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

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

q) 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.

r) 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.

s) 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.

t) 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.

v) Collection Fund / 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.

w) Interests in Companies and Other Entities

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

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

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

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

Supplementary Statements

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

The Collection Fund

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

INCOME	2019/20 Business Rates £000	Council Tax £000	Total £000	2020/21 Business Rates £000	Council Tax £000	Total £000
Council Tax Receivable	0	(133,029)	(133,029)	0	(138,457)	(138,457)
Business Rates Receivable	(110,157)	0	(110,157)	(59,939)	0	(59,939)
	(110,157)	**(133,029)**	**(243,186)**	**(59,939)**	**(138,457)**	**(198,396)**
EXPENDITURE						
Apportionment of Previous Year Surplus						
Billing Authority	0	1,393	1,393	0	991	991
Fire Authority	0	71	71	0	50	50
Police Authority	0	179	179	0	139	139
	0	**1,643**	**1,643**	**0**	**1,180**	**1,180**
Precepts, Demands and Shares						
Central Government	53,087	0	53,087	54,323	0	54,323
Billing Authority	52,045	109,861	161,906	53,015	116,501	169,516
Fire Authority	1,062	5,580	6,642	1,086	5,794	6,880
Police Authority	0	15,374	15,374	0	16,410	16,410
	106,194	**130,815**	**237,009**	**108,424**	**138,705**	**247,129**
Charges to Collection Fund						
Less write offs of uncollectable amounts	924	15	939	221	649	870
Less : Increase / (Decrease) in Bad Debt Provision	937	2,195	3,132	1,238	708	1,946
Less : Increase / (Decrease) in Provision for Appeals	1,023	0	1,023	468	0	468
Less : Renewables	575	0	575	595	0	595
Less : Cost of Collection	261	0	261	262	0	262
	3,720	**2,210**	**5,930**	**2,784**	**1,357**	**4,141**
(Surplus) / Deficit arising during the year	(243)	1,639	1,396	51,269	2,785	54,054
(Surplus) / deficit brought forward 1st April	(537)	(1,498)	(2,035)	(780)	141	(639)
(Surplus) / deficit carried forward 31st March	**(780)**	**141**	**(639)**	**50,489**	**2,926**	**53,415**
Reconciliation to Collection Fund Adjustment Account:						
Less Balance Attributable to Major Preceptors	510	(22)	488	(25,749)	(470)	(26,219)
Balance Remaining Attributable to SBC	**(270)**	**119**	**(151)**	**24,740**	**2,456**	**27,196**

Notes to the Collection Fund

46.Rateable Value

The total rateable value in the Local Rating List at 31 March 2021 was £257,431,891 (£258,498,251 at 31 March 2020). The multiplier for 2020/21 was 51.2 pence for the majority of properties and 49.9 pence for small businesses, (50.4 pence and 49.1 pence respectively for 2019/20).

47.Council Tax Base

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

Band	No of Taxable Properties *	Ratio to Band D	Band D Equivalents
A	12,671	6/9	8,469
B	24,916	7/9	19,379
C	22,124	8/9	19,666
D	16,138	9/9	16,138
E	8,542	11/9	10,440
F	3,467	13/9	5,008
G	1,311	15/9	2,186
H	57	18/9	115
Total	**Band D equivalents**		**81,401**
Contributions in lieu	(MOD properties)		94
Add:	Anticipated changes in year		(4,695)
Less:	Provision for non-collection (2.0%)		(921)
	Tax Base		**75,879**

* 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	2019/20 £'000	2020/21 £'000
Expenditure		
Repairs and maintenance	12,585	13,466
Supervision and management	6,585	6,559
Special Services	5,895	5,463
Rents, rates, taxes and other charges	249	197
Depreciation and impairment of non-current assets	18,461	15,953
Debt management costs	60	60
Movement in the allowance for bad debts	(144)	(17)
Total Expenditure	**43,691**	**41,681**
Income		
Dwelling rents	(43,371)	(43,383)
Non-dwelling rents	(78)	(59)
Charges for services and facilities	(5,466)	(5,501)
Contributions towards expenditure	(1,403)	(1,765)
Leaseholders' charges for services and facilities	(337)	(245)
Total Income	**(50,655)**	**(50,953)**
Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	**(6,964)**	**(9,272)**
HRA services' share of Corporate and Democratic Core	124	127
HRA share of other amounts included in the whole authority Cost of Services but not allocated to specific services	9	9
Net (Income)/Expense for HRA Services	**(6,831)**	**(9,136)**
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	3,833	4,268
Interest payable and similar charges	3,617	3,453
Interest and investment income	(110)	(44)
Investment Properties Income	(336)	(347)
Revaluation on investments	(21)	72
Net Pensions Interest Cost / Return on Asset	769	576
(Surplus) / deficit for the year on HRA services	**921**	**(1,158)**

