Financial Statements

West Berkshire Council 2024/25

West Berkshire
COUNCIL

Annual Financial Report Year Ending 31 March 2025

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Annual Governance Statement 2024/25 and Written Statements

Purley on Thames

Annual Governance Statement

1. Scope of Responsibility

1.1 West Berkshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. West Berkshire Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, West Berkshire Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 This Statement explains how West Berkshire Council has complied with the Code and also meets the requirements of regulation 6(1)(a) of the Accounts and Audit Regulations 2015 in relation to the review of its system of internal control in accordance with best practice, and that the review be reported in an Annual Governance Statement.

2. The Purpose of the Governance Framework

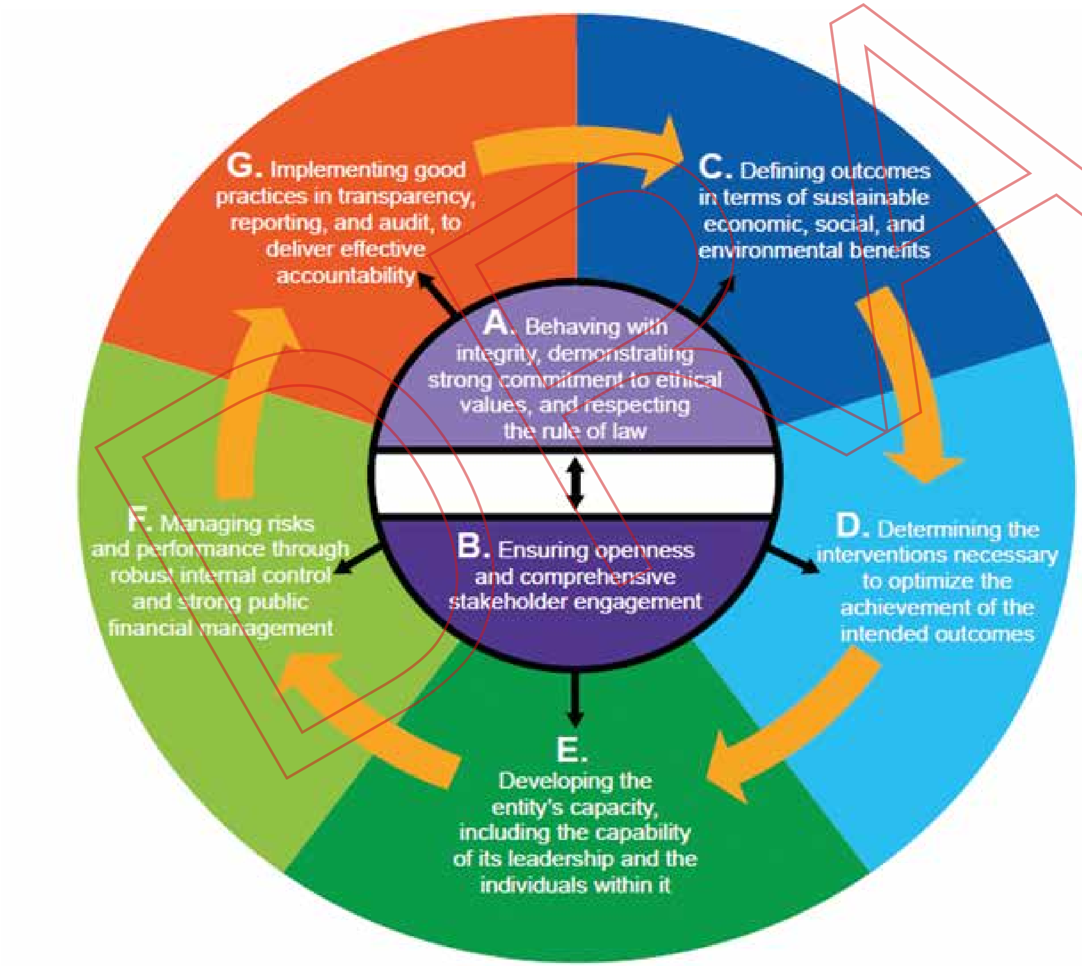
2.1 The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values which drive a responsible approach to the management of public resources, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community and is monitoring the achievement of these objectives through delivery of appropriate, cost-effective services.

2.2 The system of internal control is a significant part of that 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 absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of West Berkshire Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at West Berkshire Council for the year that ended 31 March 2025 and up to the date of approval of the Statement of Accounts. The Governance Committee approved a Code of Local Governance at its meeting in April 2021 which supports the framework for the compilation of the Annual Governance Statement.

3. The Principles of Good Governance

3.1 The CIPFA/SOLACE framework Delivering Good Governance in Local Government sets out seven core principles of good governance, these are:



3.2 An assessment of the Council's performance against each of those principles over the past year has been undertaken to help inform this review of governance.

4. Methodology for preparing the Annual Governance Statement

4.1 The Annual Governance Statement has been prepared using a process similar to that used in previous year, including: -

- Review of the proposed annual Internal Audit report opinion and quarterly internal audit progress reports.
- The work of the Finance and Governance Group reviewing the Constitution on annual basis and referring changes to the Governance Committee and Council.
- The Governance Committee approves the Annual Governance Statement at the same time as the final approval of the financial statements and is signed off by the Chief Executive and Leader of the Council.
- Review of the Corporate Risk Register by the Corporate Board (quarterly) and Governance Committee (twice yearly)
- Responding positively to external regulators such as OFSTED, the Information Commissioner, the Local Government Ombudsman, the Care Quality Commission (CQC) and external auditor KPMG.

5. The Governance Framework

5.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local Code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are: -

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability
- Engaging with local people and other stakeholders to ensure robust public accountability

5.2 The Council has arrangements for managing risk in its Risk Management Strategy which was endorsed by the Governance Committee and approved by the Executive in December 2024. During the 2024-25 financial year the Council has had a follow up to the LGA Corporate peer review, and invited additional external independent reviews such as the LGA Digital 360 Peer Review, and a Children's Services LGA Peer review.

6. Review of effectiveness

6.1 The authority has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Heads of Service / Service Directors who have responsibility for the development and maintenance of a sound governance environment and is supported by the Corporate Programme Office. This review is articulated in the Code of Corporate Governance approved by the Governance Committee in April 2021 (due to be updated in July 2025).

6.2 It is important to reflect on the previous year's key areas for improvement and its impact on governance. The main item that has dominated the year 2024-25 has been financial sustainability. The provisional outturn position for 2024/25 is £181.2 million of net expenditure against a net budget of £165.2m, with an adjusted overspend position of £6.77m. The position continues to be driven primarily by social care demand pressures detailed below, and capital financing costs attributable to financing the deficit position relating to the DSG and the High Needs Block.

6.3 The Council continues to experience pressures across social care budgets, so that whilst demand was lower than modelled in Adult Social care, the cost of packages has increased significantly. Although the Council has significantly reduced the overall use of agency staff, the need to have staff in Care Homes to provide appropriate levels of care to residents has resulted in an agency overspend in that area of £1.3m. There are also pressures in Children's Services where the complexity of needs continues to rise with increasing numbers of children requiring support in specialist residential placements. Transformation funding has been allocated to support the creating of a Children's Commissioning Team to ensure that the Council secures placements that are both appropriate and affordable. The Education and SEND Teams were overspent by £2.4m due to increased home to school transport provision, and the increased complexity of placements being procured. The cost of emergency accommodation was overspent by £900k. Pressures in Finance of £1.8m arose due to an adjustment to housing benefit payments to housing rent accounts, and pressures where property was not sold when anticipated (resulting in an overspend) and pressures where commercial property was sold mid-year causing a shortfall in the budgeted income for that property.

6.4 The financial situation of the Council remains extremely difficult. Exceptional Financial Support (EFS) funding has been secured to mitigate the impact of the 2024/25 outturn on the Council's General Fund and our previous forecasts have proved sufficiently accurate for the requested amount to be correct. However, EFS is short-term assistance, not a long-term solution. EFS funding must be repaid with interest, and savings must be found to close the projected gap in the budget and end our reliance on this additional borrowing. This item has therefore been retained within the AGS due to the request for EFS from Central Government.

6.5 The Council has been included in the Department for Education's 'delivering better value' (DBV) programme for Special Education Needs and Disability services. Any Council in this programme has been highlighted as having a significant deficit on the High Needs Block element of the Dedicated Schools Grant and that this needs to be reduced. At present, an accounting treatment exists whereby the deficit is not a cost of the Council. Once this treatments ends, and with the deficit as it stands, the Council would be very likely to issue a s114 notice, with this signifying effective bankruptcy. Therefore, through the DBV programme and the accompanying funding provided by Central Government, the Council must consolidate a plan to reduce the deficit in the future and minimise any financial risk to the local taxpayer. The work of the DBV programme is currently being embedded into business-as-usual processes of the Council, to ensure that progress against the programme is maintained and effectively monitored.

6.6 The transformation programme has continued to deliver against the agreed programme and the Transformation and Corporate Programme Board has been reviewed to ensure appropriate oversight of the Transformation programme by Members of the Executive and the Senior Leadership Team. There have been some unavoidable delays to the delivery of projects, with consequential impacts on budgets. Given the financial position of the Council, and the need to transform services to reduce financial pressures, this is another area that remains an area of focus for the year ahead to increase effectiveness, economy and efficiency.

7. Key Governance areas for improvement

7.1 The Council faces a number of issues and areas of significant change that will require consideration and action as appropriate over the coming year and these are:

Issue	Detail	Action	Owner/Date
Financial resilience and sustainability	Ensuring adequate levels of reserves, the achievability and delivery of savings, and the identification of further savings in light of a very high savings requirement required to meet ongoing pressures.	A review of the terms of reference of the Financial Review Panel, to commence an in detail review of all Department Budgets. A revised and enhanced budget setting cycle implemented. Quarterly reporting to the Executive and Scrutiny commission	Executive Director (Resources) – February 2026
Delivering better value in Special Educational Needs and Disability services programme	Delivery of the programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council's general fund through a Government accounting adjustment (which has recently been extended to 2027-28).	Implementation of the actions detailed in the plan to deliver reducing High Needs Block overspends Respond effectively to the Government's SEND reforms due in Autumn 2025	Executive Director (People – CFS) – March 2026
The delivery of an expanded and focussed Transformation programme	The initial transformation programme was a two-year programme, so the Council should take the opportunity to review delivery against that and to review the priorities for the next two years. Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.	Identification and delivery of transformation schemes included in the current year and next year's budget proposals.	Service Director (Transformation) February 2026

Conduct a Review of Project Management arrangements across the Council	The Council is undertaking a number of large transformation projects and also needs to continue to deliver important business as usual services to our communities. This requires that the Council has systems for robust and appropriate Project Management arrangements to ensure that projects are delivered in a manner that supports efficiency and effectiveness.	Ensure that officers involved in running projects are using an updated and improved methodology. This will be achieved by a review of the methodology applied to support Programme and Project Management across the Council. This review needs to provide an appropriate prioritisation tool and a method by which the Council can better monitor the benefits realisation of its projects.	Service DirectorTransformation and Executive Director Resources February 2026

8. Assurance Summary

8.1 Good governance is about operating properly. It is the means by which the Council shows that it is taking decisions for the good of its residents, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the effective delivery of good quality services that meet the needs of the users. It is fundamental to demonstrating that public money is well spent. Without good governance, the Council would find it difficult to operate services successfully.

8.2 The Internal Audit Opinion for 2024/25 is that the Council's framework of governance, risk management and management control is 'reasonable' and that audit testing carried out during the year has demonstrated controls to be working in practice. The assessments contained within this document highlight that there are effective arrangements in place to deliver good governance but that four key areas are highlighted to further improve our governance.

8.3 We propose, over the coming year, to take steps to help address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Jeff Brooks
Leader
of the Council

Date: 30 June 2025

Joseph Holmes
Chief Executive

Date: 30 June 2025

Director's Narrative Statement 2024/25

The Phoenix Centre, Newbury

Director's Narrative Statement 2024/25

Director's Foreword

West Berkshire, like many councils nationally has been operating in a difficult financial climate of restricted funding and rising costs. Historically the Council has deployed reserves, transformation resources and programmes of revenue savings to mitigate financial pressures. However, in 2024/25 with a limited opening reserve position and significant overspends forecast in year, the Council sought and was approved by Central Government two tranches of Exceptional Financial Support (EFS). £13 million has been allocated against financial year 2024/25 to bolster the Council's reserve position and ensure as a Council we commence financial year 2025/26 with a minimum General Fund equivalent to 5% of the net 2025/26 revenue budget requirement. A second tranche of £3 million has been allocated to financial year 2025/26 to bridge the gap between funding available and anticipated expenditure, post identification of a £8 million savings programme.

It should be recognised that although the Council has been operating under significant financial stress, it is not alone, Central Government agreed financial support for thirty Councils for 2025/26, eight of which, including West Berkshire, received allocations for 2024/25. It should be further recognised that the Council continued to deliver on strategic objectives, invested heavily in the capital programme, allowing for enhancements across schools, highways and active travel infrastructure across the district, enhancing the area for residents.

Moving forward into 2025/26, the outlook will be dominated by the robustness of the Council's financial position. Although EFS has been secured, it is a short-term fix and not a long-term solution. EFS is repayable with interest and further savings are required to close the projected funding gap over the term of Medium Term Financial Strategy (MTFS) and minimise any further requests for EFS. The Council awaits the finer details underlying the recent Spending Review, and Fair Funding Review 2.0, all of which are anticipated to impact on assumed funding levels currently built into the MTFS. In response, the Council is reassessing the local financial framework operational, undertaking proactive engagement with suppliers (especially in respect of commissioned services), and will continue to engage with residents and the local community to ensure services are fit for purpose.

The Council knows that it must improve its reserves position to be financially sustainable. A significant programme of transformation designed to modernise services, drive efficiencies and enable a reduction in the cost base has been commenced. Monitoring and ensuring this programme delivers the necessary savings will be key. Capital financing costs remain high, although are being forecast to steadily reduce over the longer term. The Council will need to ensure that capital expenditure which requires borrowing to finance is proportionate and appropriate. Additional capital financing costs in respect of financing the High Needs Block (SEND commissioned support) and EFS will need to be tracked and minimised where possible

The position remains difficult, but the Council has made important strides to greater financial sustainability and will endeavour to build upon these to improve financial resilience.

