



Herschel Park

Slough Borough Council

Draft Statement of Accounts 2022/23

www.slough.gov.uk

CONTENTS

SECTION – 1	ANNUAL GOVERNANCE STATEMENT	Page	003
SECTION – 2	REVIEW AND STATUTORY CERTIFICATIONS	Page	011
SECTION – 3	CORE FINANCIAL STATEMENTS	Page	029
	<ul style="list-style-type: none"><i>Comprehensive Income and Expenditure Statement</i><i>Movement in Reserves Statement</i><i>Balance Sheet</i><i>Cash Flow Statement</i>	<i>Page</i>	<i>030</i> <i>Page</i> <i>031</i> <i>Page</i> <i>033</i> <i>Page</i> <i>034</i>
SECTION – 4	NOTES TO THE CORE FINANCIAL STATEMENTS	Page	035
SECTION – 5	SUPPLEMENTARY FINANCIAL STATEMENTS	Page	000
	<ul style="list-style-type: none"><i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i><i>Statement on The Movement on The Housing Revenue Account</i><i>Housing Revenue Account Notes</i><i>Collection Fund Statement</i><i>Notes to the Collection Fund</i>	<i>Page</i>	<i>000</i> <i>Page</i> <i>000</i> <i>Page</i> <i>000</i> <i>Page</i> <i>000</i> <i>Page</i> <i>000</i>
SECTION – 6	GROUP ACCOUNTS AND EXPLANATORY NOTES	Page	
SECTION – 7	GLOSSARY OF FINANCIAL TERMS	Page	

SECTION – 1

ANNUAL GOVERNANCE STATEMENT

An Annual Governance Statement (AGS) for 2022/23 has not been formally approved, as would normally be expected.

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

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

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

Committee approved the Annual Governance Statement as set out at the Audit Committee meeting on 18 July 2023

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

17 March 2023

SECTION – 2

REVIEW AND STATUTORY CERTIFICATIONS

DRAFT

Director's Narrative Report

1. SLOUGH AS A PLACE



The Curve
Slough's iconic library and cultural centre



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



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



3. THE CURRENT FINANCIAL POSITION

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT

DRAFT



INDEPENDENT AUDITOR'S REPORT

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

Opinion

This page has been intentionally left blank

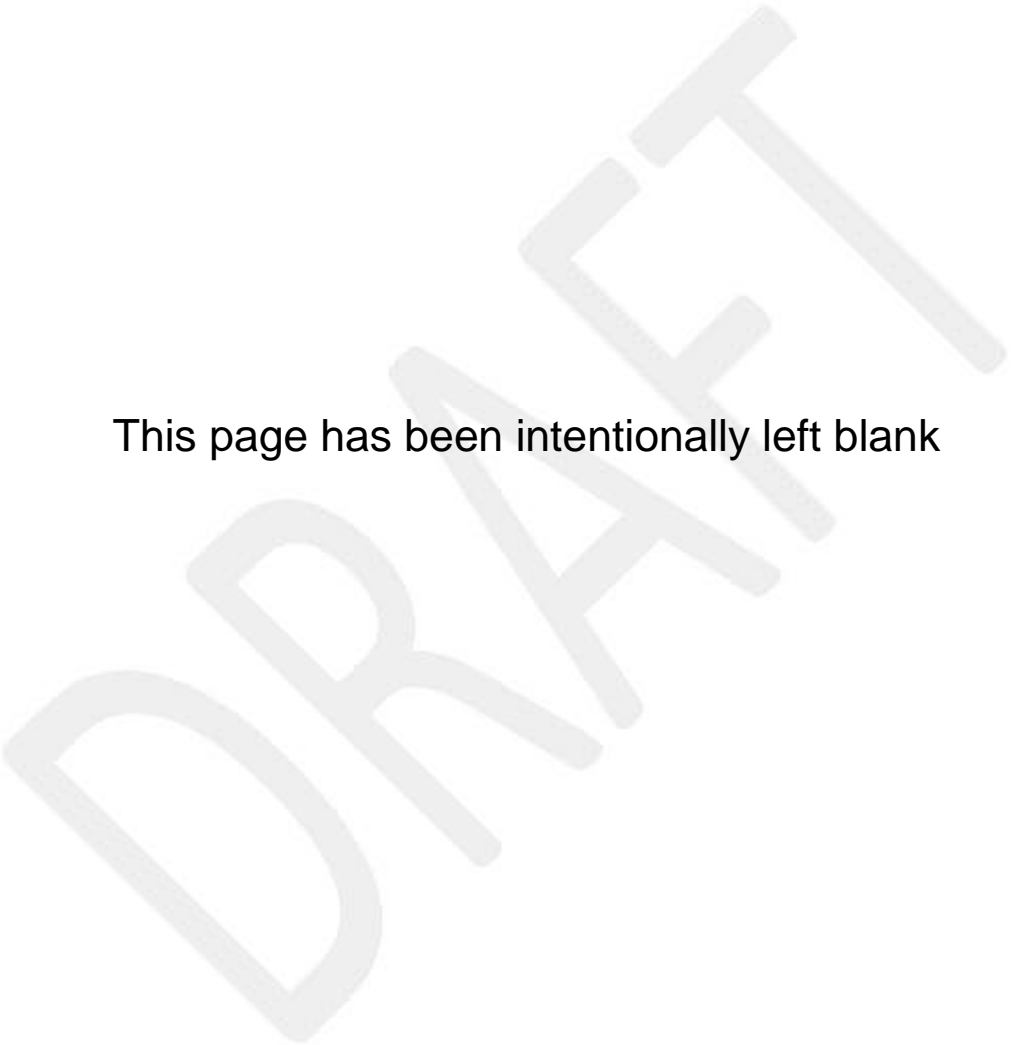
This page has been intentionally left blank



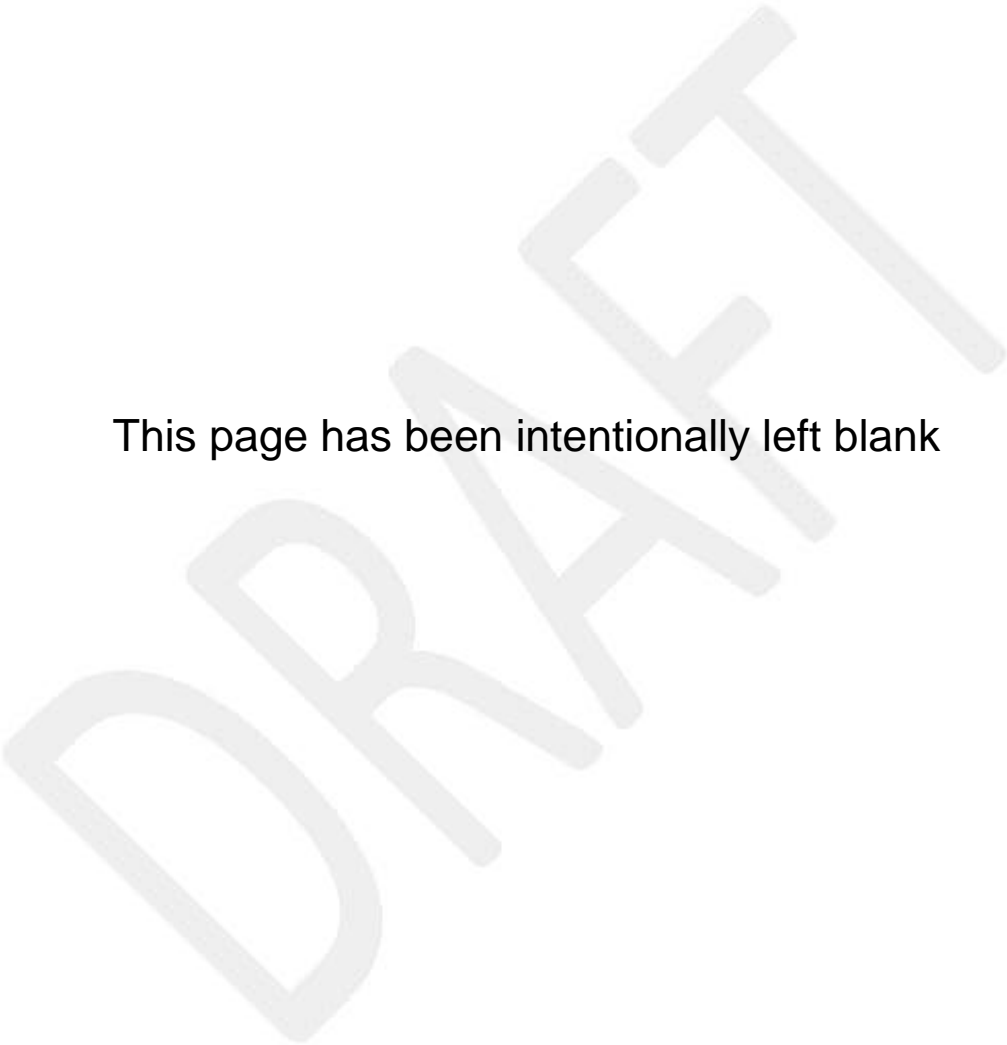
This page has been intentionally left blank



This page has been intentionally left blank



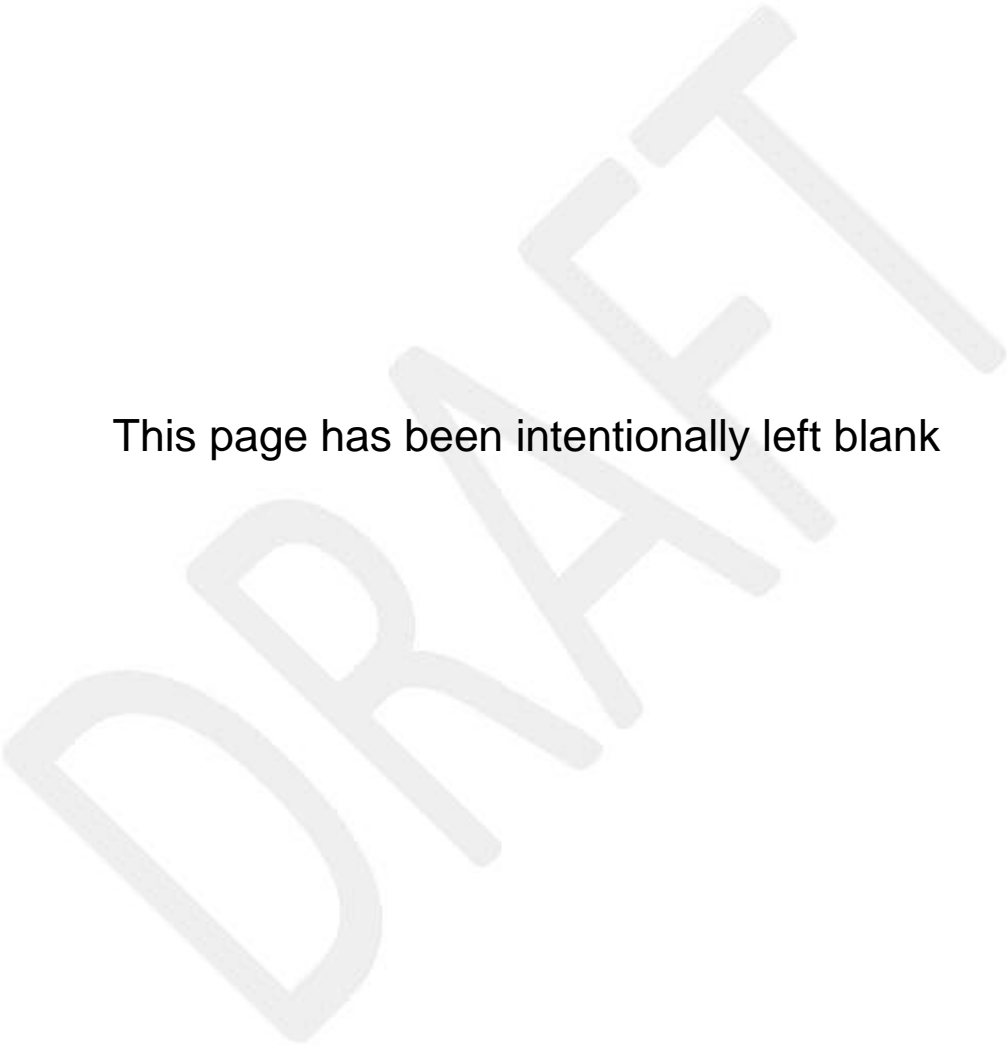
This page has been intentionally left blank



This page has been intentionally left blank

DRAFT

This page has been intentionally left blank



SECTION – 3

CORE FINANCIAL STATEMENTS

Core Financial Statements

Page Number

• <i>Comprehensive Income and Expenditure Statement</i>	30
• <i>Movement in Reserves Statement</i>	31
• <i>Balance Sheet</i>	33
• <i>Cash Flow Statement</i>	34

DRAFT

Comprehensive Income and Expenditure Statement

The **Comprehensive Income and Expenditure Statement (CIES)** records all of the Council's revenue income and expenditure for the year. Expenditure represents a combination of statutory duties and discretionary spend focussed on local priorities and needs.

2021/22				2022/23			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
2,328	(20)	2,308	ED Monitoring Officer	2,117	(17)	2,100	
12,076	(1,863)	10,213	Chief Execs Office	10,979	(1,762)	9,217	
78,200	(45,261)	32,939	Corporate Services	59,750	(47,185)	12,565	
30,145	(12,898)	17,247	ED Housing, Property & Planning	27,405	(13,277)	14,128	
77,581	(33,618)	43,963	ED People (Adults)	70,529	(33,217)	37,312	
153,929	(122,832)	31,097	ED People (Children)	139,936	(112,871)	27,065	
45,745	(13,298)	32,447	ED Place & Communities	41,587	(13,480)	28,107	
2,435	(150)	2,285	Public Health	(1,915)	(76)	(1,991)	
52,328	(35,881)	16,447	Housing Revenue Account	30,989	(39,887)	(8,898)	
454,767	(265,821)	188,946	Cost of Services	381,377	(261,772)	119,605	
		(1,719)	Other operating expenditure or (income)			(229,006)	⁶
		7,061	Financing and investment income and expenditure			7,248	⁷
		(159,966)	Taxation and non-specific grant income and expenditure			(116,848)	⁸
		34,322	(Surplus)/deficit on provision of services			(219,001)	
			(Surplus) or deficit on financial assets measured at FVOCI			-	
		(53,595)	(Surplus) or deficit on revaluation of property, plant and equipment assets			34,087	¹⁶
		(83,529)	Remeasurement of the net defined benefit liability			(202,817)	³²
		(137,124)	Other Comprehensive income and expenditure			(168,730)	
		(102,802)	Total Comprehensive income and expenditure			(387,731)	

Movement in Reserves Statement

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

	General Fund Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 April 2022	(1,465)	(72,908)	(16,892)	(31,229)	(5,042)	(31,880)	(159,416)	(69,110)	(228,525)	
Opening Balance Adjustment							-		-	
Balance 1 April 2022	(1,465)	(72,908)	(16,892)	(31,229)	(5,042)	(31,880)	(159,415)	(69,110)	(228,525)	
Movement in reserves during 2022/23										
(Surplus)/deficit on provision of services	(206,839)		(12,162)				(219,001)		(219,001)	
Other Comprehensive income and expenditure								(168,730)	(168,730)	
Total Comprehensive Income and Expenditure	(206,839)	-	(12,162)	-	-	-	(219,001)	(168,730)	(387,731)	
Adjustments between accounting basis and funding basis	249,723		7,408	(49,814)	(3,343)	(2,646)	201,328	(201,328)	(693)	15
Capitalisation Direction	(56,614)						(56,614)	56,614	-	
Increase or (decrease) before transfers to earmarked reserves	(13,730)	-	(4,754)	(49,814)	(3,343)	(2,646)	(74,287)	(313,444)	(388,424)	
Transfer to/(from) reserves	(6,270)	6,270					-		-	
Balance at 31 March 2023	(21,465)	(66,638)	(21,646)	(81,043)	(8,385)	(34,526)	(233,702)	(382,554)	(616,949)	

Movement in Reserves Statement

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

	General Fund Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 April 2021	(1,465)	(40,239)	(14,099)	(33,339)	(1,623)	(19,489)	(110,254)	(15,471)	(125,724)	
	-	-	-	-	-	-	-	-	-	
Balance 1 April 2021	(1,465)	(40,239)	(14,099)	(33,339)	(1,623)	(19,489)	(110,253)	(15,471)	(125,724)	
Movement in reserves during 2021/22										
(Surplus)/deficit on provision of services	16,019		18,303				34,322		34,322	
Other Comprehensive income and expenditure							-	(137,124)	(137,124)	
Total Comprehensive Income and Expenditure	16,019	-	18,303	-	-	-	34,322	(137,124)	(102,802)	
Adjustments between accounting basis and funding basis	11,278		(21,096)	2,110	(3,420)	(12,391)	(23,519)	23,519	-	15
Capitalisation Direction	(59,966)						(59,966)	59,966	-	
Increase or (decrease) before transfers to earmarked reserves	(32,669)	-	(2,793)	2,110	(3,420)	(12,391)	(49,163)	(53,639)	(102,802)	
Transfer to/(from) reserves	32,669	(32,669)					-		-	
Balance at 31 March 2022	(1,465)	(72,908)	(16,892)	(31,229)	(5,043)	(31,880)	(159,416)	(69,110)	(228,526)	

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

Balance Sheet

The **Balance Sheet** is fundamental to the understanding of the Council's financial position at the year end. It shows the value as at the Balance Sheet date of assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by reserves held by the Council.

