

2023/24

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

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Introduction by the Director of Finance and Audit

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

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

Kim Chequer

Director of Finance and Audit

May 2024

Narrative Report

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

Updates to the Accounts Required Under Changes to Accounting Practice

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

The Statements

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

Financial Overview

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

- General Fund (GF) Revenue Account

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

- Housing Revenue Account (HRA)

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

- Capital

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

Financial Overview – The General Fund (GF)

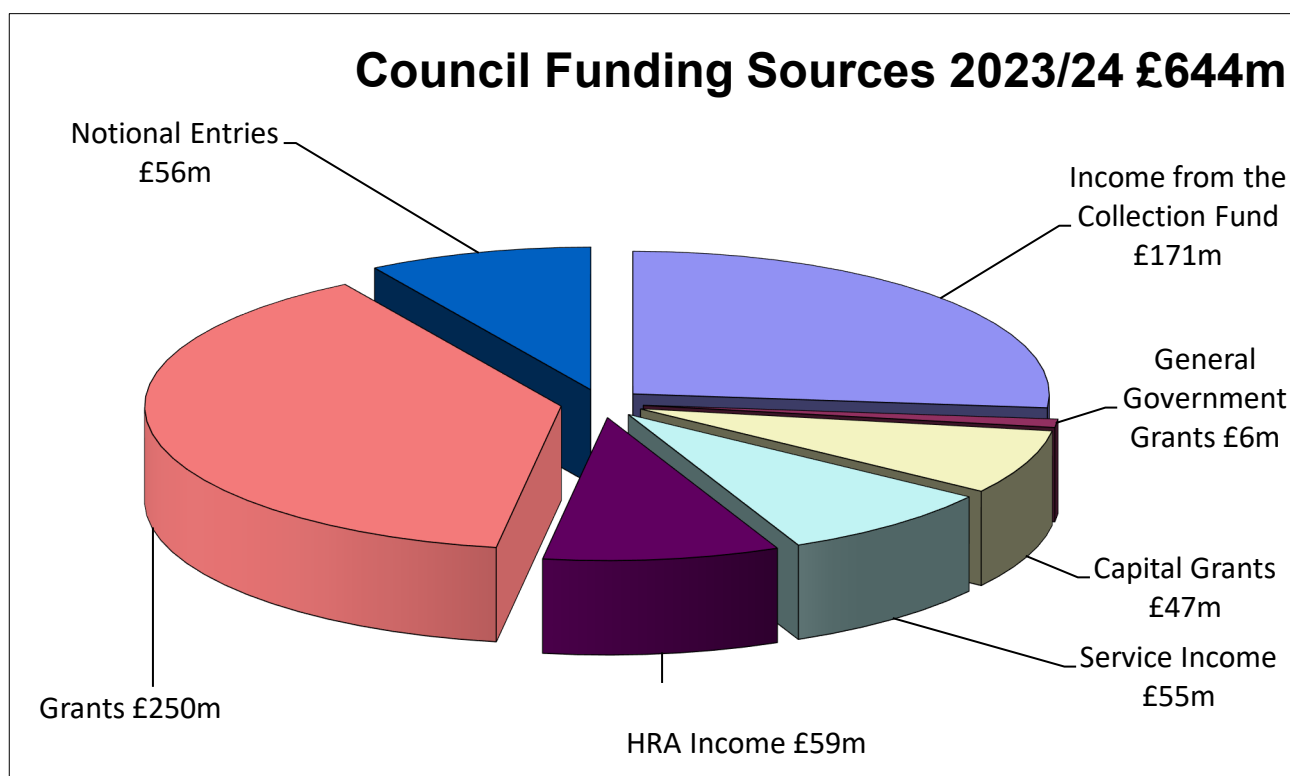
The net GF budget for the year was set at £166.4m. This excludes funding for schools, which is provided via the Dedicated Schools Grant (DSG).

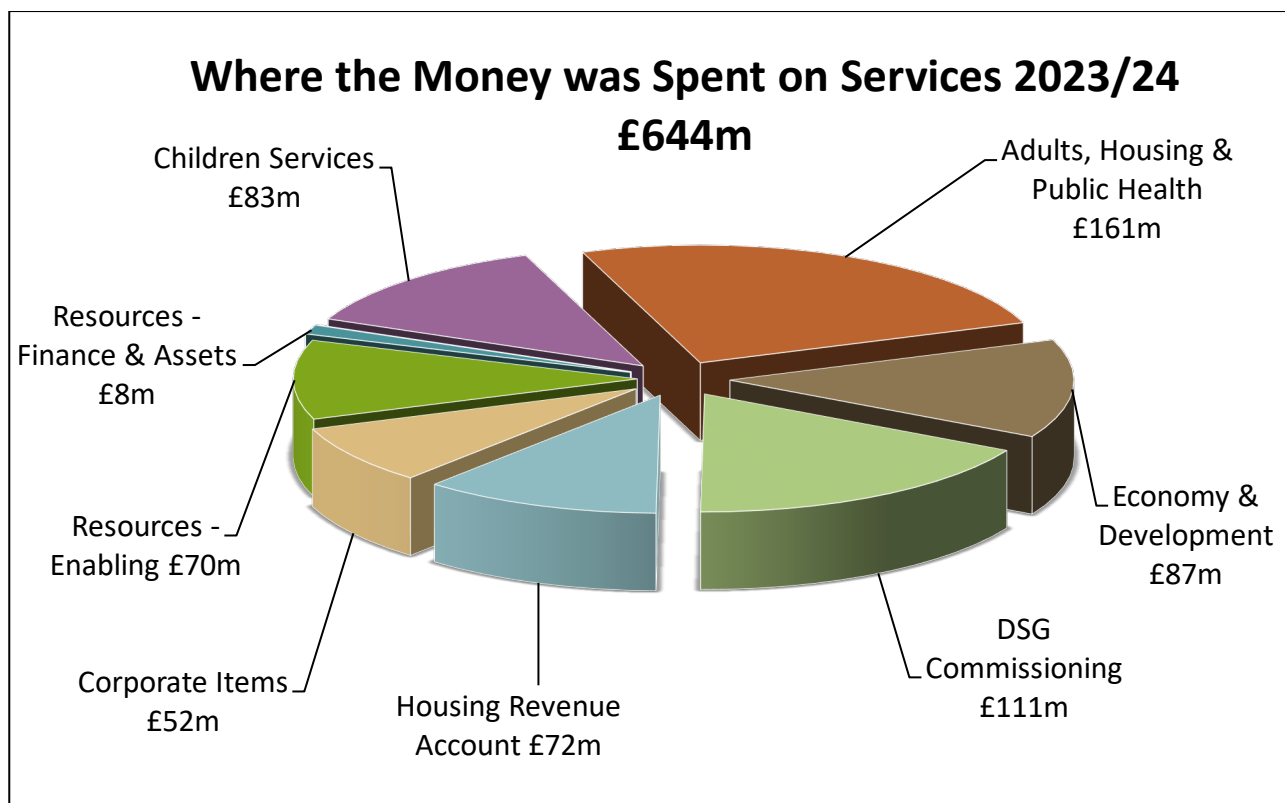
The overall budget was delivered with the balance on the general fund able to be increased but there remain variations within individual Service Areas. As has been reported throughout the year, this includes significant pressures on Children services, which has been partially offset from savings in other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

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

	Budget £000	Actual £000	Variance £000
Resources - Enabling	19,939	19,302	(637)
Resources - Finance & Assets	(4,698)	(21,830)	(17,132)
Children Services	56,759	68,835	12,076
Adults, Housing & Public Health	79,949	81,548	1,599
Economy & Development	14,478	18,413	3,935
Net Cost of General Fund Services (outturn)	166,427	166,268	(159)
<i>Reconciliation to Comprehensive Income & Expenditure Statement</i>			
Parish Precepts		10,320	
Net Corporate Income and Expenditure		42,594	
Net HRA, Capital, Reserves and other Appropriations in Net Cost of Services		62,041	
Sub-total		281,223	
Taxation and Non-Specific Grant Income		(226,191)	
Net (Surplus)/Deficit For Year on Provision of services in CIES		55,032	

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





Financial Overview – The Collection Fund

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

A Business Rates Collection Fund account is also held within the overarching Collection Fund. In general terms this operates in the same way as the Council Tax Collection Fund account. The Collection Fund as a whole has a net surplus of £5.5m at 31 March 2024 which has reduced since 31 March 2023 when it was £9.6m.

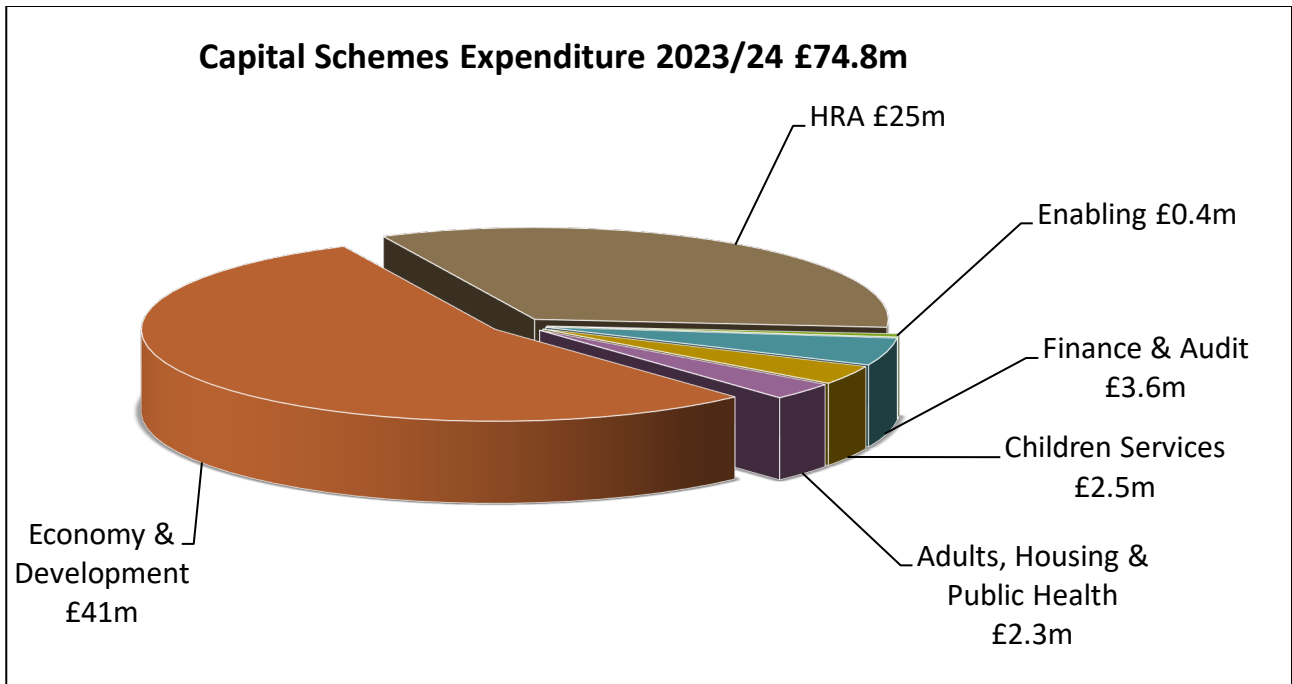
The accounting treatment for the Collection Fund means the Council shows only its own proportion of balances through the accounts on an agency basis. This does not change the Collection Fund itself, which is prescribed under statute, but does remove the overall Collection Fund balance from the Council’s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

Financial Overview – The Housing Revenue Account (HRA)