Statement of Movement in the Housing Revenue Account

	2019/20 £000	2020/21 £000
1 April	**(10,300)**	**(11,738)**
(Surplus) / Deficit on Service provision	921	(1,158)
Adjustments between accounting & funding basis	(2,567)	655
Transfers to / (from) Earmarked Reserves	208	206
(Increase)/Decrease in-year	**(1,438)**	**(297)**
31 March	**(11,738)**	**(12,035)**

HRA Movement in Reserves Adjustments	**2019/20 £'000**	**2020/21 £'000**
Adjustments between accounting & funding basis in reconciling the HRA balance for the year		
Charges for depreciation of non-current assets	(11,198)	(9,969)
Charges for impairment of non-current assets	(7,263)	(5,984)
Movement in the market value of investment properties	21	(72)
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	(8,045)	(7,566)
Voluntary provision for the financing of capital investment	5,000	5,000
Capital expenditure charged against the General Fund and HRA balances	5,813	7,593
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	4,212	3,298
HRA resources credited to the MRR	10,941	9,701
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(2,048)	(1,346)
Total Adjustments	**(2,567)**	**655**

Notes to the HRA

48.Housing Stock

The stock of Council dwellings at 31st March was:

Type	31st March 20	Movement	31st March 21
Low Rise Flats:			
1 Bedroom	1,768	6	1,774
2 Bedrooms	718	1	719
3 or more Bedrooms	10	0	10
Medium Rise Flats:			
1 Bedroom	828	(1)	827
2 Bedrooms	488	3	491
3 or more Bedrooms	50	0	50
High Rise Flats:			
1 Bedroom	26	0	26
2 Bedrooms	239	1	240
Houses and Bungalows:			
1 Bedroom	920	0	920
2 Bedrooms	1,409	(6)	1,403
3 Bedrooms	3,618	(21)	3,597
4 or more Bedrooms	207	0	207
Total	**10,281**	**(17)**	**10,264**

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

Assets:	2019/20 £'000	2020/21 £'000
Dwellings	482,880	486,862
Plant and Equipment	871	670
Investment properties	784	712
Total Balance Sheet Value	**484,535**	**488,244**

There is a statutory requirement for the Council's assets to be revalued at least every 5 years. The tenanted dwellings were revalued as at 31st December 2020.

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. The vacant possession valuation as at 31 March 2021 was £1,407.4m. It was £1,391.3m, at 31st March 2020.

50.Major Repairs Reserve

Balance at 31 March	2020 £'000	2021 £'000
Capital expenditure for HRA purposes financed by MRR Resources:		
Houses	7,581	8,328
Total Expenditure	**7,581**	**8,328**
Amount equivalent to total depreciation charges for all HRA assets	(10,941)	(9,701)
Transfer from HRA	0	0
Total Income	**(10,941)**	**(9,701)**
Deficit / (Surplus) for the Year	**(3,360)**	**(1,373)**
Deficit / (Surplus) brought forward	(2,954)	(6,313)
Deficit / (Surplus) Carried Forward	**(6,314)**	**(7,686)**

51.HRA Capital Expenditure

The capital expenditure and financing for the HRA was:

	2019/20 £'000	2020/21 £'000
Dwellings	9,803	9,038
Buildings	6,582	8,126
Total to Finance	**16,385**	**17,164**
Major Repairs Reserve	7,581	8,328
Usable Capital Receipts	1,459	1,187
Revenue Contributions	5,812	7,593
Other contributions	40	56
HCA Grant for New Build	1,493	0
Total Finance	**16,385**	**17,164**

52.Housing Repairs Account

Balance at 31 March	2020 £'000	2021 £'000
Repairs & Maintenance	10,838	11,882
Total Expenditure	**10,838**	**11,882**
Contribution from HRA	(10,668)	(11,795)
Service charges	(170)	(87)
Total Income	**(10,838)**	**(11,882)**
Deficit / (Surplus) for the Year	**0**	**0**
Deficit / (Surplus) brought forward	0	0
Deficit / (Surplus) Carried Forward	**0**	**0**

53.HRA Capital Receipts

In 2020/21 the Council paid £2.1m 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 (£2.754m in 2019/20). A notional £1.4m was also payable under Pooling Payment requirement (£2.0m in 2019/20); however, under relevant conditions is allowed to be retained as a receipt in advance.

	2019/20 £'000	2020/21 £'000
Sale of Council Houses	4,212	3,298
Sales of Non-Dwelling Assets	0	0
Council Mortgage Repayments	0	0
Capital receipt retained for new property acquisitions	(2,027)	(1,404)
Total	**2,185**	**1,894**

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.