31-March-2022		31-March-2023	
£'000		£'000	Note
1,044,792	Property, Plant and Equipment	1,110,324	¹⁸
165,921	Investment Property	108,432	²⁰
3,829	Intangible Assets	2,870	
11,289	Long-term Investments	11,289	²⁴
71,319	Long-term Debtors	61,929	²⁷
1,297,150	Total Long-term Assets	1,294,844	
18,032	Short Term Investments	119,000	²⁴
-	Assets Held for Sale	2,791	
25,656	Short term debtors	55,476	²⁸
82,071	Cash and Cash Equivalents	28,676	²⁷
125,759	Current Assets	205,943	
(306,000)	Short-term Borrowing	(119,436)	²⁴
(102,468)	Short-term Creditors	(104,183)	²⁹
(11,480)	Short-term Provisions	(13,145)	³⁰
(419,948)	Current Liabilities	(236,764)	
(26,050)	Long-term Creditors	(25,757)	
-	Long-term Provisions	(170)	³⁰
(409,911)	Long-term Borrowing	(470,471)	
(338,474)	Other Long-Term Liabilities	(150,676)	³¹
(774,435)	Long-term Liabilities	(647,074)	
228,526	Net Assets	616,949	
(159,416)	Usable Reserves	(234,102)	
(69,110)	Unusable Reserves	(382,847)	¹⁶
(228,526)	Total Reserves	(616,949)	

Certification by the Chief Financial Officer

On the basis of available assurances provided in support of the overall Balance Sheet and the overall year-end position on General Fund balances and reserves, I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022. Within this overall position there may be material errors on a line by line basis.

Executive Director of Finance and Commercial (Section 151 Officer)

__th _____ 2024

Cash Flow Statement

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

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

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

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

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

2021/22		2022/23	
£'000		£'000	Note
34,322	Net (surplus) or deficit on the provision of services	(219,002)	
(106,030)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(3,527)	³⁴
29,770	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	239,827	³⁴
(41,938)	Net cash flows from operating activities	17,298	
(23,635)	Investing Activities	(108,555)	³⁵
13,552	Financing Activities	134,522	³⁶
(52,021)	Net (increase) or decrease in cash and cash equivalents	43,265	
30,050	Cash and cash equivalents at the beginning of the reporting period	71,941	
82,071	Cash and cash equivalents at the end of the reporting period	28,676	²⁷

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

Note Reference	Description	Page Number
Note 1:	<i>Accounting Policies (continued)</i>	038
Note 2:	<i>Accounting Standards that have been Issued but Not Yet Adopted</i>	048
Note 3:	<i>Critical Judgements in Applying Accounting Policies</i>	049
Note 4:	<i>Assumptions made about the future and other sources of estimation uncertainty</i>	050
Note 5:	<i>Material Items of Income and Expense</i>	051
Note 6:	<i>Other Operating Expenditure</i>	052
Note 7:	<i>Financing and Investment Income and Expenditure</i>	052
Note 8:	<i>Taxation and Non-Specific Grant Income</i>	052
Note 9:	<i>Expenditure and Funding Analysis</i>	053
Note 10:	<i>Partnership Arrangements</i>	056
Note 11:	<i>Members' Allowances</i>	057
Note 11a:	<i>Exit packages and termination benefits</i>	057
Note 11b:	<i>Officers' Remuneration</i>	057
Note 12:	<i>External Audit Fees</i>	060
Note 13:	<i>Dedicated Schools Grant (DSG)</i>	060
Note 14:	<i>Grant Income</i>	061
Note 15:	<i>Adjustments Between Accounting Basis and Funding Basis Under Regulations</i>	062
Note 16:	<i>Unusable reserves</i>	065
Note 16a:	<i>Revaluation Reserve</i>	066
Note 16b:	<i>Capital Adjustment Account</i>	067
Note 16c:	<i>Collection Fund Adjustment Account</i>	068
Note 16d:	<i>Dedicated Schools Grant Adjustment Account</i>	067
Note 16e:	<i>Accumulated Absences Account</i>	067
Note 16f:	<i>Financial Instruments Adjustment Account</i>	069
Note 16g:	<i>Pooled Investment Funds Adjustment Account</i>	069
Note 16h:	<i>Pensions Reserve</i>	069
Note 16i:	<i>Deferred Capital Receipts Reserve</i>	070
Note 17:	<i>Transfers to/from Earmarked Reserves</i>	071
Note 18:	<i>Property, Plant and Equipment</i>	072
Note 18b:	<i>Infrastructure Assets</i>	074
Note 18c:	<i>Assets Held for Sale</i>	074
Note 19:	<i>Capital Commitments</i>	076
Note 20:	<i>Investment Property</i>	077
Note 21:	<i>Leases</i>	078
Note 22:	<i>Service Concession Arrangements</i>	080
Note 23:	<i>Capital Expenditure and Financing</i>	083
Note 24:	<i>Financial Instruments</i>	084

SECTION – 4

NOTES TO THE CORE FINANCIAL STATEMENTS

Note Reference	Description	Page Number
Note 25:	<i>Nature and Extent of Risks Arising from Financial Instruments</i>	088
Note 26:	<i>Fair value of assets and liabilities</i>	091
Note 27:	<i>Cash and Cash Equivalents</i>	094
Note 28:	<i>Debtors</i>	094
Note 29:	<i>Creditors</i>	095
Note 30:	<i>Provisions</i>	096
Note 31:	<i>Other Long-Term Liabilities</i>	097
Note 32:	<i>Pension Schemes Accounted for as Defined Contribution Schemes</i>	098
Note 33:	<i>Defined Benefit Pension Schemes</i>	098
Note 34:	<i>Cash Flow Statement - Operating Activities</i>	103
Note 35:	<i>Cash Flow Statement - Investing Activities</i>	104
Note 36:	<i>Cash Flow Statement - Financing Activities</i>	104
Note 37:	<i>Related Party Transactions</i>	105
Note 38:	<i>Contingent Liabilities</i>	107
Note 39:	<i>Events After the Balance Sheet Date</i>	107

Notes to the Core Financial Statements

Note 1: Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end 31 March 2023.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which requires accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Income and Expenditure

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

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

1.3 Cash and Cash Equivalents

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

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

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

Note 1: Accounting Policies (continued)

1.4 Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-employment Benefits

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

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

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

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

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

The Local Government Pension Scheme

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

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

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

Note 1: Accounting Policies (continued)

Service cost comprising:

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

Re-measurements comprising:

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

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

Discretionary Benefits

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

1.5 Financial Instruments

Financial Liabilities

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

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

The fair value of Public Works Loans Board (PWLB) loans is calculated using the certainty rate published by the PWLB on 31 March 2023.

For non-PWLB loans the fair value is deemed to be the standard new loan rate also published by the PWLB on 31 March 2023.

Financial Assets

The Authority has reviewed the classification of all its financial assets based on the business model for holding the assets and concluded that they are either:

- assets at amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVPL).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Note 1: Accounting Policies (continued)

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are initially measured at fair value and subsequently carried at amortised cost. For the Authority this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest. Interest credited to the CIES is the amount receivable for the year under the loan agreement.

Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets are measured and carried at fair value. All gains and losses due to changes in fair value are accounted for through a reserve account (the Financial Instruments Revaluation Reserve) and the balance debited or credited to the CIES when the asset is disposed of.

Income from FVOCI assets is recognised when the right to receive the payment is unconditional. Income is reported in the Financing and Investment Income and Expenditure line in the CIES.

Financial Assets Measured at Fair Value through Profit of Loss (FVTPL)

Financial assets that are measured at FVTPL are initially measured and subsequently carried at fair value. All movements in the fair value of the instrument (both realised and unrealised) are recognised as they occur in the Surplus or Deficit on the Provision of Services.

Impairment Losses

Allowances for impairment losses have been calculated for assets at amortised costs and FVOCI, applying the expected credit losses model.

The Authority recognises expected credit losses either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

1.6 Government Grants and Contributions

Government grants and third party contributions and donations are recognised when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- that the grants or contributions will be received.

Where conditions attached grants or contributions have not been satisfied, monies received to date are carried in the Balance Sheet as creditors and credited to the CIES when the conditions are satisfied.

Ringfenced grants and contributions are credited to the relevant service within the CIES. Non-ringfenced grants are credited to the Taxation and Non-specific Grant Income line within the CIES.

Capital grants credited to the CIES, are transferred out of the General Fund Balance via the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.7 Infrastructure Assets

Note 1: Accounting Policies (continued)

1.7 Interests in Companies and Other Entities

The authority has material interests in one subsidiary (James Elliman Homes Ltd) and one joint venture (Slough Urban Renewal LLP), which have been consolidated into the Council's Group Accounts:

- on a line by line basis for the subsidiary; and
- the equity method for the joint venture, after first re-aligning accounting policies with the Authority where appropriate and eliminating intra-group transactions.

In the Authority's single entity accounts, interests in the above companies are classified as long-term investments and measured at cost less provision for any losses.

All other interests in subsidiaries and an associate are not material to the Authority and are thus reported as financial instruments. As the business model is to hold for the long-term rather than trade such interests, they are classified as FVOCI subject to any impairment allowance.

1.8 Investment Property

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

Revaluation gains and losses on revaluation are recognised in the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. However, regulations do not permit unrealised or realised gains and losses to impact the General Fund balance. Therefore, gains and losses are transferred to the Capital Adjustment Account via an entry in the MiRS.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the CIES.

1.9 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower).

The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Note 1: Accounting Policies (continued)

Lease payments are apportioned between:

- the principal element which applied to write down the lease liability, and
- the interest element which is charged to the Financing and Investment Income and Expenditure line in the CIES.

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased assets. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period or a premium payable at the commencement of the lease).

The Council as Lessor

Operating Leases

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

1.10 Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

1.11 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Property, plant and equipment is recognised where the initial cost or value exceeds £10,000.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Note 1: Accounting Policies (continued)

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

Asset type	Measurement basis
Vehicles, plant and equipment, infrastructure, community assets	Depreciated historical cost
Council dwellings	Current value, determined using the basis of existing use value for social housing (EUV-SH)
Assets under construction	Cost
Surplus assets	Fair value
School buildings and other specialised assets	Depreciated replacement cost which is used as an estimate of current value
All other assets	Current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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

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

Note 1: Accounting Policies (continued)**Depreciation**

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (housing dwellings and flats – 54 years)
- Vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer (between 1-35 years)
- Infrastructure – straight-line allocation over 10-40 years.
- Other operational buildings – straight-line allocation over the useful life (1-60 years) as estimated by the valuer
- Car parks – straight-line allocation over the useful life (60 years) as estimated by the valuer

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. This will only be applied where the omission to recognise and depreciate a separate component may result in a material difference to the depreciation charge.

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

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Gains and losses on disposal comprise the following:

- The capital receipt from the proceeds of the sale. Only receipts over £10,000 are classed as capital receipts. The capital receipt element of the gain/loss on disposal is transferred to the Capital Receipts Reserve via the MiRS;
- The carrying value of the asset disposed of or decommissioned, which is transferred to the Capital Adjustment Account via the MiRS;
- Any costs of administering the disposal.

Any revaluation gains accumulated for the asset in the Revaluation Reserve are written out to the Capital Adjustment Account.

A proportion of capital receipts relating to housing disposals is payable to the Government.

1.12 Service Concessions

Service concessions (also known as PFI and similar contracts) are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Authority recognises the assets used under the contracts in the Balance Sheet within Property, Plant and Equipment, because it both controls the services provided under these contracts and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Note 1: Accounting Policies (continued)

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

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

- Fair value of services received during the year – debited to the relevant service in the CIES;
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the FIIE line in the CIES;
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the FIIE line in the CIES;
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease); and
- Lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised where the Authority has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES when the Authority has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

A provision for the best estimate of the amount that businesses have been overcharged up to 31st March 2019 in relation to Business Rates. The estimate has been calculated using the latest Valuation Office (VOA) ratings list of appeals and an analysis of successful appeals to date when providing the estimate of the total provision up to and including 31st March 2019.

Contingent Liabilities

No liability is recognised as an outflow of economic resources as a result of present obligations is not probable. Instead, such situations are recognised as contingent liabilities in a note to the accounts, unless the outflow of resources is remote.

Contingent Assets

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

1.14 Reserves

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

Note 1: Accounting Policies (continued)

1.15 Revenue Expenditure Funded from Capital under Statute

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

1.16 Capitalisation Direction

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

1.17 Schools

Under the Code, local authority maintained schools are considered to be separate entities with the balance of control lying with the Authority. The Code requires that the income, expenditure, assets and liabilities of maintained schools be accounted for within the single entity accounts of the Authority.

Schools within the Council's group fall into the following categories:

- Community – 12 schools
- Nursery – 5 schools

Academies, Voluntary Aided, Voluntary Controlled and Free Schools are outside the Council's control.

1.18 VAT

The CIES excludes amounts relating to VAT. VAT is only recognised as an expense if it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

1.19 Minimum Revenue Provision (MRP)

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance. MRP has been charged in line with the Council's MRP Policy.

1.2 Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

Note 1: Accounting Policies (continued)

1.21 Capital commitment

The Council has included those projects which it believes it is committed to based on its capital strategy programme, which is approved by the Capital Strategy Board, although not all of these projects are subject to contractual agreements at year end.

1.22 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

DRAFT

Note 2: Accounting Standards that have been Issued but Not Yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the council to disclose information relating to the impact on the Council's financial performance or financial position of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code.

Paragraph 3.3.2.13 of the Code requires changes to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

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

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

Note 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1 (Accounting Policies), the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The following are considered to be critical management judgements in applying policies of the Council that have the most significant effects in the Statement of Accounts:

- **Future funding** – there is currently a high level of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be materially impaired as a result of a need to close facilities and substantially reduce levels of service provision.
- **School service concession** – the Council is deemed to control the services and the residual assets created under the contract for Penn Wood School, which is recognised on the Balance Sheet at £15.2m. The remaining two schools under the service concession contract, Beechwood School and Arbour Vale Special School have converted to academies and are therefore not under the control of the Council. Consequently, the assets for these two schools have been derecognised from the Balance Sheet. However, contractual liability remains with the Council and is reported in the Other Long-Term Liability balance on the Balance Sheet. Under the terms of the academisation, both schools make annual contributions to the Council for their shares of the unitary charge payable.
- **Recognition of schools** – the Council has completed a school by school assessment across the different schools operated within the Borough in order to determine the individual accounting treatments. Judgements have been made to determine the arrangements in place and the accounting treatment of the Non-Current Assets. As a result, the Council recognises school assets for Community schools and Voluntary Aided Schools on the Balance Sheet. The Council does not recognise assets relating to Academies or Free Schools as the view has been adopted that these entities were deemed to be owned by the relevant Dioceses or Trust following consultation and review.
- **Interests in Council-owned companies** – *the Council has a number of interests in other entities which fall within the group accounting boundary on the grounds of control and significant influence in line with the Code. However, only the interests in James Elliman Homes Ltd and Slough Urban Renewal LLP are material in aggregate and thus warrant consolidation into the Council's Group Accounts. The remaining interests are not material and have been treated as financial instruments in the Balance Sheet.*
- **Provisions for business rates appeals and bad debts** – *The Council, after year-end evidence increased the business rates appeals provision in 2020/21 by £1.8m. The Collection Fund currently holds £14.288m appeals provision to counter the potential impact of successful appeals in future years. In addition, the Council reviewed the adequacy of the bad-debt provision for business rates and council tax and as result, increased the business rates provision by £4.668m and the Council Tax provision by £3.015m.*
- **Agent / Principal Analysis** - a judgement has been made as to whether the Council had control over various Covid-19 funding streams provided by Central Government (Principal) or whether it was acting as an intermediary only (Agent). Further information about this is provided In Note 9 (Grant Income).