Shannon Coleman-Slaughter
Service Director for Finance, Property and Procurement,
s151 Officer

Date: 30 June 2025

Review of Financial Year 2024/25

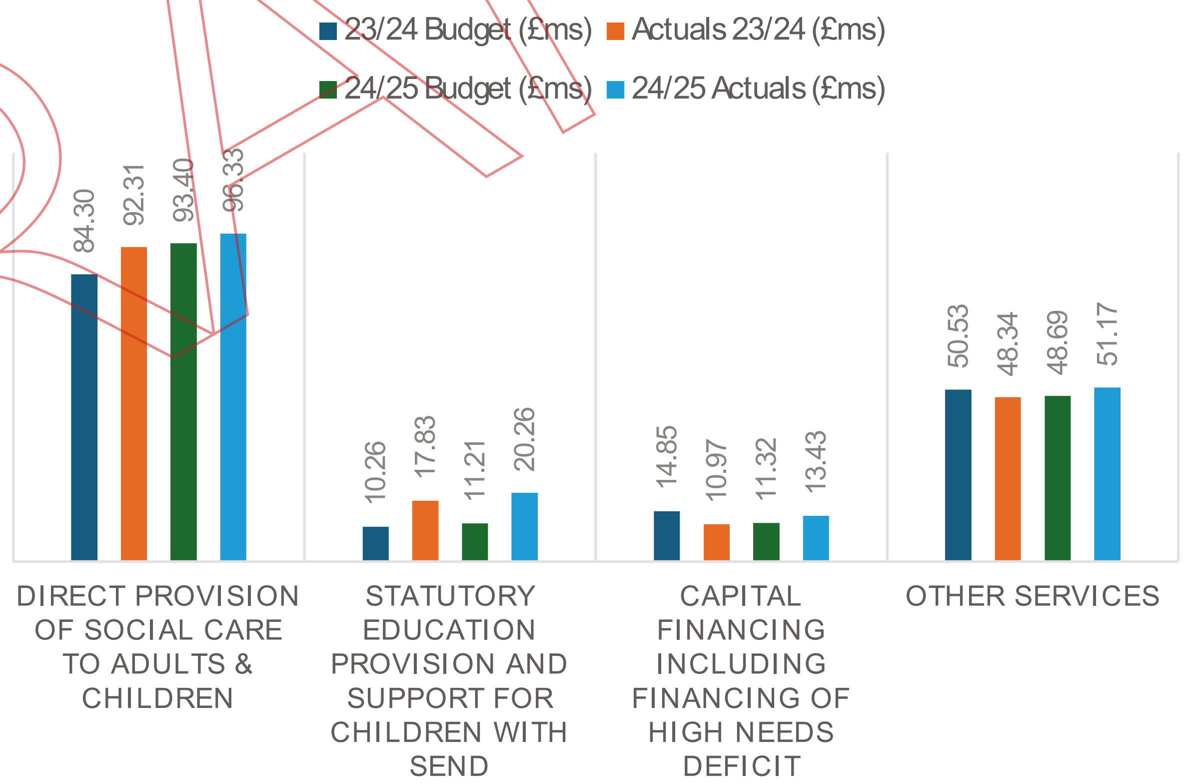
As at 31.3.2024 the Council closed the 2023/24 financial year with a General Fund position of approximately £4 million. The level of available General Fund to support the 2024/25 financial position demonstrated the Council was under a significant degree of financial distress. Further demonstrated with a High Needs Block (HNB) deficit (a subsect of the Dedicated Schools Grant (DSG)), held in the Council's unused reserve in accordance with the applied statutory override.

During 2024/25 financial pressures in respect of commissioned services, deliverability of the savings programme set, and capital financing costs remaining high resulted in the Council seeking EFS. £16 million of support was sought in two tranches. An initial £13million in 2024/25 to bolster the Council's General Fund and enable the Council to enter financial Year 2025/26 with the s151 recommended level of General Fund. A further £3 million to address an unresolved budget gap in respect of the 2025/26 revenue budget itself.

The outturn position as at 31.3.2025 shows £181.2 million of net expenditure against a net revenue budget of £164.5 million.

Actual Council expenditure at outturn was primarily incurred against the delivery of social care provision for adults and children; provision of statutory educational support, both mainstream and SEND. The accompanying graphic (Figure 1) demonstrates the growing financial pressure posed on the Council from delivery of social care functions. Social care budgets have grown from £94 million in 2023/24 to £104 million in 2024/25, with non-social care budgets (excluding capital financing), reducing from £50.5million to £49.2 million over the same period. The continued financial investment in social care budgets has been unable to keep pace with the costs of delivery from £110 million in 2023/24 to £116 million in 2024/25.

Figure 1 **BUDGET TO ACTUALS COMPARATOR (£M)**



The cost of social care provision has had a further indirect impact on the Council's main revenue budget. Although High Needs Block (HNB) provision is funded through the Dedicated Schools Grant (DSG), this has proved to be insufficient with demand across the district. The number of children in receipt of Educational Health Care Plans (EHCPs) as at 31.3.2025 is 1,707 (31.3.2024: 1,566), a contributory factor to top-up funding pressures, with 27 children now in high cost (ie an individual placement cost above £0.2m per annum). The average cost of such placements is now £0.4m per annum. In 2024/25 the HNB deficit has effectively more than doubled from £9.4 million as at 31.3.2024 to a cumulative £16.1 million as at 31.3.2025. This deficit is held in the Council's unusable reserves under a statutory override put in place by Central Government. The override has been extended beyond the initial reversal date of 31.3.2026, which would have resulted in any cumulative balance held in the Council's unusable reserves becoming immediately chargeable to the Council's General Fund. The Council, as with many Councils nationally, is awaiting guidance from Central Government in respect of resolution to long term funding of high needs costs, expected in Autumn 2025; and the longer-term override position. The DSG deficit accumulated in the unusable reserves effectively creates a capital financing pressure on the Council (i.e. the Council is required to borrow to fund the deficit). Capital financing costs in total (i.e. financing of the capital programme, plus HNB financing), have increased from £11 million in 2023/24 to £13 million in 2025/26 as in year cashflows and the cost of the deficit held in the Balance Sheet grow alongside the DSG deficit position.

Although the Council has experienced significant financial distress during the reporting period, it has continued to invest heavily in assets. Key improvement schemes delivered in the year include the Northcroft Leisure Centre dry-side redevelopment, alongside an extensive highways improvement plan (see Figure 2) and securing additional temporary accommodation to progress the Council to its strategic aim of not having families housed within bed and breakfast accommodation. Within the reporting period the Council has seen a reduction in the value of its net assets, downward revaluations have been noted in response to market factors, including across the investment property portfolio. As at 31.3.2025 the Council held one formerly operational asset and one commercial property asset for disposal. The Council has initiated a programme

Figure 2 Council's Highways Improvement Plans

of reviewing its assets, undertaking transformation projects to rejuvenate and repurpose assets where possible (see Figure 3), and disposing of surplus operational assets. The reduction in overall asset values has been compounded by increased long-term borrowing and increasing creditor balances (Figure 4).

The Council's reserves position (Figure 5) shows a corresponding reduction, after the injection of EFS, and that the General Fund is above the s151-recommended level required to support the 2025/26 revenue budget. Further earmarked revenue reserves and usable capital reserves remain to support 2025/26 as at 31.3.2025. There has been a significant decline in schools balances over the reporting period, 12 schools are seeking licenced deficits as at 31.3.2025 compared to 12 as at 31.3.2024.

Although the Council is operating in a constrained financial environment, key strategic objectives set by the administration were still delivered in year.

Figure 3 Walnut Close Transformation

Figure 4 Balance Sheets (2024/25 and 2023/24)

Assets & Liabilities	**2023/24 (£)**	**2024/25 (£)**	Movement
Plant, Property & Equipment	392,926,132	376,154,379	↓
Infrastructure Assets	217,995,795	227,211,149	↑
Investment Property	53,700,791	51,761,474	↓
Current Assets	80,867,457	60,401,288	↓
Total Assets	**745,490,175**	**715,528,290**	
Pension Fund Liability	-107,463,000	-68,268,000	↓
Long Term Borrowing	-202,241,621	-202,732,345	↑
Other liabilities inc creditors	-144,057,891	-163,795,828	↑
Total Liabilities	**-453,762,512**	**-434,796,173**	↓
Net Assets	**291,727,663**	**280,732,118**	↓

Figure 5 Reserves (2024/25 and 2023/24)

Reserves	**2023/24 (£)**	**2024/25 (£)**	**Movement**
General Fund	-4,000,000	-10,597,414	↑
Earmarked revenue Reserves	-3,578,434	-3,372,192	↓
Schools Balances	-12,069,424	-7,769,349	↓
Usable Capital reserves	-23,026,438	-19,980,545	↓
Usable Reserves	**-42,674,296**	**-41,719,500**	↓
Pension Fund Liability Reserve	107,463,000	68,268,000	↓
Collection Fund Reserve	4,798,435	6,538,098	↑
Dedicated Schools Grant Reserve	9,450,119	16,132,638	↑
Unusable Capital Reserves	-370,764,921	-329,951,353	↓
Unusable Reserves	**-249,053,367**	**-239,012,617**	↓
Net Reserves	**-291,727,663**	**-280,732,118**	↓

Statement of Responsibilities

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 (the Service Director for Finance, Property and Procurement) has responsibility for the administration of those affairs;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Financial Statements.

The Section 151 Officer's responsibilities

The Service Director for Finance, Property and Procurement is responsible for the preparation of 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 ('the Code").

In preparing the Financial Statements, the Service Director for Finance, Property and Procurement has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code of Practice.

The Service Director for Finance, Property and Procurement has also:

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

Confirmation of Section 151 Officer

I confirm that the Statement of Accounts presents a true and fair view of the financial position of the Council as at 31 March 2025 and its income and expenditure for the year then ended on that date.

Shannon Coleman-Slaughter
Service Director for Finance, Property and Procurement,
s151 Officer

Date: 30 June 2025

Independent auditors report to the members of West Berkshire Council

External Audit report will be added following the completion of the Audit

Core Financial Statements

Theale Business Park

Comprehensive Income and Expenditure Statement:

This Statement 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 (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may differ from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2022/23 prior year adjustment	2023/24 Expenditure	2023/24 Income	2023/24 Net Expenditure		Note	2024/25 Expenditure	2024/25 Income	2024/25 Net Expenditure
£'000	£'000	£'000	£'000			£'000	£'000	£'000
(86)	306,771	(186,873)	119,812	People Directorate	7	329,687	(201,725)	127,962
(41)	67,474	(25,880)	41,553	Place Directorate	7	73,355	(25,937)	47,418
(39)	63,558	(41,839)	21,680	Resources Directorate	7	58,146	(39,370)	18,776
(1)	593	(39)	553	Chief Executive	7	1,096	(40)	1,056
(167)	**438,396**	**(254,631)**	**183,598**	**Cost of services**		**462,284**	**(267,072)**	**195,212**
0	10,683	0	10,683	Other operating expenditure	10	27,418	0	27,418
(29)	20,542	(5,140)	15,373	Financing and investment income and expenditure	11	16,996	(4,795)	12,201
0	40,892	(225,118)	(184,226)	Taxation and non-specific grant income and expenditure	12	44,917	(235,869)	(190,952)
(196)	**510,513**	**(484,889)**	**25,428**	**Deficit on the provision of services**	13	**551,615**	**(507,736)**	**43,879**
0	3,436	(21,053)	(17,617)	Deficit/(surplus) on the revaluation of property, plant and equipment	24.1	9,709	(6,418)	3,291
0	(26,045)	0	(26,045)	Remeasurement of the net defined benefit liability	24.5	0	(36,174)	(36,174)
0	**(22,609)**	**(21,053)**	**(43,662)**	**Other Comprehensive Income and Expenditure**		**9,709**	**(42,592)**	**(32,883)**
(196)	**487,904**	**(505,942)**	**(18,234)**	**Total Comprehensive Income and Expenditure**		**561,324**	**(550,328)**	**10,996**

Movement in Reserves Statement:

The Movement in Reserves Statement shows the movement from the start of the year to the end on different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'Unusable Reserves'. This Statement shows how the in-year movements of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net increase/decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	Note	General Fund £'000	Earmarked General Fund Reserves £'000	Schools Reserves £'000	General Fund Total £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Council Reserves £'000
2024/25										
Balance at 1 April 2024 brought forward		**4,101**	**3,478**	**12,070**	**19,649**	**4,960**	**18,066**	**42,675**	**249,053**	**291,728**
Deficit on the provision of services	13	(43,879)	0	0	(43,879)	0	0	(43,879)	0	(43,879)
Other Comprehensive Income and Expenditure		0	0	0	0	0	0	0	32,883	32,883
Total Comprehensive Income and Expenditure		**(43,879)**	**0**	**0**	**(43,879)**	**0**	**0**	**(43,879)**	**32,883**	**(10,996)**
Adjustments between Accounting Basis and Funding Basis under Regulations	8	45,968	0	0	45,968	(511)	(2,535)	42,922	(42,922)	0
Movement during 2024/25		**2,089**	**0**	**0**	**2,089**	**(511)**	**(2,535)**	**(957)**	**(10,039)**	**(10,996)**
Transfers to/(from) Earmarked Reserves	9	4,407	(106)	(4,301)	0	0	0	0	0	0
Balance at 31 March 2025 carried forward		**10,597**	**3,372**	**7,769**	**21,738**	**4,449**	**15,531**	**41,718**	**239,014**	**280,732**
2023/24										
Balance at 1 April 2023 brought forward		**7,241**	**4,388**	**13,972**	**25,601**	**1,501**	**20,482**	**47,584**	**225,910**	**273,494**
Deficit on the provision of services		(25,428)	0	0	(25,428)	0	0	(25,428)	0	(25,428)
Other Comprehensive Income and Expenditure		0	0	0	0	0	0	0	43,662	43,662
Total Comprehensive Income and Expenditure		**(25,428)**	**0**	**0**	**(25,428)**	**0**	**0**	**(25,428)**	**43,662**	**18,234**
Adjustments between Accounting Basis and Funding Basis under Regulations		19,476	0	0	19,476	3,459	(2,416)	20,519	(20,519)	0
Movement during 2023/24		**(5,952)**	**0**	**0**	**(5,952)**	**3,459**	**(2,416)**	**(4,909)**	**23,143**	**18,234**
Transfers to/(from) Earmarked Reserves		2,812	(910)	(1,902)	0	0	0	0	0	0
Balance at 31 March 2024 carried forward		**4,101**	**3,478**	**12,070**	**19,649**	**4,960**	**18,066**	**42,675**	**249,053**	**291,728**

Balance Sheet:

The Balance Sheet shows the value at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category is usable reserves i.e. those reserves that the Authority may use to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is unusable reserves, amounts that the Authority is unable to use to fund service delivery. This category includes reserves that hold realised gains and losses (the Revaluation Reserve, for example), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

31 March 2024 £'000		Note	31 March 2025 £'000
	Non-current:		
387,571	Property, plant and equipment	14	370,662
217,996	Infrastructure assets	14.1	227,211
53,701	Investment properties	16.1	51,761
2,923	Intangible assets	17	3,584
2,433	Long-term debtors	19.1	1,908
664,624	**Long-term assets**		**655,126**
	Current:		
6,094	Assets held for sale	16.3	1,756
0	Short-term investments	18.3	0
0	Inventories		11
57,500	Short-term debtors	19	41,328
17,274	Cash and cash equivalents	20	17,306
80,868	**Current assets**		**60,401**
	Current:		
(47,647)	Short-term borrowings	18.3	(65,480)
(51,715)	Short-term creditors	21	(58,838)
(1,784)	Provisions	22	(1,035)
(5,039)	Grant receipts in advance - revenue	33.2	(2,965)
(21,434)	Grant receipts in advance - capital	33.2	(20,111)
(127,619)	**Current liabilities**		**(148,429)**
	Long-term:		
(9,011)	Long-term creditors	18.3	(8,524)
(9)	Provisions	22	0
(202,242)	Long-term borrowings	18.3	(202,732)
(107,463)	Other long-term liabilities	38.1	(68,268)
(7,420)	Grant receipts in advance - capital	33.2	(6,842)
(326,145)	**Long-term liabilities**		**(286,366)**
291,728	**Net assets**		**280,732**
(42,675)	Usable reserves	23	(41,718)
(249,053)	Unusable reserves	24	(239,014)
(291,728)	**Total reserves**		**(280,732)**

Cash Flow Statement:

The Cash Flow Statement shows the change 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. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which intended to contribute to future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2023/24 £'000		Note	2024/25 £'000
(25,428)	Net deficit on the provision of services	13	(43,879)
(6,232)	Adjustments to net deficit on the provision of services for non-cash movements	25	36,236
6,075	Adjustments to net deficit on the provision of services for investing and financing activities		0
(25,585)	**Net cash flows from operating activities**		**(7,643)**
(35,083)	Investing activities	26	(9,733)
58,272	Financing activities	27	17,408
(2,396)	**Net increase/(decrease) in cash and cash equivalents**		**32**
19,670	Cash and cash equivalents at the beginning of the reporting period		17,274
17,274	**Cash and cash equivalents at the end of the reporting period**	**20**	**17,306**

Notes to the Accounts

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Note 1: Accounting Policies

1. General Principles

The Accounts and Audit Regulations 2015 (SI 2015 No 234) require the Council to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2024/25, these proper accounting practices principally comprise:

- The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code);
- The Service Reporting Code of Practice 2024/25 (SeRCoP);
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended).