	2019/20 £'000	2020/21 £'000
Depreciation on dwellings	10,941	9,701
Depreciation on plant & equipment	257	268
Impairment and revaluation losses of dwellings	7,263	5,984
Total	**18,461**	**15,953**

55.HRA Arrears & Provisions for Bad Debt

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

	2019/20 £'000	2020/21 £'000
Current tenants	2,362	1,933
Former tenants	557	261
Total Arrears	**2,919**	**2,194**
Less: provision for bad debts	(2,919)	(2,194)
Total Arrears After Provisions	**0**	**0**

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

Annual Governance Statement 2020/21

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

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 off by both the Leader of the Council and the Chief Executive after being reviewed by the 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/SOLACE *Framework for Delivering Good Governance in Local Government (2016)*.

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.

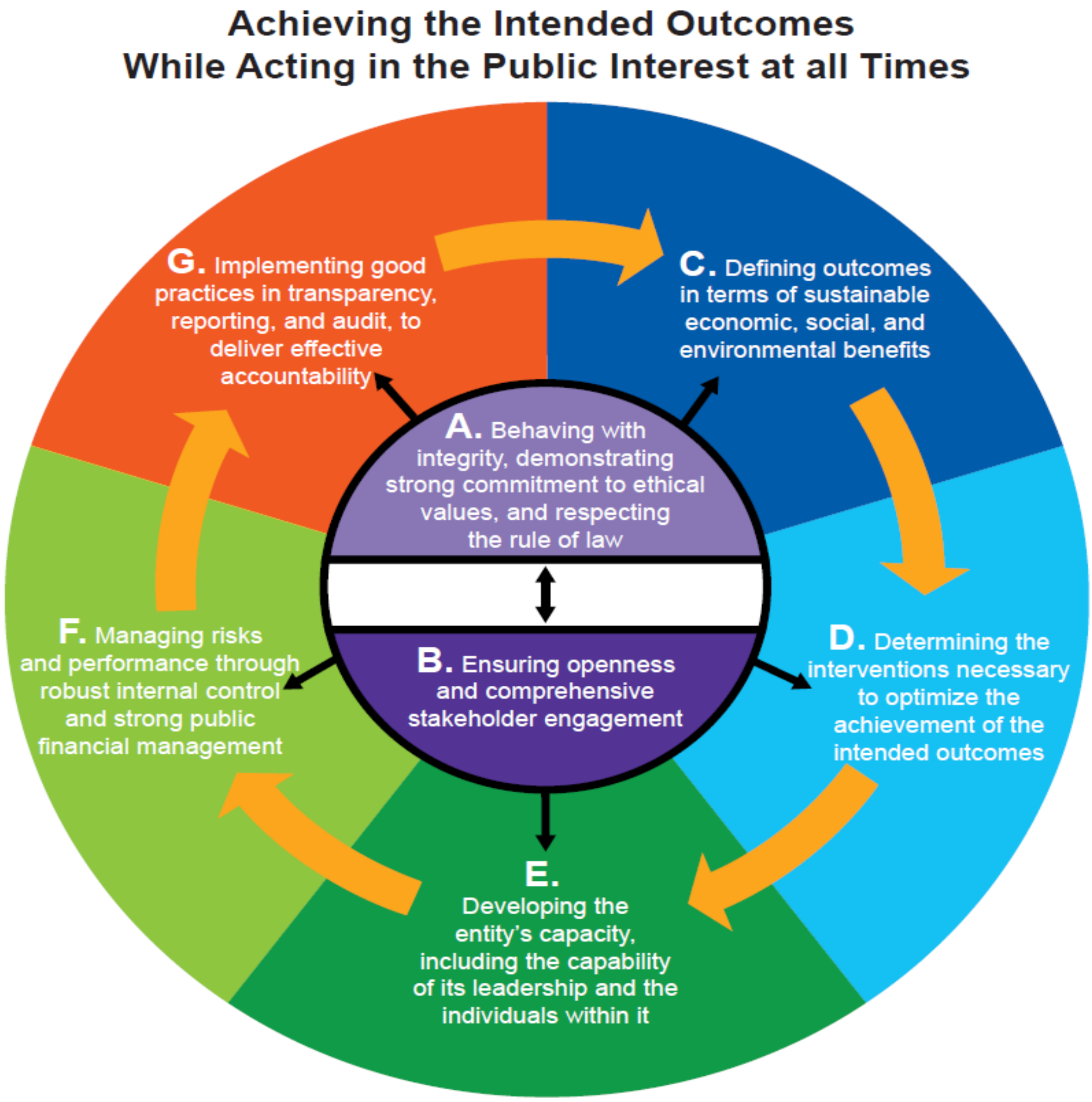
The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and 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 risk 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:

CIPFA International framework: Good Governance in the Public Sector



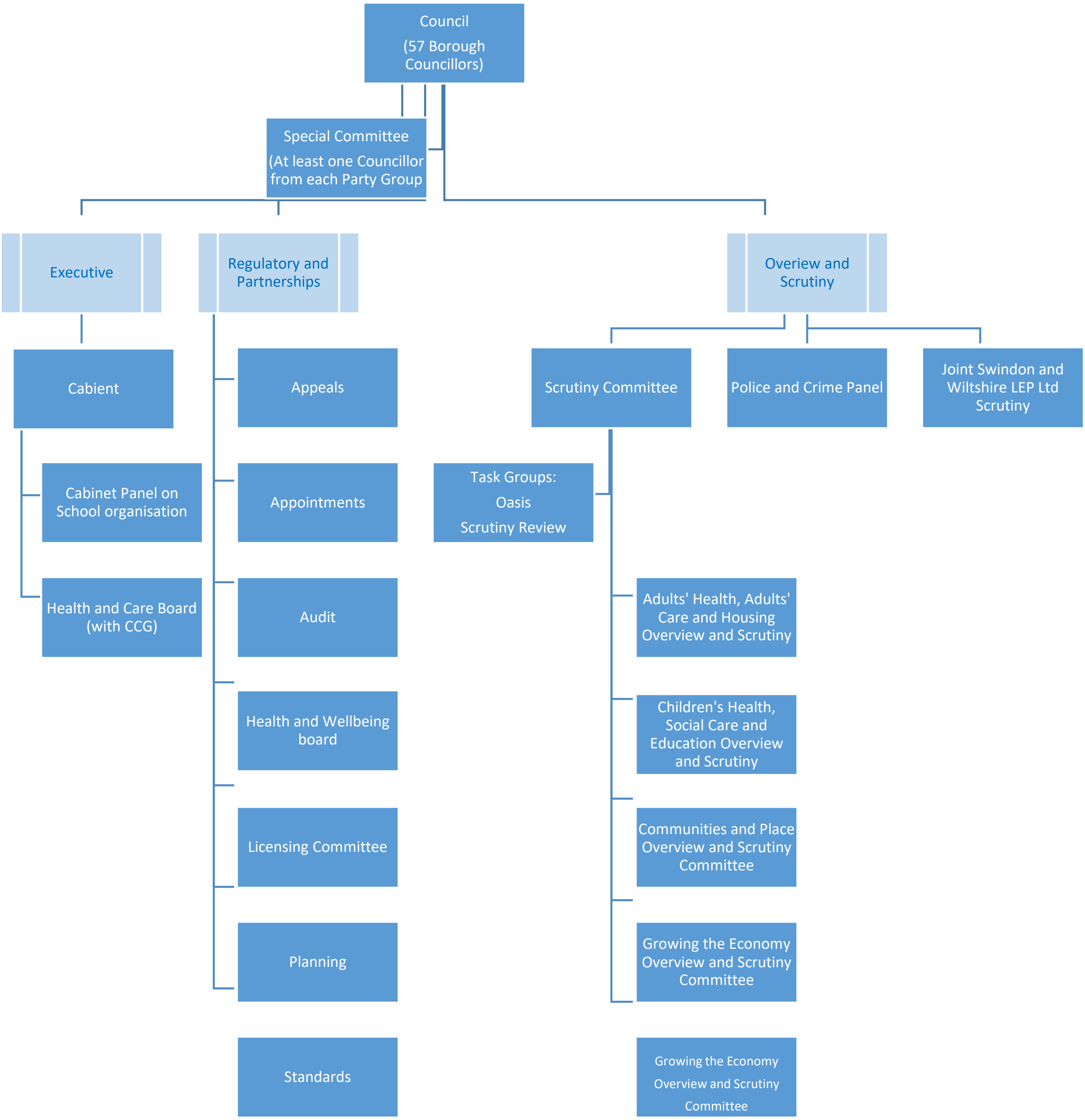
The Local Code of Corporate Governance forms part of the Council's Constitution and the full version can be found at [page 345, Part 5 of the Council's Constitution,]

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 etc. Ten Councillors, including the Leader, form the Executive (Cabinet). The Executive decide on how to deliver the budget and the policy framework.

Scrutiny committees are drawn from the remaining 47 Councillors. These committees review the policies, process and implications of Cabinet, Cabinet Member and Officer decision- making and the way in which Cabinet and Cabinet Member decisions are made.

There are also a number of regulatory committees such as Audit, Standards, Planning and Licensing.

The Council's current Committee structure is set out below:



Outcomes

The Council's vision, priorities and pledges:

By 2030, Swindon will have all of the positive characteristics of a British city with one of the UK's most successful economies a low-carbon environment with compelling cultural, retail and leisure opportunities and excellent infrastructure. It will be a model of well-managed housing growth, which supports and improves new and existing communities.

Swindon will be physically transformed with existing heritage and landmarks complemented by new ones that people who live, work and visit here would recognise and admire. It will remain a place of fairness, and opportunity, where people can aspire to and achieve prosperity supported by strong civic and community leadership.

The Corporate Plan sets out a clear set of priorities and pledges, which will enable Councillors and officers to prioritise their work and ensure that the Council is using its increasingly limited resources to best effect in pursuit of delivering the vision for Swindon.