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

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment, and Investment Property - depreciation	<p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate the value of its non-current assets.</p> <p>The Council's external valuers, Wilks, Head and Eve LLP, provided valuations as at 31 March 2022 for all the Council's investment property portfolio and approximately 20% of its operational portfolio. The remaining balance of operational properties was also reviewed to ensure values reflect current values. balance of operational properties was also reviewed to ensure values reflect current values.</p> <p>The estimated useful life of all operational properties is reviewed annually based on the advice for the Council's external valuers</p>	<p>A reduction in the estimated valuation would result in reduction of the Revaluation Reserve and/or an impairment loss being charged to the Comprehensive Income and Expenditure Statement (CIES). If the value of the Council's operational properties were to reduce by 10% this would result in a valuation loss of £96.9m.</p> <p>An increase in estimated valuations would result in increased revaluation gains to the Revaluation Reserve and/or reversals of impairments charged to the CIES in previous years.</p> <p>If estimated useful lives increase by one year this would reduce the depreciation charge of £25m by £1.6m.</p> <p>If estimated useful lives decrease by one year this would increase depreciation by £1.4m.</p>
Fair value	<p>The Council's external valuers use valuation techniques to determine the fair value of investment property and surplus property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available, in which case, the valuers use the best information available.</p>	<p>Estimated fair values may differ from the actual prices that could be achieved in an arms-length transaction at the reporting date.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>The Council has engaged Barnett Waddingham, as its consulting actuaries, to provide the Council with expert advice about the assumptions to be applied.</p>	<p>Variations in the key assumptions will have the following impact on the net pension liability:</p> <p>(a) a 0.1% reduction in the discount rate will increase the net liability by £14m</p> <p>(b) a 0.1% increase in inflation will increase the net liability by £13m.</p> <p>(c) an increase of one year in life expectancy will increase the liability by £31m.</p>
Valuation of council dwellings	<p>Council dwellings are valued on a beacon methodology. This uses comparable sales evidence from the local area for the relevant property adjusted for floor area, local house price movement and regional indices.</p>	<p>A 10% reduction in the estimated value of HRA dwellings would be a revaluation loss of £57m.</p> <p>If estimated useful lives are overstated by 5% this would increase depreciation by £0.5m.</p>
Impairment allowance for doubtful debts	<p>At 31 March 2021, the Council had an impairment allowance of £28.4m against gross short-term debtor balances totalling £116.6m. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not.</p>	<p>If collection rates deteriorate by 5%, this would require an increase in the impairment allowance of £1.5m.</p>
Provisions	<p>The Council has made a number of provisions for the estimated cost of settling liabilities in respect of insurance claims, legal disputes and business rates appeals. The provisions are based on the Council's best estimate of the amount required to settle the obligations.</p>	<p>If provisions were valued at a more conservative outcome, this would require an additional amount to be set-aside as an increase in the provision required.</p>

Note 5: Material Items of Income and Expense

For the purpose of this note the Council considers material items to be around £6m. The Council has two material items of expenditure which relate to service contracts in 2022/23:

1. £31.43m (2021/22 £30.30m) to Slough Children's Services Trust for children's and young people services. The expenditure was charged to Children and learning Skills within the CIES.
2. The Akzo Nobel site was acquired by the Council in February 2021 was disposed of in November 2022 for a capital receipt of £143.75m. On disposal, the HRA has been reimbursed for all costs incurred in relation to the asset. The balance of the capital receipts of £101m have been recognised as a general fund capital receipt, and applied to reduce the capital financing requirement from the Council's capitalisation direction.

In March 2022 the Department for Levelling Up, Housing and Communities (DLUHC) provided an "in principle" Capitalisation Direction of £307m to the Council under the Department's Extraordinary Financial Support programme. The Capitalisation Direction was issued in response to the S.114 Notice issued by the s.151 officer to the Council in July 2021. The s.114 Notice highlighted that the Council faced a significant unfunded financial deficit arising from financial challenges which have arisen over a number of years. The Capitalisation Direction subsequently approved at at March 2024 is £348m.

The Capitalisation Direction permits the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capitalised revenue expenditure from capital resources, namely by applying usable capital receipts and in the short-term setting aside minimum revenue provision.

The Capitalisation Direction covers the period to 31 March 2024. It has been used as follows:

	pre 1 April 2019	2019/20	2020/21	2021/22	2022/23	Total
	£'000	£'000	£'000	£'000	£'000	£'000
To correct incorrect capitalisation of staff costs for Agresso Support	3,018	1,273	1,240	1,000	1,000	7,531
To address expenditure incurred by Slough Children's Service Trust Ltd incorrectly classed as Transformation Funding	8,981	952	-	-	-	9,933
To address expenditure incurred by the Council incorrectly classed as Transformation Funding	6,523	5,779	1,726	553	-	14,581
Understatement of Minimum Revenue Provision	32,871	5,348	9,065	18,789	21,534	87,607
To correct the incorrect treatment of Overage Income as revenue income to the General Fund	3,633	-	-	-	-	3,633
To charge the Council's share of the Collection Fund deficit from 2014/15 to the General Fund	6,301	-	-	-	-	6,301
To correct incorrect capitalisation of Property Staff	3,997	1,483	2,558	452	1,450	9,940
To provide for costs related to companies	-	500	171	894	2,010	3,575
To correct incorrect capitalisation of IT Staff	-	754	363	-	-	1,117
To provide adequate provisions against debtors raised	-	23,581	-	2,200	-	25,781
To provide for additional costs in relation to revenue outturn	12,690	6,866	9,818	35,013	18,347	82,734
To provide for an Insurance Fund provision	-	1,000	-	-	-	1,000
Additional Growth for new years of MTFS	-	-	-	1,065	4,773	5,838
Fund redundancy costs for 2 years	-	-	-	-	7,500	7,500
Total	78,014	47,536	24,941	59,966	56,614	267,071

Note 6: Other Operating Expenditure

2021/22		2022/23
£'000		£'000
381	Precepts	298
1,177	Payments to the Government Housing Capital Receipts Pool	-
(3,277)	Gains/Losses on the Disposal of Non-Current Assets	(229,304)
-	Other	-
(1,719)	Total	(229,006)

Note 7: Financing and Investment Income and Expenditure

2021/22		2022/23
£'000		£'000
7,803	Interest payable and similar charges	16,651
7,399	Net interest on the net defined benefit liability (asset)	7,376
(1,866)	Interest receivable and similar income	(9,753)
(6,275)	Income and expenditure in relation to investment properties and charges in their fair value	(7,026)
-	- Movements in fair value of financial instruments	-
-	- Other investment income and expenditure	-
7,061	Total	7,248

Note 8: Taxation and Non-Specific Grant Income

2021/22		2022/23
£'000		£'000
(65,474)	Council tax income	(64,866)
(25,114)	Non-domestic rates income and expenditure	(35,595)
(47,529)	Non-ringfenced government grants	(1,593)
(21,849)	Capital grants and contributions	(14,794)
-	- Other tax or non-specific grant income / expenditure	-
(159,966)	Total	(116,848)

Note 9: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the Council has used available funding for the year (i.e. government grants, rents, council tax and business rates) in providing services, in comparison with those resources that the Council has consumed or earned in accordance with generally accepted accounting practices. It also shows how the Council has allocated this expenditure for decision making purposes between the Council's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2021/22					2022/23			
Net Expenditure in the Comprehensive Income and Expenditure Statement	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund and HRA Balances		Net Expenditure in the Comprehensive Income and Expenditure Statement	Capitalisation Direction	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund and HRA Balances
60,639	-	(1,239)	59,400	Adults and Communities		-	-	
47,074	-	(7,617)	39,457	Children, Learning and Skills		-	-	
13,224	-	(370)	12,854	Place and Development		-	-	
26,685	-	(483)	26,202	Regeneration		-	-	
9,316	-	(641)	8,675	Finance and Resources		-	-	
15,561	-	(239)	15,322	Chief Executive		-	-	
16,447	-	(21,095)	(4,648)	Housing Revenue Account		-	-	
188,946	-	(31,684)	157,262	Net Cost of Services	-	-	-	
(154,624)	(59,966)	21,866	(192,724)	Other Income and Expenditure			-	
34,322	(59,966)	(9,818)	(35,462)	(Surplus)/Deficit	(219,001)	-	-	
			(55,803)	General Fund and HRA balance brought forward**	-	-	(91,265)	
			(35,462)	Plus Transfers to / from Earmarked Reserves**	-	-	-	
			(91,265)	General Fund and HRA balances carried forward**			(91,265)	

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

Note 9a: Expenditure and Funding Analysis (continued)

2021/22					2022/23			
Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments		Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1,758	(2,963)	(34)	(1,239)	Adults and Communities				-
4,012	(6,761)	(4,868)	(7,617)	Children, Learning and Skills				-
521	(880)	(10)	(369)	Place and Development				-
683	(1,152)	(13)	(482)	Regeneration				-
907	(1,530)	(18)	(641)	Finance and Resources				-
342	(575)	(7)	(240)	Chief Executive				-
(20,035)	(1,061)	-	(21,096)	Housing Revenue Account				-
(11,812)	(14,922)	(4,950)	(31,684)	Net Cost of Services	-	-	-	-
(59,966)	-	21,866	(38,100)	Other income and expenditure from the Funding Analysis				-
(71,778)	(14,922)	16,916	(69,784)	Difference between (Surplus)/Deficit and the CIES Statement (Surplus)/Deficit on Provision of Services	-	-	-	-

Note 9a: Expenditure and Funding Analysis (continued)**Adjustments for Capital Purposes**

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

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

Net Change for the Pensions Adjustments

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

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

Other Statutory Adjustments

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

Note 9b: Expenditure and Funding Analysis (continued)

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

Other Non-statutory Adjustments

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

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

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

2021/22		2022/23
£'000		£'000
	Expenditure	
110,028	Employee Benefit Expenses	
324,560	Other Service Expenses	
12,516	Depreciation, Amortisation, Impairment	
15,202	Interest Payments	24,027
381	Precepts and Levies	298
1,177	Payments to the Housing Capital Receipts Pool	
3,620	Losses on disposals	(229,304)
467,484	Total expenditure	(204,979)
	Income	
(182,731)	Fees, charges and other service income	
(8,141)	Interest and investment income	(16,779)
(90,588)	Income from council tax, non-domestic rates	(100,461)
(144,805)	Government grants and contributions	
(6,897)	Gains on Disposals	
(433,162)	Total income	(117,240)
34,322	(Surplus) or Deficit on the Provision of Services	(219,001)

Note 10: Partnership Arrangements

The Council has entered into two pooled budget arrangements, the Better Care Fund and Berkshire Community Equipment Store.

Better Care Fund (BCF)

The Council began hosting the Better Care Fund from the 1st April 2015. This is part of a national initiative to pool health and social care funding of services to achieve better health and care for the local community. The Better Care Fund is a partnership between NHS England, the Ministry of Housing, Communities and Local Government, the Department of Health and Social Care and the Local Government Association

The Better Care fund is a pooled budget agreement and operates according to an agreement made under section 75 of the National Health Act 2006 between Slough Borough Council and East Berkshire Clinical Commissioning Group.

In 2022/23 the fund comprised 22 schemes (24 in 2021/22) grouped under the following headings:

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

In 2022/23 Slough Borough Council funding included £3.989m of improved better care fund (BCF) grant (£3.872m in 2021/22). In accordance with the section 75 agreement, NHS funded services that are commissioned directly by the clinical commissioning group, do not require transactions to be via the Council.

Berkshire Community Equipment Store

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

2021/22			2022/23	
BCF	BCES		BCF	BCES
£'000	£'000		£'000	£'000
(778)	-	Balance brought forward	-	-
(2,791)	(587)	Authority Funding	(2,235)	(717)
-	(44)	Slough Children's First Funding	-	(55)
(10,117)	(10,932)	Partner Funding	(10,829)	(10,746)
(12,908)	(11,563)	Total Funding	(13,064)	(11,518)
2,235	-	Authority Expenditure	1,659	-
10,117	11,563	Partner Expenditure	10,829	11,518
12,352	11,563	Total Expenditure	12,488	11,518
(1,334)	-	Net (Surplus)/Deficit on the Pooled Budget	(576)	-
1,334	-	Transfer to Earmarked reserves	576	-
-	-	Authority Share of the Net (Surplus) / Deficit	-	-

Note 11: Members' Allowances

The Council paid allowances to its members in 2022/23 of £604 million (£0.565 million in 2021/22).

Note 11a: Exit packages and termination benefits

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0 - £20,000	18	5	51	49	69	54	634	112
£20,001 - £40,000	23	1	13	2	36	3	954	94
£40,001 - £60,000	1	1	-	-	1	1	47	44
£60,001 - £80,000	1	-	-	-	1	-	70	-
£80,001 - £100,000	1	-	-	-	1	-	82	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£350,001 and over	-	-	-	-	-	-	-	-
Total	44	7	64	51	108	58	1,787	250

Note 11b: Officers' Remuneration

The remuneration of senior employees, defined as those who are members of Management Board, or those holding statutory posts is as follows:

2022/23	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	Note
	£'000	£'000	£'000	£'000	£'000	
Post holder information						
Chief Executive - S Brown	146	-	146	14	160	
Director of Children, Learning and Skills Services	233	-	233	4	237	
Director of Place and Development	193	-	193	29	222	
Director of Finance and Resources (S151 Officer)	230	-	230	-	230	
Director of Adults and Communities	139	-	139	21	160	
Director of Regeneration	-	-	-	-	-	1
Director of Transformation	-	-	-	-	-	
Director of Public Health	-	-	-	-	-	2

Note 1: This is merged with Place and Development

Note 2: The Director of Public Health role has been merged with the Director of Children, Learning and Skills Services costs were shared between the Berkshire Authorities. The total cost of the post in in 2021/22 was £XXk (2021/22 £131k) with Slough Council's share being £65k.

Note 11b: Officers' Remuneration (continued)

2021/22	Salary including fees and allowances	Taxable Expenses	Total Remuneration excluding Pension costs	Employers Pension Contributions	Total Remuneration including Pension contributions	Note
	£'000	£'000	£'000	£'000	£'000	
Post holder information						
Chief Executive - J Wagg	180	-	180	24	204	
Interim Chief Executive	-	-	-	-	-	
Director of Children, Learning and Skills Services	56	-	56	12	68	1
Director of Place and Development	126	-	126	18	144	
Director of Finance and Resources (S151 Officer)	23	-	23	19	42	
Director of Adults and Communities	139	-	139	19	158	
Director of Regeneration	112	-	112	7	119	
Director of Transformation	90	-	90	21	111	
Director of Public Health	65	-	65	-	65	2

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

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

DRAFT

Note 11b: Officers' Remuneration (continued)

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

Remuneration band	2021/22			2022/23		
	Number of employees			Number of employees		
	Schools	Non Schools	Total	Schools	Non Schools	Total
£50,001 - £55,000	11	40	51	14	39	53
£55,001 - £60,000	12	32	44	10	14	24
£60,001 - £65,000	6	15	21	11	12	23
£65,001 - £70,000	3	5	8	3	4	7
£70,001 - £75,000	1	1	2	4	1	5
£75,001 - £80,000	1	1	2	2	1	3
£80,001 - £85,000	2	2	4	-	-	-
£85,001 - £90,000	-	6	6	1	-	1
£90,001 - £95,000	-	2	2	-	2	2
£95,001 - £100,000	-	-	-	-	6	6
£100,001 - £105,000	-	-	-	-	-	-
£105,001 - £110,000	-	-	-	-	-	-
£110,001 - £115,000	1	2	3	1	-	1
£115,001 - £120,000	1	1	2	-	-	-
£120,001 - £125,000	-	-	-	1	1	2
£125,001 - £130,000	-	1	1	-	-	-
£130,001 - £135,000	-	-	-	-	1	1
£135,001 - £140,000	-	1	1	-	-	-
£140,001 - £145,000	-	-	-	-	-	-
£145,001 - £150,000	-	-	-	-	-	-
£150,001 - £155,000	-	-	-	-	-	-
£155,001 - £160,000	-	-	-	-	-	-
£160,001 - £165,000	-	1	1	1	-	1
Total	38	110	148	48	81	129

The figures do not include staff employed by academies.

Note 12: External Audit Fees

The Council's external auditors for the audit of the Statement of Account in 2021/22 are Grant Thornton LLP. The Council's external auditors for the certification of grant claims are Grant Thornton LLP. The Authority has incurred the following expenditure for services provided by the external auditors for the relevant year:

2021/22		2022/23
£'000		£'000
265	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	442
134	Fees payable to external auditors for the certification of grant claims and returns for the year	110
19	Fees payable in respect of other services provided by external auditors during the year	8
418		560

The 2022/23 fee noted above is an estimate. Due to ongoing work, the final fee is subject to change and will differ from the amount accrued in the accounts, shown above, because the fees are still subject to approval by PSAA.

Note 13: Dedicated Schools Grant (DSG)

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the council's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the Schools and Early Years Finance (England) Regulations 2017. Schools Budget includes elements for a range of educational services provided on an authority-wide basis and the Individual Schools Budget, which is divided into a budget share for each maintained school, funding for early years providers, and high-needs payments to providers.