The Statement of Accounts will be prepared using the going concern and accruals bases. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Asset class	Accounting basis in the CIES
Property, plant and equipment - dwellings	Existing Use Value (EUV) - social housing
Property, plant and equipment - other land and buildings	Current value, comprising EUV. Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists or the property is specialised, the current value is measured at depreciated replacement cost.
Property, plant and equipment - surplus assets	Fair value
Investment properties	Fair value
Intangible assets	Amortised historical cost
Financial instruments	Fair value
Pension assets	Fair value
Pension liabilities	Measured on an actuarial basis (see Note 38.1)

2. Going Concern Concept

The financial statements shall be prepared on a going concern basis; that is, the accounts are prepared on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

3. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, these amounts are carried as inventory in the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Accruals for 2024/25 will generally only be recognised where the value exceeds £10,000. The £10,000 limit will also be applied to prepayments in 2024/25.
- The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation. A key income stream for the Council is Adult Social Care client income, in the region of 40% of total budgeted income for fees and charges in 2024/25. The associated accounting treatment has been reviewed. Other income amounts received by the Council include government grants and contributions, Council Tax and Business Rates, and these sums fall outside the scope of this assessment.

4. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable on notice of not more than 24 hours without material penalty. Cash equivalents are highly liquid investments that also are repayable on notice of not more than 24 hours and that are readily convertible to known amounts of cash with low risk of change in value.

5. Prior period adjustments, changes in accounting policies, estimates and errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes are accounted for retrospectively.

6. Charges to revenue for non-current assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding capital assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible capital assets attributable to the service

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to a prudent amount determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation (not charged through the Revaluation Reserve) are adjusted by means of a transaction in the Capital Adjustment Account via the Movement in Reserves Statement.

7. Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date of approval of the Statement of Accounts. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect or impact, disclosure is made in the Notes to the Accounts of the nature of these events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

8. Interests in companies and other entities

Where the Council has material interests in subsidiary and associate companies, these will be consolidated into Group Accounts on a line-by-line basis for subsidiaries, and the equity method for associates, once accounting policies have been aligned with the Council where appropriate, and any intra-group transactions have been eliminated. For 2024/25, the Council has assessed that there is no requirement to prepare Group Accounts, this requirement determined by the scale of material interests in companies and other entities.

9. Investment Properties

Investment properties are properties that are held solely to earn rental income and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value. Investment properties are not depreciated, with gains and losses on revaluation being posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The line is also credited/debited with gains/losses on the disposal of properties, measured as the difference between the carrying amount and sale proceeds. Accounting regulations do not permit unrealised gains and losses to impact the General Fund. Therefore, such gains and losses are reversed out of the General Fund (via the Movement in Reserves Statement) and posted to the Capital Adjustment Account.

10. Overheads

The costs of overheads and support services are managed separately, and therefore these service segments are reported separately and in accordance with the Council's arrangements for accountability and financial performance.

11. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

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

12. Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with any conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until the Council has satisfied any conditions attached to the grant or contribution that would require repayment if not met.

The grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. The financial impact of receipt of grants is detailed in the Council's outturn and the Statement of Accounts documents.

Following the receipt of a grant, the Council must assess whether in administering the grant it was acting as an agent or principal.

Where the Council has acted as agent, the following accounting treatment conditions apply:

- It was acting as an intermediary between the recipient and the appropriate Government Department.
- It did not have 'control' of the grant conditions, and there was no flexibility in determining the level of grant payable.

Where the Council acted as principal, it was able to exercise its own discretion when determining the amount of grant payable.

13. Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds with appropriate planning consent. The Authority charges for and collects the levy, and this is a planning charge. The levy income will be used to fund several infrastructure projects to support the commencement date of the development of the area. The receipt of CIL is limited by regulations. It is therefore recognised at the commencement date of development in the Comprehensive Income and Expenditure Statement in accordance with the core accounting policy for Grants and Contributions detailed above.

14. Business Improvement Districts (BID)

A Business Improvement District (BID) scheme applies to a defined area in Newbury Town Centre. The BID is managed and operated by Newbury Business Improvement District Community Interest Company. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Authority acts as principal under the scheme and accounts for income and expenditure, including contributions to the BID project, within the relevant service lines in the Comprehensive Income and Expenditure Statement.

15. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Earmarked reserves are identified within the General Fund Total in the Movement in Reserves Statement in the Statement of Accounts. Where expenditure has been incurred which is to be financed from an earmarked reserve, the expenditure is charged to the relevant service area within the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. An amount is then transferred from the earmarked reserve to the General Fund Total via an entry in the Movement in Reserves Statement.

16. Schools

Local authority-maintained schools are determined to be under the control of the Council. Consequently, the income, expenditure, assets and liabilities of maintained schools are accounted for within the Statement of Accounts. Other types of school, such as academies and free schools, are outside of the Council's control, and are therefore excluded from the Statement of Accounts.

17. Value Added Tax

Income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs (HMRC) and all VAT paid is recoverable.

18. Joint Operations

Jointly controlled operations are where the parties involved have joint control of an arrangement and have rights to the asset and obligations relating to the activities undertaken in conjunction with other operators. These activities often involve the utilisation of the assets and resources of the operators rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure incurred and the share of income earned from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other joint operators, with the assets being used to obtain benefit for the joint operators. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

19. Provisions, Contingent Assets and Contingent Liabilities

Provisions

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement where an event has taken place that gives the Council a legal or constructive obligation that likely requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

Contingent Assets

A contingent asset arises whereby an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but are disclosed in a Note to the Statement of Accounts where it is probable that there will be an inflow of economic benefit or service potential.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a Note to the Statement of Accounts.

20. Revenue Recognition

The Council's various income streams have been assessed and classified in accordance with the Code and revenue has been recognised accordingly. Specific consideration has been given to:

- Implied or stated contractual terms for exchange transactions.
- Obligating events and/or conditions attached to non-exchange transactions, where a party receives something of value without directly giving value in exchange.
- Significance of the income stream to the Council.

21. Property, Plant and Equipment

Recognition

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

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

Measurement

Assets are initially measured at cost, comprising:

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

Infrastructure, community assets, assets under construction and vehicles, plant and equipment are then carried in the Balance Sheet at depreciated historical cost. Other categories of property, plant and equipment are subsequently re-measured at existing use or fair value. Assets are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end but as a minimum every five years. The Council engages external valuation specialists to determine updated asset valuations.

Revaluation

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Where decreases in value are identified, they are accounted for as follows:

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

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.

21.1 Impairment

Assets are assessed at each year-end to determine whether there is an indication of impairment. Where indications exist and 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, these are accounted for in the same way as revaluation losses.

21.2 Depreciation

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

Depreciation is calculated on the following bases:

- Buildings – reducing balance over the useful life of the property as estimated by a qualified valuation specialist.
- Vehicles, plant, furniture and equipment – reducing balance over the life of the asset, usually 10 years.
- Infrastructure – reducing balance over the life of the asset, usually 10 to 40 years.
- IT assets – straight-line allocation over the useful life of the asset, usually 5 years.

Where an asset is material and has major components, whose cost is significant to the total cost of the asset, and these elements have markedly different useful lives, such components are depreciated separately.

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.

21.3 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset is de-recognised in the Balance Sheet. This amount, net of any receipts from disposal, is accounted for as a gain or loss on disposal and taken to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Any revaluation gains previously accounted for in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Any disposal receipts more than £10,000 are categorised as capital receipts and must be credited to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax but is subject to separate arrangements for capital financing. Amounts reflected in the Comprehensive Income and Expenditure Statement are appropriated to the Capital Adjustment Account via the Movement in Reserves Statement.

21.4 Asset Reclassification

The Council adheres to CIPFA and RICS guidance on the classification of properties. Where a property has had a change of use, the Council will reflect this in the Statement of Accounts. Movements between asset classes are usually between Property, Plant and Equipment and Investment Properties. Upon reclassification, assets are subsequently valued in line with the relevant class of asset. In certain cases a property may be used for a combination of investment and operational purposes. In these instances, the Council will split the valuation of the property between Property, Plant and Equipment and Investment Properties, and reflect this in the Accounts.

21.5 Minimum Revenue Provision (MRP)

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

21.6 Componentisation

The Council adheres to CIPFA and RICS The Code requires that each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Within the Council's asset portfolio there are several asset classes where componentisation will not be considered, including:

- Equipment – as this is considered immaterial; and
- Asset classes which are not depreciated – such as land, investment properties, heritage assets, community assets, surplus assets and assets held for sale.

The remaining assets, which are housed within the operational portfolio, are often of a specialised nature such as schools and leisure centres. The Council instructs the valuation specialist to provide component information for each individual asset. This is subsequently reviewed to determine whether the inclusion of a component value will have a material impact upon depreciation. For 2024/25, a componentisation de minimis of £3million will be in place. This policy will only be applied to each asset as it falls due to be revalued. Any asset (including acquisitions) that has had capital expenditure added to it during the financial year will also be considered. Where individual assets fall below the de minimis threshold, but are collectively above this level, these assets are assessed for componentisation where generally treated together elsewhere.

22. Heritage Assets

These assets have historical, artistic or scientific importance, and are held primarily for their contributions to art and culture. Heritage assets are deemed to have infinite lives and are not subject to depreciation. The carrying amounts are reviewed where there is evidence of impairment such as physical damage. Any impairment is recognised and measured in accordance with the Council's general accounting policy on impairment.

23. Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. It must be controlled by the Council because of past events, and future economic benefit or service potential must be expected to flow from the intangible asset to the Council. The most common class of intangible asset in Local Authorities is computer software. If an item does not meet the definition of an intangible asset (identifiability, control and future economic benefits), expenditure to acquire it or generate it internally is recognised as an expense when incurred.

Upon recognition, an intangible asset is measured at cost. Expenditure incurred on an intangible asset after it has been recognised will normally be charged to the surplus or deficit on the provision of services as incurred. Only rarely will subsequent expenditure meet the recognition criteria in the Code. Where this occurs, the expenditure is recognised in the carrying amount of the intangible asset.

The Council applies amortisation to intangible assets with finite useful lives on a reducing balance basis over the useful life of the asset, and from the point at which the asset is available for use.

Assets with indefinite useful lives are not amortised but are tested for impairment annually, and whenever there is an indication that the asset may be impaired. The useful life of the asset shall be reviewed annually thereafter.

24. Leases

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

Where a lease relates to both land and buildings, the land and buildings elements are assessed separately for classification.

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

Council as lessee

A right-of-use asset and corresponding lease liability are recognised at the commencement of the lease, and this treatment follows the accounting principles within IFRS 16 Leases.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include fixed payments, variable lease payments dependent on an index or rate (initially measured using the index or rate at commencement), the exercise price under a purchase option if the Council is reasonably certain to exercise, penalties for early termination if the lease term reflects the Council exercising a break option, and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in future lease payments resulting from a rent review, variation in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right-of-use asset is initially measured at cost, comprising the initial lease liability, any lease payments already made less any lease incentives received, initial direct costs, and any dilapidation or restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right-of-use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets (purchase cost below £10,000) and short-term leases that have a term of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Council as lessor

Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure caption in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments eg there is a premium paid at the commencement of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying value of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

25. Private Finance Initiatives (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services, passes to the PFI contractor. As the Authority is deemed to control the services that are provided under such PFI schemes, 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 the Balance Sheet within property, plant and equipment. The original recognition of these assets at fair value (based upon 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. The Authority has one PFI contract, and this is with Veolia ES West Berkshire Limited.

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

The annual amounts payable to PFI scheme operators are analysed into five elements:

- **fair value of the services received during the year** – debited to the relevant service line in the Comprehensive Income and Expenditure Statement.
- **finance cost** – an interest charge of 6.1% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **contingent rent** – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **payment towards liability** – applied to write down the Balance Sheet liability owed to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- **lifecycle replacement costs** – a proportion of the amount payable is posted to the Balance Sheet as a prepayment and subsequently recognised as an addition within property, plant and equipment when the relevant works are eventually undertaken. This accounting is in accordance with the CIPFA Code's adaption of IFRIC 12 Service Concession Arrangements.

26. Financial Instruments

Financial instruments are recognised within the Balance Sheet when the Council becomes a party to their contractual provisions. These instruments are initially measured at fair value.

Financial Liabilities

Financial liabilities are subsequently measured at amortised cost. This means that the amount presented in the Balance Sheet is the outstanding principal sum repayable plus accrued interest. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based upon the carrying amount of the liability multiplied by the effective rate of interest for the instrument.

Financial Assets

Financial assets are subsequently measured in one of two ways:

- Amortised cost – assets whose contractual terms are basic lending arrangements in that these assets give rise on specified dates to cash flows that are solely payments of principal or interest on the principal amount outstanding which the Council holds under a business model whose objective is to collect those cashflows.
- Fair value – all other financial assets.

Amortised cost assets are measured in the Balance Sheet at the outstanding principal repayable plus accrued interest. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based upon the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Any gains or losses in fair value that might arise are not accounted for until the instrument matures or is sold.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Changes in the values of assets carried at fair value are debited/credited to the Financing and Investment Income and Expenditure line as they arise.

27. Employee Benefits

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

Post-Employment Benefits: Pensions

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

Employees of the Council are members of three separate pension schemes:

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

The Local Government Pension Scheme provides defined benefits to members, specifically retirement lump sums and pensions, earned as employees working for the Council, or for related parties. Under IAS 19 and CIPFA Code requirements, the Council recognises the cost of post-employment benefits in the reported cost of services when these amounts are earned by employees rather than when the benefits are eventually paid as pensions. The Council will make an Employer contribution in the region of £20.0m in 2025/26 to reduce the scheme liability. This contribution total encompasses primary and secondary amounts.