The Vision for Swindon 2030 was originally adopted in September 2015. This set out how the Council will shape the borough and deliver growth that allows communities to prosper, families to live healthy and happy lives, and children to fulfil their potential. The vision set out four priorities and 30 pledges.

In September 2018, the Council's Cabinet agreed a renewed set of 26 pledges (some of which have been split into sub-pledges this now totals 40 pledges). This took into account the pledges that had now been delivered, and new issues and opportunities that had emerged since the original set of pledges was developed.

Pledges that have been delivered:

- Enhance Wellington Street as a prime thoroughfare for the town
- Work with Nationwide Building Society to deliver homes at the former Oakfield campus

You can view the Vision, Priorities and Pledges by selecting the priority links below:

Our Vision, Priorities and Pledges: here

Priority One: Improve infrastructure and housing to support a growing, low-carbon economy: here

Priority Two: Offer education opportunities that lead to the right skills and right jobs in the right places: here

Priority Three: Ensure clean and safe streets and improve public spaces and local culture: here

Priority Four: Help people to help themselves while always protecting the most vulnerable children and adults: here

As at 31st March 2021, the Council's Performance Dashboard shows that the following progress has been made in terms of the set deliverables for the pledges:

Priority	No. of Pledges	Completed	On Track	Need Improvement	Of Concern
One	19	2	14	2	1
Two	5	0	4	1	0
Three	6	0	5	1	0
Four	10	0	8	2	0
Total	40	2	31	6	1

The Council tracks progress with pledges by setting deliverables for each pledge that it has set out to achieve each month and progress is reported on. Some pledges also have outcomes that are tracked, e.g. numerical values/ targets. The aim of introducing the deliverables is so that there is a clear set of monthly actions to be completed that either work towards completing the pledge or meeting the associated outcomes. This is regularly reported to the Corporate Management Team and to the Portfolio Holder within Cabinet. The Council will be working with Cabinet to understand the impact of Covid-19 on the pledges and if affected, what may be required to bring them back on track.

Modern, efficient and effective

Following on from the successful Swindon Programme, the Council continued with its approach to improve to become a modern, efficient and effective organisation. The words *'At Our Best'* puts a name to an organisational ethos that will be established over the coming months and years. Three main aims are to be a Council which:

- Uses best practice and appropriate use of technology
- Uses its money and people wisely in delivering services quickly and accurately
- Delivers quality services to the expected standard and which makes a difference to the people of Swindon

During 2020/21 the Council developed its updated medium term financial plan, extending the timeframe to March 2025. The anticipated Spending Review, Fair Funding Review and changes to Business Rates Retention have now been deferred with implementation expected to be April 2022 at the earliest.

Value for Money

Grant Thornton, the Council's External Auditor, was satisfied that in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources. In reaching this conclusion, the External Auditor completed an overall assessment of arrangements and risks for the year of audit (2019/20) and looked in detail at how the Council built up savings plans and included them in to budgets.

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 is aware of and ensuring that they meet the requirements of CIPFA's Financial Management Code that was issued in October 2019 and became effective from 1st April 2020.

Timely support, information and responses are provided to our external auditors. Findings and recommendations from both our Internal and External Auditors are considered by senior management and at the Council's Audit Committee.

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 consisting of corporate directors and other senior managers.

The Corporate Director: Finance and Assets, 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. They are responsible for implementing councillors' decisions and for service performance.

The Council's Corporate Management Team has a shared responsibility for delivering the organisational strategic direction, agreeing priorities and driving their successful achievement.

The development and rollout of the Swindon (transformation) Programme is continually ensuring that the skills and capacity required to manage the organisation going forwards helps better position the Council to be a modern, efficient and effective organisation.

Risk Management

Risk management is about identifying and understanding the threats to the achievement of the Council's Vision and priorities by taking reasonable and sensible action to reduce the chance of them happening. The Council is committed to managing risks within its control, to keep employees safe, protect assets, maintain and improve its services and make 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 objectives. The process is designed to be simple to complete and is more focused on identifying and managing key risks rather than all risks.

The Council's Corporate Risk Register is regularly reviewed at Audit Committee and the Corporate Management Team as part of their review of overall organisational performance to ensure that the significant risks are being managed effectively.

Key risks identified in the Corporate Risk Register and their associated level of risk after mitigations are:

Risk area	Risk rating	Risk area	Risk rating
Financial sustainability	High	Safeguarding children	Medium
Empowering communities	Medium	Safeguarding adults	Medium
Growing the economy	High	Governance	Medium
Managing the environment	High	Realising potential	Medium
The local, national and international context	Medium	Effective prevention	Medium
IT: Business critical systems	Medium	Business continuity	Medium
Quality of Service: Communities	Medium		

Impact of Covid-19 on the Council's Review of the effectiveness of our governance arrangements

The Covid 19 pandemic has placed significant additional responsibilities on the Council which have been well managed with a strong emergency governance structure in place as per the requirements of a major incident. This takes the form of a number of bronze (tactical) groups, a Silver Coordinating Group (operational) comprised of senior officers from across the Council and a (strategic) gold group which consists of members of the Council's Corporate Management Team, senior officers from major Council partners and the Director of Public Health.