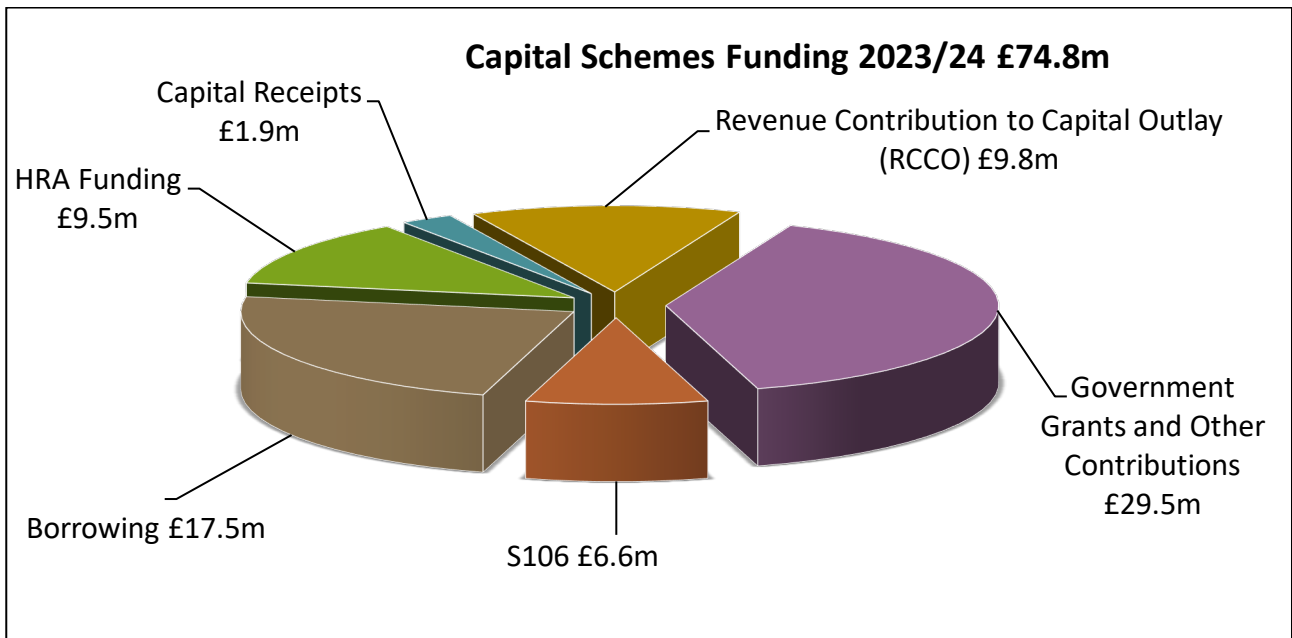
During the year the HRA came in overspent by £2.7m. This has seen the HRA reserve decrease to £9.6m at 31 March 2024.

Financial Overview – Capital Income & Expenditure

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



In-year borrowing contributes to total borrowing of £371m, inclusive of HRA debt, with a related capital finance requirement of £560.6m. This should be seen in the context of a non-current asset base of £1,419m.



Financial Overview – Other Key Disclosures

Pension Liability

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

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

Major Asset Transfers

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

Business Combinations

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

The second development is the ongoing activity from two energy production solar farm companies, Swindon Chapel Farm Solar Plc and Swindon Common Farm Solar Community Interest Plc. The third development relates to the establishment of a group of companies for the construction of dwellings for sale or rent through the Swindon Housing Development Company Ltd. The Authority is parent company to these and also to Public Power Solutions (PPS), which previously operated waste and recycling services in the Borough but is being wound down.

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

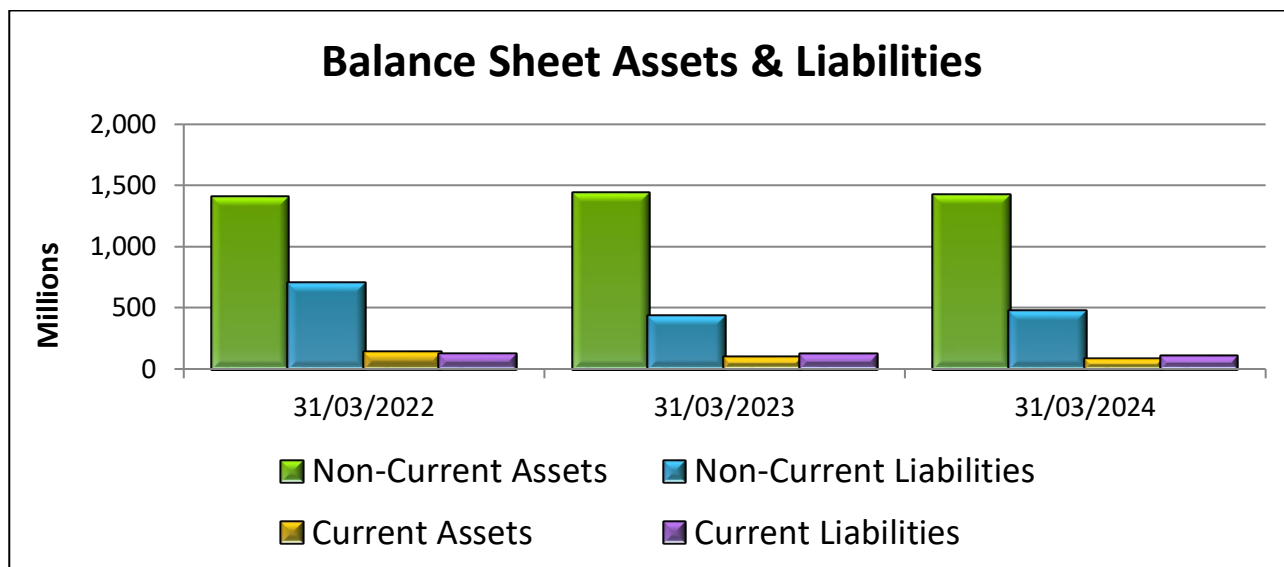
Impact of Materiality

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

Financial Overview – Financial Outlook

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

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



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

Financial Overview – Medium Term Financial Strategy

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

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

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

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

Forecast Expenditure

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

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

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

The Council’s Strategy

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

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

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

Financial Projections from 2024/25

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

Organisational Overview

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

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

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

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

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

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

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

Audit Report

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

Further Information

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

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (Section 151 of the Local Government Act 1972). During the financial year 2023/24, the designated officers were the Corporate Director of Finance and Assets, and the Director of Finance and Audit.

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

The Officer's Responsibilities

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

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

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

The Director Finance and Audit also:

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

Approval of the Accounts

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

Signed: *Kim Chequer*

Date: 28 January 2025

Kim Chequer
Director of Finance and Audit

Approval of the Final Accounts

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

Signed: *Claire Crilly*

Date: 28 January 2025

Chair of Audit Committee

The Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

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

	2022/23 Restated	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
Note	Continuing Operations:						
	Enabling	70,056	(44,738)	25,318	70,128	(47,348)	22,780
	Finance & Audit	9,375	(29,728)	(20,353)	6,533	(35,032)	(28,499)
	Children Services	76,427	(12,247)	64,180	82,517	(10,445)	72,072
	Adults, Housing & Public Health	154,316	(73,546)	80,770	161,968	(79,341)	82,627
	Inclusive Economy & Sustainability	81,840	(27,276)	54,564	90,117	(30,711)	59,406
6	DSG Commissioning	111,864	(98,688)	13,176	109,820	(102,218)	7,602
	HRA - Housing	43,591	(55,399)	(11,808)	56,998	(59,394)	(2,396)
	HRA - Operations	13,196	(394)	12,802	14,900	(183)	14,717
	Surplus / Deficit on Continuing Operations	560,665	(342,016)	218,649	592,981	(364,672)	228,309
4	Other operating expenditure			24,983			40,238
5	Financing & investment (income)/expenditure			21,574			12,676
7	Taxation and non-specific grant income			(227,805)			(226,191)
	(Surplus) / Deficit on Provision of Services			37,401			55,032
16	(Surplus) / Deficit on revaluation of PPE assets			(31,846)			(34,269)
32	Re-measurements on pension assets / liabilities			(269,559)			34,234
	Other Comprehensive Income and Expenditure			(301,405)			(35)
	Total Comprehensive Income and Expenditure			(264,004)			54,997

Movement in Reserves Statement (MiRS)

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

	GF Balance £'000	HRA £'000	Earmarked GF Reserves £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
1 April 2023	(8,335)	(12,340)	(52,854)	(1,294)	(11,388)	(1,855)	(44,145)	(132,211)	(848,750)	(980,961)
(Surplus) / Deficit on Service provision	36,977	18,055	0	0	0	0	0	55,032	0	55,032
Other (Income) / Exp.	0	0	0	0	0	0	0	0	(35)	(35)
Total Comprehensive (Income) / Exp.	36,977	18,055	0	0	0	0	0	55,032	97	54,997
Adjusts between accounting & funding basis (note 13)	(28,131)	(15,058)	0	0	3,023	(26)	(12,866)	(53,058)	53,058	0
Transfer of DSG deficit	(3,099)	0	0	0	0	0	0	(3,099)	3,099	0
Net (Increase)/ Decrease before Reserves	5,747	2,997	0	0	3,023	(26)	(12,866)	(1,125)	56,122	54,997
Transfers to / (from) Other Reserves (note 14)	(5,908)	(296)	5,908	296	0	0	0	0	0	0
(Increase)/ Decrease in-year	(161)	2,701	5,908	296	3,023	(26)	(12,866)	(1,125)	56,122	54,997
31 March 2024	(8,496)	(9,639)	(46,946)	(998)	(8,365)	(1,881)	(57,011)	(133,336)	(792,628)	(925,964)

Movement in Reserves Statement continued

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

Balance Sheet

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

Note		31st March 2023 £000	31st March 2024 £000
16/49	Property, Plant & Equipment	1,380,125	1,369,273
17	Investment property	5,770	4,750
18	Heritage	29,200	29,215
43	Long term investments	16,614	6,745
21	Long term debtors	6,868	6,713
	Total Non-Current Assets	1,438,577	1,416,696
	Cash & Cash equivalents	33,930	32,071
	Inventories & Work in Progress	888	786
22	Short term debtors	45,866	45,011
33	Short term investments	1,400	300
	Assets held for sale (current)	6,515	6,527
	Current Assets	88,599	84,695
23	Short term creditors	(79,033)	(78,311)
33	Short term borrowing	(34,959)	(20,348)
24	Provisions (short term)	(1,583)	(1,141)
	Current Liabilities	(115,575)	(99,800)
33	Long term borrowing	(326,198)	(350,850)
30/33	Long term creditors	(39,991)	(36,682)
24	Provisions (long term)	(11,514)	(8,812)
32	Pension Liability	(25,917)	(57,410)
7	Capital Grants receipts in advance	(27,020)	(21,873)
	Non-Current Liabilities	(430,640)	(475,627)
	Net Assets	980,961	925,964

Balance Sheet continued

Note		31st March 2023 £000	31st March 2024 £000
	General Fund Balance	(8,335)	(8,496)
	HRA Balance	(12,340)	(9,639)
14	GF Earmarked Reserves	(52,854)	(46,946)
14	HRA Earmarked Reserves	(1,294)	(998)
	Major Repairs Reserve	(1,855)	(1,881)
	Capital Receipts Reserve	(11,388)	(8,365)
	Capital Grants Unapplied	(44,145)	(57,011)
MiRS*	Usable Reserves	(132,211)	(133,336)
25	Capital Adjustment Account	(273,902)	(244,774)
26	Revaluation Reserve	(601,165)	(611,448)
27	Pension Reserve	25,917	57,410
28	Collection Fund Adjustment Account	(4,007)	(1,507)
	Pooled Investment Funds Adjustment Account	340	523
6	DSG Deficit	5,300	8,400
	Deferred Capital Receipts	(1,233)	(1,232)
	Unusable Reserves:	(848,750)	(792,628)
	Total Reserves	(980,961)	(925,964)

*MiRS – Movement in Reserves Statement

The unaudited accounts were issued on 31 May 2024 and the audited on 28 January 2025.