The Teachers' and NHS plans are defined benefit schemes which are accounted for as defined contribution schemes. This is because the arrangements for these schemes mean that future defined benefit liabilities are not readily identifiable, and therefore no liabilities for future payment of benefits are recognised in the Balance Sheet. Services are charged with employer contributions to the Teachers' and NHS schemes in the Comprehensive Income and Expenditure Statement within the appropriate financial year. The Council's 2025/26 Employer contribution level is at 28.68% in respect of the Teachers' scheme.

Defined Benefit Pension Schemes

Local Government Pension Scheme

The liabilities of the Royal Berkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis. The basis of calculation is the projected unit method - specifically an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, including mortality rate assumptions, employee turnover rates and estimates of projected earnings for current employees. This future liability is then discounted back to present value using a discount rate determined by reference to market yields at the Balance Sheet date of high-quality corporate bonds.

The assets of the Royal Berkshire Pension Fund attributable to the Council are held in the Balance Sheet at fair value.

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

1. Service cost - this comprises current service cost (allocated in the Comprehensive Income and Expenditure Statement) to the services for which the employees worked, and past service cost – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.
2. Net interest on the net defined benefit liability - charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
3. Re-measurements - comprising the return on Plan assets (excluding amounts included in net interest on the net defined benefit liability) charged to the Pension Reserve as Other Comprehensive Income and Expenditure and actuarial gains and losses (changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation date or because the actuary has updated their assumptions). These sums are charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
4. Contributions paid to the Pension Fund are charged to the General Fund via an accounting entry in the Movement in Reserves Statement to replace the service cost items above discretionary benefits.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements of employees. Any resulting liabilities are accrued in the year of award and are accounted for using the same policies applied for liabilities relating to the Royal Berkshire Pension Fund.

Curtailments

The cost of curtailments arising because of the payment of unreduced pensions on early retirement have been calculated by the Actuary. The amounts calculated are the curtailment costs which affect the Council's Local Government Pension Scheme liabilities.

28. Collection Fund

The Collection Fund summarises the transactions of the billing authority in relation to the collection of Council Tax and Non-Domestic Rates from local taxpayers, and its subsequent distribution to local authorities and Central Government. There is no requirement for a separate Collection Fund Balance Sheet since the assets and liabilities arising from collecting Non-Domestic Rates and Council Tax belong to the bodies concerned, including major preceptors, the billing authority, and Central Government. The Council's share of Council Tax and Business Rates income is reflected in the Comprehensive Income and Expenditure Statement on an accruals basis in line with the CIPFA Code. Income due from Council Tax and ratepayers is recognised in full as at 1 April, this date being the start of the financial year.

The Council's share of Council Tax and Business Rates income is reflected in the Comprehensive Income and Expenditure Statement on an agency basis, consistent with the requirements of the Code. However, the amount to be reflected in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory credit made through the Movement in Reserves Statement and the Collection Fund Adjustment Account.

The Council, as a billing authority, is statutorily required under Section 89 of the Local Government Finance Act 1988 to maintain a separate Collection Fund account as agent into which all transactions relating to the collection of Business Rates and Council Tax income from taxpayers and distribution to local government bodies and Central Government are made. The Collection Fund account is accounted for separately from the General Fund. Surpluses or deficits on the council tax income and distributions are apportioned to the relevant precepting body in the following financial year in proportion to each body's Band D Council Tax amount.

Council Tax

Council tax is charged on residential properties based upon valuation bandings established when the system was introduced in 1993. The number of properties in each band and calculation of the tax base (adjusted to reflect relevant discounts and exemptions) is approved by Full Council annually as part of the budget-setting process.

National Non-Domestic Rates

The Council collects Business Rates for its area based on rateable values (as determined by the Valuation Office Agency) and multiplier indices as determined by Central Government. The total income estimated to be received in the year is notified to related bodies in the immediately preceding January in accordance with statutory regulations.

29. Termination Benefits

Termination benefits are charged on an accruals basis to the appropriate service or to the specified segment in the appropriate line in the Comprehensive Income and Expenditure Statement (where these sums relate to pensions enhancements) at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Note 2: Accounting standards issued not adopted

Paragraph 29 in the Code identifies the following relevant reporting standards:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) - special provisions for entities that are required by IAS 21 to translate foreign currency transactions but the currency is not exchangeable, perhaps due to government exchange controls
- IFRS 17 Insurance Contracts - discloses principles for recognition, measurement, presentation and disclosure of insurance contracts (generally assumed to be non-applicable for local authorities)
- The changes to the measurement of non-investment assets within the 2025/26 Code, including indexation of Property, Plant and Equipment values and the removal of the option to measure intangible assets at fair value. Further confirmation that the proposals for amending the Code have been accepted following consultation is to be found in paragraphs 4 and 41.

Note 3: Critical judgements in applying accounting policies

In applying the accounting policies in Note 1, the Council has had to make certain critical judgements about complex transactions or those involving uncertainty regarding future events.

The critical judgements made in the Statement of Accounts are:

3.1 Schools

- The Council has assessed the legal framework underlying each type of school and determined the treatment of non-current assets within the Statement of Accounts according to whether it owns or has some responsibility for, control over or benefit from the service potential of the premises and land occupied;
- The Council has considered its accounting classification for each school and accordingly school assets for community schools have been recognised within the Balance Sheet;
- The Council has not recognised assets relating to academies, voluntary aided, voluntary controlled or foundation secondary schools as it is of the opinion that these assets are not controlled by the Council. In the case of voluntary aided and voluntary controlled schools, these assets were deemed to be controlled by the relevant dioceses following consultation and review;
- The transfer of schools to academies is recognised as a disposal from the Council's Balance Sheet on the date that the school converts to academy status. No impairment is recognised by the Council prior to the transfer.

3.2 Pension Fund

The administering authority for the Pension Fund is the Royal Borough of Windsor and Maidenhead. The Pension Fund Committee oversees the management of the fund and day-to-day administration is undertaken by a team within the administering authority. Some functions are undertaken by the Council's professional advisor - Barnett Waddingham. Further to consultation between the two parties, the administering Authority is responsible, with professional advice from the consultant Actuary, for preparing and maintaining the Investment and Funding Strategy Statement. Generally a defined benefit pension scheme is exposed to a number of risks including investment, interest rate, inflation and longevity risks.

3.3 PPE valuation uncertainty

The Council engages the services of an external asset valuation specialist to undertake the revaluation of its investment properties and land and building assets, to comply with the accounting requirements contained in the CIPFA Accounting Code of Practice. These asset valuations are subject to uncertainty arising from future economic operations as well as operational and strategic factors affecting property markets during the 2024/25 financial year.

3.4 Future funding of Local Government

There remains a high degree of uncertainty regarding future funding levels for Local Government. The 2025/2026 Local Government Finance Settlement was published in February 2025 but as a one-year settlement does not provide clarity on the longer-term funding plans for local authorities.

The Government's current position is that the long-awaited Fair Funding Review and reset of business rates retention will not occur until at least June 2025. The Review, which was first proposed in 2016, initially outlined a range of proposals to the formula allocation of Government funding, such as changes to:

- The deprivation top-up;
- The additional population top-up;
- The fixed amount for each Local Authority;
- Density and sparsity assumed no changes as the impact of removal cannot be wholly assessed.

The Authority prepares a detailed four-year Medium-Term Financial Strategy, which models risks and assists in identifying the corrective actions required to mitigate those risks. Considering reduced levels of Revenue Support Grant receipts, the Authority continues to identify additional income streams and new working arrangements, such as the pursuance of joint operating ventures. The Authority remains aware of the need to balance budgets in forthcoming financial years but is mindful of these future funding uncertainties.

The Authority secured Exceptional Financial Support (EFS) of £16m from Government at the end of February 2025. £13m has been set aside to support 2024/25 financial year funding commitments with the remaining £3m allocated to 2025/26.

Note 4: Assumptions regarding the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimates that are based upon assumptions made by the Authority regarding the future or events 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 full certainty, actual results could be materially different from the original assumptions and estimates. The items in the Authority's Balance Sheet as at 31 March 2025 for which where is a significant risk of material adjustment in the forthcoming financial year are detailed below. Where uncertainties occur within the comparative year this will be stated.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Valuations of Property, Plant and Equipment	Land and property asset valuations have been subject to ongoing market review and these effects may theoretically be variable between valuation methods and assumptions. For specialised assets valued using the Depreciated Replacement Cost (DRC) method, a valuation impairment/increase may be relevant within each financial year	As DRC properties will be based on RICS BCIS cost guides and componentised valuations, and based on gross value, this could impact specialised assets valued using DRC. A valuation impairment/increase is not relevant between 1 April 2024 and 31 March 2025 as asset movements are minimal during the year (plus 2%). For the land element of DRCs, the sites are expected to be categorised as brownfield and there is no material reported movement during 2024/25 (minus 0.5%).
Existing Use Value (EUV)/ Fair Value (FV) measurements	Non-specialised assets valued at the EUV or FV bases were subject to various increases/decreases depending on the sector, with no resulting changes to Community Assets.	No material change was noted within Development Land, covering greenfield (plus 1%), brownfield (minus 0.5%) and industrial land (0%).
Pension Liability	Estimation of the net liability to pay pension costs falling due is driven by a series of complex accounting judgements, including the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, life expectancy assumptions and unexpected returns on Pension Fund assets. The Authority has engaged Barnett Waddingham as Actuary to provide expert advice regarding the assumptions to be applied.	The effects on the net pension liability of changes to individual assumptions can be measured. The Actuary's sensitivity analysis indicated reasonable variances of around 0.1% to the discount rate during the triennial period. For example, a +0.1% increase in the discount rate would result in reduced projected service costs to £10.5m. An uplift in life expectancy assumptions by one year would increase projected service costs to £11.3m. Actuarial assumptions are disclosed in Note 38.4.
Business Rates Appeals	Historically, the Council has based the Appeals Provision on the application of the national average percentage of 3.2% of the net collectable.	If the provision for appeals was increased by 5% above the NNDR3 provision, this would equate to a provision of £2.1m shared across Central Government (50%), The Royal Berkshire Fire and Rescue Service (1%) and the Council (49%).

Note 5: Material items of income and expenditure

The CIPFA Code requires that where accounting items are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the nature and amount of material items should be disclosed in a Note to the Accounts. The following items fall within this category:

- Dedicated Schools Grant (DSG) – 2024/25 expenditure of £135.1m (2023/24: £119.9m) was supported by in-year DSG Grant funding

Note 6: Events after the Balance Sheet date

After preparing the 2024/25 Statement of Accounts, and after the Balance Sheet date of 31 March 2025, the Section 151 Officer authorised the Statement of Accounts for issue on 30 June 2025. There are no adjusting Post Balance Sheet Events (PBSE).

Note 7: Expenditure and Funding Analysis:

The Expenditure and Funding Analysis shows how annual expenditure is funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with the resources earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The Council's key reportable segments are the individual Directorates as defined within the organisational structure.

2023/24				2024/25		
Net expenditure chargeable to the General Fund	Adjustments (see note 7A)	Net expenditure in the Comprehensive Income and Expenditure Statement		Net expenditure chargeable to the General Fund	Adjustments (see note 7A)	Net expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
109,415	10,397	119,812	People Directorate	128,840	(878)	127,962
37,874	3,679	41,553	Place Directorate	47,742	(324)	47,418
19,760	1,920	21,680	Resources Directorate	18,912	(136)	18,776
553	0	553	Chief Executive	1,069	(13)	1,056
167,602	**15,996**	**183,598**	**Net cost of services**	**196,563**	**(1,351)**	**195,212**
(161,650)	3,480	(158,170)	Other income and expenditure	(198,652)	47,319	(151,333)
5,952	**19,476**	**25,428**	**Deficit on the provision of services**	**(2,089)**	**45,968**	**43,879**
(25,601)			Opening General Fund 1 April	(19,649)		
(19,476)			Adjustments between Accounting Basis and Funding basis	(45,968)		
25,428			Less deficit on the provision of services	43,879		
(19,649)			**Closing General Fund 31 March**	**(21,738)**		

Note 7A: Note to the Expenditure and Funding Analysis:

Adjustments between Accounting Basis and Funding Basis under Regulations:

Column 1 - **Adjustments for capital purposes** – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or

for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Column 2 - Net change for pension adjustments Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension-related expenditure and income: For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs. For financing and investment income and expenditure-net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Column 3 - Statutory adjustments Other differences between amounts debited/ credited to the Comprehensive Income and Expenditure

Statement and amounts payable/receivable to be recognised under statute:

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

	Adjustments for capital purposes £'000	Net change for pension adjustments £'000	Statutory adjustments £'000	Total adjustments £'000
People Directorate	3,349	(4,657)	430	(878)
Place Directorate	1,236	(1,719)	159	(324)
Resources Directorate	515	(717)	66	(136)
Chief Executive	52	(72)	7	(13)
Net cost of services	**5,152**	**(7,165)**	**662**	**(1,351)**
Other income and expenditure from the Expenditure and Funding Analysis	34,752	4,144	8,423	47,319
Difference between General Fund surplus and Comprehensive Income and Expenditure Statement deficit on the provision of services	**39,904**	**(3,021)**	**9,085**	**45,968**

Note 7B: Segmental income

Income received according to the Authority's operating segments is analysed as follows:

	2023/24 Income from services £'000	2024/25 Income from services £'000
People Directorate	(186,873)	(201,725)
Place Directorate	(25,880)	(25,937)
Resources Directorate	(41,839)	(39,370)
Chief Executive	(39)	(40)
Total income analysed on a segmental basis	**(254,631)**	**(267,072)**

Note 8: Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/25	Usable reserves General fund £'000	Capital receipts reserve £'000	Capital grants unapplied account £'000	Movement in unusable reserves £'000
Adjustments to revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Deployment of Dedicated Schools Grant (DSG) - transferred to the DSG Adjustment Account	6,683	0	0	(6,683)
Pension costs (transferred to (or from) the Pension Reserve)	(3,021)	0	0	3,021
Accumulated losses on assets sold or scrapped	23,527	0	0	(23,527)
Council Tax and NNDR (transferred to (or from) the Collection Fund Adjustment Account)	1,740	0	0	(1,740)
Holiday pay (transferred to (or from) the Accumulated Absences Account)	662	0	0	(662)
Reversal of entries included in the deficit on the provision of services in relation to capital expenditure (Capital Adjustment Account)	41,231	0	0	(41,231)
Total adjustments to revenue resources	**70,822**	**0**	**0**	**(70,822)**
Adjustments between revenue and capital resources				
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(4,500)	0	0	4,500
Total adjustments between revenue and capital resources	**(4,500)**	**0**	**0**	**4,500**
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0
Use of the Capital Receipts Reserve to finance transformation projects	511	(511)	0	0
Application of capital grants to capital financing transferred to the Capital Adjustment Account	(21,035)	0	(2,365)	23,400
Application of capital expenditure amounts within the Capital Grants Unapplied Account	170	0	(170)	0
Total adjustments to capital resources	**(20,354)**	**(511)**	**(2,535)**	**23,400**
Total adjustments	**45,968**	**(511)**	**(2,535)**	**(42,922)**

Note 8: Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

Comparative amounts for 2023/24 are as follows:

2023/24	Usable reserves General fund £'000	Capital receipts reserve £'000	Capital grants unapplied account £'000	Movement in unusable reserves £'000
Adjustments to revenue resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Deployment of Dedicated Schools Grant (DSG) - transferred to the DSG Adjustment Account	4,689	0	0	(4,689)
Pension costs (transferred to (or from) the Pension Reserve)	2,616	0	0	(2,616)
Council Tax and NNDR (transferred to (or from) the Collection Fund Adjustment Account)	9,863	0	0	(9,863)
Holiday pay (transferred to (or from) the Accumulated Absences Account)	98	0	0	(98)
Reversal of entries included in the deficit on the provision of services in relation to capital expenditure (Capital Adjustment Account)	29,146	0	0	(29,146)
Total adjustments to revenue resources	**46,412**	**0**	**0**	**(46,412)**
Adjustments between revenue and capital resources				
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(3,936)	0	0	3,936
Total adjustments between revenue and capital resources	**(3,936)**	**0**	**0**	**3,936**
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(4,061)	0	4,061
Use of the Capital Receipts Reserve to finance transformation projects	2,543	(2,543)	0	0
Application of capital grants to capital financing transferred to the Capital Adjustment Account	(23,062)	0	(2,416)	25,478
Application of capital expenditure amounts within the Capital Grants Unapplied Account	(2,481)	10,063	0	(7,582)
Total adjustments to capital resources	**(23,000)**	**3,459**	**(2,416)**	**21,957**
Total adjustments	**19,476**	**3,459**	**(2,416)**	**(20,519)**

Note 9: Movements in Earmarked General Fund Reserves

Balance at 1 April 2023 £'000	Transfers out 2023/24 £'000	Transfers in 2023/24 £'000	Balance at 31 March 2024 £'000		Balance at 1 April 2024 £'000	Transfers out 2024/25 £'000	Transfers in 2024/25 £'000	Balance at 31 March 2025 £'000
13,972	(3,000)	1,097	12,069	Balances held by schools under a scheme of delegation	12,069	(5,463)	1,163	7,769
1,568	(821)	271	1,018	Public Health reserve	1,018	(426)	607	1,199
1,150	(244)	94	1,000	Self-insurance fund	1,000	(900)	896	996
328	(328)	0	0	Council tax volatility reserve	0	0	0	0
1,342	(678)	0	664	Specific earmarked reserves	664	(602)	1,115	1,177
0	0	797	797	Other earmarked reserves	797	(797)	0	0
18,360	**(5,071)**	**2,259**	**15,548**	**Total Earmarked General Fund Reserves**	**15,548**	**(8,188)**	**3,781**	**11,141**

Note 10: Other operating expenditure

Other operating expenditure reported includes Parish Council precepts costs, all levies payable and losses generated from the in-year disposal of non-current assets.

2023/24 Net expenditure £'000		2024/25 Net expenditure £'000
5,547	Loss/(gain) on the disposal of non-current assets	21,646
4,960	Parish council precepts	5,605
176	Levies	167
10,683	**Total**	**27,418**

Note 11: Financing and investment income and expenditure

Financing and investment income and expenditure includes interest receivable and payable on the Council's investment portfolio. The Council's net rental income on the properties it holds purely for investment purposes is also included. It also includes the interest element of the pension fund liability.

2023/24 Net expenditure £'000		Note	2024/25 Net expenditure £'000
8,506	Interest payable and similar charges	18.2	10,031
6,212	Net interest on the net defined benefit liability	38	4,512
(1,107)	Interest receivable and similar income	18.2	(1,092)
1,762	Income, expenditure and changes in the fair value of investment properties	16.1	(1,250)
15,373	**Total**		**12,201**

Note 12: Taxation and non-specific grant income and expenditure

This note consolidates all non-specific grants and contributions receivable that cannot be identified with individual service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service-specific. The note also identifies the Council's proportion of council tax and business rates used to fund in-year service activities.

2023/24 Net income £'000		2024/25 Net income £'000
(120,705)	Council tax income	(127,720)
(16,730)	Business Rate Retention Scheme	(16,647)
200	Other income	0
(19,207)	Non-ringfenced government grants	(25,368)
(27,784)	Capital grants and contributions	(21,217)
(184,226)	**Total**	**(190,952)**

Note 13: Income and expenditure analysed by nature

2023/24 £'000		2024/25 £'000
268,589	Other service expenses	322,865
161,342	Employee benefit expenses	169,685
20,306	Depreciation, amortisation, impairment	21,616
8,506	Interest payments	10,031
5,136	Precepts and levies	5,772
5,547	Loss on disposal of non-current assets	21,646
469,426	**Total expenditure**	**551,615**
(79,927)	Fees, charges and other service income	(77,215)
(137,435)	Income from council tax and business rates	(189,284)
(225,529)	Government grants and contributions	(240,145)
(1,107)	Interest and investment income	(1,092)
(443,998)	**Total income**	**(507,736)**
25,428	**Deficit on the provision of services**	**43,879**

Note 14: Property, Plant and Equipment

The Accounting Policies for Property, Plant and Equipment are disclosed in Note 1-Section 21.

Movements in year 2024/25	Other land and buildings	Vehicles, plant, furniture & equipment	Community assets	Surplus assets	Assets under construction	Total property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation 1 April 2024	377,442	26,395	5,506	0	1,865	411,208
Additions	19,326	3,339	34	48	7,089	29,836
Revaluation increases/(decreases) recognised in the revaluation reserve	(1,548)	0	(2,907)	(10)	0	(4,465)
Revaluation increases/(decreases) recognised in the deficit on the provision of services	(1,575)	0	(2,420)	(15)	0	(4,010)
Derecognition-disposals	(180)	0	0	0	0	(180)
Derecognition-other	(33,432)	(13,132)	(1)	0	(154)	(46,719)
Asset reclassifications	(1,807)	0	0	0	0	(1,807)
Other movements in cost or valuation	(38)	0	0	1,833	0	1,795
As 31 March 2025	**358,188**	**16,602**	**212**	**1,856**	**8,800**	**385,658**
Accumulated depreciation and impairment 1 April 2024	(7,915)	(15,722)	0	0	0	(23,637)
Depreciation charge	(4,629)	(2,598)	0	0	0	(7,227)
Depreciation written out to the revaluation reserve	1,174	0	0	0	0	1,174
Depreciation written out to the deficit on the provision of services	383	0	0	2	0	385
Impairment losses/(reversals) recognised in the deficit on the provision of services	0	0	0	0	0	0
Derecognition-disposals	4	0	0	0	0	4
Derecognition-other	1,131	13,132	0	0	0	14,263
Other movements in depreciation and impairment	44	0	0	(2)	0	42
At 31 March 2025	**(9,808)**	**(5,188)**	**0**	**0**	**0**	**(14,996)**
Net book value						
At 31 March 2025	**348,380**	**11,414**	**212**	**1,856**	**8,800**	**370,662**
At 31 March 2024	**369,527**	**10,673**	**5,506**	**0**	**1,865**	**387,571**

Note 14: Property, Plant and Equipment (continued)

Movements in year 2023/24	Other land and buildings £'000	Vehicles, plant, furniture & equipment £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Cost or valuation 1 April 2023	358,095	23,655	132	2,483	177	384,542
Additions	15,788	2,740	0	0	1,707	20,235
Revaluation increases/(decreases) recognised in the revaluation reserve	13,275	0	2,859	0	0	16,134
Revaluation increases/(decreases) recognised in the deficit on the provision of services	(1,124)	0	32	0	0	(1,092)
Derecognition-disposals	0	0	0	0	0	0
Derecognition-other	(4,401)	0	0	0	(19)	(4,420)
Asset reclassifications	(3,848)	0	2,483	(2,483)	0	(3,848)
Other movements in cost or valuation	(343)	0	0	0	0	(343)
As 31 March 2024	**377,442**	**26,395**	**5,506**	**0**	**1,865**	**411,208**
Accumulated depreciation and impairment 1 April 2023	(6,303)	(12,584)	0	0	0	(18,887)
Depreciation charge	(4,323)	(3,138)	0	0	0	(7,461)
Depreciation written out to the revaluation reserve	1,933	0	0	0	0	1,933
Depreciation written out to the deficit on the provision of services	762	0	0	0	0	762
Impairment losses/(reversals) recognised in the deficit on the provision of services	0	0	0	0	0	0
Derecognition-disposals	0	0	0	0	0	0
Derecognition-other	2	0	0	0	0	2
Other movements in depreciation and impairment	14	0	0	0	0	14
At 31 March 2024	**(7,915)**	**(15,722)**	**0**	**0**	**0**	**(23,637)**
Net book value						
At 31 March 2024	**369,527**	**10,673**	**5,506**	**0**	**1,865**	**387,571**
At 31 March 2023	**351,792**	**11,071**	**132**	**2,483**	**177**	**365,655**

Note 14.1: Infrastructure Assets

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.

Movements in year 2024/25	**£'000**
Cost or valuation 1 April 2024	217,996
Additions	16,856
Revaluation increases/(decreases) recognised in the revaluation reserve	0
Revaluation increases/(decreases) recognised in the surplus/deficit on the provision of services	0
Derecognition-disposals	0
Derecognition-other	0
Assets reclassified (to)/from held for sale	0
Other movements in cost or valuation	0
Depreciation charge	(7,641)
Depreciation written out to the revaluation reserve	0
Depreciation written out to the surplus/deficit on the provision of services	0
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	0
Derecognition-disposals	0
Derecognition-other	0
Net book value 31 March 2025	**227,211**

Movements in year 2023/24	**£'000**
Cost or valuation 1 April 2023	204,876
Additions	19,965
Revaluation increases/(decreases) recognised in the revaluation reserve	0
Revaluation increases/(decreases) recognised in the surplus/deficit on the provision of services	0
Derecognition-disposals	0
Derecognition-other	0
Assets reclassified (to)/from held for sale	0
Other movements in cost or valuation	0
Depreciation charge	(6,845)
Depreciation written out to the revaluation reserve	0
Depreciation written out to the surplus/deficit on the provision of services	0
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	0
Derecognition-disposals	0
Derecognition-other	0
Net book value 31 March 2024	**217,996**

Note 14.2: Revaluations

	Other land and buildings £'000	Vehicles, plant, furniture & equipment £'000	Infrastructure £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Carried at historical cost	0	11,089	227,211	212	0	8,800	247,312
Valued at current value as at:							
31 March 2025	46,666	325	0	0	13	0	47,004
31 March 2024	98,223	0	0	0	1,843	0	100,066
31 March 2023	91,721	0	0	0	0	0	91,721
31 March 2022	68,203	0	0	0	0	0	68,203
31 March 2021	43,567	0	0	0	0	0	43,567
Total cost or valuation	**348,380**	**11,414**	**227,211**	**212**	**1,856**	**8,800**	**597,873**

Note 15: Heritage Assets

The Royal Berkshire Archives (RBA) holds the historic archives of the Royal County of Berkshire. Located in Reading, the building was built and is owned by West Berkshire Council on land owned by Reading Borough Council. The staff are employed by Reading Borough Council. The purpose of the RBA is to locate and preserve archives and records relating to the Royal County of Berkshire and its people and make them available for all to research. Established in 1948, the RBA is run as a joint service for the six district Councils that provide local services in Berkshire - www.royalberkshirearchives.org.uk

A three-year capital project commenced in 2024/25, to provide additional archive storage through a new two storey extension to the existing building. West Berkshire, as the lead authority for archives, is leading on this project which will ensure that the joint service is sustainable and will continue to fulfil its statutory and contractual obligations to the six Berkshire districts.

The West Berkshire Museum is a Council service. It is responsible for the protection and care of approximately 35,000 objects relating to the history of the district from prehistoric times to the present day. The collections are grouped into the following categories - Archaeology, Archive, Costume, Decorative Art, Ephemera, Fine Art, Geology, Horology, Jewellery, Map, Militaria, Natural History, Numismatics, Photograph, Trade and Industry, Social History. Most objects in the collection have been gifted and have local significance. Subject to the approval of the Museum Collections Development Panel, the Museum may dispose of items from the collection, although this will only happen in exceptional circumstances, for example when the item does not fit the criteria of the Acquisition and Disposal Policy, the item is a hazard to health, or the condition of the item is so poor it can no longer be appropriately displayed or cared for.

The Museum acquires archaeology declared as Treasure through the Portable Antiquities Scheme and has done so since the scheme began in 1997. Following the declaration of Treasure, the items go through two valuation processes, the second settling on a market value agreed by the Treasure Valuation Committee (TVC), administered by the Treasure Section at the British Museum. The collective value of Treasure acquired by the Museum to date is £127,500. Officers have determined that other assets held are of local cultural significance but are not of a sufficiently material valuation in the context of this Statement of Accounts. The Council may obtain current values of the Museum collections for insurance purposes in future.

Note 16.1: Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2023/24 £'000	2024/25 £'000
Rental income from investment properties	3,968	3,615
Downward revaluations	(5,210)	(1,979)
Direct operating expenses arising from investment properties	(520)	(386)
Net gain/(loss)	**(1,762)**	**1,250**

Movement in the fair value of investment properties	**2023/24 £'000**	**2024/25 £'000**
Balance at start of the year	65,415	53,701
Additions:		
Purchases	0	25
Construction	0	0
Subsequent expenditure	0	0
Disposals	(6,835)	0
Net losses from fair value adjustments	(5,210)	(1,979)
Transfers:		
To/from inventories	0	0
To/from property, plant and equipment	0	0
Other changes	331	14
Balance at end of the year	**53,701**	**51,761**

There have been no changes in the techniques used to value Investment Properties during 2024/25

Note 16.2: Fair value hierarchy of Investment Properties

Fair value measurements using:	Quoted prices in active markets indicated assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant observable inputs (Level 3) £'000	Fair value as at 31 March 2025 £'000
Commercial units	0	51,761	0	51,761
Total	**0**	**51,761**	**0**	**51,761**

Fair value measurements using:	Quoted prices in active markets indicated assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant observable inputs (Level 3) £'000	Fair value as at 31 March 2024 £'000
Commercial units	0	53,701	0	53,701
Total	**0**	**53,701**	**0**	**53,701**

Fair value measurement of non-financial assets:

The Authority's accounting policy for fair value measurement of financial assets is disclosed in Note 1.26. The Authority also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings (other financial instruments as applicable) at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

a) in the principal market for the asset; or

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

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

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

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Level 2 assets are financial assets and liabilities that do not have regular market pricing but whose fair values can be determined based upon other data or market prices. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets which are not active and inputs (other than quoted prices) that are observable for the asset or liability, examples including implied volatilities and credit spreads.

No transfers within the applicable asset categories have occurred during 2024/25.

Note 16.3: Assets Held for Sale

	2023/24 £'000	2024/25 £'000
Balance at start of year	**2,321**	**6,094**
Newly classified as held for sale		
Property, plant and equipment	4,366	1,779
Intangible assets	0	0
Other assets/liabilities in disposal groups	0	0
Revaluation losses	(624)	0
Revaluation gains	576	0
Impairment losses	0	0
Assets declassified as held for sale		
Property, plant and equipment	(545)	(30)
Intangible assets	0	0
Other assets/liabilities in disposal groups	0	0
Assets sold	0	(4,272)
Other movements	0	(1,815)
Balance at end of year	**6,094**	**1,756**

Note 17: Intangible Assets

The Authority accounts for its software, licences and internally-generated software as intangible assets, to the extent that the software is not part of a particular Information Technology system and accounted for as part of the hardware item of Property, Plant and Equipment. All software is given a finite useful life, based on assessments of the period that the software is expected to be of benefit to the Authority.