The Council declared a major incident in relation to Covid-19 on 16 March 2020 with lockdown being announced by the Prime Minister the following week. In the first eight weeks of the pandemic, seven bronze response groups stood up to address particular key challenges for the Council and escalated any issues to the Silver Coordinating Group for decision or ratification. This meant an unrelenting organisational focus on the key priorities for the Council at this time. As time has passed some of these groups have now stood down although the Council remains (at time of writing) in response phase. We are also now running a Recovery process using the same governance structures which worked so well at the height of the Council's response to Covid.

- *Decision making*

  To ensure that the Council continues to apply the principles of good governance, Members adopted the following:

  - Introduction of virtual meetings as soon as possible after the secondary legislation to permit this was approved.
  - The adoption of a change to the Council's constitution in line with prior legislation to permit the delegation of key or strategic decisions to the Chief Executive, but only with the consent of the Leader and Deputy Leader of the Council and with the requirement to report such decisions to Council.
  - The wider use of delegated decision-making as permitted by prior legislation but again in full consultation with the relevant Cabinet Member(s).
  - Agreed to change the Constitution to permit the use of electronic signatures so that Cabinet Members could continue to exercise democratically elected and accountable control of the local authority.

- *Business as usual and new areas of activity*

  A range of actions are being taken to try and mitigate the impact of Covid-19 on the delivery of the Council's critical services. This will be kept under constant monitoring and review. The following chart demonstrates so of the work undertaken during the Covid-19 crisis.

- *Longer term impacts/ Lessons learned*

  An assessment of the long-term disruption and consequences arising from the coronavirus pandemic will be carried out, which will result in the development of an action plan and an update of the relevant risk registers.

  A review will also be undertaken around the lessons to be learned from our response to the Covid-19 pandemic, including the identification of any improvement actions.

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 executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments made by the external auditors and other review agencies and inspectorates. The Head of Internal Audit's report stated that the Council's framework of governance, risk management and control during 2020/21 are considered satisfactory, resulting in a 'moderate' level of risk.

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 relevant Heads of Service 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.

Details of the review were presented to Audit Committee at their July 2021 meeting. Details can be found at:

Agenda Item 16, Appendix 2

Opinion on the Council's governance arrangements

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 these arrangements generally work well the review identified a number of significant governance issues that need to be addressed:

Governance issue	Lead Officer
Covid-19	Chief Operating Officer
Information Governance and Security	Head of IT
GCSE attainment	Head of Education
Youth Offending Team	Corporate Director: Children Services
SEND	Corporate Director: Children Services
State of Data	Chief Operating Officer

- ***Covid-19:*** Recovery planned for the summer of 2020 was hampered by increasing Covid rates both nationally and locally with Swindon consistently sitting slightly higher than the national average. This led to a change in focus with the Council remaining in response for the majority of 2020/21. However, bronze groups are also concurrently working on recovery plans which will be updated and reviewed and then implemented once Swindon's case rate has remained at an acceptable level for a sustained period.

  COVID 19 has led to some improvements to the way the Council engages with residents and staff and these will be embedded in 2021. Changes to how staff work, the use of technology to support residents to engage with the Council and use our facilities are all improvements to be proud of and in line with our Modern, Efficient and Effective programme.

  The longer term implications, including changes in behaviour and the economy, will need to be monitored carefully as future government support beyond mid-2021 is uncertain.

- ***Information Governance and Security:*** A working group has been pulled together with experts across the Council looking at our preparedness and our technical response to a cyber-incident.
- We have implemented a phishing training and are working with IT & HROD to test. A Communications plan is being drafted in preparation for a roll-out across the organisation.

  The Council has continued to work on removing vulnerabilities and legacy applications from the IT estate and strengthening our back-ups. The cabinet office postponed PSN our resubmission for one year as a result of pandemic pressures and retained our current accredited status.

  The work to improve our document management and retention process continues. Five teams are actively involved in the process to migrate to SharePoint online and the rest of the Council will follow throughout 2021/22.

- ***GCSE Attainment:*** The timeline for work on the consultation, approval and publishing of the Education and School Improvement Strategy (now known as the Inclusive Early Years, Education and Skills

Strategy) has been re-profiled due to Covid-19 and is now firmly back on the agenda with our work with schools.

The School Improvement Strategy (now known as the School Effectiveness Process) has been agreed and will come into place by September 2021. This includes the establishment of system wide Strategic Education Governance which will be implemented in September.

Improved relationships with the Regional Schools Commissioner Office and CEO's have been developed through regular monthly meetings.