Kim Chequer

Kim Chequer

Director of Finance and Audit

S151 Officer

Cash Flow Statement

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

Note		2022/23 £'000	2023/24 £'000
	Net surplus or (deficit) on the provision of services	(37,401)	(55,032)
35	Adjustments to net surplus or deficit on the provision of services for non-cash movements	86,439	117,999
35	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(61,829)	(52,137)
	Net cash flows from Operating Activities	(12,791)	10,830
36	Investing Activities	(19,816)	(17,125)
37	Financing Activities	21,636	4,436
	Net increase or (decrease) in cash and cash equivalents	(10,971)	(1,859)
	Cash and cash equivalents at the beginning of the reporting period	44,901	33,930
	Cash and cash equivalents at the end of the reporting period	33,930	32,071

Notes to the Financial Statements

Disclosures Relating to the Comprehensive Income and Expenditure Statement

1. Expenditure and Funding Analysis

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

	2023/24 Outturn £000	2023/24 Presentational adjustment on Tariff £000	2023/24 Net Exp. Report to Cabinet £000	2023/24 Remove Not Chargeable to the GF or HRA £000	2023/24 Net Exp. Chargeable to GF and HRA £000	2023/24 Changes Between Funding & Accounting Basis £000	2023/24 Net Expenditure In the CIES £000
Enabling	19,302	0	19,302	662	19,964	2,816	22,780
Finance & Audit	(21,834)	835	(20,999)	3,870	(16,761)	(11,370)	(28,499)
Children Services	68,835	0	68,835	1,650	70,485	1,587	72,072
Adults, Housing & Public Health	81,549	0	81,549	(662)	80,887	1,740	82,627
Inclusive Economy & Sustainability	18,413	0	18,413	678	19,091	40,315	59,406
DSG Commissioning	0	0	0	(291)	(291)	7,893	7,602
HRA - Housing	(14,514)	(503)	(15,017)	2,997	(12,388)	9,624	(2,396)
HRA - Operations	14,882	0	14,882	(1)	14,881	(164)	14,717
(Surplus)/Deficit on Continuing Operations	166,633	332	166,965	8,903	175,868	52,441	228,309
Other Income & Expenditure	10,320	0	10,320	0	10,320	29,918	40,238
Financing and Investment Income and Expenditure	0	0	0	0	0	12,676	12,676

Taxation and Non-Specific Grant Income	(177,446)	0	(177,446)	0	(177,446)	(48,745)	(226,191)
(Surplus) / Deficit on Provision of Services	(493)	332	(161)	8,903	8,742	46,290	55,032

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

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

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

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

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

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

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

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

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

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

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2023/24	Pensions £'000	Capital £'000	Treasury £'000	Other £'000	Total £'000
Enabling	(278)	1,640	(139)	1,593	2,816
Finance & Audit	(1,259)	0	(12,875)	2,764	(11,370)
Children Services	(529)	427	(41)	1,730	1,587
Adults, Housing & Public Health	(419)	2,166	(7)	0	1,740
Inclusive Economy & Sustainability	(374)	41,726	(1,037)	0	40,315
DSG Commissioning	(717)	5,511	0	3,099	7,893
HRA - Housing	(171)	17,042	(7,247)	0	9,624
HRA - Operations	(164)	0	0	0	(164)
Total Adjustments	(3,911)	68,512	(21,346)	9,186	52,411
Other Income & Expenditure	0	29,918	0	0	29,918
Financing and Investment Income and Expenditure	1,170	1,187	10,319	0	12,676
Taxation and Non-Specific Grant Income	0	(49,073)	0	328	(48,745)
(Surplus) or Deficit on Provision of Services	(2,741)	50,544	(11,027)	9,514	46,290

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

2. Subjective Analysis of Service Expenditure

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

Expenditure and Income Type	2022/23 £'000	2023/24 £'000
Employee related expenses	177,096	162,669
Other service expenses	314,993	346,230
Depreciation, amortisation and impairment	68,543	83,746
Interest Payments	26,983	18,348
Precepts & Levies	9,599	10,320
Payments to Housing Capital Receipts Pool	2,705	2,716
Gain or Loss on Disposal of Fixed Assets	12,679	27,202
Total operating expenses	612,598	651,231
Fees, charges & other service income	(106,851)	(114,667)
Interest and investment income	(5,409)	(5,672)
Income from Council Tax and Business Rates	(161,369)	(170,897)
Government grants and contributions	(301,568)	(304,963)
Total Income	(575,197)	(596,199)
Surplus or deficit on the provision of services	37,401	55,032

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

3. Material Items of Income and Expense

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

4. Other Operating Expenditure

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

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

5. Financing and Investment Income and Expenditure

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

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

6. Dedicated Schools Grant

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

	Total	Central	Schools	Total
	2022/23	Expenditure	Budgets	2023/24
	£'000	2023/24	2023/24	£'000
		£'000	£'000	£'000
Final DSG before Academy Recoupment	228,801			244,662
Academy figure recouped for the year	149,105			163,814
DSG after Academy Recoupment	79,696			80,848
Brought Forward from prior year	0			0
Carry Forward agreed in advance	0			0
Agreed initial budgeted distribution	79,696	50,220	30,627	80,848
In year adjustments	(806)	21	0	21
Final budgeted distribution for year	78,890	50,241	30,627	80,868
Less actual central expenditure	47,903	54,237		54,237
Less actual ISB deployed to schools	31,918		29,730	29,730
Carry forward to next year (including carry forward agreed in advance)	(931)	(3,997)	897	(3,099)

DSG unusable reserves at the end of Year	(4,370)	(5,300)
Addition to DSG unusable reserves at end of year	(930)	(3,099)
Total of DSG unusable reserves at the end of the Financial Year	(5,300)	(8,399)

7. Tax & Grant Income

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

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

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

	2022/23 £'000	2023/24 £'000
Credited to Taxation and Non-Specific Grant Income		
Collection Fund Income - Council Tax	(126,606)	(135,742)
Collection Fund Adjustments – Council Tax	(666)	226
Collection Fund Income - Business Rates	(33,071)	(53,460)
Collection Fund Income - Prior Year Surplus	0	(2,620)
Collection Fund Income - Business Rates Tariff	17,288	19,531
Collection Fund Adjustments – Business Rates	(18,315)	1,168
Revenue Support Grant	(4,498)	(5,155)
Other non-ring-fenced government grants	(3,161)	(1,066)
S106 - used in funding	(5,608)	(6,592)
Capital grants and contributions - to CGUA*	(53,168)	(42,481)
Total	(227,805)	(226,191)

*Capital Grants Unapplied Account

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

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

8. Members' Allowances

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

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

9. Officers' Remuneration

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

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

*** left 6th March 2023

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

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

10.Exit Packages

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

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

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

11.External Audit Costs

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

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

12. Better Care Fund

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

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

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

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

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

13.Adjustments between Accounting Basis and Funding Basis under Regulations

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

2023/24	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(23,986)	(9,478)	0	0	0	(33,464)
Charges for impairment and revaluation losses of non-current assets	(23,642)	(26,639)	0	0	0	(50,281)
Movement in the market value of investment properties	(1,020)	0	0	0	0	(1,020)
Capital grants and contributions applied	6,592	0	0	0	0	6,592
Revenue expenditure funded from capital under statute	(4,004)	0	0	0	0	(4,004)
Movement in the value of donated assets	15	0	0	0	0	15
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(24,180)	(7,870)	0	0	0	(32,050)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	5,415	0	0	0	0	5,415
Voluntary provision for the financing of capital investment	0	5,000	0	0	0	5,000
Capital expenditure charged against the GF and HRA balances	163	9,597	0	0	0	9,760
Adjustments for capital grants:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	42,481	0	0	0	(42,481)	0
Application of grants to capital financing transferred to the CAA	0	0	0	0	29,615	29,615
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	185	4,663	(4,848)	0	0	0
Flexible use of UCR to finance transformational projects	(3,302)	0	3,302	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	1,854	0	0	1,854
Use of the Capital Receipts Reserve Voluntary debt funding	0	0	0	0	0	0

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Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool.	(2,716)	0	2,716	0	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve (England and Wales):						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	(1)	0	0	(1)
Adjustment primarily involving the Major Repairs Reserve						
HRA resources credited to the MRR	0	9,478	0	(9,478)	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	9,452	0	9,452
Adjustments primarily involving the Pensions Reserve:						
Net reversal from CIES of items relating to IAS19 retirement benefits	2,550	191	0	0	0	2,741
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax / business rate income credited to the CIES is different from that calculated for the year in accordance with statutory requirements	(2,500)	0	0	0	0	(2,500)
Adjustments primarily involving the Pooled Investment Funds Adjustment Account:						
Reversal of the Gains or Losses on AHFS	(182)	0	0	0	0	(182)
Total Adjustments	(28,131)	(15,058)	3,023	(26)	(12,866)	(53,058)

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

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

14. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure. Transfers out are generally used to support specific projects, or budgeted contributions to the general fund.

	Balance 31/3/22 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/23 £'000	Transfers In £'000	Transfers Out £'000	Balance 31/3/24 £'000
HRA Earmarked	(1,569)	(68)	343	(1,294)	(137)	433	(998)
Service Earmarked	(25,473)	(5,750)	5,390	(25,833)	(5,935)	7,473	(24,295)
Major Project Cashflowing	(2,878)	0	1,634	(1,244)	0	1,125	(119)
Schools	(4,700)	0	364	(4,336)	(63)	651	(3,748)
Infrastructure & Regeneration	(1,029)	0	47	(982)	0	107	(875)
Budget Delivery Cashflowing	(45,170)	0	24,711	(20,459)	(3,995)	6,545	(17,909)
General Fund Reserves per BS	(79,250)	(5,750)	32,146	(52,854)	(9,993)	15,901	(46,946)
Total Earmarked Reserves	(80,819)	(5,818)	32,489	(54,148)	(10,130)	16,334	(47,944)

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

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

15. Impact of Prior period Adjustments

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

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

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

Disclosures Relating to the Balance Sheet

16. Property, Plant and Equipment

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

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

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	0	28,878	14,431	0	65,659	108,968
Value of assets revalued in year ending:							
31-Mar-24	572,409	355,389	0	0	27,613	0	955,411
31-Mar-23	0	93,515	0	0	1,330	0	94,845
Total Value of category on the balance sheet	572,409	448,904	28,878	14,431	28,943	65,659	1,159,224

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

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

2023/24	Council Dwellings	Other Land & Buildings	Vehicles, Plant, & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2023	551,820	495,146	18,338		13,014	28,032	61,159	1,167,509
Additions	16,742	5,814	10,540		1,417	23	27,629	62,165
Revaluation + / (-) recognised in the Revaluation Reserve	16,099	(1,040)	0		0	(100)	0	14,959
Revaluation + / (-) recognised in the Surplus/Deficit on the Provision of Services	(26,639)	(21,349)	0		0	(4,323)	0	(52,311)
Derecognition – disposals	(8,742)	(24,621)	0		0	265	0	(33,098)
Reclassification	23,129	(5,046)	0		0	5,046	(23,129)	0
At 31 March 2024	572,409	448,904	28,878		14,431	28,943	65,659	1,159,224
Accumulated Depreciation and Impairment								
At 1 April 2023	(2,205)	(6,799)	(12,375)		0	(103)	0	(21,482)
Depreciation charge	(9,088)	(11,825)	(3,063)		0	(22)	0	(23,998)
Depreciation w/b on Revaluation	8,148	11,114	0		0	43	0	19,305
Depreciation written to/from the CIES	0	1,992	0		0	38	0	2,030
Depreciation written to/from the CIES - Reclassifications	0	(2)	0		0	2	0	0
Derecognition – disposals	872	176	0		0	0	0	1,048
At 31 March 2024	(2,273)	(5,344)	(15,438)		0	(42)	0	(23,097)
Net Book Value as per the Balance Sheet								
At 1 April 2023	549,615	488,347	5,963	234,098	13,014	27,929	61,159	1,380,125
At 31 March 2024	570,136	443,560	13,440	233,146	14,431	28,901	65,659	1,369,273

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

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

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

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

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

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

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

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

17. Investment Properties

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

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

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

Description of Asset	Valuation Hierarchy	Basis of Valuation	Observable and non-observable inputs	Key sensitivities			
Investment property	Level 2	Valued at Fair Value as at 31 December 2023 using market and income approach.	Estimated rental value. Capitalisation rate. Local market rate.	The inputs listed are exposed to future market changes. These are either at a macro level based on factors such as the performance of the economy, or micro level such as the local tenant demand for property or house prices.			
Sensitivity of asset				Asset	Valuation Range	Value as at 31/3/24 £'000	Valuation Variation £'000
The Council owns one material investment property, Lysander House in Bristol, which it has considered the potential impact of valuation changes on. The valuation report states that there is a valuation tolerance of +/- 10%, and the impact of this range on the closing value of this investment at 31/3/24 is shown.				Lysander House	+/- 10%	4,750	475

18. Heritage Assets

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

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

19. Capital Commitment

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

20. Capital Expenditure and Capital Financing

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

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

21. Long-term Debtors

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

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

22. Short-term Debtors

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

	Balance at 31 March	2023	2024
		£'000	£'000
Central government bodies		12,282	8,822
Other local authorities		858	1,370
NHS bodies		3,865	1,979
Collection Fund		21,751	25,447
Sundry organisations and individuals		21,567	26,734
Payments in Advance		7,190	4,364
Sub-total		67,513	68,716
Impairment of debtors		(7,498)	(7,878)
Collection Fund loss allowance		(14,149)	(15,827)
Net Debtors		45,866	45,011

23. Short-Term Creditors

	Balance at 31 March	2023	2024
		£'000	£'000
Central government bodies		(25,748)	(23,552)
Other local authorities		(1,372)	(830)
NHS bodies		(1,733)	(1,140)
Collection Fund		(4,508)	(6,706)
Sundry organisations and individuals		(27,226)	(28,830)
Receipts in advance		(18,446)	(17,253)
Total		(79,033)	(78,311)

24. Provisions

Insurance

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

Capitalised Landfill

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

Rates Appeals

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

Other

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

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

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

25. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties.