2023/24				2024/25		
Internally generated assets	**Other assets**	**Total**		**Internally generated assets**	**Other assets**	**Total**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
			Balance at the start of the year:			
0	3,945	3,945	Gross carrying amounts	0	4,878	4,878
0	(1,265)	(1,265)	Accumulated amortisation and impairment	0	(1,955)	(1,955)
0	**2,680**	**2,680**	**Net carrying amount at the start of the year**	**0**	**2,923**	**2,923**
			Additions:			
0	1,432	1,432	Purchases	0	0	0
0	0	0	Acquired through business combinations	0	1,793	1,793
0	(732)	(732)	Amortisation for the year	0	(803)	(803)
0	(88)	(88)	Impairment	0	(329)	(329)
0	(499)	(499)	Disposal - cost	0	(902)	(902)
0	130	130	Disposal - amortisation	0	902	902
0	**2,923**	**2,923**	**Net carrying amount at the end of the year**	**0**	**3,584**	**3,584**

Note 18: Financial Instruments

The Accounting Policies for Financial Instruments are disclosed in Note 1-Section 26.

Note 18.1: Financial Assets and Liabilities

The following categories of Financial Instruments are carried in the Balance Sheet:

2023/24						2024/25				
Non-current investments £'000	Long-term debtors £'000	Current investments £'000	Short-term debtors £'000	Total £'000	Financial assets	Non-current investments £'000	Long-term debtors £'000	Current investments £'000	Short-term debtors £'000	Total £'000
0	0	11,666	0	**11,666**	Fair value through profit or loss	0	0	12,341	0	**12,341**
0	0	0	0	**0**	Amortised cost-soft loans	0	0	0	0	**0**
0	2,433	5,608	24,687	**32,728**	Amortised cost-other	0	1,908	4,965	16,306	**23,179**
0	0	0	0	**0**	Fair value through other comprehensive income-designated equity instruments	0	0	0	0	**0**
0	0	0	0	**0**	Fair value through other comprehensive income-other	0	0	0	0	**0**
0	**2,433**	**17,274**	**24,687**	**44,394**	**Total financial assets**	**0**	**1,908**	**17,306**	**16,306**	**35,520**
0	0	0	0	**0**	Non-financial assets	0	0	0	0	**0**
0	**2,433**	**17,274**	**24,687**	**44,394**	**Total**	**0**	**1,908**	**17,306**	**16,306**	**35,520**

2023/24						2024/25				
Non-current borrowings £'000	Long-term creditors £'000	Current borrowings £'000	Short-term creditors £'000	Total £'000	Financial liabilities	Non-current borrowings £'000	Long-term creditors £'000	Current borrowings £'000	Short-term creditors £'000	Total £'000
0	0	0	0	**0**	Fair value through profit or loss	0	0	0	0	**0**
211,133	0	47,647	35,418	**294,198**	Amortised cost	210,653	603	65,480	35,214	**311,950**
211,133	**0**	**47,647**	**35,418**	**294,198**	**Total financial liabilities**	**210,653**	**603**	**65,480**	**35,214**	**311,950**
0	0	0	0	**0**	Non-financial liabilities	0	0	0	0	**0**
211,133	**0**	**47,647**	**35,418**	**294,198**	**Total**	**210,653**	**603**	**65,480**	**35,214**	**311,950**

Debtors and creditors amounts included in the note above do not relate to statutory debtors and creditors classifications

Note 18.2: Financial Instruments

Income, expense, gains and losses:

2023/24 Deficit on the provision of services £'000		2024/25 Deficit on the provision of services £'000
	Net (gains)/losses on interest income/expenditure:	
(1,107)	Investment income/interest received	(1,092)
8,506	Interest expense	10,031
7,399	**Net interest expense**	**8,939**

Note 18.3: Fair Values of Financial Assets and Liabilities

The fair values of financial assets and liabilities held by the Authority are carried in the Balance Sheet at amortised cost. The fair values can be estimated by calculating the present value of cash flows that will be generated during the remaining life of the applicable instrument. The fair values attached to borrowings often differ to their carrying amounts due to interest rate variances, in that average rates of interest on the Council's borrowings are often higher than current rates for new borrowing.

2023/24			2024/25	
Carrying amount £'000	Fair value £'000	Financial liabilities	Carrying amount £'000	Fair value £'000
202,242	162,882	Financial liabilities held at amortised cost	202,732	154,695
46,732	46,732	Short-term borrowings at amortised cost	64,509	64,509
35,418	35,418	Short-term creditors at amortised cost	35,214	35,214
0	0	Long-term creditors at amortised cost	603	603
915	915	Short-term PFI liabilities	971	971
8,891	8,891	Long-term PFI liabilities	7,921	7,921
294,198	**254,838**	**Total**	**311,950**	**263,913**

2023/24			2024/25	
Carrying amount £'000	Fair value £'000	Financial assets	Carrying amount £'000	Fair value £'000
11,666	11,666	Financial assets held fair value through profit or loss-cash and cash equivalents	12,341	12,341
5,608	5,613	Financial assets held at amortised cost-cash and cash equivalents	4,965	4,938
0	0	Financial assets held at amortised cost-short-term investments	0	0
24,687	24,687	Short-term debtors at amortised cost	16,306	16,306
2,433	2,433	Financial assets held at amortised cost-long-term debtors	1,908	1,908
44,394	**44,399**	**Total**	**35,520**	**35,493**

Note 18.4 Fair value hierarchy

Some of the Council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31 March 2024 £'000	As at 31 March 2025 £'000
Fair value through profit or loss				
Money market funds	Level 1	Unadjusted quoted prices in active markets for identical shares	11,666	12,341
Total			**11,666**	**12,341**

- Level 1 Inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities 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 or liability, either directly or indirectly.
- Level 3 Inputs: unobservable inputs for the asset or liability

Transfers between levels of the fair value hierarchy

There were no transfers between Input Levels during the year.

Changes in the valuation technique

There has been no change in the valuation technique used during the year for financial instruments.

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31 March 2024 £'000	As at 31 March 2025 £'000
Financial liabilities held at amortised cost:				
PWLB	Level 2	Other significant observable inputs	206,566	247,037
Non-PWLB	Level 2	Other significant observable inputs	407	205
Short-term debt	Level 2	Other significant observable inputs	42,000	20,000
PFI and finance lease liabilities	Level 2	Other significant observable inputs	9,807	9,441
Total			**258,780**	**276,683**
Financial assets:				
Financial assets held at amortised cost	Level 2	Other significant observable inputs	5,608	4,965
Total			**5,608**	**4,965**

The fair values for financial liabilities and financial assets that are not measured at fair value included in Level 2 in the table have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed.

The fair values for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, primarily for fiancial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the current market rates.

Note 19: Short-Term Debtors

2023/24 £'000		2024/25 £'000
16,599	Trade receivables	7,343
2,941	Prepayments	2,381
9,566	Council Tax and NNDR receivables	1,456
28,394	Other receivable amounts	30,148
57,500	**Total**	**41,328**

Note 19.1: Long-Term Debtors

2023/24 £'000		2024/25 £'000
2,433	Adult Social Care - Deferred Debt	1,908
2,433	**Total**	**1,908**

Note 20: Cash and Cash Equivalents

The balance of Cash and cash equivalents comprises the following elements:

2023/24 £'000		2024/25 £'000
0	Cash held by the authority	0
17,274	Bank accounts and other cash deposits	17,306
17,274	**Total**	**17,306**

Note 21: Short-Term Creditors

2023/24 £'000		2024/25 £'000
28,194	Trade payables	27,086
4,139	Receipts in advance	3,766
19,382	Other payables	27,986
51,715	**Total**	**58,838**

Note 22: Provisions

Business Rates appeals are split between preceptors on a % allocation basis. The Council's precept share of the Collection Fund remained unchanged at 49% (as at 31 March 2025).

	Business rates provision for appeals £'000	Energy charges dispute provision £'000	Sub-total of current provisions £'000	Crookham (extraction of minerals) provision £'000	Sub-total of long-term provisions £'000	Total £'000
Balance at 1 April 2024	**1,715**	**69**	**1,784**	**9**	**9**	**1,793**
Additional provisions made in 2024/25	959	7	966	0	0	966
Amounts used in 2024/25	(1,715)	0	(1,715)	(9)	(9)	(1,724)
Balance at 31 March 2025	**959**	**76**	**1,035**	**0**	**0**	**1,035**

Business rates provision for appeals

This provides for likely appeals by businesses challenging the rateable value of their property. Business rates appeals are split between preceptors. The Council's share of the provision is 49%, resulting in the amounts shown above.

Energy charges dispute provision

This provides for amounts relating to energy costs for a shared use facility.

Comparative amounts for 2023/24 are as follows:

	Business rates provision for appeals £'000	Energy charges dispute provision £'000	Sub-total of current provisions £'000	Crookham (extraction of minerals) provision £'000	Sub-total of long-term provisions £'000	Total £'000
Balance at 1 April 2023	**1,268**	**0**	**1,268**	**9**	**9**	**1,277**
Additional provisions made in 2023/24	1,715	69	1,784	0	0	1,784
Amounts used in 2023/24	(1,268)	0	(1,268)	0	0	(1,268)
Balance at 31 March 2024	**1,715**	**69**	**1,784**	**9**	**9**	**1,793**

Note 23: Usable Reserves

Movements in the Council's Usable Reserves are detailed in the Movement in Reserves Statement.

Note 24: Unusable Reserves

2023/24 £'000		2024/25 £'000
196,479	Revaluation Reserve	167,966
178,935	Capital Adjustment Account	167,299
(107,463)	Pension Reserve	(68,268)
(9,450)	Dedicated Schools Grant (DSG) Adjustment Account	(16,133)
(4,798)	Collection Fund Adjustment Account	(6,538)
(4,650)	Accumulated Absences Account	(5,312)
249,053	**Total Unusable Reserves**	**239,014**

The Council holds no unusable Financial Instruments Reserves as all applicable balances are short-term in nature, and none meet the definition of a Reserve.

Note 24.1: Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and gains are lost;
- used in the provision of services and the gains are consumed through depreciation or;
- 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 Sheet within the Capital Adjustment Account.

2023/24 £'000		2024/25 £'000
183,780	**Balance at 1 April**	**196,479**
21,052	Upward revaluation of assets	6,418
(3,436)	Downward revaluation of assets and impairment losses not charged to the deficit on the provision of services	(9,709)
17,616	Surplus or deficit on the revaluation of non-currrent assets not posted to the deficit on the provision of services	**(3,291)**
(1,814)	Difference between fair value depreciation and historical cost depreciation	(1,695)
(3,103)	Accumulated losses on assets sold or scrapped	(23,527)
(4,917)	**Amount written off to the Capital Adjustment Account**	**(25,222)**
196,479	**Balance at 31 March**	**167,966**

Note 24.2: 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 amortisation 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 and gains recognised on donated assets that have yet to be consumed by the Authority. 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. Note 8 provides details of the source of all transactions posted to the account, apart from those involving the Revaluation Reserve.

2023/24 £'000		2024/25 £'000
177,271	**Balance at 1 April**	**178,935**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(12,536)	Charges for depreciation and impairment of non-current assets	(15,237)
(15)	Revaluation gains/(losses) on property, plant and equipment	10,888
(732)	Amortisation of intangible assets	(803)
(5,892)	Revenue Expenditure Funded from Capital Under Statute (REFCUS)-including Exceptional Financial Support	(18,959)
(8,519)	Non - current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement (CIES)	(15,141)
(200)	Gain on recognition of donated assets	0
(27,894)		**(39,252)**
0	Adjusting amounts written out of the Revaluation Reserve	1,695
(27,894)	**Net written out amount of the cost of non-current assets consumed in the year**	**(37,557)**
	Capital financing applied in the year:	
26,771	Application of grants to capital financing from the Capital Grants Unapplied Account	23,400
4,061	Use of the Capital Receipts Reserve to finance capital expenditure	0
3,936	Statutory provision for the financing of capital investment charged against the General Fund	4,500
34,768		**27,900**
(5,210)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(1,979)
178,935	**Balance at 31 March**	**167,299**

Note 24.3: Collection Fund Adjustment Account

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

2023/24 £'000		2024/25 £'000
(1,504)	**Council Tax - balance at 1 April**	(1,848)
(344)	Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(101)
(1,848)	**Council Tax - balance at 31 March**	(1,949)
6,569	**Business Rates - balance at 1 April**	(2,950)
(9,519)	Amount by which Business Rates income credited to the Comprehensive Income and Expenditure Statement is different from Business Rates income calculated for the year in accordance with statutory requirements	(1,639)
(2,950)	**Business Rates - balance at 31 March**	(4,589)
(4,798)	**Collection Fund Adjustment Account balance at 31 March**	(6,538)

Note 24.4: Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24 £'000		2024/25 £'000
(4,552)	**Balance at 1 April**	(4,650)
(98)	Amount by which officers' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(662)
(4,650)	**Balance at 31 March**	(5,312)

Note 24.5: Pension Reserve

The Pension 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. However, statutory accounting arrangements require benefits earned to be financed as the Authority makes employer contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources that 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.

2023/24 £'000		2024/25 £'000
(130,893)	**Balance at 1 April**	**(107,463)**
26,045	Remeasurement of the net defined benefit liability	66,515
0	Accounting impact of the asset ceiling	(30,341)
(20,687)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	(16,788)
18,072	Employer's pension contributions and direct payments to pensioners payable in the year	19,809
(107,463)	**Balance at 31 March**	**(68,268)**

Note 24.6: Dedicated Schools Grant (DSG) Adjustment Account

The Dedicated Schools Grant Adjustment Account houses the accumulated deficit on the Council's deployment of Dedicated Schools Grant as at 31 March 2025, with statutory accounting arrangements requiring an in-year transfer from the General Fund.

2023/24 £'000		2024/25 £'000
(4,761)	**Balance at 1 April**	**(9,450)**
(4,689)	In-year deficit arising from the deployment of Dedicated Schools Grant	(6,683)
(9,450)	**Balance at 31 March**	**(16,133)**

Note 25: Cash flow statement - operating activities

The cashflows for operating activities include the following items:

2023/24 £'000		2024/25 £'000
(1,107)	Interest received	(1,092)
8,506	Interest paid	10,031
7,399	**Total**	**8,939**
	Net deficit on the provision of services adjusted for non - cash movements:	
14,306	Depreciation	14,868
87	Impairment	287
732	Amortisation	803
(8,999)	Increase/(decrease) in creditors	3,576
(20,701)	Decrease/(increase) in debtors	16,697
3	(Increase)/decrease in inventories	(11)
2,616	Movement in pension liability	(3,021)
5,724	Other non-cash items charged to the net deficit on the provision of services	3,037
(6,232)	**Total non-cash movements**	**36,236**

Note 26: Cash flow statement - investing activities

The (deficit)/surplus on the provision of services has been adjusted for the following items that are investing activities:

2023/24 £'000		2024/25 £'000
(41,631)	Purchase of property, plant and equipment, investment properties and intangible assets	(46,637)
0	Other payments for investing activities	0
5,548	Proceeds from the sale of property, plant and equipment, investment properties, intangible assets and assets held for sale	36,904
1,000	Other receipts from investing activities	0
(35,083)	**Net cash flows from investing activities**	**(9,733)**

Note 27: Cash flow statement - financing activities

The (deficit)/surplus on the provision of services has been adjusted for the following items that are financing activities:

2023/24 £'000		2024/25 £'000
47,849	Cash receipts of short-term borrowings and long-term borrowings	199,480
(863)	Cash payments for the reduction of outstanding liabilities relating to on-Balance Sheet PFI contracts	(915)
11,286	Repayments of short-term borrowings and long-term borrrowings	(181,157)
58,272	**Net cash flows from financing activities**	**17,408**

Note 28: Pooled Budgets

The pooled budget for Berkshire Community Equipment Service was established on 1 April 2012 under Section 31 of the Health Act 1999. A Section 75 agreement exists between the six Unitary Authorities in Berkshire and the two NHS Clinical Commissioning Groups covering the same geographical area. The pooled budget arrangement is administered by the lead authority, West Berkshire Council, on behalf of the partnership. The aim of the partnership is, through their collective purchasing power, to ensure cost-effective service delivery for the population of Berkshire.