Progress on Swindon Learning Town and Lifelong learning has slowed due to the pandemic. The above systems will support a greater focus and delivery in 21/22

The Governance arrangements for Adult Learning have been confirmed and the Stakeholder Governance Board will hold its first meeting during the Summer Term 2021

- ***Youth Offending Team:*** An overall refresh of the Youth Justice Strategy has taken place with the identification of new Youth Justice priorities. The Youth Offending Team has been rebranded as the Youth Justice Service (YJS), placing the child first and offence second.

  Senior managers have increased integration between Inclusion and Achievement and Youth Offending. The YJS and Positive Futures Care Leavers Team have implemented a joint panel to review and progress individual young people and their education, employment and training. Further work is in place to strengthen the Education Welfare role in supporting both pre and post 16 year olds to enable expertise in accessing a wide range of education and learning.

  Work with partners has taken place, the YJS capacity has expanded and has all posts currently filled (one agency worker in place covering maternity leave). New staff meet with the DCS and have a timetabled induction with YJS.

  A full staff skills audit has been completed and this has informed the development of the Annual Learning and Development Plan.

  The Youth Restorative Intervention (YRI) Panel is fully embedded with weekly meetings and enhanced multi-agency attendance. A new permanent Assistant Team Manger will start on June 3rd and take over the chairing of this panel. A new post is being established that will support early intervention at point of arrest and the work of the YRI panel.

  The YJS Reparation Coordinator is also a Participation Champion – young people are engaging in service development e.g. development of feedback questionnaires that report into the YJ Strategic Partnership Board, work on a new Service logo and developing a Passport to Achievement.

  The YJ Strategic Partnership Board (YOT Board) has been strengthened by increased membership – YJS staff members now attend the Board to share their work and participate. Board members have actively engaged in work with YJS staff e.g. Serious Violence Toolkit, reviewing Parenting Orders.

  The YJS now has a quality assurance framework in place with a schedule that includes monthly management auditing and multi-agency thematic audits e.g. remand young people, reoffenders and YRI panel. There is also an annual full external audit of all case work currently taking place – this will inform the improvement plan/self-assessment. There is also a monthly Quality Assurance and Improvement Board (QAPIB) that takes place.

- ***SEND:*** A Director for Inclusion and Achievement started in July 2020. Interim arrangements have been finalised and all roles are permanent. Positive work in co-production and joint commissioning is now evident.

Swindon's Parent Carers Forum (SEND families Voice) meet with the Head of Statutory SEND weekly and have reported recently that this is their strongest period of partnership work.

Timeliness of statutory education health and care assessments have consistently remained above 80% since June 2020 compared to national snapshot in February 2021 of 62%

Quality of Education Health and Care Plans is measured through an embedded Quality Assurance Framework and has seen 1.4 measured improvement with an average score of 3.8 (using a scale of 1 to 5) in the last 24 months. This continues to be a partnership focus with further improvements required.

Core standards have been in place since November 2019 and have supported the further alignment of early help and SEND support as part of the Earl Help Hub. This is currently being piloted, in preparation for launch in September.

A Strategic Inclusion Forum is agreed and membership is currently being established. This will be operational by September.

DSG recovery plan has been established in draft and will be agreed for consultation in July School Forum. This will require an Equalities Impact Assessment and 12 week consultation. A monitoring visit by the Education Skills Funding Agency has taken place and no follow-up actions were required.

A restructure to align attendance and part time tables under a single Head of service has been implemented. This has supported greater collaborative working with schools. Improvements have been made to the attendance platform and data receipt with all schools sharing data. Protocol for part time timetables is in place and officers are developing weekly monitoring systems.

- ***State of the Council's data:*** The Head of Data, Performance and Insight was appointed in October 2020. The work to produce the Council's data strategy is well underway and is being supported by the Council's transformation partner, Methods.

  There is a particular focus on developing the right foundations to become a data-driven Council, where these are not currently in place. This includes developing data governance arrangements to improve the quality of our data. It also includes developing more efficient ways of working with data and increasing the sophistication of our analysis, to provide the insight we need, when we need it, to inform decision making.

  The Data Strategy will be finalised in June, along with a costed, prioritised roadmap of data initiatives and a business case to support the work, clearly linked to benefits. Once approved we will start delivering on the priority initiatives identified from the work.

Looking back to 2019/20

The review also identified that the following area included in last year's statement is considered to have progressed sufficiently for it not to be included in this year's statement:

- ***Car Park income:*** Following on from the Internal Audit review of Parking a number of the recommended actions have been progressed which has reduced the risk status of the Audit assessment from Red to Amber. We are progressing new car park payment machines which in turn will also reduce the level of cash taken by ensuring increased payment by customers via debit or credit cards. It is considered that this area no longer requires to be included on the statement and can be treated as business as usual.
- ***Communities and Housing***: Following the appointment of the Director of Operations there has been marked improvements across all areas in respect of customer / resident measures. Customer complaints have reduced along with the time taken to respond to a complaint (39 days August 2020 – 3 days January 2021) visibility and the ongoing monitoring of performance improvement is managed through

the governance of both a daily review with key areas and a monthly review incorporating performance improvement discussion including the COO.