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

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

	2022/23	2023/24
	£'000	£'000
Balance at 1 April	(276,696)	(273,902)
Reversal of capital related items debited or credited to the CIES:		
Adjusting balance for rounding	4	(1)
Charges for depreciation of noncurrent assets	33,744	33,464
Charges for impairment of noncurrent assets	37,123	52,522
Depreciation written back on disposals	(26,559)	(1,049)
Depreciation written back on general gain/loss	(2,324)	(2,241)
Revenue expenditure funded from capital under statute	2,388	4,004
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	52,291	33,099
Application of the HRA debt	(5,000)	(5,000)
	91,667	114,798
Adjusting amounts written out of the Revaluation Reserve	(14,856)	(23,986)
Deferred Receipts	(1)	(1)
Use of the Capital Receipts Reserve to finance new capital expenditure	(4,960)	(1,854)
Use of the Major Repairs Reserve to finance new capital expenditure	(8,401)	(9,452)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(5,608)	(6,592)
Application of grants to capital financing from the Capital Grants Unapplied Account	(41,260)	(29,615)
Statutory provision for the financing of capital investment charged against the General Fund	(5,054)	(5,415)
Capital expenditure charged against the General Fund and HRA balances	(9,613)	(9,760)
Movement in the value of donated assets	0	(15)
Movement in the market value of investments	880	1,020
	(88,873)	(85,670)
Balance at 31 March	(273,902)	(244,774)

26. Revaluation Reserve

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

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

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

	2022/23 £'000	2023/24 £'000
Balance at 1 April	(584,175)	(601,165)
Revaluation of assets in asset table note	(12,812)	(14,964)
Depreciation added back on revaluation	(19,034)	(19,305)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(31,846)	(34,269)
Adjustments against historic cost	7,633	8,936
Accumulated gains on assets sold or scrapped	7,223	15,050
Balance at 31 March	(601,165)	(611,448)

27. Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

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

Statutory arrangements, however, require a benefit earned to be financed as the Authority makes employer’s contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. Note 32 contains more detail on the pension fund.

28.Collection Fund Adjustment Account

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

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

29. Leases

Authority as Lessee

Under reporting standards the Council has finance lease arrangements for its PFI scheme, shown in note 30. The Council has no other known finance lease arrangements, either as a direct leasing process or from service arrangements.

Operating Leases

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

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

Authority as Lessor

Finance Leases

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

Operating Leases

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

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

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

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

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

30. Private Finance Initiatives and Similar Contracts

Schools PFI Scheme

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

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

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

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

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

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

PFI assets are accounted for on the Council’s balance sheet at current value with a related finance lease liability. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 16.

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

	2022/23	2023/24
	£'000	£'000
Opening Balance	(43,052)	(40,433)
Unitary Charge Paid	11,615	11,681
Expenditure / Financing Cost	(8,996)	(8,692)
Closing Balance	(40,433)	(37,444)

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

Balance at 31 March	2023			2024		
	Service Charges	Interest	Liability	Service Charges	Interest	Liability
	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 Year	4,028	4,665	2,989	4,201	4,320	3,232
Within 2 - 5 Years	17,828	14,906	14,727	18,620	13,207	15,947
Within 6 - 10 Years	21,939	7,280	22,717	16,946	4,659	18,265
	43,795	26,851	40,433	39,768	22,186	37,444

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

	2022/23	2023/24
	£'000	£'000
Finance Lease Liabilities		
- Current	(2,989)	(3,232)
- Non-current	(37,444)	(34,212)
Finance Cost Payable in Future Years	(70,550)	(62,266)
Minimum lease payments	(110,983)	(99,710)

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

	Minimum Lease Payments		Finance Lease Liabilities	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Not later than one year	11,273	11,358	(2,989)	(3,232)
Later than 1 not later than 5	57,951	58,535	(19,179)	(21,024)
Later than 5	41,760	29,554	(18,265)	(13,188)
	110,983	99,447	(40,433)	(37,444)

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

31. Pensions Schemes Accounted for as Defined Contribution Schemes

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

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

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

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

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

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

32. Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The authority participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Wiltshire Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there is no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

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

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

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

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

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

The principal assumptions used by the actuary have been:

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

Commutation Adjustment

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

Basis for Estimating Assets and Liabilities

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

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

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

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

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

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

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

Fair Value of Employer Assets

Asset Category	Non-Quoted Prices			Non-Quoted Prices		
	£'000	Total 2023 £'000	%	£'000	Total 2024 £'000	%
Real estate:						
UK Property	52,338	52,338	7%	55,823	55,823	7.0%
Overseas Property	31,516	31,516	4%	33,614	33,614	4.2%
Investment Funds & Unit Trusts:						
Equities	300,905	300,905	40%	320,937	320,937	40.1%
Bonds	205,669	205,669	27%	219,361	219,361	27.4%
Infrastructure	57,159	57,159	8%	60,964	60,964	7.6%
Other	99,932	99,932	13%	106,584	106,584	13.3%
Derivatives:						
Cash / Cash Equivalents	3,385	3,385	1%	3,610	3,610	0.5%
Total	750,904	750,904	100%	800,893	800,893	100.0%

33. Financial Instruments

Categories of Financial Instruments

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

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

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

Income, Expense, Gains and Losses

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

Fair Values of Assets and Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

34. Nature and Extent of Risks Arising from Financial Instruments

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

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

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

Credit Risk

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

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

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

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

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

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

Liquidity Risk

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

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

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

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

Market Interest Rate & Price Risk

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

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

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

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

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

Disclosures Relating to the Cashflow Statement

35. Cash Flow Statement – Operating Activities

	2022/23	2023/24
	£'000	£'000
The cash flows for operating activities include the following items:		
Interest received	6,269	5,060
Interest paid	(16,632)	(15,021)
Total	(10,363)	(9,961)
The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:		
Depreciation	31,585	33,464
Impairment and downward valuations	36,958	50,281
Increase/(decrease) in creditors	(39,456)	4,012
(Increase)/decrease in debtors	6,069	1,783
Increase/(decrease) in inventories	(69)	102
Pension Liability Movement	25,266	(2,741)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	25,732	32,050
Other non-cash items charged to the net surplus or deficit on the provision of services, mainly relating to pension adjustments	354	(952)
Total	86,439	117,999
The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:		
Proceeds from the sale of property, plant and equipment, intangible assets and investment assets	(13,053)	(4,848)
Any other items for which the cash effects are investing or financing cash flows, mainly relating to capital grants	(48,776)	(47,289)
Total	(61,829)	(52,137)

36. Cash Flow Statement – Investing Activities

	2022/23	2023/24
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(113,115)	(77,515)
Purchase of short-term and long-term investments	(313,631)	(78,129)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	13,053	4,849
Proceeds from short-term and long-term investments	330,603	88,916
Other payments / receipts from investing activities, mainly capital grants for funding capital	63,274	44,754
Net cash flow from Investing Activities	(19,816)	(17,125)

37. Cash Flow Statement – Financing Activities

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

General Disclosures

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

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

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

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

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

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

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

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

39.Critical Judgements in Applying Accounting Policies

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

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

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

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

The Authority is party to an arrangement initially entered into with the Swindon Clinical Commissioning Group (CCG), now the Integrated Care Board (ICB) from July 2022 (note 12). The agreement between the bodies has previously been reviewed and discussion had with stakeholders in agreeing that the Council does not control the commissioning activities of the CCG/ICB as each party retains responsibility for services provided within its own areas of social care/health.

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

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

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

The below show the potential impact of some key assumptions:

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

Depreciation charge through the CIES from reduction in life of operational land and building		2 year reduction	£3.7m
Net Pensions Liability / Asset	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements, advised by actuaries, relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets.</p> <p>This includes adjustment to an initially calculated pension asset of £27m to take account of the required 'asset ceiling', where limited future benefit can be recognised, which has resulted in a pension liability of £57m remaining on the balance sheet.</p>	<p>Changes to the pension liability can be complex with a variety of items that may cause impact on the balance sheet or revenue statement with either a positive or negative change. Sensitivity analysis on the liability assumptions is shown below.</p> <p>If the pension asset ceiling was not accounted for the balance sheet would show a net pension asset of £27m.</p>	
		Est. % Liability increase	Est. value
0.1% decrease in Real Discount Rate		2%	13,831
1 year increase in member life expectancy		4%	31,362
0.1% increase in the Salary Increase Rate		0%	404
0.1% increase in the Pension Increase Rate		2%	13,688

41.Events after the Balance Sheet Date / Contingent Liability

There are no known events that would have material impact on the Council's position as at 31 March 2024.

42.Related Parties

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

Central Government

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

Members

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

Officers

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

Controlled Companies

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

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

Entities Controlled or Significantly Influenced by the Authority

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

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

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

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

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

43. Long Term Investments

The Council has a number of group companies which form part of the balance of the Council’s long-term investments. These investments include deposits made to the companies and the

Council shareholdings. They are removed as part of the consolidation process in the following group accounts section.