2021/22			Schools budget funded by Dedicated Schools Grant	2022/23		
Central expenditure	Individual Schools budget (ISB)	Total		Central expenditure	Individual Schools budget (ISB)	Total
£'000	£'000	£'000		£'000	£'000	£'000
		192,769	Final DSG before Academy recoupment			202,294
		120,695	Academy figure recouped			125,134
		72,074	Total DSG after recoupment			77,160
		(20,639)	Brought forward DSG			-
		-	Less carry forward agreed in advance			-
1,259	50,176	51,435	Agreed Initial budgeted distribution	23,683	53,477	77,160
-	-	-	In year adjustments	10,432	-	10,432
1,259	50,176	51,435	Final Budgeted Distribution	34,115	53,477	87,592
10,434	-	10,434	less Actual central expenditure	26,970	-	26,970
-	66,431	66,431	less Actual ISB deployed to schools	-	50,109	50,109
-	-	-	plus local authority contributions for the year	-	-	-
(9,175)	(16,255)	(25,430)	In-Year Carry Forward to 2023/24	7,145	3,368	10,513
			DSG unusable reserve at the end of 2021/22			(25,430)
			Net DSG position at the end of 2022/23			(14,917)

Note 14: Grant Income

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

2021/22		2022/23
£'000		£'000
	Credited to Taxation and non-specific grant income	
	Non-ringfenced government grants	
(3,678)	PFI Grant	(3,678)
(21,357)	Section 31 Grant	-
(1,095)	New Homes Bonus Grant	(1,394)
(4,524)	Covid Grants	(1,422)
-	Services Grant	(1,914)
(7,944)	Other grants	
(38,598)	Total of Non-ringfenced government grants	(8,408)
(21,849)	Capital grant and contributions	
(60,447)	Total credited to Taxation and non-specific grant income	(8,408)
	Credited to services	
(71,654)	Dedicated Schools Grant	(76,888)
	DSG - Safety Valve Funding	(10,800)
(46,658)	DWP Subsidy	(43,548)
(1,791)	Sales, Fee and Charges income Loss	-
(7,082)	Public Health Grant	(7,851)
(4,241)	COVID-19	(415)
(2,128)	YPLA Post 16 Funding	(3,005)
(1,719)	Schools grant	(1,834)
(2,284)	Pupil Premium	(2,317)
(1,088)	Children Services Grant	(1,024)
(173)	Access Fund Grant (DFT)	-
(205)	Flexible Homelessness Grant	-
(7,306)	Better Care Fund	(3,989)
(2,151)	Rapid Testing Fund	-
(3,736)	Collection Fund Compensation Grant	-
(2,127)	Local Council Tax Support Grant	(194)
(10,828)	Other grants	(7,198)
(165,171)	Total of Government Grant credited to Net Cost of Services	(159,063)
(225,618)	Total of grants and contributions to the Comprehensive Income and Expenditure Statement	(167,471)

Note 15: Adjustments Between Accounting Basis and Funding Basis Under Regulations

The resources available to the Council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement (MiRS) so that usable reserves reflect the funding available at the year-end. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, plant and Equipment	Depreciation and revaluation/impairment losses	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Investment Properties	Movements in fair value	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2022/23	Revenue provision (MRP) to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2022/23 or were received in 2022/23 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2023) Capital Adjustment Account (other amounts)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2022/23 Losses on soft loans granted in 2022/23 and interest receivable in 2022/23 on an amortised cost basis	Deferred debits and credits of premiums and discounts from earlier years in accordance with the 2003 Regulations Interest due to be received on soft loans in 2022/23	Financial Instruments Adjustment Account
Pooled Investments	Movements in the fair value of pooled investment funds	Historical cost gains/losses for money market fund investments disposed of in 2022/23	Pooled Investment Funds Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities (see Note 32)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2022/23	Pensions Reserve
Council Tax	Accrued income from 2022/23 bills	Demand on the Collection Fund for 2022/23 plus share of estimated surplus for 2020/21	Collection Fund Adjustment Account
Business Rates	Accrued income from 2022/23 bills	Budgeted income receivable from the Collection Fund for 2022/23 plus share of estimated surplus for 2020/21	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2022/23 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount receivable for 2022/23	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2023	No charge	Accumulated Absences Adjustment Account

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

2022/23	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Pension costs	(15,596)	(1,008)	-	-	-	(16,604)	Pensions Reserve
• Financial instruments	-	-	-	-	-	-	Financial Instruments Adjustment Account
• Pooled investment funds						-	Pooled Investment Funds Adjustment Account
• Council tax & business rates	7,845					(7,845)	Collection Fund Adjustment Account
• Holiday pay	(261)					261	Accumulated Absences Account
• Schools deficit including Safety Valve Funding from ESFA	10,513					(10,513)	Dedicated Schools Grant Adjustment Account
• Capital expenditure	(11,479)	(841)				12,320	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	258,701	9,258	(49,814)	(3,342)	(2,646)	(212,157)	Capital Adjustment Account
Adjustment for the repayment of loans						-	Capital Adjustment Account
Use of capital receipts for revenue purposes						-	
Total adjustments	249,723	7,409	(49,814)	(3,342)	(2,646)	(234,538)	

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

2021/22	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Pension costs	(13,864)	(1,061)	-	-	-	14,924	Pensions Reserve
• Financial instruments	-	-	-	-	-	-	Financial Instruments Adjustment Account
• Pooled investment funds	-	-	-	-	-	-	Pooled Investment Funds Adjustment Account
• Council tax & business rates	21,866	-	-	-	-	(21,866)	Collection Fund Adjustment Account
• Holiday pay	(161)	-	-	-	-	161	Accumulated Absences Account
• Schools deficit	(4,790)	-	-	-	-	4,790	Dedicated Schools Grant Adjustment Account
• Capital expenditure	(10,562)	(20,035)	(6,897)	(10,427)	(21,850)	69,771	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	18,789		12,540	7,007	9,459	(47,794)	Capital Adjustment Account
Use of capital receipts for revenue purposes			(3,533)			3,533	
Transfer to and from deferred capital receipts	(59,966)					59,966	Deferred capital Receipts reserve
Total adjustments	(48,688)	(21,096)	2,110	(3,420)	(12,391)	83,485	

Note 16: Unusable reserves

2022/23		Adjustments between Accounting and Funding Basis				
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Capital and Revenue Financing	Other Movements*	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(419,585)	(18,445)			(63,127)	(501,157)
Capital Adjustment Account	44		27,767			27,811
Collection Fund Adjustment Account	16,491		(7,845)			8,646
Dedicated Schools Grant Adjustment Account	25,430		(10,513)			14,917
Accumulated Absences Account	974		261			1,235
Financial Instruments Adjustment Account	672					672
Pooled Investments Fund Adjustment Account	(911)					(911)
Pensions Reserve	308,377	(202,817)	16,604			122,164
Deferred Capital Receipts Reserve	(602)					(602)
Total adjustments	(69,111)	(221,262)	26,274	-	(63,127)	(327,225)

2021/22		Adjustments between Accounting and Funding Basis				
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Capital and Revenue Financing	Other Movements*	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(374,140)	(53,595)			8,150	(419,585)
Capital Adjustment Account	(77,282)	-	129,738	(47,794)	(4,618)	44
Collection Fund Adjustment Account	38,357	-	(21,866)	-	-	16,491
Dedicated Schools Grant Adjustment Account	20,640	-	4,790	-	-	25,430
Accumulated Absences Account	815	-	159	-	-	974
Financial Instruments Adjustment Account	672	-		-	-	672
Pooled Investments Fund Adjustment Account	(911)	-		-	-	(911)
Pensions Reserve	376,982	(83,529)	14,924	-	-	308,377
Deferred Capital Receipts Reserve	(602)	-		-	-	(602)
Total adjustments	(15,469)	(137,124)	127,745	(47,794)	3,532	(69,110)

Note 16a: Revaluation Reserve

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

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

2021/22		2022/23
£'000		£'000
(374,140)	Balance at 1 April	(419,585)
(53,595)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(86,700)
6,430	Difference between fair value depreciation and historical cost depreciation	
1,720	Accumulated gains on assets sold or scrapped	1,308
8,150	Total amount written off to the Capital Adjustment Account	1,308
(419,585)	Balance 31 March	(504,977)

Note 16b: Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

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

2021/22		2022/23
£'000		£'000
(77,282)	Balance at 1 April	43
22,582	Depreciation of Property, Plant and Equipment, and Heritage Assets	25,066
360	Amortisation and Impairment Losses of Intangible Assets	966
38,398	Revaluation and Impairment Losses on Property, Plant and Equipment	(16,472)
-	Fair Value Adjustment of Loans	
900	Revenue Expenditure Funded from Capital Under Statute	1,634
3,620	Carrying amounts of Non-Current Assets written off on disposal as part of the Gain/Loss on Disposal in the Comprehensive Income and Expenditure Statements	84,776
59,966	Capitalisation Direction	56,614
-	Other Adjustments	-
125,826	Reversal of items relating to capital expenditure debited or credited to the CIES	152,584
(1,720)	Valuation of assets disposed of in the Comprehensive Income and Expenditure Statement	(1,308)
(6,430)	Difference in Current Cost and Fair Value depreciation	
(8,150)	Net written out amount of the cost of non-current assets consumed in the year	(1,308)
(8,228)	Capital receipts applied	(49,106)
-	Revenue contributions to fund capital expenditure	-
(7,007)	Major Repairs Reserve applied	(5,916)
(9,459)	Capital grants and contributions applied	(11,297)
(18,789)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(20,998)
(2,578)	Use of Loan Repayments to Reduce CFR	(3,895)
(1,734)	Use of Loan Repayments to Reduce CD	(6,715)
	Use of Capital Receipts to Reduce Capitalisation Direction Element Capital Financing Requirement	(101,257)
(47,795)	Capital financing applied in year:	(199,184)
8,662	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	919
3,533	Adjustment for the repayment of loans	11,407
(4,751)	Other movements	473
43	Balance at 31 March	(35,066)

Note 16c: Collection Fund Adjustment Account

The Collection Fund adjustment account manages the differences arising from the recognition of Council Tax and NNDR income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2021/22			2022/23	
£'000			£'000	
38,357		Balance at 1 April		16,491
(21,866)		Amount by which council tax and non-domestic rates income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements		-
-		Other movements		-
16,491		Balance at 31 March		16,491

Note 16d: Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account

2021/22			2022/23	
£'000			£'000	
20,640		Balance at 1 April		25,430
		Adjustment to opening balance		
4,790		Transfer of schools deficit to DSG Account		
25,430		Balance at 31 March		25,430

Note 16e: Accumulated Absences Account

2021/22			2022/23	
£'000			£'000	
815		Balance at 1 April		974
(815)		Settlement or cancellation of accrual made at the end of preceding year		-
974		Amounts accrued at the end of the current year		-
974		Balance at 31 March		974

Note 16f: Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

2021/22		2022/23
£'000		£'000
672	Balance at 1 April	672
-	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements Premiums incurred in the year and charged to the CIES	
672	Balance 31 March	672

Note 16g: Pooled Investment Funds Adjustment Account

This reserve is (credited)/debited with (gains)/losses arising from the revaluation of financial instruments held at fair value through other comprehensive income (FVOCI).

2021/22		2022/23
£'000		£'000
(911)	Balance 1 April	(911)
-	Upward revaluation of investments	
-	Downward revaluation of investments	
-	Total Changes in revaluation and impairment	-
(911)	Balance 31 March	(911)

Note 16h: Pensions Reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22		2022/23
£'000		£'000
376,982	Balance at 1 April	308,377
(83,529)	Actuarial gains/(losses) on pensions assets & liabilities	(199,277)
27,974	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/deficit on provision of services in the Comprehensive Income & Expenditure Statement	26,818
(13,050)	Employer's pensions contributions & direct payments to pensioners payable in the year	(13,758)
308,377	Balance at 31 March	122,160

Note 16i: Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2021/22		2022/23
£'000		£'000
(602)	Balance at 1 April	(602)
	- Recognition of deferred capital receipt	-
	- Realisation of deferred capital receipt transferred to CRR	-
(602)	Balance at 31 March	(602)

Note 17: Transfers to/from Earmarked Reserves

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

Movement in Earmarked reserves	1st April 2021	*Transfers In	*Transfers Out	Reclassification	Balance at 31st March 2022	Transfers In	Transfers Out	Balance at 31st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Fund	(200)				(200)		200	-
Building Control	(80)				(80)		80	-
Specific Grants (Revenue)	(124)	(43)			(167)		167	-
MTFS Reserve	(7,541)	(28,674)	3,690		(32,525)	(17,765)	29,372	(20,918)
Budget Smoothing	(23,298)	(6,024)			(29,322)	(6,108)	233	(35,197)
Housing Renewals Reserve	(91)				(91)		91	-
General Fund earmarked reserves	(31,334)	(34,741)	3,690		(62,385)	(23,873)	30,143	(56,115)
Dedicated Schools Grant	-				-			-
Schools - Other	(8,903)	(1,642)	22	-	(10,523)			(10,523)
Schools total	(8,903)	(1,642)	22		(10,523)			(10,523)
Total Earmarked reserves	(40,237)	(36,383)	3,712		(72,908)	(23,873)	30,143	(66,638)

Note Headings were corrected for errors in draft 2019/20

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

Note 18: Property, Plant and Equipment

Values as at 31-March-2023

The tables on the following pages show a breakdown of the opening and closing values of PPE assets and summarise the transactions during the year, for each class of asset.

Movements in 2022/23	Operational assets					Non-operational assets		Total
	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2022	582,200	280,121	76,375	134,479	10,190	20,376	36,113	1,139,854
Adjustments to cost/value & depreciation/impairment	(9,137)	(2,587)				(51)		(11,775)
Additions	6,216	432	1,378	8,288	10	212	855	17,391
Revaluation increases/(decreases) recognised in the revaluation reserve	34,404	48,424				3,872		86,700
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	6,994	10,463				988		18,445
Derecognition – disposals	(2,668)	(162)				(2,376)	(20,545)	(25,751)
Other transfers/movements		(197)			(352)	647	(415)	(317)
At 31 March 2023	618,009	336,494	77,753	142,767	9,848	23,668	16,008	1,224,547
Accumulated depreciation and impairment								
At 1 April 2022	(6,240)	(498)	(23,145)	(64,846)	(40)	(196)	(3)	(94,968)
Adjustments to cost/value & depreciation/impairment	9,137	2,587				51		11,775
Depreciation charge	(9,128)	(3,433)	(4,104)	(8,338)	(12)	(51)		(25,066)
Depreciation written out to the revaluation reserve								-
Depreciation written out to the surplus/(deficit) on the provision of services								-
Derecognition – disposal	42							42
Other transfers/movements								-
At 31 March 2023	(6,189)	(1,344)	(27,249)	(73,184)	(52)	(196)	(3)	(108,217)
Net book value at 31 March 2022	575,960	279,623	53,230	69,633	10,150	20,180	36,110	1,044,886
Net book value at 31 March 2023	611,820	335,150	50,504	69,583	9,796	23,472	16,005	1,116,330

Note 18: Property, Plant and Equipment (continued)

Values as at 31-March-2022

The tables on the following pages show a breakdown of the opening and closing values of PPE assets and summarise the transactions during the year, for each class of asset.

Movements in 2021/22	Operational assets					Non-operational assets		Total
	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2021	563,001	289,498	78,505	127,737	10,190	17,866	50,328	1,137,125
Adjustments to cost/value & depreciation/impairment	(20,636)	(3,798)				(30)		(24,464)
Additions	5,781	4,525	2,291	6,742		568	3,574	23,481
Revaluation increases/(decreases) recognised in the revaluation reserve	41,006	10,329				2,260		53,595
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(15,472)	(21,942)				(984)		(38,398)
Derecognition – disposals	(3,562)	-	(4,853)					(8,415)
Other transfers/movements	12,082	1,509	432			696	(12,513)	2,206
At 31 March 2022	582,200	280,121	76,375	134,479	10,190	20,376	41,389	1,145,130
Accumulated depreciation and impairment								
At 1 April 2021	(16,642)	(929)	(23,003)	(61,027)	(28)	(181)	(3)	(101,813)
Adjustments to cost/value & depreciation/impairment	20,636	3,798				30		24,464
Depreciation charge	(10,348)	(3,367)	(4,995)	(3,819)	(12)	(30)		(22,571)
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-
Depreciation written out to the surplus/(deficit) on the provision of services	-	-	-	-	-	-	-	-
Derecognition – disposal	114	-	4,853			(15)		4,952
Other transfers/movements	-	-	-	-	-	-	(5,273)	(5,273)
At 31 March 2022	(6,240)	(498)	(23,145)	(64,846)	(40)	(196)	(5,276)	(100,241)
Net book value at 31 March 2021	546,359	288,569	55,502	66,710	10,162	17,685	50,325	1,035,312
Net book value at 31 March 2022	575,960	279,623	53,230	69,633	10,150	20,180	36,113	1,044,889

Note 18: Property, Plant and Equipment (continued)**Revaluations**

The Council undertakes a rolling programme that ensures that all relevant property, plant and equipment required to be measured at current value is measured at least every five years. The valuations for 2021/22 have been undertaken by external valuers 'Wilkes Head and Eve'.