The Better Care Fund (BCF) was established in 2015 as a pooled budget under Section 75 of the 2006 National Health Service Act. It is a programme spanning both the NHS and local government which seeks to provide an integrated health and social care service. The Council entered into a Section 75 agreement with NHS Berkshire West Clinical Commissioning Group to comply with the requirements of the Better Care Fund (BCF), the aims and benefits of which include:

1. Improving the quality and efficiency of Health and Social Care Services.
2. Meeting the National Conditions set by NHS England and Local Objectives.
3. Making more effective use of resources through the establishment and maintenance of a pooled fund for revenue expenditure on the services.

2023/24 £'000	Berkshire Community Equipment Service	2024/25 £'000
	Funding provided to the pooled budget:	
(1,058)	West Berkshire	(994)
(7,865)	Berkshire Clinical Commissioning Groups	(7,162)
(4,154)	Other unitary authorities	(4,113)
(172)	Other (Limited /CIC)	(196)
(13,249)	**Total income**	**(12,465)**
	Expenditure met from the pooled budget:	
1,058	West Berkshire	994
7,865	Berkshire Clinical Commissioning Groups	7,162
4,154	Other unitary authorities	4,113
172	Other (Limited /CIC)	196
13,249	**Total expenditure**	**12,465**

2023/24 £'000	Better Care Fund (Revenue)	2024/25 £'000
	Funding provided to the pooled budget:	
(7,222)	NHS Berkshire West CCG	(7,829)
(7,222)	**Total income**	(7,829)
	Expenditure met from the pooled budget:	
	West Berkshire:	
987	Physical Support	1,059
770	Memory and Cognition Support	820
2,528	Learning Disabilities Support	2,615
780	Carers Support	808
1,676	Reablement	1,754
481	Other	773
7,222	**Total expenditure**	**7,829**

Note 29: Members' Allowances

The Authority paid the following amounts to Members of the Authority during the year:

2023/24 £'000		2024/25 £'000
520	Salaries	559
7	Car allowances	6
1	Expenses	3
528	**Total**	**568**

Note 30.1: Senior Officer Remuneration

The remuneration paid to senior officers was as follows:

	Financial year	Note	Salary, fees and allowances	Bonuses	Expenses	Benefits in kind	Pension contributions	Total
			£	£	£	£	£	£
Chief Executive-Joseph Holmes	2024/25	A	65,294	0	593	0	11,286	77,173
Chief Executive-Nigel Lynn	2024/25	B	180,913	0	312	0	17,278	198,503
Chief Executive-Nigel Lynn	2023/24		161,087	0	463	0	27,777	189,327
Executive Director-People	2023/24	C	60,908	0	185	0	10,098	71,191
Executive Director-People-ASC-Paul Coe	2024/25		139,870	0	73	0	24,172	164,115
Executive Director-People-ASC	2023/24	D	75,062	0	0	0	12,971	88,033
Executive Director-People-Children/Family Services-Ann Marie Dodds	2024/25		144,323	0	1,100	0	24,942	170,365
Executive Director-People-Children Services	2023/24		64,784	0	0	0	11,196	75,980
Executive Director-Place-Clare Lawrence	2024/25		134,670	0	0	0	23,272	157,942
Executive Director-Place-Clare Lawrence	2023/24		130,399	0	293	0	22,516	153,208
Executive Director-Resources-Joseph Holmes	2024/25	E	93,148	0	255	0	16,140	109,543
Executive Director-Resources	2024/25	F	46,944	0	0	0	8,113	55,057
Executive Director-Resources-Joseph Holmes	2023/24		140,077	0	723	0	24,207	165,007
Service Director-Children's Social Care	2024/25		88,441	0	131	0	15,279	103,851
Head of Education	2023/24		81,479	0	244	0	14,029	95,752
Service Director-Strategy, ICT and Governance	2024/25	G	77,714	0	0	0	13,427	91,141
Service Director-Strategy and Governance	2023/24		125,109	0	0	0	21,618	146,727
Service Director-Community Services	2024/25		101,832	0	0	0	16,384	118,216
Service Director-Communities and Wellbeing	2023/24		97,721	0	0	0	13,182	110,903
Service Director-Finance, Property and Procurement	2024/25	H	24,713	0	0	0	4,272	28,985
Service Director-Finance, Property and Procurement	2024/25	I	63,997	0	336	0	11,050	75,383
Service Director-Development and Housing	2024/25		72,089	0	2,760	0	12,454	87,303
Service Director-Development and Regulation	2023/24	J	0	0	0	0	0	0
Service Director-Environment	2024/25		107,144	0	80	0	18,458	125,682
Service Director-Environment	2023/24		103,120	0	5	0	17,724	120,849
Service Director-Adult and Social Care	2024/25	K	4,039	0	0	0	698	4,737
Service Director-Adult and Social Care	2024/25	L	101,607	0	5	0	16,937	118,549
Service Director-Adult and Social Care	2024/25	L	99,413	0	678	0	17,033	117,124
Service Director-Adult and Social Care	2023/24	L	96,472	0	191	0	16,595	113,258
Service Director-Adult and Social Care	2023/24	L	93,826	0	56	0	15,580	109,462
Service Director-Education and SEND	2024/25	M	88,441	0	0	0	15,279	103,720
Service Director-Transformation	2024/25		101,722	0	139	0	17,762	119,623
Service Director-Transformation	2023/24	N	78,017	0	0	0	13,457	91,474

Notes:
A: Interim Chief Executive (appointed November 2024)
B: Former employee (left the employ November 2024)
C: Post removed (June 2023). Post occupied by Paul Coe, whose total remuneration was £71,191 + £88,033 = £159,224
D: Post created (June 2023). Post occupied by Paul Coe, whose total remuneration was £71,191 + £88,033 = £159,224
E: Employee left post (November 2024). Section 151 Officer until November 2024
F: Employee started in post (December 2024)
G: Employee left post (December 2024)
H: Joint acting director (April 2024 to September 2024)
I: Joint acting director (April 2024 to September 2024), and director from September 2024 onwards. Section 151 Officer from November 2024
J: Post vacant (financial year 2023/24)
K: Employee started in post (March 2025)
L: Joint acting director
M: Employee started in post (June 2024)
N: Post created (June 2023)

Note 30.2: Officer Remuneration

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

2023/2024				2024/2025	
Council Employees	School Employees	Remuneration Band £		Council Employees	School Employees
88	88	50,000	54,999	113	68
47	64	55,000	59,999	69	33
25	36	60,000	64,999	35	26
30	22	65,000	69,999	22	17
13	16	70,000	74,999	15	15
18	15	75,000	79,999	13	12
6	9	80,000	84,999	13	7
3	12	85,000	89,999	6	5
0	6	90,000	94,999	0	5
3	0	95,000	99,999	3	0
2	2	100,000	104,999	1	1
1	1	105,000	109,999	4	2
0	2	110,000	114,999	2	1
1	1	115,000	119,999	1	0
0	0	120,000	124,999	0	0
0	0	125,000	129,999	0	0
0	0	130,000	134,999	0	1
1	2	135,000	139,999	1	0
1	0	140,000	144,999	0	0
2	0	145,000	149,999	1	0
1	1	150,000	154,999	1	0
1	0	155,000	159,999	0	0
0	0	160,000	164,999	1	0
0	0	165,000	169,999	1	0
0	0	170,000	174,999	0	0
0	0	175,000	179,999	0	0
0	0	180,000	184,999	0	0
0	0	185,000	189,999	0	0
0	0	190,000	194,999	1	0
243	**277**	**Total**		**303**	**193**

Note 30.3: Exit packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the following table:

2023/24					2024/25			
(b) Number of compulsory redundancies	(c) Number of other departures agreed	(d) Total number of exit packages by cost band [(b) + (c)]	(e) Total cost of exit packages in each band £'000	(a) Exit package cost band (including special payments) £	(b) Number of compulsory redundancies	(c) Number of other departures agreed	(d) Total number of exit packages by cost band [(b) + (c)]	(e) Total cost of exit packages in each band £'000
				Council employees				
3	4	7	49	0 - 20,000	2	4	6	45
0	0	0	0	20,001 - 40,000	0	1	1	31
0	0	0	0	40,001 - 60,000	0	0	0	0
0	0	0	0	60,001 - 80,000	0	0	0	0
1	0	1	84	80,001 - 100,000	0	1	1	81
0	0	0	0	100,001 - 150,000	0	0	0	0
0	0	0	0	150,001 - 200,000	0	0	0	0
0	0	0	0	200,001 - 250,000	0	0	0	0
4	**4**	**8**	**133**	**Total**	**2**	**6**	**8**	**157**
				School employees				
5	2	7	39	0 - 20,000	0	2	2	10
0	0	0	0	20,001 - 40,000	1	0	1	30
0	0	0	0	40,001 - 60,000	1	0	1	54
0	0	0	0	60,001 - 80,000	0	0	0	0
0	0	0	0	80,001 - 100,000	0	0	0	0
0	0	0	0	100,001 - 150,000	0	0	0	0
5	**2**	**7**	**39**	**Total**	**2**	**2**	**4**	**94**

Note 31: External audit costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non-audit services provided by the Authority's external auditor (KPMG) and Grant Thornton:

2023/24 £'000		2024/25 £'000
272	Fees payable to KPMG with regard to external audit services carried out for the year	297
(109)	Fees payable to Grant Thornton with regard to external audit services carried out for previous years (net refund)	(41)
42	Fees payable to KPMG in respect of housing benefit assurance audit	169
0	Fees payable in respect of Value for Money (VfM) audit	76
0	Fees payable in respect of teachers' pension audit	30
205	**Total**	**531**

Note 32: Disclosure of deployment of Dedicated Schools Grant

The Authority's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency, the Dedicated Schools Grant (DSG). The DSG allocation is largely based on the number of pupils recorded in the previous October school census. An element of DSG is recouped by the Department to fund academy schools in the Authority's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2018.

The Schools Budget includes elements for a range of educational services provided on an authority-wide basis (mainly for children educated out of maintained school settings including special needs placements) and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained primary and secondary school.

Details of the deployment of DSG received for 2024/25 is as follows:

	2024/25		
	Central expenditure £'000	**Individual schools budget £'000**	**Total £'000**
Final DSG before academy and high needs recoupment			184,153
Academy and high needs figure recouped			(55,783)
Total DSG after academy and high needs recoupment			**128,370**
Agreed initial budgeted distribution for 2024/25	**25,651**	**102,719**	**128,370**
In-year adjustments	126	0	126
Final budget distribution for 2024/25	**25,777**	**102,719**	**128,496**
Less: Actual central expenditure	(34,085)	0	(34,085)
Plus: Local Authority contribution	1,518	0	1,518
Less: Actual ISB deployed to schools	0	(102,612)	(102,612)
Carried forward to 2025/26	**(6,790)**	**107**	**(6,683)**
DSG unusable reserve at end of 2023/24 - Note 24.6			(9,450)
Reduction to DSG unusable reserve for 2024/25 - Note 24.6			(6,683)
Total DSG unusable reserve at the end of 2024/25 - Note 24.6			**(16,133)**
Net DSG position at the end of 2024/25			**(16,133)**

Comparative amounts for 2023/24 are as follows:

	Central expenditure £'000	**Individual schools budget £'000**	**Total £'000**
Final DSG before academy and high needs recoupment			167,418
Academy and high needs figure recouped			(52,008)
Total DSG after academy and high needs recoupment			**115,410**
Agreed initial budgeted distribution for 2023/24	**24,281**	**91,129**	**115,410**
In-year adjustments	(165)	0	(165)
Final budget distribution for 2023/24	**24,116**	**91,129**	**115,245**
Less: Actual central expenditure	(28,532)		(28,532)
Less: Actual ISB deployed to schools		(91,402)	(91,402)
Carried forward to 2024/25	**(4,416)**	**(273)**	**(4,689)**
DSG unusable reserve at end of 2022/23 - Note 24.6			(4,761)
Reduction to DSG unusable reserve for 2023/24 - Note 24.6			(4,689)
Total DSG unusable reserve at the end of 2023/24 - Note 24.6			**(9,450)**
Net DSG position at the end of 2023/24			**(9,450)**

Note 33.1: Grant Income

Agent and principal are key criteria in determining the accounting treatment of income amounts received. An agent arranges for a third party to provide services to an end customer whilst a principal directly provides those services. Accordingly, only those sums which are principal in nature have been treated as Authority income. All grant and contribution amounts received in 2024/25 and 2023/24 were assessed in detail, and the principal items below were credited to the Comprehensive Income and Expenditure Statement:

2023/24	Grants credited to taxation and non-specific grant income	2024/25
£'000		£'000
	Non-ringfenced government grants	
6,793	Adult Social Care Support Grant	8,946
8,735	Collection Fund Section 31 Grants	10,854
1,486	Market Sustainability and Improvement Fund	2,191
0	Funding Guarantee Grant	1,683
1,065	New Homes Bonus	704
1,128	Other	990
19,207	**Total non-ringfenced government grants**	**25,368**
	Capital grants	
23,024	Capital Grants and Contributions	17,856
4,760	Community Infrastructure Levy (CIL)	1,615
0	Section 106 Contributions	1,746
27,784	**Total capital government grants**	**21,217**

2023/24	Contributions, reimbursements and donations from government credited to services	2024/25
£'000		£'000
115,410	Dedicated Schools Grant (DSG)	126,233
24,563	Housing Benefit Subsidy	24,096
13,722	Learning Support Council, Skills and Education Funding Agencies	19,730
6,341	Public Health	6,762
2,312	Private Finance Initiative	2,312
2,106	Unaccompanied Asylum Seekers	2,109
2,104	Afghan Schemes' Funding	1,612
1,390	Household Support Fund Grant	1,390
1,142	Homes for Ukraine Grant	93
1,065	Schools' Supplementary Grant	0
928	Improved Better Care Fund	849
753	Rough Sleeping Initiative	570
298	Housing Benefit Administration	293
0	Covid-19 Grants	149
4,926	Other Specific Government Grants	6,272
1,478	Other Grants and Contributions	1,090
178,538	**Total government grants credited to services**	**193,560**

Note 33.2: Grant receipts in advance

The Authority's current liabilities and long-term liabilities relating to grant receipts in advance within the Balance Sheet are as follows:

2023/24 £'000	Grant income - current liabilities	2024/25 £'000
	Grant receipts in advance (capital grants)	
(13,788)	DfE High Needs Grant	(13,951)
(3,683)	Department for Transport Capital Funding	(4,077)
(1,324)	CIL contributions for town parishes	(938)
(1,122)	BDUK (Superfast Broadband)	0
(1,078)	Housing Grants	(290)
(349)	Section 106	(23)
(90)	Other	(326)
0	DEFRA	(40)
0	Sport England Grant	(125)
0	Disabled Facilities Grant	(341)
(21,434)	**Total grant receipts in advance (capital grants)**	**(20,111)**
	Grants receipts in advance (revenue grants)	
(3,494)	Other Grants	(1,119)
(548)	Business Services Improvement Plan	(536)
(364)	Supporting Families	(248)
(324)	Planning Software Improvement Fund	(288)
(186)	Adult Skills and Community Learning	(141)
(68)	Improved Better Care Fund	(25)
(55)	Early Years' Funding	(23)
0	Delivering Better Value in SEND	(167)
0	Local Electric Vehicle Infrastructure	(116)
0	Community Wellness Outreach Service Fund	(102)
0	Combined Active Travel Fund	(100)
0	Nutrient Support Fund	(100)
(5,039)	**Total grants receipts in advance (revenue grants)**	**(2,965)**

2023/24 £'000	Grant income - long-term liabilities	2024/25 £'000
	Grant receipts in advance (capital grants)	
(7,420)	Section 106	(6,842)
(7,420)	**Total grant receipts in advance (capital grants)**	**(6,842)**

Note 34: 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 Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority 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.