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

The Swindon Borough Council Group Accounts

The Group Comprehensive Income and Expenditure Statement

	2022/23 Restated	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000
Continuing Operations							
Enabling		70,056	(44,738)	25,318	70,128	(47,348)	22,780
Finance & Audit		8,967	(29,320)	(20,353)	6,006	(34,505)	(28,499)
Children Services		76,427	(12,247)	64,180	82,517	(10,445)	72,072
Adults, Housing & Public Health		156,015	(74,985)	81,030	164,251	(81,916)	82,335
Inclusive Economy & Sustainability		81,840	(27,276)	54,564	90,117	(30,711)	59,406
DSG Commissioning		111,864	(98,688)	13,176	109,820	(102,218)	7,602
HRA - Housing		43,591	(55,399)	(11,808)	56,998	(59,394)	(2,396)
HRA - Operations		13,196	(394)	12,802	14,900	(183)	14,717
Surplus / Deficit on All Services		561,956	(343,047)	218,909	594,737	(366,720)	228,017
Group taxation & share of joint venture				104			(2,908)
Other operating expenditure				24,983			40,238
Financing and investment income and expenditure				21,690			12,921
Taxation and non-specific grant income				(227,805)			(226,191)
Group (Surplus) / Deficit on Provision of Services				37,881			52,077
(Surplus) / deficit on revaluation of Property, Plant and Equipment				(31,846)			(34,269)
Re-measurements on pension assets / liabilities				(269,559)			34,234
Other Comprehensive Income and Expenditure				(301,405)			(35)
Total Comprehensive Income and Expenditure				(263,524)			52,042

The Group Movement in Reserves Statement

2023/24	General Fund Balance	HRA	Earmarked GF Reserves	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's Share of Group Reserves	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	(8,335)	(12,340)	(52,854)	(1,294)	(11,388)	(1,855)	(44,145)	(132,211)	(848,750)	(980,961)	(2,965)	(983,926)
Surplus /deficit on provision of services	34,022	18,055	0	0	0	0	0	52,077	0	52,077	0	52,077
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(35)	(35)	0	(35)
Total Comprehensive Income and Expenditure	34,022	18,055	0	0	0	0	0	52,077	(35)	52,042	0	52,042
Adjustments between Group and Authority accounts	2,955	0	0	0	0	0	0	2,955	0	2,955	(2,955)	0
Net increase before transfers	36,977	18,055	0	0	0	0	0	55,032	(35)	54,997	(2,955)	52,042
Adjustments between accounting basis & funding basis under regulations	(28,131)	(15,058)	0	0	3,023	(26)	(12,866)	(53,058)	53,058	0	0	0
Transfer of DSG deficit	(3,099)	0	0	0	0	0	0	(3,099)	3,099	0	0	0
Net Increase/Decrease before Transfers to Reserves	5,747	2,997	0	0	3,023	(26)	(12,866)	(1,125)	56,122	54,997	(2,955)	52,042
Transfers to/from Earmarked Reserves	(5,908)	(296)	5,908	296	0	0	0	0	0	0	0	0
Increase/Decrease in year	(161)	2,701	5,908	296	3,023	(26)	(12,866)	(1,125)	56,122	54,997	(2,955)	52,042
Balance at 31 March	(8,496)	(9,639)	(46,946)	(998)	(8,365)	(1,881)	(57,011)	(133,336)	(792,628)	(925,964)	(5,920)	(931,884)

Swindon Borough Council – Statement of Accounts – 2023/24

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

The Group Balance Sheet

Note		31 March 2023 £000	31 March 2024 £000
45	Property, Plant & Equipment	1,388,249	1,376,999
	Investment property	5,770	4,750
	Heritage	29,200	29,215
	Long term investments	20,085	12,753
	Long Term debtors	1,996	1,989
	Total Non-Current Assets	1,445,300	1,425,706
	Short term investments	1,400	300
	Inventories & Work in Progress	1,035	945
	Short term debtors	46,836	44,900
	Cash & Cash equivalents	34,736	32,562
	Assets held for sale (current)	6,515	6,527
	Current Assets	90,522	85,234
	Short term borrowing	(35,015)	(20,482)
	Short term creditors	(81,185)	(78,596)
	Provisions (short term)	(1,583)	(1,141)
	Current Liabilities	(117,783)	(100,219)
	Long term borrowing	(326,198)	(350,850)
	Long term creditors	(43,464)	(39,892)
	Provisions (long term)	(11,514)	(8,812)
	Pension Liability	(25,917)	(57,410)
	Capital Grants receipts in advance	(27,020)	(21,873)
	Non-Current Liabilities	(434,113)	(478,837)
	Net Assets	983,926	931,884
	Usable Reserves of Group	(135,176)	(139,256)
	Unusable Reserves of authority only	(848,750)	(792,628)
	Total Reserves	(983,926)	(931,884)

The Group Cash flow Statement

Note	2022/23 £'000	2023/24 £'000
Net surplus or (deficit) on the provision of services	(37,881)	(52,077)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	87,207	118,926
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(61,609)	(54,836)
Net cash flows from Operating Activities	(12,283)	12,013
Investing Activities	(20,382)	(17,967)
Financing Activities	21,450	3,780
Net increase or decrease in cash and cash equivalents	(11,215)	(2,174)
Cash and cash equivalents at the beginning of the reporting period	45,951	34,736
Cash and cash equivalents at the end of the reporting period	34,736	32,562

44. Long Term Investments – Group Consolidation

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

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

Public Power Solutions Limited (PPSL)

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

Swindon Common Farm Solar Community Interest Company Plc

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

Swindon Chapel Farm Solar Ltd

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

Swindon Housing Development Company Limited

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

Changes from Single Entity

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

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

	PPSL		Housing Dev. Co.	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	125	354	(69)	(69)
Tax Adjustment	0	(26)	13	13
Profit / (Loss) after taxation	125	328	(56)	(56)
As at 31 March	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
Net Balance Sheet Asset/(Liability)	(286)	43	(889)	(1,238)

	Common Farm Solar		Chapel Farm Solar	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Profit / (Loss) before taxation	(85)	(85)	(91)	(50)
Tax Adjustment	11	11	68	(16)
Profit / (Loss) after taxation	(74)	(74)	(23)	(65)
As at 31 March	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
Net Balance Sheet Asset/(Liability)	(105)	(15)	(852)	(917)

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

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

45. Group Property, Plant & Equipment

2023/24	Council Dwellings	Other Land and Buildings	Vehicles, Plant, & Equipment	Infra-structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total PPE
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1st April	551,820	495,861	28,266		13,014	28,032	61,159	1,178,152
Additions	16,742	5,814	10,540		1,417	23	27,629	62,165
Revaluation increases / (decreases) recognised in the Revaluation Reserve	16,099	(1,040)	0		0	(100)	0	14,959
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(26,639)	(21,349)	0		0	(4,323)	0	(52,311)
Derecognition – disposals	(8,742)	(24,621)	0		0	265	0	(33,098)
Reclassification	23,129	(5,046)	0		0	5,046	(23,129)	0
31st March	572,409	449,619	38,806		14,431	28,943	65,659	1,169,867
1st April	(2,205)	(6,799)	(14,894)		0	(103)	0	(24,001)
Depreciation charge	(9,088)	(11,825)	(3,461)		0	(22)	0	(24,396)
Depreciation w/b on Revaluation	8,148	11,114	0		0	43	0	19,305
Depreciation written to/from the CIES	0	1,992	0		0	38	0	2,030
Depreciation written to/from the CIES - Reclassifications	0	(2)	0		0	2	0	0
Derecognition – disposals	872	176	0		0	0	0	1,048
31st March	(2,273)	(5,344)	(18,355)		0	(42)	0	(26,014)
Net Book Value								
1st April	549,615	489,062	13,372	234,098	13,014	27,929	61,159	1,388,249
31st March	570,136	444,275	20,451	233,146	14,431	28,901	65,659	1,376,999

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

ACCOUNTING POLICIES

a) General Principles

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

b) Revenue recognition and Accruals of Income and Expenditure

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

c) Cash and Cash Equivalents

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

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

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

e) Charges to Revenue for Non-Current Assets

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

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

f) Employee Benefits

Benefits Payable during Employment

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

Post-Employment Benefits

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

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

The Local Government Pension Scheme

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

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

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

Discretionary Benefits

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

g) Events after the Balance Sheet Date

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

h) Financial Instruments

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

Financial Liabilities

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

Financial Assets

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

Financial Assets Measured at Fair Value through Profit of Loss

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

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

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

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

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

Level 3 inputs – unobservable inputs for the asset.

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

i) Government Grants and Contributions

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

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

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

j) Inventories

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

k) Investment Property

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

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

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

l) Leases

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

The Authority as Lessee

Finance Leases

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

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

Operating Leases

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

The Authority as Lessor

Finance Leases

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

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

Operating Leases

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

m) Property, Plant and Equipment (PPE)

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

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

Recognition

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

Measurement

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

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

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

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

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

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

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

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

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

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

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

Impairment

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

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

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

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

Depreciation

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

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

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

Depreciation is calculated on the following bases:

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

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

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

Components

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

Disposals and Non-current Assets Held for Sale

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

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

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

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

Assets under Construction

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

Heritage Assets

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

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

n) Private Finance Initiative (PFI) and Similar Contracts

As the Authority is deemed to control the services that are provided under its PFI scheme, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment and accounts for them under relevant policies.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For the PFI schools, the liability was written down by an initial capital contribution of £10m.

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

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires a payment to settle, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date.

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

Contingent Liabilities

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

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

Contingent Assets

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

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

p) Reserves

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

q) Revenue Expenditure Funded from Capital under Statute

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

r) Agency Arrangements - Collection Fund / BCF

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

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

s) Group Accounts- Interests in Companies and Other Entities

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

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

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

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

Supplementary Statements

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

The Collection Fund

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

	2022/23			2023/24		
	Business Rates	Council Tax	Total	Business Rates	Council Tax	Total
INCOME	£000	£000	£000	£000	£000	£000
Council Tax Receivable	0	(152,545)	(152,545)	0	(162,663)	(162,663)
Business Rates Receivable	(101,991)	0	(101,991)	(109,133)	0	(109,133)
	(101,991)	(152,545)	(254,536)	(109,133)	(162,663)	(271,796)
EXPENDITURE						
Apportionment of Previous Year Surplus						
Central Government	0	0	0	2,674	0	2,674
Billing Authority	0	0	0	2,620	0	2,620
Fire Authority	0	0	0	53	0	53
Police Authority	0	0	0	0	0	0
	0	0	0	5,347	0	5,347
Precepts, Demands and Shares						
Central Government	33,746	0	33,746	54,546	0	54,546
Billing Authority	33,078	126,606	159,684	53,460	135,742	189,202
Fire Authority	675	6,053	6,728	1,091	6,566	7,657
Police Authority	0	18,390	18,390	0	19,929	19,929
	67,499	151,049	218,548	109,097	162,237	271,334
Charges to Collection Fund						
Less write offs of uncollectable amounts	650	(277)	373	0	593	593
Less : Increase / (Decrease) in Bad Debt Provision	(105)	2,019	1,914	1,005	1,391	2,396
Less : Increase / (Decrease) in Provision for Appeals	(4,291)	0	(4,291)	(5,009)	0	(5,009)
Less : Renewables	604	0	604	838	0	838
Less : Cost of Collection	259	0	259	263	0	263
	(2,883)	1,742	(1,141)	(2,903)	1,984	(919)
(Surplus) / Deficit arising during the year	(37,376)	246	(37,130)	2,409	1,559	3,968
(Surplus) / Deficit brought forward 1st April	26,070	1,589	27,659	(11,306)	1,835	(9,471)
(Surplus) / deficit carried forward 31st March	(11,306)	1,835	(9,471)	(8,897)	3,394	(5,503)
Less Balance Attributable to Major Preceptors	5,764	(300)	5,464	4,548	(552)	3,996
Balance Remaining Attributable to SBC	(5,542)	1,535	(4,007)	(4,349)	2,842	(1,507)

Notes to the Collection Fund

46. Rateable Value

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

47. Council Tax Base

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

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

* After adjustment for discounts and relief.

The Housing Revenue Account (HRA)

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

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

Statement of Movement in the Housing Revenue Account

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

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

Notes to the HRA

48. Housing Stock

The stock of Council dwellings at 31st March was:

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

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

	2022/23	2023/24
Assets:	£'000	£'000
Dwellings	549,615	570,136
Plant and Equipment	2,517	726
Total Balance Sheet Value	552,132	570,862

There is a statutory requirement for the Council's assets to be revalued at least every 5 years. The tenanted dwellings were revalued as at 31st December 2023.

49. Vacant Possession Valuation

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

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

50. Major Repairs Reserve

	Balance at 31 March	2023	2024
		£'000	£'000
Capital expenditure for HRA purposes financed by MRR Resources:			
Houses		8,401	9,452
Total Expenditure		8,401	9,452
Amount equivalent to total depreciation charges for all HRA assets		(9,222)	(9,478)
Transfer from HRA		0	
Total Income		(9,222)	(9,478)
Deficit / (Surplus) for the Year		(821)	(26)
Deficit / (Surplus) brought forward		(1,034)	(1,855)
Deficit / (Surplus) Carried Forward		(1,855)	(1,881)

51. HRA Capital Expenditure

The capital expenditure and financing for the HRA was:

	2022/23	2023/24
	£'000	£'000
Dwellings	10,233	10,197
Buildings	15,984	14,758
Other works contribution	82	118
Total to Finance	26,299	25,073
Major Repairs Reserve	8,401	9,452
Usable Capital Receipts	1,723	1,854
Revenue Contributions	9,344	9,598
Other contributions	28	68
HCA Grant for New Build	6,803	4,101
Total Finance	26,299	25,073

52. Housing Repairs Account

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

53.HRA Capital Receipts

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

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

54.HRA Cost of Capital Charge

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

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

55.HRA Arrears & Provisions for Bad Debt

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

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

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

Annual Governance Statement

Introduction

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

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

The Annual Governance Statement is signed off by both the Leader of the Council and the Chief Executive after being reviewed by the Council's Audit Committee.