Valuations of land and buildings have been carried out in accordance with the methodologies and bases of estimation, as set out in the professional standards of the Royal Institute of Chartered Surveyors. Currently we do not re-value vehicles, plant, furniture or equipment assets as these tend to be of a finite (short term) life.

Specialised properties are assumed to have no active market but the land element could potentially be sold at its market value. It is assumed the building costs would be in line with the published indices.

The following table shows the progress of the Council's rolling programme for the revaluation of council dwellings, land and buildings as at 31st March 2023:

	2022/23
	£'000
Council Dwellings	
Land and Buildings	
Surplus	
Assets subject to valuation	-
Infrastructure	
Community	
Vehicles, Plant and Equipment	
Assets under Construction	
Assets not subject to valuation	-
Total value of assets	-

Note 18: Property, Plant and Equipment (continued)**Assets that are Revalued – by Category**

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
Carried at historical cost Valued at current value as at:				
31/03/2023				
31/03/2022				
31/03/2021				
31/03/2020				
31/03/2019				
Valued at Historical Cost				
Total Cost or valuation	-	-	-	-

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

Note 18b: Infrastructure Assets

Infrastructure assets are measured on a depreciated historical cost basis. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year. An update to the Code and Specifications for Future Codes for Infrastructure Assets come into force in 25 December 2022, temporarily removing the need to disclose gross cost and accumulated depreciation of infrastructure assets until 31 March 2025

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. All replaced infrastructure components are determined to have fully depreciated and have a net amount of nil. This is particularly true for Slough as it inherited infrastructure assets when it became a unitary authority in 1998.

	2021/22	2022/23
	£'000	£'000
Gross Balance at 1st April	66,710	69,633
Additions	6,742	8,288
Depreciation	(3,819)	(8,338)
At 31st March	69,633	69,583

Note 18c: Assets Held for Sale

As at 31 March 2023 the Council had a number of properties categorised as Assets Held for Sale, and comprising a total value of £2.791m

Non-Current	2021/22	2022/23
	£'000	£'000
Balance at 1st April		-
Assets newly classified as held for sale:		
- Property Plant and Equipment		2,791
Balance at 31st March		2,791

Note 19: Capital Commitments

At 31st March 2023, the Council has committed to projects for the construction or enhancement of Property, Plant and Equipment in 2023-24 and beyond. The budgeted cost of these commitments is expected to cost £132.4m (31st March 2022 £81.3m).

The major commitments amounting to £0.5m or more at 31st March 2023 (these represent the approved budgets rather than actual contractual commitments) are:

	Commitments in 2023/24	Commitments in Future Years	Total Commitments
	£'000	£'000	£'000
Refuse Fleet and Grounds Plant Equipment	500	4,400	4,900
Disabilities Facilities	1,140	4,560	5,700
Children Services	4,323	7,662	11,985
Fire Risk Assessment	5,000	-	5,000
Cornwall House-Fire Strategy	950	-	950
Office Accommodation Strategy	900	4,000	4,900
Major Infrastructure Projects	19,436	9,971	29,407
Flood Defence Measures	1,482	3,345	4,827
RMI Capital programme	9,293	42,624	51,917
Affordable Homes	800	-	800
Total	43,824	76,562	120,386

Note 20: Investment Property

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

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

2021/22		2022/23
£'000		£'000
176,283	Balance at 1 April	165,921
	Additions	
405	Enhancement	5,323
	Disposals	(61,444)
(2,105)	Transfers (to)/from PPE	(449)
(8,662)	Gains/(losses) in fair value	(919)
165,921	Balance at 31 March	108,432

Note 21: Leases

The Authority has acquired has entered into a number of deemed finance leases in order to acquire Buildings, Information Technology, vehicles and Equipment.

Council as lessee

Finance leases

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2021/22		2022/23
£'000		£'000
100	Other Land and Buildings	42
92	Vehicles, Plant, Furniture, Equipment and Other	51
192		93

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

2021/22		2022/23
£'000		£'000
	Finance lease liabilities (net present value of minimum lease payments):	
581	- current (not later than one year)	578
4,129	- non-current (later than one year)	3,551
136	Finance costs payable in future years	96
4,846		4,225

No contingent rentals were recognised as an expense in the Comprehensive Income and Expenditure Account, during the year, and no future sub lease income is expected to be received, as all assets are used exclusively by the Council.

2021/22			2022/23	
Minimum lease payments	Finance lease liabilities		Minimum lease payments	Finance lease liabilities
£'000	£'000		£'000	£'000
660	581	Not later than 1 year	640	578
1,762	1,629	Later than 1 year and not later than 5 years	1,682	1,392
2,560	2,500	Later than 5 years	2,427	2,159
4,982	4,710		4,749	4,129

Note 21: Leases (continued)Operating Leases

The Council enters into operating lease agreements to acquire the use of plants, vehicles and equipment. The future minimum lease payments are made up of the following amounts:

2021/22		2022/23
£'000		£'000
595	Not later than 1 year	629
2,381	Later than 1 year and not later than 5 years	2,699
7,501	Later than 5 years	8,824
10,477		12,152

Council as lessorOperating Leases

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

2021/22		2022/23
£'000		£'000
3,368	- current (not later than one year)	6,054
11,197	- non-current (later than one year)	17,467
20,621	Finance costs payable in future years	47,630
35,186		71,151

Note 22: Service Concession Arrangements

Service concession arrangement and Private Finance Initiative (PFI), are an outsourcing method between a public sector body (Slough Borough Council), and a private sector organisation to often design and build a facility which can then be used to deliver public services.

A PFI arrangement in essence transfers responsibility, but not accountability to the private sector organisation. For Slough all of the PFI contracts relate to buildings

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

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

Schools PFI Scheme

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

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

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

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

Movement in PFI Assets

PFI Schools			PFI Schools	
£'000			£'000	
15,240	Opening balance			16,464
	- Adjustments to cost/value & depreciation/impairment			
	- Additions			
1,432	Revaluation increases/(decreases) recognised in the revaluation reserve			3,336
(208)	Depreciation charge			(217)
	- Derecognition - disposals			
16,464				19,583

Note 22: Service Concession Arrangements (continued)**Beechwood / Arbour Vale**

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

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

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

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

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

Payments

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

2021/22					2022/23			
Service cost	Repayment of liability	Interest	Total		Service cost	Repayment of liability	Interest	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(4,349)	(928)	(2,411)	(7,688)	within 1 year	(3,292)	(1,585)	(2,339)	(7,216)
(14,376)	(6,849)	(8,540)	(29,765)	within 2-5 years	(15,918)	(6,856)	(8,008)	(30,782)
(20,159)	(11,746)	(7,411)	(39,316)	within 6-10 years	(19,551)	(13,140)	(6,499)	(39,190)
(14,195)	(11,502)	(2,012)	(27,709)	within 11-15 years	(9,969)	(8,516)	(1,118)	(19,603)
-	-	-	-	within 16-20 years	-	-	-	-
(53,079)	(31,025)	(20,374)	(104,478)	Closing balance	(48,730)	(30,097)	(17,964)	(96,791)

Note 22: Service Concession Arrangements (continued)**Movement on the value of the liabilities**

Although the payments made to each contractor are described as unitary payments, they have been calculated to compensate each contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractors for capital expenditure is set out below.

2021/22		2022/23
£'000		£'000
(31,909)	Balance at 1 April	(31,025)
884	Repayment	928
-	Other movements	
(31,025)	Balance at 31 March	(30,097)

Note 23: Capital Expenditure and Financing

The capital financing requirement (CFR) is a Prudential Code indicator which shows the underlying need for the Council to borrow to fund its non current assets. The requirement is increased by capital expenditure financed from borrowing and decreased by revenue or capital resources put aside for the repayment of debt. An explanation of the movement in the year ended 31 March 2022 is shown in the table below.

The capital financing requirement (CFR) is a Prudential Code indicator which shows the underlying need for the Council to borrow to fund its non current assets. The requirement is increased by capital expenditure financed from borrowing and decreased by revenue or capital resources put aside for the repayment of debt. An explanation of the movement in the year ended 31 March 2022 is shown in the table below.

2021/22		2022/23
£'000		£'000
797,244	Opening capital financing requirement	840,074
(126)		807
797,118	Restated opening capital financing requirement	840,881
	Capital investment	
23,481	Property, plant and equipment	17,391
405	Investment Properties	5,323
303	Intangible Assets	8
900	Revenue expenditure funded from capital under statute	1,635
11,225	Loans Advanced	4,432
(5,530)	Other Capital Expenditure	
59,966	Capitalisation Direction	56,614
90,750	Total capital investment	85,403
	Sources of finance	
(8,228)	- Capital receipts	(49,106)
(2,578)	- Use of Loan Repayments to Reduce Capital Financing Requirement	(3,895)
(1,734)	- Use of Loan Repayments to Reduce Capitalisation Direction Element Capital Financing Requirement	(6,715)
	- Use of Capital Receipts to Repay Capitalisation Direction	(101,257)
(9,459)	- Government grants and other contributions	(11,297)
(7,006)	- Major repairs reserve	(5,916)
	Sums set aside from revenue	
-	- Direct revenue financing	
(18,789)	- Minimum revenue provision	(20,998)
(47,794)	Total sources of finance	(199,184)
840,074	Closing capital financing requirement	727,100
	Explanation of movements in year:	
(18,789)	Minimum revenue provision	(20,998)
59,966	Capitalisation Direction	56,614
	- Use of Loan Repayments to Reduce Capital Financing Requirement	(3,895)
	- Use of Capital Receipts to Repay Capitalisation Direction	(101,251)
7,260	Increase/decrease in underlying need to borrow	(44,245)
48,437	Increase/(decrease) in CFR for the year	(113,775)

Note 24: Financial Instruments

Analysed by Category

2021/22				2022/23		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
			Financial Assets			
			<i>Loans and receivables</i>			
-	-	-	Investments	-	-	-
-	-	-	Finance lease	-	-	-
-	-	-	Cash and cash equivalents	-	-	-
			<i>Available for Sale assets</i>			
-	-	-	Investments	-	-	-
-	-	-		-	-	-
			<i>Amortised cost</i>			
-	18,032	18,032	Investments	-	119,000	119,000
22,128	48,944	71,072	Trade Debtors	-	10,942	10,942
-	82,071	82,071	Cash and cash equivalents	-	28,676	28,676
22,128	149,047	171,175		-	158,618	158,618
			<i>Fair Value Through Profit and Loss</i>			
11,289	-	11,289	Investments	11,289	-	11,289
33,417	149,047	182,464	Total financial assets	11,289	158,618	169,907
			Financial Liabilities			
			<i>Amortised cost</i>			
(409,911)	(306,000)	(715,911)	Loans outstanding	(470,471)	(119,436)	(589,907)
(48,060)	(3,339)	(51,399)	PFI contracts	(47,133)	(928)	(48,061)
(4,129)	(581)	(4,710)	Finance leases	(4,129)	-	(4,129)
(60)	(115,136)	(115,196)	Trade creditors	-	(2,808)	(2,808)
(462,160)	(425,056)	(887,216)	Total financial liabilities	(521,733)	(123,172)	(644,905)

Note 24: Financial Instruments (continued)**Out of scope assets**

In addition to the above financial instruments, the Council has:

- a. an equity interest in James Elliman Homes Ltd;
- b. advanced loans to James Elliman Homes Ltd;
- c. advanced loan notes to SUR LLP; and
- d. advanced loan to St Bernard LLP

These have been excluded from the financial instrument disclosures as they are scoped out of the Code's financial instrument reporting requirements, because the Council consolidates both James Elliman Homes Ltd and SUR LLP into its group accounts.

The sums involved are:

2021/22 £'000	Long-term debtors	2022/23 £'000
71,531	Long-term debtors balance per the Balance Sheet	
	LESS out of scope assets	
(41,479)	Loan to James Elliman Homes Ltd	
(1,313)	Loan to SUR	
28,739	Remaining long-term debtors classified as financial instruments:	-
-	- Loans and receivables in 2020/21	-
(28,739)	Assets at amortised cost in 2021/22	
(28,739)		-
2021/22 £'000	Short-term investments	2022/23 £'000
18,032	Short-term investments balance per the Balance Sheet	
	LESS out of scope assets	
(1,026)	Interest accrued OLS	
(876)	Interest accrued GRE5	
16,130	Remaining short-term investments classified as financial instruments:	-
-	- Loans and receivables in 2020/21	-
16,130	Assets at amortised cost in 2021/22	
16,130		-

Note 24: Financial Instruments (continued)

2021/22		2022/23
£'000		£'000
	Long-term investments	
11,289	Long-term investments balance per the Balance Sheet	
	LESS out of scope assets	
(7,659)	Equity in James Elliman Homes Ltd	
-	Loan to SUR	
(130)	Loan to St Bernard	
3,500	Remaining long-term investments classified as financial instruments:	-
	Available for sale assets in 2021/22	
3,500	Fair value through profit and loss in 2020/21	
3,500		-

Income, Expense, Gains and Losses

2021/22				2022/23		
Financial Liabilities	Financial Assets			Financial Liabilities	Financial Assets	
Liabilities at amortised cost	Loans and Receivables	Available for Sale		Liabilities at amortised cost	Loans and Receivables	Fair value through profit and loss
£'000	£'000	£'000		£'000	£'000	£'000
			Expense:			
7,803	-	-	Interest expense	-	-	-
-	-	-	Loss on financial assets at FVTPL	-	-	-
7,803	-	-	Net expense in (Surplus)/Deficit on the Provision of Services	-	-	-
			Revenue:			
-	(1,866)	-	Interest income	-	(9,753)	-
-	-	-	(Gain) on financial assets at FVOCI	-	-	-
-	-	-	Distributions from Available for Sale assets	-	-	-
-	-	-	Distributions from FVTPL assets	-	-	-
-	(1,866)	-	Total income in (Surplus)/Deficit on the Provision of Services	-	(9,753)	-
			Unrealised (gains) and losses			
-	-	-	Gains on revaluation	-	-	-
-	-	-	(Surplus)/Deficit arising from revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-

Note 24: Financial Instruments (continued)**Out of scope assets**

In addition to the above financial instruments, the Council has:

- b. advanced loans to James Elliman Homes Ltd; and
- c. advanced loan notes to SUR LLP

Both of which generate interest receivable to the Council.

These have been excluded from the financial instrument disclosures above as they are scoped out of the Code's financial instrument reporting requirements, because the Council consolidates both James Elliman Homes Ltd and SUR LLP into its group accounts, but is disclosed below:

2021/22		2022/23
£'000		£'000
(1,866)	Interest income per Note 12	
	LESS income from out of scope assets:	
-	Interest on Loan to James Elliman Homes Ltd	
1,026	Interest on Loans to Slough Urban Renewal LLP	
877	Interest on Loan to GRE5 Ltd	
37	Income from financial instruments analysed:	-
(37)	Interest income	
-	Distributions from Fair Value through Profit and Loss Assets in 2020/21	-
(37)		-

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

General procedures for managing risk

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

Credit Risk

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

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

Key controls are:

- Investments are only placed with commercial entities with a minimum long-term credit rating of A-, and with other local authorities without credit ratings. Recognising that credit ratings are imperfect predictions of default, the Council has regard to these measures including credit default swap and equity prices when selecting commercial organisations for investment.
- placing a limit on the amount of money which can be invested with a single counterparty; and
- placing an overall limit of £40m which can be invested for more than one year.

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

31-March-2022		Fitch Rating	31-March-2023	
Non-current	Current		Non-current	Current
£'000	£'000		£'000	£'000
-	10,130	AAA MMF	22,000	-
-	4,000	A+	114,000	-
-	14,000	Unrated local authorities	5,000	-
-	-	Unrated pooled funds	-	-
-	48,944	Unrated debtors	-	-
-	-	Unrated investments	-	-
-	61,811	Unrated cash and cash equivalents	-	-
-	138,885		141,000	-

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. The estimated loss is negligible as the majority of investments mature within 12 months. There has been no history of default on the pooled funds, therefore no loss allowance is deemed necessary.

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

Liquidity risk is the risk that the Council will have insufficient funds in its bank account to make the payments necessary to meet its financial obligations.