An overall improvement plan to deliver efficiency and best in class delivery has been pulled together to transform the Operational business over the next three years.

These areas will continue to be reviewed and relevant risks will be included and managed through the Council's Corporate Risk register.

Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively 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.

Signed:

David Renard

Councillor David Renard

Leader of the Council

Signed:

Susie Kemp

Susie Kemp

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 2021 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, the Housing Revenue Account (HRA) Income and Expenditure Statement, and the Statement of Movement in the Housing Revenue Account, and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Notes to the Financial Statements, Notes to the Group Accounts, Accounting Policies, Notes to the Collection Fund Statement, and Notes to the HRA. 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 2020/21.
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 2021 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 2020/21; 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 (2020) ("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 Corporate Director of Finance and Assets' 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 Authority or group'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 Corporate Director of Finance and Assets' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21 that the Authority 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 2020) 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.

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 or 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.

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

The responsibilities of the Corporate Director of Finance and Assets with respect to going concern are described in the 'Responsibilities of the Authority, the Corporate Director of Finance and Assets and Those Charged with Governance for the financial statements' section of this report.

Other information

The Corporate Director of Finance and Assets is responsible for the 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. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 April 2020 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 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

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 and our knowledge of the Authority, 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, the Corporate Director of Finance and Assets and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Corporate Director of Finance and Assets. The Corporate Director of Finance and Assets 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 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Corporate Director of Finance and Assets 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 Corporate Director of Finance and Assets is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority and the group will no longer be provided.

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

Auditor's responsibilities for the audit of the financial statements

Our 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.

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.

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

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

The 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 (international accounting standards as interpreted and adapted by the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003 and the Local Government and Housing Act 1989.
- We enquired of senior officers 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 senior officers, 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 officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to the following transactions of the Council:
  - journal entries posted by senior officers; and
  - the significant accounting estimates in the financial statements, including those related to the valuation of property, plant and equipment, the net pension liability and the year-end accruals.
- Our audit procedures involved:
  - 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 journals;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of property, plant and equipment, the net pension liability and the year-end accruals.
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of property, plant and equipment, the net pension liability and the year-end accruals.
- Assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:
  - 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
  - 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.

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 2021.

Our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Authority

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

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

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

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. 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 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for Swindon Borough Council for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2021.

Use of our report

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

Signature:

Barrie Morris

Barrie Morris, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

Date: 3 November 2021

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 v s. Assets are defined as current or long-term.

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

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

BUDGET

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

CAPITAL EXPENDITURE

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

CAPITAL RECEIPTS

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

CASH EQUIVALENTS

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

COMMUNITY ASSETS

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

CONSISTENCY

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

CONTINGENCY

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

CREDITOR

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

CURRENT SERVICE COST (PENSIONS)

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

CURTAILMENT

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

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

DEBTOR

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

DEFERRED ASSETS AND LIABILITIES

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

DEFINED BENEFIT SCHEME

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

DEFINED CONTRIBUTION SCHEME

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

DEPRECIATION

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

DISCRETIONARY BENEFITS

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

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

EXPECTED RATE OF RETURN ON PENSIONS ASSETS

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

EXTRAORDINARY ITEMS

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

FAIR VALUE

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

FINANCE LEASE

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

FINANCIAL INSTRUMENTS

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

Financial asset

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

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

Financial liability

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

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

Equity instrument

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

GOVERNMENT GRANTS

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

GRANT CONDITIONS

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

IMPAIRMENT OF ASSETS

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

INTANGIBLE NON-CURRENT ASSETS

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

INTEREST COST (PENSIONS)

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

INVENTORIES

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

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

INVESTMENTS (NON-PENSIONS FUND)

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

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

INVESTMENTS (PENSIONS FUND)

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

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

MAJOR REPAIRS RESERVE (MRR)

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

NET BOOK VALUE

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

NET CURRENT REPLACEMENT COST

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

NET REALISABLE VALUE

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

NON-DISTRIBUTED COSTS

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

NON-OPERATIONAL ASSETS

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

OPERATING LEASES

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

OPERATIONAL ASSETS

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

PAST SERVICE COST

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

PENSIONS / IAS 19

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

PFI (PRIVATE FINANCE INITIATIVE)

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

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

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

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

POST BALANCE SHEET EVENTS

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

PRIOR PERIOD ADJUSTMENT

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

PROJECTED UNIT METHOD

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

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

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

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 EXENDITURE 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.

SCHEME LIABILITIES

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

SECTION 106

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

TOTAL COST

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

USEFUL LIFE

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

VESTED RIGHTS

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

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

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

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