Corporate Governance

The purpose of a governance framework

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

The Council has approved and adopted a [Local Code of Corporate Governance](#), which is consistent with the principles of the CIPFA/SOLACE *Framework for Delivering Good Governance in Local Government (2016)*.

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

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

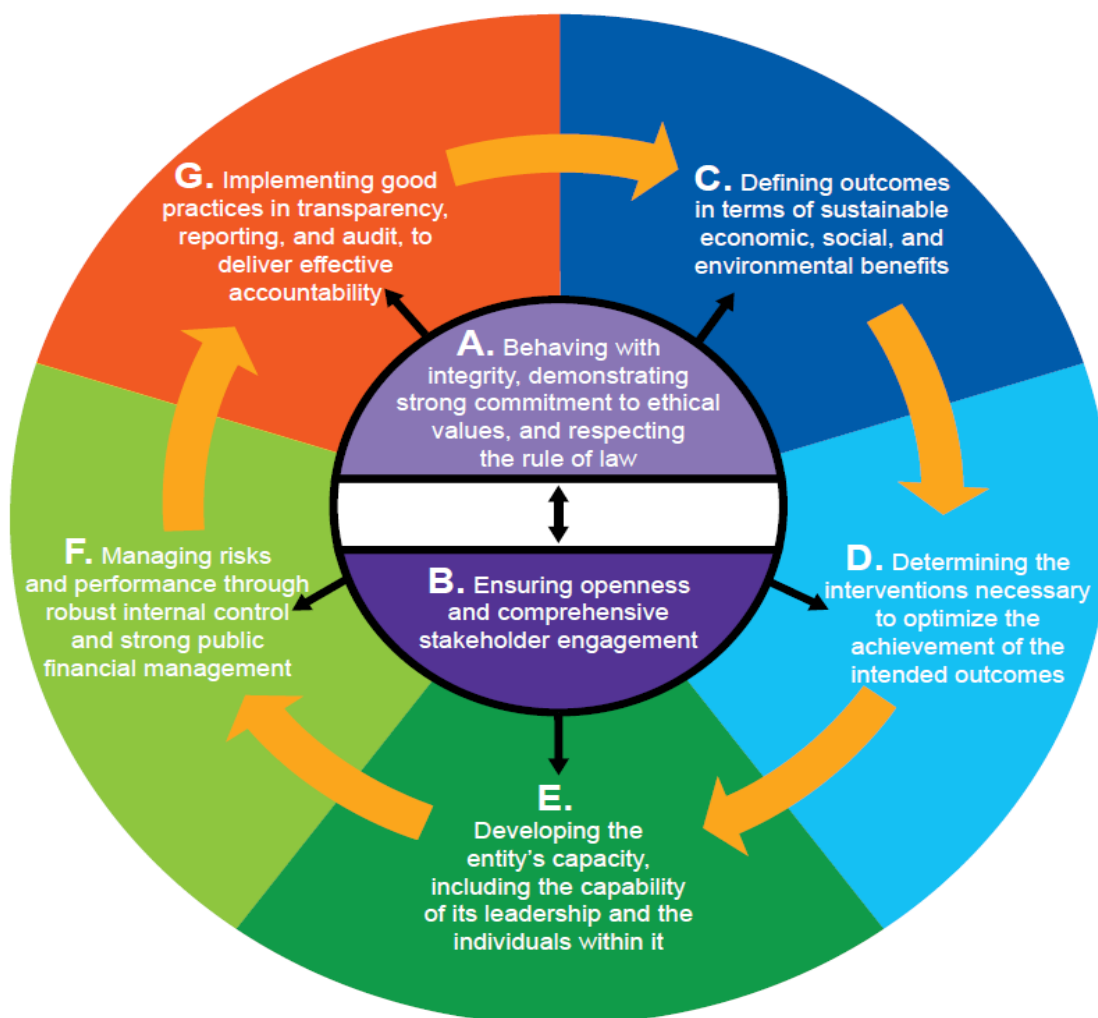
The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not an absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

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

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

CIPFA International framework: Good Governance in the Public Sector

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**



The [Local Code of Corporate Governance](#) forms part of the Council’s Constitution and the full version can be found at (page 345 of the Constitution).

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

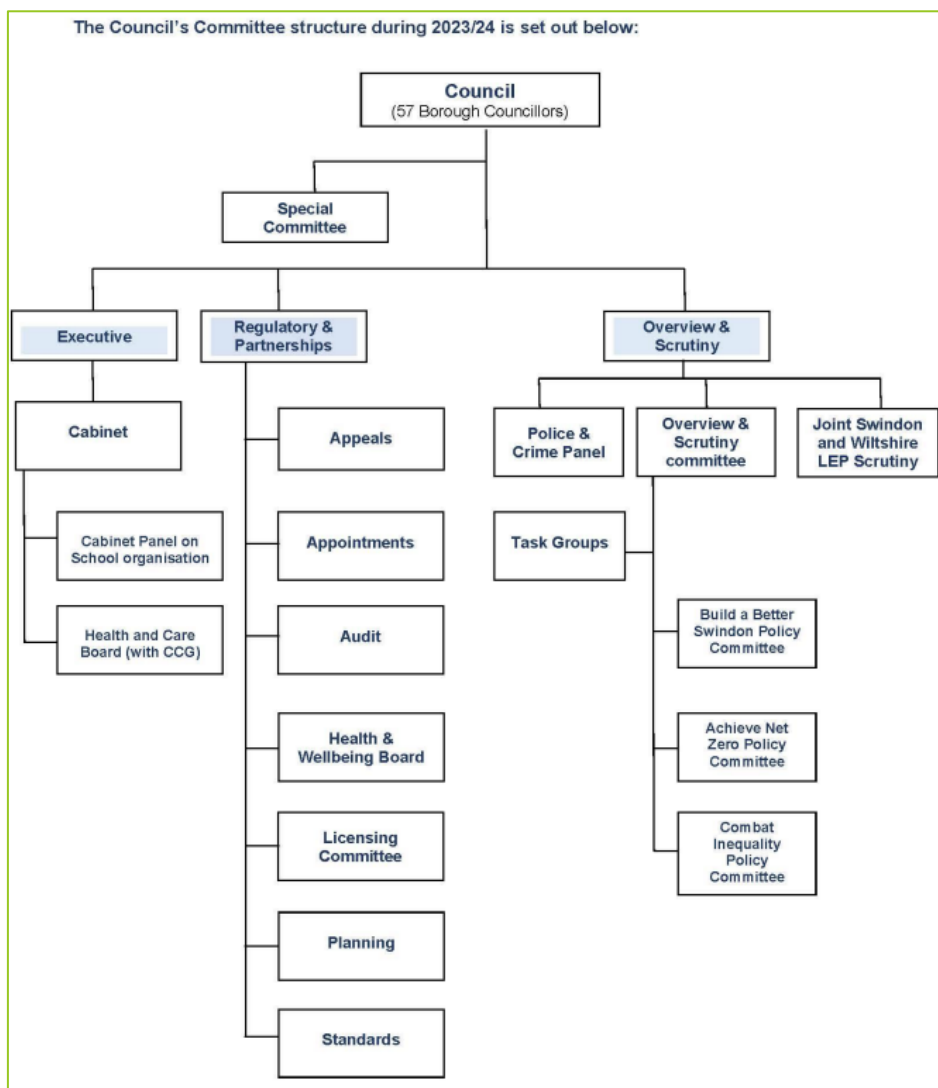
Amendments to the Council’s scrutiny arrangements were undertaken within the municipal year 2023/2024. The main change being to reduce the six overview and scrutiny committees to a main

Corporate Scrutiny committee and to introduce three policy committees. The Council’s departmental performance information was made available to the Committees. These three policy committees were to support the new administration in the formation of the policies to support the Council’s new missions.

The centre for Governance and Scrutiny, at the request of the Chief Legal Officer has reviewed the Council’s scrutiny function and provided options to further enhance the Scrutiny function of the council. Further changes to the council’s scrutiny arrangements were agreed at the Annual Council meeting in May 2024 and will be implemented in this municipal year with further support and training from the Centre for Governance and Scrutiny. The Changes have seen the introduction of an additional Children’s and adults overview and Scrutiny Committee. This committee’s remit also includes health and education functions. Additionally, the three policy committees’ remits have been enhanced to include scrutiny of the policies within their remit.

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

The Council’s Committee structure during 2023/24 is set out below:



Outcomes

Priorities of the new Administration

The new Administration set out their long-term missions and shorter-term priorities at Cabinet on 12th July 2023:

Three-decade long missions:

- Combat Inequality – ensuring we make Swindon a fairer place, reducing disadvantage, make poorer areas richer and eliminate big disparities in life expectancy, education levels and social justice.
- Build a Better Swindon – create a town ready for the challenge of the coming decades, understanding what facilities and infrastructure we need. Understanding the Council’s direct and indirect role in improving the town centre and in creating more affordable housing while supporting and brokering support from the private sector.
- Achieving Net Zero – ensuring we fully play our part as a Council and a town in combatting climate change. Working with communities to find new ways of doing things that help not hinder the natural environment.

Five shorter-term priorities over the course of its time in office:

- Get Swindon Moving
- Keep Council Tax as Low as Possible
- A Stronger Local Economy
- Get Tough with Developers
- Keep Residents Safe and Fight Knife Crime

It is intended that these long-term missions and shorter-term pledges will underpin the way the Council works in the future and will drive everything that the Council does.

The administration wants to engage residents and communities how we bring these missions to life and how we can work more collaboratively with all Swindon residents, businesses and community groups to co-create programmes of work which improve the lives of all residents, now and in the future. To enable this a significant programme of engagement will be undertaken to flesh out these missions and co-produce the outcomes we collectively seek to achieve so that a Swindon plan can be brought forward for consideration by Council in the coming municipal year.

The outcomes of this engagement will be shared with Cabinet and full Council when the new Swindon plan is brought forward for agreement by both bodies.

Modern, efficient and effective

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

- Uses best practice and appropriate use of technology
- Uses its money and people wisely in delivering services quickly and accurately

- Delivers quality services to the expected standard and which makes a difference to the people of Swindon

During 2021/22 the Council developed its updated medium-term financial plan, extending the timeframe to March 2026.

Value for Money

The Council's External Auditor, Grant Thornton, are anticipating giving an unqualified report opinion with regard to the financial statements. However, they state that they 'have not been able to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'. The two significant areas identified by the External Auditor related to the delivery of an agreed action plan in relation to salary overpayments. The other significant issue related to ensuring that there is sufficient resource in place to resolve the requirements of the action plan to address the issues raised by Ofsted in their July 2023 inspection.

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

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

The role of Elected Members

Elected members are collectively responsible for the governance of the Council. The full Council's responsibilities include:

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

The executive (Cabinet) is responsible for:

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

The role of management

The Chief Executive advises councillors on policy and necessary procedures to drive the aims and objectives of the authority. The Chief Executive leads the corporate management team consisting of corporate directors and other senior managers.

The Director of Finance and Audit, Chief Legal Officer and other senior managers are responsible for advising the executive and scrutiny committees on financial, legislative and other policy

considerations to achieve the aims and objectives of the authority. They are responsible for implementing councillors’ decisions and for service performance.

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

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

Risk Management

Risk management is about identifying and understanding the threats to the achievement of the Council’s Missions and strategic objectives by taking reasonable and sensible action to reduce the chance of them happening. The Council is committed to managing risks within its control, to keep employees safe, protect assets, maintain and improve its services and make good use of funds, as part of sound corporate governance.