The Council operates a cashflow forecasting system which seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowing at favourable rates from the Public Works Loans Board, the and other local authorities, and at higher rates from banks and building societies. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

The Council is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of high interest rates, as it has a substantial amount of money borrowed temporarily from other local authorities. This risk also extends to market lender option borrower option loans (LOBOs) where the lender can exercise its option to vary the rate of interest payable, thereby triggering the Council's option to either accept the new rate or re-finance from elsewhere. The LOBOs have remaining terms of up to 47 years and interest rates of 3.75% to 3.99%.

Risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 30% of the Council's fixed term borrowing matures in any one financial year.

31-March-2022		31-March-2023	
£'000		£'000	
341,439	less than one year		227,439
52,439	between 1 and 2 years		25,439
43,317	between 3 and 5 years		91,818
93,457	between 6 and 10 years		66,718
24,530	between 11 and 15 years		47,175
104,895	between 16 and 20 years		92,299
5,417	between 21 and 25 years		2,000
13,417	between 26 and 30 years		4,583
37,000	more than 30 years		33,000
715,911	Total		590,471

Market risk

Market risk is the possibility that financial loss might arise as a result of changes in interest rates.

The Council is exposed to interest movements on its borrowings and investments. Movements on interest rates have a complex effect on the Council depending on how variable and fixed interest rates move across differing financial instruments. For instance, a rise in interest rates would have the following effects:

Borrowings at variable rates	The interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
Borrowings at fixed rates	The fair value of the borrowing will fall (no impact on revenue balances).
Investments at variable rates	The interest income credited to the Comprehensive Income and Expenditure Statement will rise.
Investments at fixed rates	The fair value of the assets will fall (no impact on revenue balances).

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

Investments measured at amortised cost and loans borrowed are not carried at fair value on the Balance Sheet, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits of 50% on external debt that can be subject to variable interest rates. At 31 March 2023 98% of the debt portfolio was held in fixed rate instruments and 2% in variable rate borrowings.

If interest rates had been 1% higher (with all other variables held constant), the financial effect would be:

31-March-2022		31-March-2023
£'000		£'000
140	Increase in interest payable on variable rate borrowings	
(514)	Increase in interest receivable on receivable rate investments	(262)
(374)	Impact on surplus/deficit on the provision of services	(262)
31-March-2022	Impact on other comprehensive income and expenditure	31-March-2023
£'000		£'000
-	Decrease in fair value of fixed rate investment assets	
38,786	Decrease in fair value of fixed rate borrowings liabilities	(28,403)

Note 26: Fair value of assets and liabilities

The following tables combine information about:

- (a) classes of financial instruments and non-financial assets based on their nature and characteristics;
- (b) the carrying amounts of financial instruments and non-financial assets;
- (c) fair values of financial instruments and non-financial assets; and
- (d) fair value hierarchy levels of financial instruments and non-financial assets for which fair value is disclosed.

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

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

Level 2 - measurement is based on inputs other than quoted prices included in Level 3 that are observable for the asset or liability, either directly or indirectly

Level 3 - measurement is based on unobservable inputs for the asset or liability.

The basis of valuation of each class of financial instrument and non-financial asset is set out below. There has been no change in the valuation techniques used during the year. All items have been valued using fair value techniques based on the characteristics of the financial instrument or non-financial asset, with the overall objective of maximising the use of market-based information.

Description of asset or liability	Valuation hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash and cash equivalents, trade debtors, trade creditor and cash-based investments (long and short-term)	Level 1	Carrying value is deemed to be fair value, because of the short-term nature of the instruments	Not Required	Not required
Non-current debtors	Level 2	Discounted cashflows for the instrument using an equivalent market rate	Council accounting records	Not required
Finance leases and PFI liabilities	Level 2	The fair values have been estimated by discounting the contractual cashflows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.	Observable inputs are the bond yields. Unobservable inputs are the remaining cashflows.	Not required
Loans outstanding	Level 2	The fair values have been estimated by discounting the remaining cashflows of the borrowing using the appropriate rate for local authority loans	Observable inputs are the PWLB rates. Unobservable inputs are the remaining cashflows.	Not required
Investments in pooled funds	Level 2	Forward pricing	NAV-based pricing set on a forward pricing basis	Not required
Investment property	Level 2	Investment method of valuation.	Assumed void periods Estimated Rental Value (ERV) Capitalisation Rate (Equivalent Yield)	Not required

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

31-March-2023	Carrying value				Fair value			
	Financial and non-financial assets		Financial liabilities	Total	Level			Total
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		1	2	3	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets								
<i>Loans and receivables</i>								
Investments		-		-	-			-
Debtors		-		-	-			-
Cash and cash equivalents		-		-	-			-
<i>Fair value through profit and loss</i>								
Investments	-			-		-		-
Total financial assets	-	-	-	-	-	-	-	-
Non-financial assets								
Investment property	-		-			-		-
Surplus assets	-		-			-		-
Assets held for Sale	-							-
Total Financial and non-financial assets	-	-	-	-	-	-	-	-
Financial Liabilities								
<i>Liabilities at amortised cost</i>								
Loans outstanding			-	-	-	-		-
PFI contracts			48,061	48,061	-	-		-
Finance leases			-	-	-	-		-
Trade creditors			-	-	-	-		-
Total financial liabilities	-	-	48,061	48,061	-	-	-	-

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

31-March-2022	Carrying value				Fair value			
	Financial and non-financial assets		Financial liabilities	Total	Level			Total
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		1	2	3	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets								
<i>Loans and receivables</i>								
Investments		10,061		10,061	10,061			10,061
Debtors		120,476		120,476	120,476			120,476
Cash and cash equivalents		82,071		82,071	82,071			82,071
<i>Fair value through profit and loss</i>								-
Investments	19,260			19,260		19,260		19,260
Total financial assets	19,260	212,608	-	231,868	212,608	19,260	-	231,868
Non-financial assets								
Investment property	145,376		168,026			168,026		168,026
Surplus assets	20,179		20,179			20,179		20,179
Assets held for Sale	-							-
Total Financial and non-financial assets	184,815	212,608	188,205	231,868	212,608	207,465	-	420,073
Financial Liabilities								
<i>Liabilities at amortised cost</i>								
Loans outstanding			(715,912)	(715,912)	(339,500)	(386,751)		(726,251)
PFI contracts			(51,399)	(51,399)	-	(42,859)		(42,859)
Finance leases			(4,710)	(4,710)	-	3,989		3,989
Trade creditors			(115,136)	(115,136)	(115,136)	-		(115,136)
Total financial liabilities	-	-	(887,157)	(887,157)	(454,636)	(425,621)	-	(880,257)

Note 27: Cash and Cash Equivalents

2021/22		2022/23
£'000		£'000
71,941	Cash and bank balances	6,676
10,130	Short-term deposits	22,000
82,071	Total	28,676

Note 28: Debtors

These balances represent the amount of money owed to the Council at year end. Debtors include individuals, central government departments, other local authorities, NHS and other bodies. An analysis is given below.

2021/22		2022/23
£'000	Short-term debtors	£'000
1,227	Prepayments	1,942
6,796	Central Government bodies	6,800
23,774	Trade debtors	10,942
2,234	VAT	2,529
16,454	Council Tax	17,332
7,353	NNDR receivable	4,179
4,238	Housing Benefit receivable	11,860
781	Other debtors	27,802
(37,201)	Impairment Allowance for Doubtful Debts	(27,910)
25,656	Total	55,476

2021/22		2022/23
£'000	Long-term debtors	£'000
69,400	Loans to third parties	58,214
-	Overage	-
1,833	Prepayments	-
86	Other	86
71,319	Total	58,300

Note 29: Creditors

These are amounts owed by the Council for work done, goods received, or services rendered which have not been paid by 31 March 2022.

2021/22		2022/23
£'000		£'000
(10,344)	Trade creditors	(2,808)
(1,354)	PAYE & NI	(1,202)
(5,055)	Central Government Bodies	(20,246)
(63,258)	Other Creditor	(57,701)
(1,509)	PFI Finance Lease Liability	(2,161)
(20,949)	Receipts in Advance	(20,065)
(102,469)	Total	(104,183)

Note 30: Provisions

The Council makes provision in compliance with IAS37 where there is an obligation as a result of a past event, when it is probable that the Council will incur expenditure and where a reasonable estimate can be made of the amount involved. Provisions are split into short term (less than one year) and long term (more than one year). In addition to the provisions shown below, there are provisions for bad debts which have been netted off against the debtors figure on the balance sheet.

Short-term provisions	Insurance claims	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2022	(3,630)	(2,154)	(5,696)	(11,480)
Amounts used	-	-	5,508	5,508
Additional provisions	-	(4,981)	(2,192)	(7,173)
Balance at 31-March-2023	(3,630)	(7,135)	(2,380)	(13,145)

Long-term provisions	Water rates	Business rates appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 31-March-2022	-	-	-	-
Amounts used	-	-	-	-
Additional provisions	-	-	(170)	(170)
Balance at 31-March-2023	-	-	(170)	(170)

Insurance claims

The provision covers claims which have been lodged and for which there is reasonable probability that the Council is liable and for which a reasonable estimate can be made of the amount required to settle

Business rates appeals

Following the localisation of business rates from 1 April 2013, the Council has set aside a provision for any potential liabilities arising from appeals by business ratepayers against rateable valuations. The amount set aside reflects the Council's 94% share of the liability.

Water rates

A provision has been set up for the possible repayment of water rate to tenants following the case of Jones v London Borough of Southwark in the High Court in 2016. The provision is a charge against the HRA as the water rates were originally collected with housing rents and reported in the HRA.

Other

Other provision include contractual claims that arise in respect of disputes arising in the ordinary course of business.

Note 31: Other Long-Term Liabilities

2021/22		2022/23
£'000		£'000
(308,376)	Pension Liability	(122,160)
(31,025)	Amounts due to be paid under PFI	(30,097)
927	Amounts due to be paid under Other Finance Leases	1,581
(338,474)	Balance 31 March	(150,676)

Note 32: Pension Schemes Accounted for as Defined Contribution Schemes

Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries.

The Scheme itself is a defined benefit scheme but however is unfunded. The Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The notional fund is valued every four years. However, this is a multi-employer scheme and the number of participating employers makes it impossible to identify the Council's share of the financial position and performance attributable to its own employees with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, they are therefore accounted for on the same basis as a defined contribution scheme.

In 2022/23, the Council paid £3.9m (£3.7m in 2021/22) to the Teachers Pensions Agency in respect of teachers' retirement benefits, representing 23.68% of Pensionable pay. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teacher's scheme. These costs are accounted for on a defined benefit basis.

Note 33: Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to fund the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), a national scheme but administered locally. For Slough Borough Council, this is the Royal County of Berkshire Pension Fund administered by the Royal Borough of Windsor and Maidenhead. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. As there are no investment assets built up to meet these liabilities, at the point of early retirement a cash transfer is made from the General Fund to the Pension Fund to cover this shortfall. This transfer is real expenditure to the General Fund and is normally financed from a revenue reserve.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

Note 33: Defined Benefit Pension Schemes (continued)

The **Local Government Pension Scheme (LGPS)** is a national scheme but administered locally. For the Council, this is the Royal County of Berkshire Pension Fund administered by the Royal Borough of Windsor and Maidenhead. The LGPS is a funded scheme which means that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets over time.

The LGPS provides a final salary-based pension based on service to 2014 and a career average revalued earnings based pension for service since 2014.

The Royal County of Berkshire Pension Fund is operated under the regulatory framework of the Public Service Pensions Act 2013 and the LGPS Regulations made thereunder. Governance of the scheme locally is the responsibility of the Pensions Committee of the Royal Borough of Windsor and Maidenhead. Investment policy is determined in accordance with the LGPS Regulations as is the administration and governance of the scheme. Investment management of the fund is outsourced wholly to Local Pensions Partnership Investments (LPPi) under the framework provided by the investment policy.

The LGPS is subject to a triennial actuarial valuation which determines the contribution rates for the next three years. The fund's actuary is Barnett Waddingham LLP. At the last valuation in 2022 the Fund as a whole had sufficient funding to cover 86% of the accrued liabilities, up from 78% in 2019.

For the period covered by the triennial valuation the Council is scheduled to pay contributions at 17.2% (15.6% in 2021/22) of pensionable pay plus a lump sum of £4.530m (£5.043m in 2021/22).

The principal risks to the Council from participation in the LGPS are:

- (i) if future investment returns are lower than expected, the Fund's asset values will be lower and the funding level will worsen;
- (ii) if improvements in life expectancy are greater than expected, the cost of benefits will increase because members are living longer than expected;
- (iii) if members make decisions about their options which increase liabilities, the funding level may worsen. An example would be if fewer members commute their pensions into cash than expected then this will increase liabilities.

Discretionary post-employment benefits

Both the LGPS and the teachers' pension scheme permit employers to make discretionary awards of post-employment benefits upon early retirement. These are unfunded benefit arrangements, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Note 33: Defined Benefit Pension Schemes (continued)**Transactions relating to post-employment benefits**

The Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the contributions and benefits payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement, the General Fund balance and the HRA via the Movement in Reserves Statement in the year.

2021/22				2022/23		
Scheme Assets	Pensions Obligations	Net Pensions Liability		Scheme Assets	Pensions Obligations	Net Pensions Liability
£'000				£'000		
302,603	(679,581)	(376,981)	Opening Balance at 1 April	325,940	(634,313)	(308,376)
-	(20,704)	(20,704)	Current Service Cost	-	(22,082)	(22,082)
	(2,175)	(2,175)	Past Service cost and gains/losses on curtailments		(139)	(139)
5,993	(13,392)	(7,399)	Interest Income and Expense	8,432	(16,272)	(7,840)
(287)	4,733	4,446	Admin Expense	(319)	(260)	(579)
(2,142)		(2,142)	- Settlement	278		278
3,564	(31,538)	(27,974)	Total post employment benefit charged to the (surplus)/deficit on provision of services	8,391	(38,753)	(30,362)
			Contributions			
13,050		13,050	- The Council	13,754		13,754
2,837	(2,837)	-	- Employees	2,762	(2,762)	-
15,887	(2,837)	13,050		16,516	(2,762)	13,754
			Payments			
(18,642)	18,642	-	- Retirement Grants and Pensions	(19,902)	19,902	-
(18,642)	18,642	-	Employers contributions payable to scheme	(19,902)	19,902	-
			Remeasurements			
25,064		25,064	- Return on Plan Assets	(4,766)		(4,766)
	20,983	20,983	- Actuarial Gains and Losses arising from changes in demographic assumptions		-	-
(2,536)	27,210	24,674	- Other actuarial gain & (losses) / Actuarial Gains & Losses from changes in Financial Assumptions	-	262,049	262,049
	12,808	12,808	- Experience loss /(gain) on defined benefit obligation		(54,466)	(54,466)
22,528	61,001	83,529	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	(4,766)	207,583	202,817
				-		
325,940	(634,313)	(308,376)	Closing Balance at 31 March	326,179	(448,343)	(122,164)

Note

Note 33: Defined Benefit Pension Schemes (continued)**Composition of Scheme Assets**

2021/22				2022/23		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£'000	£'000	£'000		£'000	£'000	£'000
155,420		155,420	Public Equities	164,171		164,171
	49,024	49,024	Private Equities		40,423	40,423
	41,418	41,418	Infrastructure		44,973	44,973
	39,407	39,407	Real Estate		41,234	41,234
	54,159	54,159	Credit		47,406	47,406
7,673		7,673	Cash	4,932		4,932
	(21,161)	(21,161)	Longevity Insurance		(16,960)	(16,960)
163,093	162,847	325,940	Total Assets	169,103	157,076	326,179

Basis for estimating assets and liabilities

A change in any of the key assumptions can have a significant impact upon the size of the Council's pension liabilities, which would require the Council during its triennial review to adjust the amount it must pay the Westminster Pension Fund. The biggest risks include an increase in member life expectancy, salary and pension accumulation rate or a decrease in the real discount rate, which would have an impact on the Council's liability to the Pension Fund.

Discounting of future payments gives the amount in today's money that is required to meet obligations – a higher discount rate means a lower current requirement to meet future payments. This is why the actuaries prudently use a discount rate based on highly rated corporate bond yields, as a small change in these would have a very large impact upon the size of the liability, which taxpayers are statutorily bound to pay.

The principal assumptions used by the actuary have been:

LGPS		LGPS
31-March-2022		31-March-2023
	Mortality assumptions:	
	<i>Longevity at 65 for current pensioners (years):</i>	
21.0	Male	20.7
23.8	Female	23.5
	<i>Longevity at 65 for future pensioners (years):</i>	
22.3	Male	22.0
25.2	Female	24.9
	Economic assumptions	
3.2%	Rate of inflation	2.9%
4.2%	Rate of increase in salaries	3.9%
3.2%	Rate of increase in pensions	2.9%
2.6%	Rate for discounting scheme liabilities	4.8%

Note 33: Defined Benefit Pension Schemes (continued)**Sensitivity Analysis**

Long-term provisions	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Discount Rate (increase or decrease by 0.1%)	(7,051)	7,234
Rate of increase in salaries (increase or decrease by 0.1%)	332	(330)
Rate of increase in pensions (increase or decrease by 0.1%)	7,030	(6,857)
Longevity (increase or decrease by 1 year)	17,860	(17,122)

The above sensitivity analysis identifies that a 0.1% increase in the Discount Rate assumption, will result in a decrease in the reported Pension liability of £7.2m. An increase in either the salaries, pension payment or longevity assumptions will result in an increase in the reported Pension Liability as detailed in the table above.