Risk is managed through the activities of the Council, including planning, monitoring, design, and decision-making. Risk is integrated within the planning and performance system and is not a separate standalone process as the management of risk and uncertainty is integral to the delivery of priorities and objectives.

Risk continues to be an intrinsic part of the discussions focussing on risk and performance in the context of the Corporate Management Team’s (CMT) focus on improvement. It is on the CMT agenda quarterly.

The new Risk Management Guidance outlines:

- The role of CMT
- Our Risk Appetite
- Our Risk Matrix and Definitions
- Our approach to Mitigations and Actions
- Our approach to Escalation and De-escalation

The Risk Management Guidance can be seen here:



Risk Management
Guidance January 2022

Review of the effectiveness of our governance arrangements

Swindon Borough Council annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit and Corporate Fraud’s annual report, and by comments made by the external auditors and other review agencies and inspectorates. The Head of Internal Audit and Corporate Fraud’s report stated that the Council’s framework of governance,

risk management and control during 2023/24 are considered satisfactory, resulting in a ‘moderate’ level of risk.

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

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

Additional assurance was also provided by the Monitoring Officer, Section 151 Officer, Senior Information Risk Owner and Director of Human Resources and Organisational Development.

Details of the review were presented to Audit Committee at their July 2024 meeting. Details can be found at: [review of effectiveness](#)

Opinion on the Council’s governance arrangements

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

Areas of focus – looking forward

Whilst the Council’s governance arrangements generally work well the review identified a number of significant issues that need to be addressed:

Governance issue	Lead Officer
Ofsted ILAC inspection	Corporate Director Children
Waste	Corporate Director Inclusive Economy & Sustainability
Dedicated Schools Grant: High-needs block	Corporate Director Children
Highways asset management	Corporate Director Inclusive Economy & Sustainability
Disabled Children Team: Short breaks	Corporate Director Children
Housing	Corporate Director: Stronger & Safer Communities
Financial Stability and Transformation	Director Finance & Audit; and Chief Operating Officer

- **Ofsted** – Ofsted conducted an inspection (ILAC) in July 2023, of the Council’s Children’s Services provision. On 11th September 2023, Ofsted published their final report.

The findings of the inspection were that three domain areas – the ‘Impact of leaders on social work practice with children and families’, the ‘experiences and progress of children who need help and protection’, and the ‘experiences and progress of children in care’ were

graded as 'Inadequate'. For the fourth domain, 'Experiences and progress of care leavers', the finding was that the service 'Requires Improvement'.

Under the ILACS framework, the 'Overall effectiveness' of the service is 'Inadequate'.

The report confirms that during the visit, Ofsted identified areas of strength, areas where improvement is occurring and some areas where they considered that further significant improvement is required. These are:

- The consistency and appropriateness with which thresholds for intervention and the provision of support are understood and applied for children in need or at risk of harm.
- How accurately assessments identify children's needs and risks and support the framing of timely and clear plans that match children's circumstances.
- The regularity and effectiveness of management oversight.
- The opportunities for children to build a relationship of trust with a single consistent social worker, rather than experiencing multiple changes of worker.
- The number and range of foster homes and children's homes and other placements the local authority has available, to help ensure that children live in stable homes that are well matched to their needs.
- How quickly children are matched to permanent carers.
- The reliability and effectiveness of systems to record data and records about children and how well these are used to understand and support improvements in practice and services.

As a consequence of being rated 'Inadequate', the Authority was required to produce and share an action plan with Ofsted which addresses the recommendations and findings from the report within a short 70-day timescale.

Over the next two years, the Authority will be subject to regular monitoring visits from Ofsted which will assess the level of improvement made. Visits will be quarterly with limited notice for Inspectors to report and publish findings.

As per the Ofsted ILACS Framework issued in December 2022, an action planning visit is required to be undertaken between Ofsted and the Local Authority within 30 working days.

- **Waste** – The fiscal year 2023/24 marked a period of significant transformation in Swindon's waste management, promising both financial and environmental benefits for the future. The Council witnessed a substantial increase in residual waste volumes, surpassing previous year's tonnage by approximately 2,000 tonnes. This surge was accompanied by a significant decline in commodity prices within the recyclate market, plummeting by up to half since 2022, which resulted in a shortfall against the recyclate income budget. Delays in the rollout of the new food waste and recycling collections service, which commenced later than anticipated in November, resulted in additional disposal costs and approximately 1,000 tonnes of extra residual waste. Lower than expected food waste presentation following the new scheme's implementation (c750 tonnes less than expected) contributed to the budgetary strain.

Waste Services are currently working on a number of interventions to improve the food waste recycling rate. This includes ongoing communications promoting the food waste

collection service itself. A programme of messaging focused on supporting residents to understand the full recycling journey for a number of our recyclable materials, including food, has been planned and will continue over the course of 2024/25. Other intervention activity will include the recruitment of a recycling engagement officer dedicated to supporting residents to recycle, focusing on food waste. This officer, with the support of the wider service, will undertake targeted activity in low take up areas, identifying and providing support to increase recycling rates. Finally, the waste service will link in with national campaign periods to leverage their influence to boost Swindon's recycling rate.

- **Dedicated Schools Grant (High Needs block)** – The Dedicated Schools Grant (DSG) is a ring fenced-grant that is allocated by the Department for Education (DfE) to all Local Authorities in England. It is the main source of income for the schools' budgets.

The DSG funding is comprised of four funding blocks: Early Years Block, Central Schools Services Block, Schools Block and High Needs Block. There are specific requirements in relation to each block regarding how they should be split and the decision-making process.

At the end of 2023/24, Swindon Borough Council had carried forward a deficit of £5.3 million which is mainly due to overspends in the High Needs Block, which is used to support children and young people with SEND. There was an in-year deficit of £3.099 million for 2023/24 of which £2.4 million related to the High Needs Block. This took the total deficit to £8.4 million by the end of 2022/23 financial year. Without action, this is likely to grow exponentially and is predicted to be £18.5m by the end of 2027/28.

The accounting treatment for deficit DSG balances was provided by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020. This requires local authority with a deficit in respect of its school budget to note the following: (a) must not charge to a revenue account an amount in respect of that deficit; and (b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising school budget deficits. (c) that the whole (all the blocks together) to be put in an unusable reserve.

The regulations which require the negative balance (DSG deficits) to be held in an unusable reserve (Statutory Override) comes to an end in 2025/26. Unless the Statutory Override is extended, the DSG deficit may have to be transferred back to the Council's general fund leading to serious financial implications for the Council.

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

To support in addressing this, the DfE are providing three support offers to local authorities in relation to funding challenges and High Needs budget sustainability. These are:

- The Safety Valve Intervention Programme (SVIP) - introduced in 20/21 for those Councils with the greatest financial challenges.
- The Delivering Better Value in SEND Programme - introduced in 21/22 as an optional programme providing dedicated support and funding to 55 LAs who are

chosen based on those facing the greatest financial challenge after those in the SVIP.

- Education and Skills Funding Agency Programme - Tailored support and challenge depending on the financial position of the LA.

Swindon Borough Council joined the Delivering Better Value (DBV) in SEND Programme in 2023/24. Phase one of the Programme involved a diagnostic carried out by CIPFA and Newton Europe to identify roots causes of the challenges facing the High Needs Block and the opportunities to address these. A DBV Implementation Plan was then devised and the Council has been allocated a £1m grant to provide additional resource to deliver the Plan. Alongside this, a high level DSG Management Plan has been devised

- **Highways asset management** – An Internal Audit identified the following key areas for improvement:

A successful highways asset management function requires a holistic approach that balances short-term maintenance needs with long-term sustainability and safety objectives.

The need to adopt an informed and holistic risk-based approach which will enable integrated asset management and support a principle of spending the right amount of money at the right time to keep our highway network safe and our assets working properly.

The Council does not have an embedded highways asset management framework, as recommended in the Code of Practice, consequently it is not possible to confirm that the Highways Asset Management arrangements are robust, ensures compliance with all relevant legislation and that risk management arrangements are sufficient to reduce the likelihood of asset failures, accidents and disruptions, thereby minimising liabilities.

In addition, the Council does not have an up to date, embedded framework that helps make informed decisions, optimises resource allocation, and ensures the long-term sustainability and reliability of road infrastructure.

This leaves the Council exposed to safety risks that potentially could result in corporate manslaughter claims, funding being withdrawn, higher maintenance costs and therefore increased budget pressures.

Officers interviewed described the Team as rudderless, with no strategic direction. They feel they have been left to manage as best they can, using their knowledge and experience to make decisions with no other support or guidance. It is testament to the Team that they have been able to manage this, with reducing capacity, increasing assets and single points of failure in a number of disciplines, however this is not sustainable. Without a clear focus on the Highways Asset Management function, including an understanding of the resourcing levels required and succession planning, there is a significant risk to the Council.

The overall internal audit opinion is that there is significant risk to the Council as fundamental weaknesses have been identified in the current systems and procedures (this is the lowest level of audit opinion).

An agreed action plan is in place that will seek to address the recommendations made in the Internal Audit report. High priority recommendations will be monitored quarterly through CMT.

- **Disabled Children Team: short breaks** – The Short Breaks service is a statutory duty under the Children Act 1989 and the Breaks for Carers of Disabled Children Regulations 2011. Local Authorities are required to provide breaks from caring for carers of disabled children to support them to continue to care for their children at home and to allow them to do so more effectively. An Internal Audit identified the following key areas for improvement:

The Council provides a range of short break opportunities, however there is no evidence that the current provision is based on a clear assessment of local need. It is therefore, not possible to confirm that provision is appropriate and necessary to meet statutory requirements, which is particularly important given the Council's current financial pressures.

In addition, it is not possible to assess whether the Council's Short Breaks service provides value for money as there are no performance measures, or KPIs for the service.

This audit focussed on the forecasting and monitoring of budgets for short breaks. It was found that the budgets set for short breaks for 2023/24 were not based on the most up to date and accurate information available, and when set, the budget pressure and savings identified were not adequately challenged. Consequently, in May 2023 a budget pressure of £693,000 was forecast, this had increased to £896,000 by the end of September 2023.

The costs of all packages of support should go to the Care and Resource Panel for review and approval, however the minutes of these meetings do not clearly record the costs approved, timescales and review period. As a result, the budget forecasting information is not able to be kept up to date and accurate.

There was little evidence of sufficient, escalation, review and challenge in the budget monitoring process until August 2023, when senior officers commissioned this audit and undertook a more detailed review of the short breaks service. Until then, the budget pressure appears to have been accepted as inevitable due to demand that could not be reduced. Whilst monthly budget monitoring has been carried out and overspends consistently reported, there is no evidence that the budget pressures were escalated and specifically discussed at Children Services Management Team and Children Services Leadership Team.

The Short Breaks service provides packages of support to children and young people with disabilities. Historically packages have been awarded with little information recorded of the objectives or outcomes expected from the support provided and packages have not been reviewed annually, as per the policy. Consequently, it is likely that there are children and young people in receipt of support that is no longer required or used for its intended purpose.

It should be noted that the new Children Services Leadership Team have carried out their own whole service diagnostic and this mirrored the findings of the internal audit, with the audit providing more evidence of the risks.

- **Housing** – Housemark was commissioned by Swindon Borough Council to assess compliance against the Regulator of Social Housing's (RSH) consumer standards. The review looked at both the existing consumer standards, as well as the proposed standards which will be launched on April 1st 2024. This involved identifying any gaps in evidence and areas for improvement, while also highlighting where the Council meets the required standard.

- Following the desktop review, estate visits and interviews, there were a number of headline themes which arose for Swindon Borough Council to take forward in any project to improve services and compliance:
- Weakness in governance (strategies, policies, procedures, processes)
- Operational difficulties and risk presented by the structural separation between housing and repairs
- Weakness around internal and external communication
- The Capital investment programme isn't delivering as much as it could/should
- Supply of affordable/social homes in Swindon is not meeting demand
- Voids are presenting significant challenges (increase in major works voids, escalating costs etc.)
- Issues around data quality and reporting
- Technology is a key issue (internal systems, field-based technology, hardware provided to staff)
- Varying levels of knowledge and awareness of the Regulatory Framework, who the Regulator of Social
- Housing is and what they do (this decreases as you move lower down the staffing hierarchy in general)

It is expected that progress on the Housing Improvement plan and the governance arrangements will be reported regularly to Cabinet.

- **Financial Stability and Transformation** – Whilst the Council has an embedded organisational approach to financial planning and setting the annual budget, it recognises the significant challenges it faces in achieving financial stability. The Council requested an LGA Finance Peer Challenge in November 2023. The Peer Challenge highlighted a number of financial pressures, including limited and reducing reserves and balances, an increasing Dedicated schools Grant deficit and the continuing need to invest additional monies into children's services given the Ofsted inadequate rating.

The Council was aware of this, and has recognised the risks associated with the above in its Corporate risk register. The Council has committed to a new transformation programme called Swindon 2028, which will analyse the biggest, Council-wide cost pressures within our control, and identify decisive action, through a number of workstreams, to reduce these over the next four years and modernise the way it works.

The five workstreams are:

- Reducing the cost of Housing for Care and Homelessness
- Better value contract spend - Commissioning, procurement and contract management
- Best use of our Estates and Assets
- Making the most of Digital and Data
- At our Best

The Council's External Auditors have recommended that *'an updated Medium-Term Financial Strategy, over a three to five-year period should be produced, detailing the extent of the budget gap and including specifics on how it will be addressed, including a planned replenishment of reserves. The cumulative funding gap will properly inform the savings required to be delivered by the Council's Transformation programme. The Council should implement its transformation programme at scale and pace and include:*

- *Embedding the emerging governance arrangements for the transformation programme*
- *Cohesive reporting to Cabinet on the planned timescales, milestones, savings and outcomes bringing together work planned and delivered by directorates*
- *Developing detailed business cases for Member and officer scrutiny and approval*
- *Fostering a culture of financial stewardship where the cost and levels of service are routinely and consistently challenged; and*
- *Clearly determining the scope and interrelationship of transformational and transitional savings and how they may meet the forecast non-recurrent and recurrent savings required to balance the medium-term financial plan for the next three to five years.*

On the basis of the above position, the External Auditor has stated that they are not satisfied that the Council has proper arrangements in place to secure financial stability.

As stated above, there are action plans in place to address the issues raised for the Ofsted ILAC inspection; Dedicated Schools Grant: High Needs Block; and for the Housing mock inspection. Action plans formed part of the Internal Audit reports on both the Highways Asset Management and the Disabled Children Team: short breaks. An independent external review was commissioned in to Waste and relevant recommendations will be addressed.

Last year's statement

The review has identified that the following area included in last year's statement has progressed sufficiently during 2023/24 for them not to be included in this year's statement. These areas will continue to be reviewed and relevant risks will be included and managed through the Council's corporate risk register and service area risk registers.

- GCSE Attainment
- Payroll
- Recruitment and retention

Certification

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

Signed:

Jim Robbins

Councillor Jim Robbins

Leader of the Council

Signed:

Sam Mowbray

Sam Mowbray

Chief Executive

Auditor's Report

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

Report on the Audit of the Financial Statements

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

Report on the audit of the financial statements

Qualified opinion on financial statements

We have audited the financial statements of Swindon Borough Council (the 'Authority') and its subsidiaries and joint venture (the 'group') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Collection Fund, the Housing Revenue Account (HRA) Income and Expenditure Statement, and the Statement of Movement in the Housing Revenue Account, and notes to the financial statements, including a summary of significant accounting policies, notes to the group accounts, notes to the Collection Fund, and notes to the HRA. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2024 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for qualified opinion

Swindon Borough Council is a member of a multi-employer pension scheme and as at 31 March 2024 the Authority held a share of Wiltshire Pension Fund's assets (£726,651,000) and liabilities (£784,061,000), the net liability of £57,410,000 of which is included in the Balance Sheet as at 31 March 2024.

Auditor Guidance Notes are prepared and published by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General who has power to issue guidance to auditors under Schedule 6 paragraph 9 of the Local Audit and Accountability Act 2014. The NAO issued Auditor Guidance Note 07 (AGN 07) on 31 January 2023. Paragraph 31 of AGN 07 refers to the voluntary protocol that auditors have agreed with each other and the NAO in respect of the provision of assurances concerning defined benefit pension plans.

In our auditor's report for the year ended 31 March 2023, we reported that the external audit of the Wiltshire Pension Fund was not concluded for 2022/23, and therefore that Pension Fund assurances under AGN 07 were not available as at 31 March 2023. As this impacts on the balances for the financial year ended 31 March 2024, the only means for us to get sufficient assurance over the Pension Fund assets and liabilities as at 31 March 2023 disclosed in the financial statements would be to audit the Pension Fund financial statements directly and undertake alternative procedures. This would not be in the best interests of the public purse. Management have stated that in the interests of openness and transparency they wish to publish signed accounts for stakeholders. To limit further delays, management have determined it appropriate to limit the scope of our work in respect of the defined benefit pension plan net liability as disclosed in the balance sheet and associated Pension Fund asset and liability disclosures in the financial statements. Consequently, we have been unable to determine whether any adjustment to the Authority's share of Wiltshire Pension Fund's assets and liabilities as at 31 March 2023, or other amounts disclosed in the financial statements in respect of the share of assets and liabilities as at 31 March 2023 are necessary. In addition, were any adjustment to the defined benefit pension plan net liability to be required, the narrative report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) (“the Code of Audit Practice”) approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report.

We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

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

In our evaluation of the Director of Finance and Audit’s conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Authority’s and group’s financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority’s disclosures over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s and the group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the Authority’s share at 31 March 2023 of Wiltshire Pension Fund’s assets (£726,651,000) and liabilities (£784,061,000), the net liability of £57,410,000 of which is included in the balance sheet at 31 March 2024. We have concluded that where the other information refers to the defined benefit

pension plan net liability or related balances and disclosures, it may be materially misstated for the same reason.

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

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Authority and the Director of Finance and Audit

As explained more fully in the Statement of Responsibilities for the Statement of Accounts on page 13, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and Audit. The Director of Finance and Audit is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and Audit determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, Local Government and Housing Act 1989, Local Government Act 1972, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012), and the Local Government Act 2003).

We enquired of management and the Audit Committee concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management and the Audit Committee whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to large and unusual journal entries, journal entries posted by senior officers, and the significant accounting estimates in the financial statements, including those related to the valuation of property, plant and equipment including council dwellings, the PFI disclosures and the defined benefit pension plan net liability. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on large and unusual journals and those posted by senior officers;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of property, plant and equipment including council dwellings, and the defined pension plan net liability;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter, except on the 18 November 2024 we identified:

Financial sustainability

- a significant weakness in the Authority’s arrangements for Financial Sustainability due to the Authority’s Medium-Term Financial Plan (MTFP) through to 2026/27 showing a deficit of £20.5 million at 31 March 2027. The Authority recognises that it needs to update its Medium-Term Financial Strategy (MTFS) detailing the extent of the cumulative medium-term budget gap over 3-5 years and how it will be addressed. Without this there is a risk that within a relatively short period of time, available general reserves and balances will not be sufficient to offset any continued shortfalls. We have raised a key recommendation that the Authority should produce a 3 – 5 year Medium-Term Financial Strategy (MTFS), with a planned replenishment of reserves, detailing how the cumulative budget gap will be addressed. The Authority should implement its transformation programme at scale and pace and include:
 - embedding the emerging governance arrangements;
 - cohesive reporting to Cabinet on the planned timescales, milestones, savings and outcomes; and
 - link the financial reporting to show how recurrent savings balance the MTFP for the next 3 – 5 years.

Improving economy, efficiency and effectiveness

- a significant weakness in the Authority's arrangements for improving Economy, Efficiency and Effectiveness. This was in relation to the Authority's Children's services which were judged as 'inadequate' in all five domains, in the Ofsted inspection report of September 2023. We have raised a key recommendation that the Authority should continue to ensure sufficient resource is in place to resolve the requirements of the Improvements Plan arising from the Ofsted Inspection, specifically to ensure that timely and complete service information is able to be produced. The Authority should also ensure that they undertake a review to learn lessons from the recent Ofsted inspection to ensure that changes and improvements are managed effectively. The action plan should have implementation timescales, and appropriate resources in place to manage these processes.
- a significant weakness in the Authority's arrangements for improving Economy, Efficiency and Effectiveness. This is in relation to the Authority's Housing Services. In March 2024, the Director of Housing commissioned Internal Audit reviews on the Delivery of Housing Planned Capital Receipts, Housing Capital Programme Report and subsequent Building Statutory Compliance (Housing) Report (June 2024). These three reports highlighted significant concerns over both the condition of the housing stock and the data available to ensure the Authority, as a social landlord, is able to adequately deliver its housing service and adequately maintain its housing stock. We have raised a key recommendation that progress on the Housing Improvement Plan and the governance arrangements for housing services improvement needs to be regularly reported to Cabinet so that it has the oversight and assurance that service improvements are being made within the timeframes agreed with the Regulator.

Responsibilities of the Authority

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

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

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

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

We cannot formally conclude the audit and issue an audit certificate for Swindon Borough Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

Use of our report

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

Peter Barber

Peter Barber, Key Audit Partner

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

Bristol

29 January 2025

GLOSSARY

ACCRUALS

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

AMORTISATION

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

ASSET

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

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

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

BUDGET

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

CAPITAL EXPENDITURE

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

CAPITAL RECEIPTS

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

CASH EQUIVALENTS

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

COMMUNITY ASSETS

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

CONSISTENCY

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

CONTINGENCY

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

CREDITOR

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

CURRENT SERVICE COST (PENSIONS)

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

CURTAILMENT

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

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

DEBTOR

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

DEFERRED ASSETS AND LIABILITIES

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

DEFINED BENEFIT SCHEME

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

DEFINED CONTRIBUTION SCHEME

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

DEPRECIATION

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

DISCRETIONARY BENEFITS

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

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

EXPECTED RATE OF RETURN ON PENSIONS ASSETS

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

EXTRAORDINARY ITEMS

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

FAIR VALUE

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

FINANCE LEASE

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

FINANCIAL INSTRUMENTS

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

Financial asset

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

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

Financial liability

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

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

Equity instrument

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

GOVERNMENT GRANTS

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

GRANT CONDITIONS

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

IMPAIRMENT OF ASSETS

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

INTANGIBLE NON-CURRENT ASSETS

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

INTEREST COST (PENSIONS)

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

INVENTORIES

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

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

INVESTMENTS (NON-PENSIONS FUND)

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

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

INVESTMENTS (PENSIONS FUND)

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

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

MAJOR REPAIRS RESERVE (MRR)

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

NET BOOK VALUE

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

NET CURRENT REPLACEMENT COST

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

NET REALISABLE VALUE

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

NON-DISTRIBUTED COSTS

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

NON-OPERATIONAL ASSETS

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

OPERATING LEASES

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

OPERATIONAL ASSETS

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

PAST SERVICE COST

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

PENSIONS / IAS 19

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

PFI (PRIVATE FINANCE INITIATIVE)

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

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

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

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

POST BALANCE SHEET EVENTS

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

PRIOR PERIOD ADJUSTMENT

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

PROJECTED UNIT METHOD

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

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

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

PROPERTY, PLANT & EQUIPMENT

The overarching classification for operational non-current assets.

PRUDENCE

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

RELATED PARTIES

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

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

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

Examples of related parties of an authority include:

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

Examples of related parties of a pension fund include its:

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

These lists are not intended to be comprehensive.

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

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

RELATED PARTY TRANSACTION

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

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

This list is not intended to be comprehensive.

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

REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY

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

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

RETIREMENT BENEFITS

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

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

SCHEME LIABILITIES

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

SECTION 106

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

TOTAL COST

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

USEFUL LIFE

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

VESTED RIGHTS

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

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

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

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