Impact on the Council's Cash flows

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

Based on assumptions as at 31 March 2023, expected employer contributions for LGPS benefits in 2022/23 are £11.6m, with the projected expense being £13.8m. These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2023.

The weighted average duration of the defined benefit obligation for scheme members is 20 years (20 years 2021/22).

Note 34: Cash Flow Statement - Operating Activities

2021/22		2022/23
£'000		£'000
34,322	Net (surplus) or deficit on the provision of services	(219,002)
	<i>Adjustments for non-cash movements:</i>	
(22,942)	Depreciation	(25,117)
(38,398)	Impairments and downward revaluation	18,445
-	- Amortisation	
(29,863)	Net increase/decrease in creditors, debtors and inventories	9,316
(14,924)	Pensions liability	(13,064)
	Carrying amount of non-current assets sold	
97	Other non-cash items	6,893
(106,030)	Subtotal	(3,527)
	<i>Adjustments for items that are investing or financing activities:</i>	
	- Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
6,897	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	212,293
22,873	Any other items for which the cash effects are investing or financing cash flows	27,534
29,770	Subtotal	239,827
(41,938)	Net cash flows from operating activities	17,298

The cash flows for operating activities include the following items:

2021/22		2022/23
£'000		£'000
(1,866)	Interest received	(9,753)
12,737	Interest paid	24,027
10,871	Total	14,274

Note 35: Cash Flow Statement - Investing Activities

2021/22		2022/23
£'000		£'000
23,719	Purchase of property, plant and equipment, investment property and intangible assets	22,714
(18,609)	Purchase of short-term and long-term investments	117,948
	Other payments for investing activities	4,295
(6,897)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(212,293)
	Proceeds from short-term and long-term investments	
(21,848)	Other receipts from investing activities	(41,219)
(23,635)	Net cash flows from investing activities	(108,555)

Note 36: Cash Flow Statement - Financing Activities

2021/22		2022/23
£'000		£'000
(50,000)	Cash receipts of short-term and long-term borrowings	(92,061)
	Other receipts from financing activities	
	Council Tax and NNDR adjustments	
	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	
63,552	Repayments of short-term and long-term borrowing	226,583
-	Other payments from financing activities	
13,552	Net cash flows from financing activities	134,522

Note 37: Related Party Transactions

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Central government

Central government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council tax bills, housing benefits).

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members Allowances is reported at Note 11.

The following Members held positions of control or significant influence in related parties to the Council during 2022/23:

Entities controlled or significantly influenced by the Council

2022/23								
Entity name	Structure	Directors/Officers on the Board	Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
Development Initiative for Slough Housing (DISH)	Wholly owned subsidiary	James Swindlehurst						(1,880)
James Elliman Homes (JEH)	Wholly owned subsidiary	Neale Cooper Stephen Gibson Elizabeth Jones Richard West		51,700		(1,551)	51,700	
Slough Urban Renewal	Joint Venture	Designated members: Slough Borough Council Community Solutions for Regeneration (Slough)		2,173		(144)	2,173	
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Martin Johnson Neil Simon Michael England Stephen Gibson		10,096		(4,720)	10,096	
Slough Children First Ltd (Name of the Company was changed from Slough Children's Services Trust Ltd to Slough Children First Limited w.e.f 4th April 2021)	Company limited by guarantee - Slough Borough Council appointed as a person of significant control with effect from 1st Apr 2021 Cessation of Department for Education as a person with significant control on 1 April 2021	M J Marsden N Robinson (Appointed 8 September 2021) R Bhamber (Appointed 1 August 2021) L Hagger (Appointed 28 July 2021) A Hunter (Appointed 31 May 2021)		2,600	33,803	(1,245)	2,748	(1,720)

Note 37: Related Party Transactions (continued)

2021/22								
Entity name	Structure	Directors/Officers on the Board	Shareholding	Loan	Expenditure	Income	Income outstanding to SBC	Balance outstanding from SBC
			£'000	£'000	£'000	£'000	£'000	£'000
Development Initiative for Slough Housing (DISH)	Wholly owned subsidiary	James Swindlehurst						(1,880)
James Elliman Homes (JEH)	Wholly owned subsidiary	Neale Cooper Stephen Gibson Elizabeth Jones Richard West		51,700		(1,551)	51,700	
Slough Urban Renewal	Joint Venture			9,697	484	(420)		
Ground Rent Estates 5 Ltd	Wholly owned subsidiary	Martin Johnson Neil Simon Michael England Stephen Gibson		9,063	5,154	(1,655)	9,063	
Slough Children First Ltd (Name of the Company was changed from Slough Children's Services Trust Ltd to Slough Children First Limited w.e.f 4th April 2021)	Company limited by guarantee - Slough Borough Council appointed as a person of significant control with effect from 1st Apr 2021 Cessation of Department for Education as a person with significant control on 1 April 2021	M J Marsden N Robinson (Appointed 8 September 2021) R Bhamber (Appointed 1 August 2021) L Hagger (Appointed 28 July 2021) A Hunter (Appointed 31 May 2021)		2,600	29,189	(1,074)	3,908	

Note 38: Contingent Liabilities

There are no contingent liabilities at the reporting date.

Note 39: Events After the Balance Sheet Date

Authorised for issue date

Preparation of the 2022/23 statement of accounts were delayed pending resolution of outstanding matters arising from the audit of the 2018/19 statement of accounts affecting the balances brought forward.

The delays to the 2018/19 and subsequent Statement of Accounts were related to:

1. issues raised by the external auditors regarding the original 2018/19 draft accounts, and
2. subsequent work to address issues highlighted by the Section 114 Notice and the Capitalisation Direction (see below).

Section 114 Notice and Capitalisation Direction

On 2 July 2021, the Council's then Section 151 officer, Steven Mair, issued a section 114 Notice to the Council, which highlighted that the Council faced a significant unfunded financial deficit arising from financial challenges which have arisen over a number of years, and required the Council to take action to address these issues as a matter of urgency.

The s.114 Notice has led to intervention from the Secretary of State for Levelling UP, Housing and Communities who issued an "in principle" Capitalisation Direction in March 2022.

The Capitalisation Direction permits the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capitalised revenue expenditure from capital resources, namely by applying usable capital receipts and in the short-term setting aside minimum revenue provision.

Whilst the Capitalisation Direction was issued in March 2022, it covers transactions and balances for the years preceding 1 April 2017 to 31 March 2023 (subsequently up to 31 March 2024). Therefore at the balance sheet date of 31 March 2023, the Capitalisation Direction is an adjusting event. The items which have been adjusted under the Capitalisation Direction are set out in Note 5 to these accounts.

DRAFT

This page has been intentionally left blank

SECTION – 5

SUPPLEMENTARY FINANCIAL STATEMENTS

Supplementary Financial Statements	Page Number
• <i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i>	0
• <i>Statement on The Movement on The Housing Revenue Account</i>	0
• <i>Housing Revenue Account Notes</i>	0
• <i>Collection Fund Statement</i>	0
• <i>Notes to the Collection Fund</i>	0

DRAFT

Housing Revenue Account (HRA) - Income and Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2021/22		2022/23	
£'000		£'000	
		Note	
	Expenditure		
8,300	Repairs and maintenance		
10,322	Supervision and management		
113	Rents, rates, taxes and other charges		
33,881	Depreciation and impairment of non current assets		6
(366)	Transfer to/from Provision		
52,250	Total expenditure		-
	Income		
(32,581)	Dwelling rents		
(879)	Non-dwelling rents		
(2,237)	Charges for service and facilities		
	Contributions towards expenditure		
(35,697)	Total income		-
16,553	Net cost or (income) of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement		-
	HRA services share of Corporate and Democratic Core		
16,553	Net cost of HRA Services		-
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(3,448)	(Gain) or loss on sale of HRA non current assets		
4,760	Interest payable and similar charges		
438	HRA interest and investment income		
	Net interest on the defined benefit net liability		
18,303	(Surplus) or deficit for the year on HRA Services		-

Statement on The Movement on The Housing Revenue Account

The objective of this statement is to reconcile the outturn from the HRA Income and Expenditure Statement to the surplus or deficit on the HRA Balance calculated in accordance with statutory requirements.

2021/22	Expenditure	2022/23
£'000		£'000
(14,099)	Balance on the HRA as at 1 April	(16,892)
18,303	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	-
	Adjustments between accounting basis and funding basis:	
	- Amount by which finance costs chargeable in accordance with the Code are different from finance costs chargeable in year under statutory requirements	-
(33,910)	Depreciation and impairments	
3,448	(Gains)/losses on sale of HRA non-current assets	
(1,061)	Net charges for pensions	
	- Transfers to/(from) the Capital Receipts Reserve	
	- Capital expenditure charged to HRA balance	
	- Accumulated absences adjustment	
10,427	Transfers to/(from) the Major Repairs Reserve	
(2,793)	Net (increase)/decrease before transfers to/(from) reserves	-
	Transfers to/(from) earmarked reserves	
(2,793)	(Increase)/decrease in year on the HRA balance	-
(16,892)	HRA Balance at 31 March	(16,892)

Housing Revenue Account Notes

Note 1: Prior Period Adjustment

No prior period adjustments were required.

Note 2: Housing Stock

As at 31 March 2023, the Council was responsible for managing a housing stock of 6,029 dwellings comprising:

2021/22 No.	Type of accommodation	2022/23 No.
2,785	Houses	2,765
2,744	Flats	2,736
525	Bungalows	524
	Shared ownership	
	Awaiting demolition	
6,054	Total	6,025

The change in stock can be summarised as follows:

2021/22 No.	Type of accommodation	2022/23 No.
6,068	Stock at 1 April	6,054
(26)	Sold	(25)
12	New Build/Acquisitions	
-	- Awaiting demolition	
-	- Demolished	
6,054	Stock at 31 March	6,029

Note 2: Housing Stock (continued)

The total balance sheet value of the Council's HRA assets at 1 April 2022 was £621m and at 31 March 2023 was £xxxm, analysed as follows:

2021/22 £'000	Expenditure	2022/23 £'000
	Operational assets	
580,040	Council dwellings	580,040
290,612	Other land and buildings	290,612
10,258	Community assets	10,258
14,142	Assets under construction	14,142
895,052		895,052
	Non-operational assets	
23,932	Investment property	23,932
	Surplus assets	
23,932		23,932
918,984	Total asset value	918,984

Note 3: Vacant Possession Value

Dwellings are initially valued at open market value assuming vacant possession. The vacant possession value of the HRA tenanted dwellings was £x,xxxm (£1,758m at 31 March 2022). This is the existing use value (EUV). The difference between the vacant possession value the Balance Sheet value of the dwellings within the HRA reflects that tenancies are held on a secure basis without vacant possession.

The Balance Sheet value of the dwellings is determined by applying the Government prescribed discount factor (the vacant possession discount factor) to the vacant possession value of the stock. The discount factor is 33%. The resultant valuation is the Existing Use Value - Social Housing (EUV-SH)

The difference of £1,758m between the EUV of £1,670m and the EUV-SH of £88m represents the economic cost of providing housing at less than open market

Note 4: Capital Expenditure and financing

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

2021/22		2022/23
£'000		£'000
	Capital expenditure	
7,952	Operational assets	
603	Non-operational assets	
8,555		-
	Sources of funding	
(1,176)	Capital receipts	
(7,006)	Major repairs reserve	
(337)	Government grants and contributions	
(35)	Borrowing	
	Direct revenue financing	
(8,554)		-

Note 5: Capital receipts

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

2021/22		2022/23
£'000		£'000
-	Land	-
(6,897)	Council dwellings	-
	Other property	-
(6,897)		-

Note 6: Depreciation and impairment

2021/22				2022/23		
Depreciation	Impairment / Reversals	Total		Depreciation	Impairment / Reversals	Total
£'000	£'000	£'000		£'000	£'000	£'000
10,348	15,472	25,820	Council dwellings			-
77	(409)	(332)	Other land and buildings			-
1	-	1	Community assets			-
	8,391	8,391	Surplus assets			-
		-	Assets under construction			-
10,426	23,454	33,880		-	-	-

Note 7: Rent Arrears

2021/22		2022/23
	Rent arrears comprise:	
1,645	Current tenant arrears	
945	Former tenant arrears	
2,590		-
(2,027)	Less: Bad debts provisions	-
563		-

Collection Fund Statement

The Collection Fund shows the transactions of the Council in its capacity as the billing authority in relation to the collection from taxpayers and the distribution to local authorities and the Government of council tax and non-domestic rates. There is no requirement for a separate Collection Fund balance sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the major preceptors, the billing authority and the Government.

The Council's share of council tax and non-domestic rates income is included in the Comprehensive Income and Expenditure Statement (CIES) on an accruals basis in line with the Code. However, the amount to be recognised in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory credit made through the Movement in Reserves Statement and to the Collection Fund Adjustment Account.

2021/22				2022/23			Note
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total	
£'000	£'000	£'000		£'000	£'000	£'000	
	(77,020)	(77,020)					
(92,554)		(92,554)					
	(26)	(26)					
(92,554)	(77,046)	(169,600)	Total income	-	-	-	
			Expenditure				
			Apportionment of prior year surplus/deficit				
(18,114)		(18,114)	Central Government			-	
(21,278)	(1,478)	(22,756)	Slough Borough Council			-	
(398)	(70)	(468)	Berkshire Fire Authority			-	
	(224)	(224)	Thames Valley police			-	
			Precepts				
52,211		52,211	Central Government			-	
51,166	61,032	112,198	Slough Borough Council			-	
1,044	2,815	3,859	Berkshire Fire Authority			-	
	9,443	9,443	Thames Valley police			-	
			Charges to Collection Fund				
(1,676)	(1,562)	(3,238)	Increase/(decrease) in allowance for impairment			-	
		-	Increase/(decrease) in allowance for appeals			-	
1,129		1,129	Transitional Protection Payments Payable			-	
211		211	Charge to General Fund for allowable collection costs for non-domestic rates			-	
64,296	69,956	134,252	Total expenditure	-	-	-	
(28,908)	(7,090)	(35,998)	(Surplus)/Deficit arising during the year	-	-	-	
57,443	11,425	68,868	(Surplus)/Deficit brought forward			-	
28,535	4,335	32,870	(Surplus)/Deficit carried forward	-	-	-	

Notes to the Collection Fund

Note 1: Council tax income

The Council's tax base for 2022/23 - i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply), converted to an equivalent number of Band D dwellings - calculated as follows:

Band	Valuation band limits	Estimated number of dwellings after effect of discounts	Ratio	Band D equivalent dwellings	Council Tax charge per band (£)
A	Up to and including - 40,000				
B	40,000 - 52,000				
C	52,001 - 68,000				
D	68,001 - 88,000				
E	88,001 - 120,000				
F	120,001 - 160,000				
G	160,001 - 320,000				
H	More than - 320,000				
Total		-		-	
Less adjustment for collection rates and anticipated changes in valuations and exemptions during the year					-
Council Tax Base					-

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

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

Note 2: Business Rates income

Non-Domestic Rates are organised on a local basis. The Government specifies an amount and subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. In 2022/23 the amount was 51.2p (51.2p = 2021/22). The small business rate multiplier was 49.9p for 2022/23 (49.9p 2020/21). The Council is responsible for collecting rates due from the ratepayers in its area and distributing the amount collected between itself, central government and major preceptors in proportions specified by central government. This is shown in the Collection Fund Statement and analysed at Note 13. The total rateable value at 31 March 2023 was £240,172k (31 March 2021 = £240,172k).

Note 3: Collection fund balance apportionment

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

SECTION – 6

GROUP ACCOUNTS

Group Accounts

Page Number

- *Group Comprehensive Income and Expenditure Statement*
- *Group Movement in Reserves Statement*
- *Group Balance Sheet*
- *Group Cash Flow Statement*
- *Notes to the Group Financial Statements*

0
0
0
0
0

DRAFT

Group Comprehensive Income and Expenditure Statement

2021/22				2022/23			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
86,023	(25,384)	60,639	Adults and Communities				-
239,983	(189,443)	50,540	Children, Learning and Skills				-
31,254	(14,777)	16,477	Place and Development				-
33,443	(6,758)	26,685	Regeneration				-
27,877	(35,138)	(7,261)	Finance and Resources				-
16,304	(1,145)	15,159	Chief Executive				-
52,328	(35,881)	16,447	Housing Revenue Account				-
487,212	(308,526)	178,686	Cost of Services				-
		(1,719)	Other operating expenditure				
		9,172	Financing and investment income and expenditure				
		-	Tax due for the year (current and deferred tax)				
		(143,389)	Taxation and non-specific grant income and expenditure				
		42,750	(Surplus)/deficit on provision of services				-
		933	Share of the (surplus)/deficit on the provision of services by joint venture				
		-	Tax expenses of joint venture				-
		43,683	Group (Surplus)/deficit on provision of services				-
			(Surplus) or deficit on financial assets measured at FVOCI				
		(52,330)	(Surplus) or deficit on revaluation of property, plant and equipment assets				
		(88,633)	Remeasurement of the net defined benefit liability				
		(140,963)	Other Comprehensive income and expenditure				-
		(97,280)	Total Comprehensive income and expenditure				-

Group Balance Sheet

31-March-2022		31-March-2023	
£'000		£'000	Note
1,094,399	Property, Plant and Equipment		2
166,339	Investment Property		
3,829	Intangible Assets		
2,949	Long-term Investments		
882	Long-term Investments		
15,556	Long-term Debtors		
1,283,954	Total Long-term Assets		-
18,032	Short Term Investments		
-	- Assets Held for Sale		
-	- Inventories		
60,695	Short term debtors		
87,039	Cash and Cash Equivalents		
165,766	Current Assets		-
(306,000)	Short-term Borrowing		
(129,014)	Short-term Creditors		
(20,560)	Short-term Provisions		
-	- Grants Receipts in Advance – Capital		-
(455,574)	Current Liabilities		-
(26,050)	Long-term Creditors		
-	- Deferred Capital Receipts		
-	- Long-term Provisions		
(409,913)	Long-term Borrowing		
(362,700)	Other Long-Term Liabilities		
(798,663)	Long-term Liabilities		-
195,483	Net Assets		-
20,864	Share of joint venture (profits)/losses		
(164,899)	Usable Reserves		
12,870	P&L Reserve		
(64,318)	Unusable Reserves		
(195,483)	Total Reserves		-

Group Cash Flow Statement

2021/22		2022/23	
£'000		£'000	Note
42,750	Net (surplus) or deficit on the provision of services	-	
(111,397)	Adjustment to (surplus) or deficit on the provision of services for non-cash movements		3
29,770	Adjustment for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities		3
(38,877)	Net cash flows from operating activities	-	
(23,530)	Investing Activities		4
13,552	Financing Activities		5
(48,855)	Net (increase) or decrease in cash and cash equivalents	-	
38,184	Cash and cash equivalents at the beginning of the reporting period		
87,039	Cash and cash equivalents at the end of the reporting period	-	

Notes to the Group Financial Statements

Note 1: Basis of Preparation

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

- Identifying entities within the Group accounting boundary
- Consolidating controlled entities on a line-by-line basis in the Group financial statements, eliminating intra-group balances and transactions in full.
- Consolidating joint ventures using the equity method, by including the Council's share of company profits and losses as a single line item in the Group Comprehensive Income and Expenditure Statement and Group Balance Sheet.
- For the consolidation of the joint venture Slough Urban Renewals year end is 31st December rather than 31st March. Review was done comparing the equity as at 31 December's audited accounts with that as at 31 March based on the management accounts. Based on this analysis the differences are below materiality, therefore the 31 December audited figures have been used for the purposes of the consolidation.
- This is the first year where all the subsidiaries including the JV has been consolidated. Therefore, the comparatives shown in the prior year are not directly comparable to the 2021-22 published accounts

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

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

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

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

Note 3: Group Cash Flow Statement - Operating Activities

2021/22		2022/23
£'000		£'000
42,750	Net (surplus) or deficit on the provision of services	
	<i>Adjustments for non-cash movements:</i>	
(62,483)	Depreciation	
-	- Impairments and downward revaluation	
-	- Amortisation	
30,219	Net increase/decrease in creditors, debtors and inventories	
(18,230)	Pensions liability	
-	- Carrying amount of non-current assets sold	
(465)	Other non-cash items	
(111,397)	Subtotal	-
	<i>Adjustments for items that are investing or financing activities:</i>	
-	- Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
6,897	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	212,293
22,873	Any other items for which the cash effects are investing or financing cash flows	27,534
29,770	Subtotal	239,827
(38,877)	Net cash flows from operating activities	239,827

The cash flows for operating activities include the following items:

2021/22		2022/23
£'000		£'000
713	Interest received	
(12,737)	Interest paid	
(12,024)	Total	-

Note 4: Group Cash Flow Statement - Investing Activities

2021/22		2022/23
£'000		£'000
23,824	Purchase of property, plant and equipment, investment property and intangible assets	
(18,609)	Purchase of short-term and long-term investments	117,948
-	Other payments for investing activities	-
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
(6,897)	Proceeds from short-term and long-term investments	(212,293)
(21,848)	Other receipts from investing activities	(41,219)
(23,530)	Net cash flows from investing activities	(135,564)

Note 5: Group Cash Flow Statement - Financing Activities

2021/22		2022/23
£'000		£'000
(50,000)	Cash receipts of short-term and long-term borrowings	(92,061)
	Other receipts from financing activities	-
	Council Tax and NNDR adjustments	-
	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
63,552	Repayments of short-term and long-term borrowing	226,583
-	Other payments from financing activities	-
13,552	Net cash flows from financing activities	134,522

DRAFT

This page has been intentionally left blank

SECTION – 7

GLOSSARY OF FINANCIAL TERMS

DRAFT

GLOSSARY OF FINANCIAL TERMS

ACCRUALS

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

ACTUARY

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

ACTUARIAL VALUATION

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

AMORTISATION

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

BAD DEBT PROVISION

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

BAND PROPORTIONS

(Also known as VALUATION BANDS)

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

BILLING AUTHORITY

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

BUDGET

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

BUSINESS RATE RETENTION

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

CAPITAL EXPENDITURE

Expenditure on acquisition of a non-current asset or expenditure that adds to and not merely maintains the value of an existing asset.

CAPITAL FINANCING

This describes the various sources of money used to pay for capital expenditure. Capital expenditure can be funded from external sources, such as borrowing, capital grants and by contribution from the internal sources, such as capital receipts and reserves.

GLOSSARY OF FINANCIAL TERM (continued)

CAPITAL PROGRAMME

The Council's plan of capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings and works, design fees and the acquisition of vehicles, plant and major items of equipment, as well as support to other organisations/residents for works of a capital nature.

CARRYING AMOUNT/CARRYING VALUE

These terms refer to the capitalised cost of a non-current asset, less accumulated depreciation and impairment.

CASH EQUIVALENTS

Short-term, highly liquid investments that are readily convertible to cash; e.g. bank call accounts.

CODE OF PRACTICE

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

COLLECTION FUND

A fund operated by the billing authority into which all receipts of Council Tax and National Non-Domestic Rates are paid. Payments are made from the fund to support the Council's general fund services and to the precepting authorities. The fund must be maintained separately from the authority's General Fund.

COMMUNITY ASSETS

Assets that the Council intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal, such as parks and historic buildings.

COMPONENTISATION

The recognition of distinct parts of an asset (components) as separate assets for depreciation purposes.

CONSUMER PRICE INDEX (CPI)

The measure of inflation used for the indexation of benefits, tax credits and public service pensions. The CPI is an internationally comparable measure of inflation and is used to compare inflation across the European Union.

CONTINGENT ASSET

A possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

CONTINGENT LIABILITY

Sums of money that the Council will be liable to pay in certain circumstances. e.g. as a result of losing a court case.

COUNCIL TAX

A system of local taxation, which is set by both the billing and precepting authorities at a level determined by the revenue expenditure requirement for each authority, divided by the Council Tax Base for its area.

COUNCIL TAX BASE

An amount calculated by the billing authority, by applying the band proportions to the total properties in each band in order to calculate the number of band D equivalent properties in the authority's area. The tax base is also used by the precepting and some levying bodies in determining their charge to the area.

GLOSSARY OF FINANCIAL TERM (continued)

CREDITORS

Amounts of money owed by the Council for goods or services received.

DEBTORS

Amounts of money owed to the Council for goods or services provided.

DEDICATED SCHOOLS GRANT (DSG)

A ring-fenced grant from the Department for Education paid to Local Education Authorities for the Education of Children and Young Adults up to the age of 25.

DEPRECIATION

A provision made in the accounts to reflect the cost of consuming assets during the year, e.g. a vehicle purchased for £30,000 with a life of five years would depreciate on a straight-line basis at the rate of £6,000 per annum. Depreciation forms part of the 'capital charges' made to service revenue accounts and is covered by International Accounting Standard (IAS) 16.

DIRECT REVENUE FINANCING

Funding of capital expenditure directly from revenue budgets.

EARMARKED RESERVES

Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish a provision.

EXIT PACKAGES

The cost to the Council of early termination of staff employment before normal retirement age.

EXTERNAL AUDITOR

The Public Sector Audit Appointments Limited (**PSAA**) appoints the external auditor. The current auditor is Grant Thornton LLP.

FAIR VALUE

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

FINANCE LEASE

A contractual agreement for the use of an asset, where in substance the risks and rewards associated with ownership reside with the user of the asset (lessee) rather than the owner (lessor).

FINANCIAL YEAR

The local authority financial year starts on 1 April and ends the following 31 March.

GENERAL FUND

This is the main revenue account of the Council. It includes the cost of all services provided which are paid from Government grants, generated income, NNDR retention and borough's share of Council Tax. It excludes the HRA. By law, it includes the cost of services provided by other bodies who charge a levy to the Council.

GLOSSARY OF FINANCIAL TERM (continued)

GOING CONCERN

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GROUP ACCOUNTS

Where a Council has a material interest in another organisation (e.g. subsidiary organisation) group accounts have to be produced. These accounts report the financial position of the Council and all organisations in which it has an interest.

HERITAGE ASSETS

Assets held and maintained principally for their contribution to knowledge and culture. e.g. War memorials and museum stocks.

HOUSING REVENUE ACCOUNT (HRA)

An account which includes expenditure and income arising from the provision of rented dwellings. It is, in effect, a landlord account. Statute provides for this account to be separate from the General Fund and any surplus or deficit must be retained within the HRA. No costs may be charged to Council Tax nor can Housing Rent income be used to support General Fund expenditure.

IMPAIRMENT

A reduction in the value of a non-current asset (but not through economic consumption) below the carrying value in the accounts.

INFRASTRUCTURE ASSETS

Non-current assets that are unable to be readily disposed of, the expenditure on which is recoverable only by continued use of the asset created. Examples are highways and footpaths.

INTANGIBLE ASSETS

Assets which do not have a physical form but provide an economic benefit for a period of more than one year; e.g. software licences.

INTERNATIONAL FINANCIAL REPORTING INTERPRETATION COMMITTEE (IFRIC)

The body which set financial reporting guidelines based on International Financial Reporting Standards. Since 2009/10, the treatment of PFI was based on the adoption of IFRIC standard 12. IFRIC standard 4 is followed in determining whether an arrangement contains a lease

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Local authorities are required to adopt the International Financial Reporting Standards (IFRS); a code of practice based on an internationally agreed set of financial rules. These dictate a level of analysis and disclosure that allows readers of the Statement of Accounts to gain a clearer understanding of the Council's financial position and activities.

INVENTORIES

Materials or supplies to be used in the production process or in providing services; for this Council, the fuel transport store.

LEVIES

The Council is statutorily required to make payments to bodies such as the Environment Agency. The cost of these bodies is borne by local authorities in the area concerned based on their Council Tax base and is met from the General Fund.

MINIMUM REVENUE PROVISION (MRP)

The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

GLOSSARY OF FINANCIAL TERM (continued)**NATIONAL NON-DOMESTIC RATE (NDR)**

More commonly known as 'business rates', these are collected by billing authorities from all non-residential buildings. The poundage level is set by the Treasury. Amounts payable are based on rateable values multiplied by this poundage level.

NEW HOMES BONUS

New Homes Bonus is a Government scheme aimed at encouraging local authorities to grant planning permissions for building new houses and bringing long-term empty properties back into use. The non ring-fenced grant is based on the number of properties.

NET BOOK VALUE

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

NON-CURRENT ASSETS

Assets which yield a benefit to the Council for a period of more than one year.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or a discretionary responsibility.

NON-OPERATIONAL ASSETS

Fixed assets held by a Council, but not directly occupied, used or consumed in the delivery of services; for example, investment properties and assets surplus to requirements held pending sale or redevelopment.

OUTTURN

This is the actual level of expenditure and income for the financial year.

PENSION FUNDS

For the Local Government Pension Scheme, the funds that invest employers' and employees' pension contributions in order to provide pensions for employees on their retirement and pensions for employees' dependants in the event of death of an employee.

PENSION STRAIN

The cost to the Council of reimbursing the Pension Fund should it agree to employees aged 55 and over drawing their pension before normal retirement age.

PRIVATE FINANCE INITIATIVE (PFI)

PFI offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

PRECEPT

The charge made by one authority (the precepting authority such as Royal Berkshire Fire and Thames Valley Police) on another authority (the billing authority such as Slough Borough Council) to obtain income to finance its net expenditure. This is calculated after deducting its own Revenue Support Grant. The precept levied by the precepting authority is incorporated within the Council Tax charge. The Council pays the amount demanded over an agreed time scale.

GLOSSARY OF FINANCIAL TERM (continued)

PROPERTY, PLANT AND EQUIPMENT (PPE)

Covers all tangible (physical) assets used in the delivery of services, for rental to others, or for administrative purposes, that are used for more than one year.

PROVISION

Amount set aside for liabilities and losses, which are certain or very likely to occur but where the exact amount or timing of the payment is uncertain.

PRUDENTIAL CODE

The Prudential Code frees authorities to set their own borrowing limits having regard to affordability. In order to demonstrate this has been done, and enable adherence to be monitored, authorities are required to adopt a number of appropriate 'Prudential Indicators'.

PUBLIC WORKS LOAN BOARD (PWLB)

A government agency, part of the Debt Management Office which lends money to public bodies for capital purposes. The majority of borrowers are local authorities. Monies are drawn from the National Loans Fund and rates of interest are determined by the Treasury.

PUPIL PREMIUM GRANT

This is based on Free School Meals (FSM) eligibility data as at January each year. It is ring-fenced to schools in the same way as DSG.

RATEABLE VALUE

The Valuation Office Agency (part of HM Revenue and Customs) assesses the rateable value of non-domestic properties. Business rate bills are set by multiplying the rateable value by the NNDR poundage set by the Government for the year. Domestic properties do not have rateable values; instead they are assigned to one of the eight valuation bands for Council Tax.

RETAIL PRICE INDEX (RPI)

The measure of inflation used prior to the adoption of CPI by the Government.

REVALUATION

Recognises increases or decreases in the value of non-current assets that are not matched by expenditure on the asset; gains or losses are accounted for through the revaluation reserve.

REVENUE EXPENDITURE

The regular day to day running costs a Council incurs to provide services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure which is legitimately financed from capital resources, but which does not result in, or remain matched with tangible assets.

REVENUE SUPPORT GRANT (RSG)

The general grant paid by the Government to local authorities to help finance their services.

GLOSSARY OF FINANCIAL TERM (continued)

SURPLUS ASSETS

Assets not being used in the delivery of services that do not qualify as being 'held for sale' under accounting guidance.

SOFT LOANS

Funds received and advanced at less than market rates.

UNSUPPORTED BORROWING

Local authorities can set their own borrowing levels based upon their capital need and their ability to pay for the borrowing, costs are not supported by the Government so services need to ensure they can fund the repayment costs. The borrowing may also be referred to as Prudential Borrowing.

USABLE CAPITAL RECEIPTS

This represents the amount of capital receipts available to finance capital expenditure in future years, or to provide for the repayment of debt.

ABBREVIATIONS USED IN THE ACCOUNTS:

BRS – Business Rate Supplement

CCG – Clinical Commissioning Group

CIPFA – Chartered Institute of Public Finance and Accountancy

CIES – Comprehensive Income and Expenditure Statement

CPI – Consumer Price Index

DSG – Dedicated Schools Grant

EIP – Equal Interest and Principal

EIR – Effective Interest Rate

FRS – Financial Reporting Standard

HRA – Housing Revenue Account

IAS – International Accounting Standards

ISB – Individual Schools Budget

IFRS – International Financial Reporting Standards

MiRS – Movement in Reserves Statement

MRR – Major Repairs Reserve

NNDR – National Non-Domestic Rates

PFI – Private Finance Initiative

PPE – Property, Plant and Equipment

PWLB – Public Works Loan Board

REFCUS – Revenue Expenditure Funded From Capital Under Statute

RICS – Royal Institution of Chartered Surveyors

RPI – Retail Price Index

RSG – Revenue Support Grant

RTB – Right to Buy