2023/24		2024/25
£'000		£'000
161	St Bartholomew's School	184
171	NHS Berkshire West CCG	160
240	Sovereign Housing Group	248
572	**Total**	**592**

Note 35: Capital expenditure financing

The total amount of capital expenditure incurred in the year is shown in this table (including the value of assets acquired under finance leases), 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, this 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.

2023/24		2024/25
£'000		£'000
279,881	Opening capital financing requirement	292,870
15	Restatement to opening capital financing requirement	0
279,896	**Restated opening capital financing requirement**	**292,870**
	Capital investment	
38,711	Property, plant and equipment	26,874
0	Investment properties	25
1,432	Intangible assets	1,794
5,892	Revenue Expenditure Funded from Capital Under Statute (REFCUS)-including Exceptional Financial Support	18,959
1,707	Assets under construction	7,089
	Sources of finance	
(30,832)	Government grants and other contributions	(23,400)
0	Sums set aside from revenue	0
0	Direct revenue contributions	0
(3,936)	Minimum Revenue Provision (MRP)	(4,500)
292,870	**Closing capital financing requirement**	**319,711**
	Explanation of movements in the year:	
0	Increase in underlying need to borrow (supported by government financial assistance)	0
16,910	Increase in underlying need to borrowing (unsupported by government financial assistance)	30,738
(3,936)	Statutory provision for repayment of debt (MRP)	(4,500)
0	Assets acquired under IFRS 16 Leases	603
12,974	**Total**	**26,841**

Note 36.1: Authority as a lessor - Operating leases

The Council is a lessor for a number of operating leases, with the majority relating to land and buildings assets.

The following table represents the minimum lease instalments payable:

2023/24 £'000		2024/25 £'000
3,504	Not later than one year	3,522
11,017	Later than one year and not later than five years	8,617
32,632	Later than five years	30,331
47,153	**Total**	**42,470**

Note 36.2: Authority as a lessee - Operating leases

In 2024/25, the Council applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The principal impacts of the new requirements are that a right-of-use asset (long-term assets) and a lease liability (current liabilities and long-term liabilities) are accounted for in respect of a business arrangement that was previously treated as an operating lease, and where no asset or liability was recognised in the Balance Sheet. Leases for items of low value and assets whose lease terms are less than 12 months are exempt from the reporting requirements of IFRS 16.

IFRS 16 has been applied retrospectively but with the cumulative effect recognised as at 1 April 2024. In practice, this ensures that right-of-use assets and lease liabilities are calculated on the basis that IFRS 16 had always applied and therefore no prior financial year amounts are restated.

Lease liabilities are measured at the present value of the remaining lease payments as at 1 April 2024, discounted by the Council's weighted average incremental borrowing rate at that point in time.

Right-of-use assets are measured at the same amount as the lease liability, adjusted for any prepaid or accrued lease payments included in the 31 March 2024 Balance Sheet and any initial direct costs have been excluded.

Note 36.2: Authority as a lessee - Operating leases (continued)

This has resulted in the following accounting entry within the Council's 2024/25 Comprehensive Income and Expenditure Statement (CIES):

- £0.03m interest expense on lease liabilities

The following accounting entries have been processed in the 2024/25 Balance Sheet:

- £12.7m property, plant and equipment - other land and buildings (right-of-use assets)
- £0.3m property, plant and equipment - vehicles, plant, furniture and equipment (right-of-use assets)
- £0.02m property, plant and equipment - community assets (right-of-use assets)
- £0.1m short-term creditors (lease liabilities)
- £0.4m long-term creditors (lease liabilities)

The following accounting entries have been processed in the 2024/25 Cashflow Statement:

- £0.2m total cash outflows for leases
- £0.03m cash payments for interest portion of lease liabilities

The table below itemises the change in the value of the right-of-use assets held under leases by the Council:

	Other land and buildings	Vehicles, plant, furniture and equipment	Community assets	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2024	12,974	441	23	13,438
Additions	54	0	0	54
Adjustment for right-of-use assets	0	0	0	0
Revaluation	0	0	0	0
Depreciation	(300)	(116)	(1)	(417)
Derecognition	0	0	0	0
Balance at 31 March 2025	**12,728**	**325**	**22**	**13,075**

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

	2024/25
	£'000
Not later than one year	135
Later than one year and not later than five years	135
Later than five years	279
Total undiscounted liabilities	**549**

Note 37.1: Private Finance Initiatives (PFI) and similar contracts - payments

The Council entered into a PFI contract with Veolia ES West Berkshire Limited in March 2008 for the provision of waste collection and disposal services. The contract included provision of an Integrated Waste Management Facility (IWMF), built on Council owned land at Padworth Sidings. This £25.97m facility opened on 19 October 2011, and is recognised as both an asset and liability in the Balance Sheet. However, whilst capital repayments actually commenced from 1 April 2013 notional capital payments have been spread over the 21 years from the month of opening to the end of the PFI contract on 30 September 2032.

The future payment stream is estimated as follows:

	Payment for services	Reimbursement of capital expenditure	Interest	Total
	£'000	£'000	£'000	£'000
Payable in 2025/26	21,396	971	543	22,910
Payable within 2 to 5 years	92,745	4,515	1,540	98,800
Payable within 6 to 10 years	63,288	3,406	379	67,073
Payable within 11 to 15 years	0	0	0	0
Total	**177,429**	**8,892**	**2,462**	**188,783**

Comparative amounts for 2023/24 are as follows:

	Payment for services	Reimbursement of capital expenditure	Interest	Total
	£'000	£'000	£'000	£'000
Payable in 2024/25	21,166	915	599	22,680
Payable within 2 to 5 years	91,317	4,255	1,800	97,372
Payable within 6 to 10 years	88,794	4,637	662	94,093
Payable within 11 to 15 years	0	0	0	0
Total	**201,277**	**9,807**	**3,061**	**214,145**

Note 37.2: Private Finance Initiatives (PFI) and similar contracts - liability

The payments have been calculated to compensate Veolia ES West Berkshire Limited for the fair value of the services provided, the capital expenditure incurred and interest payable. The capital asset movement recognised by the Council and the associated outstanding PFI liability for capital expenditure incurred by Veolia ES West Berkshire Limited is disclosed below. At the end of the contract, the IWMF will revert, at no residual cost, back to the Council.

The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

2023/24		2024/25
£'000		£'000
10,670	Balance outstanding at start of year	9,807
(863)	Payments during the year	(915)
9,807	**Balance outstanding at end of year**	**8,892**

Note 38.1: Pension liability recognised in the Balance Sheet

2023/24 £'000		2024/25 £'000
498,416	Present value of defined benefit obligation	438,460
(396,183)	Fair value of Fund assets (bid value)	(405,025)
102,233	**Deficit**	**33,435**
0	Accounting impact of asset ceiling	30,341
5,230	Present value of unfunded obligation	4,492
107,463	**Net defined benefit liability**	**68,268**

2023/24 £'000	Reconciliation of opening and closing balances of the fair value of Fund assets	2024/25 £'000
358,719	**Opening fair value of Fund assets**	**396,183**
17,304	Interest on assets	20,097
16,945	Return on assets less interest	(11,147)
(386)	Administrative expenses	(368)
18,072	Contributions by employer including unfunded	19,809
4,933	Contributions by scheme participants and other employers	5,203
(19,404)	Estimated benefits paid plus unfunded net of transfers in	(22,753)
0	Settlement prices (paid)/received	(1,999)
396,183	**Closing fair value of Fund assets**	**405,025**

Retirement benefit costs are recognised in the Comprehensive Income and Expenditure Statement when earned by employees.

The Council pays employer's contributions into the Royal County of Berkshire Pension Fund. The contribution rate is determined by the Fund's Actuary based upon triennial valuations, the last relevant review being as at 31 March 2022. Under Pension Fund regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund over time. The current contribution rate is 17.3% of pensionable pay for current service plus a lump sum payment of £5.2m to cover the past service deficit element (17.3% contribution rate and £4.8m lump sum payment in 2023/24).

The amounts quoted above reflect an 18.3% share of Berkshire County Council liabilities and assets.

Note 38.2: Asset and benefit obligation reconciliation

2023/24 £'000	Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2024/25 £'000
489,612	**Opening defined benefit obligation**	**503,646**
14,645	Current service cost	14,184
23,158	Interest cost	24,241
(4,545)	Change in financial assumptions	(75,220)
(6,518)	Change in demographic assumptions	(1,239)
1,765	Experience (gain)/loss on defined benefit obligation	(1,203)
0	Liabilities (extinguished)/assumed on settlements	(3,952)
(18,846)	Estimated benefits paid net of transfers in	(22,174)
0	Past service costs, including curtailments	45
4,933	Contributions by Scheme participants and other employers	5,203
(558)	Unfunded pension payments	(579)
503,646	**Closing defined benefit obligation**	**442,952**

Note 38.3: Fair value of scheme assets

2023/24 £'000	%		2024/25 £'000	%
272,534	68	Equities	274,037	68
52,039	13	Other Bonds	59,169	14
36,065	9	Property	33,934	8
3,648	1	Cash	7,377	2
49,636	13	Infrastructure	47,327	12
(17,739)	(4)	Longevity Insurance	(16,819)	(4)
396,183	**100**	**Total**	**405,025**	**100**

Note 38.4: Defined benefit pension scheme - key assumptions

2023/24	Assumed life expectancy from age 65 (years)	2024/25
	Retiring today:	
20.8	Males	20.7
23.6	Females	23.6
	Retiring in 20 years:	
22.0	Males	22.0
25.0	Females	25.0

2023/24	Financial assumptions	2024/25
4.90%	Discount rate	5.85%
2.90%	Pension increases (CPI)	2.90%
3.20%	RPI inflation	3.20%
3.90%	Salary increases	3.90%

Note 38.5: Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	436,445	442,952	449,620
Projected service cost	10,504	10,871	11,249
Adjustment to long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	443,373	442,952	442,534
Projected service cost	10,871	10,871	10,871
Adjustment to pension increases and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	449,386	442,952	436,672
Projected service cost	11,265	10,871	10,488
Adjustment to life expectancy assumptions	**+1 Year**	**None**	**-1 Year**
Present value of total obligation	457,657	442,952	428,766
Projected service cost	11,269	10,871	10,482

Note 39: Nature and extent of risks arising from financial instruments risk

The Council's borrowing and investment activities expose it to a variety of financial risks. The key risks are:

Credit risk – the possibility that other parties might fail to pay amounts due to the Council;

Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments;

Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;

Market risk - the possibility that financial loss might arise for the Council as a result of changes in financial markets such as interest rates and stock market movements.

The Council's overall procedures for managing risk

The Council's overall risk procedures focus on the unpredictability of financial markets and implementing restrictions to mitigate those risks. The procedures for managing risk are defined within a legal framework based on the Local Government Act 2003 and associated regulations. These procedures require the Council to comply with the CIPFA Prudential Code (2019), the Treasury Management in the public services Code of Practice and investment guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of CIPFA Treasury Management in the public services Code of Practice;
- By the adoption of a treasury policy statement and treasury management clauses within its financial regulations/standing orders/constitution;
- By approving annually in advance prudential and treasury indicators for the following 3 years limiting:
  - The Council's overall borrowing;
  - The maximum and minimum exposures to fixed and variable rates;
  - The maximum and minimum exposures to the maturity structure of debt;
  - The maximum annual exposures to investments maturing beyond a year;
- By approving an Investment Strategy for the next year setting out criteria for both investing and selecting investment counterparties in compliance with Government guidance.

Performance against these indicators is forecast at or before the start of the new financial year as part of the Annual Investment and Borrowing Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. The Investment and Borrowing Strategy for 2025/26 was approved by Council on 28 January 2025 and is available on the Council's website.

Actual performance is also reported to the Council Executive in November or December each year (the mid-year position) and in September (giving the final position for the financial year ended March).

Credit risk

Credit risk arises mainly from the investment of surplus funds with banks, building societies and other local authorities as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment and Borrowing Strategy, which is available on the Council's website.

Credit Risk Management Practices

The Council's investment strategy aims to minimise credit risk by ensuring that funds are only invested with financial institutions which meet minimum criteria for credit worthiness. This is measured either with reference to a recognised national credit rating agency or, in the case of building societies, to the size of their asset base. The strategy also imposes maximum sums which can be invested with financial institutions within each category (a maximum of £8 million with institutions) and states that fixed-term deposits should not normally be for longer than one year.

The Council reviews the established investment strategy on an ongoing basis to reflect advice provided by its treasury advisors in relation to the credit risk presented by different types of financial institution and alternative financial instruments. In the 2024/25 financial year the Council's treasury management advice specialist was MUFG

Amounts Arising from Expected Credit Losses

We have assessed the Council's short-term and long-term investments and concluded that the expected credit loss is not material therefore no allowances have been made.

During the year 2024/25, the Council wrote off financial assets with a contractual amount outstanding of £30k (£35k in 2023/24) that are still subject to enforcement activity.

Credit Risk Exposure

The Council has the following exposure to credit risk at 31 March 2025:

Credit Risk Rating	31 March 2025 Gross carrying amount £'000
AAAmmf	12,334
A+	138
A	2,279
AA-	0
Total	**14,751**

Short-term debtors at amortised cost *

The credit risk of short-term debtors can be shown by analysing the age of the debt as follows:

	31 March 2025 £'000
Less than 3 months	11,949
3 months to 1 year	2,079
1 year or more	370
Deferred payments through collateral	1,908
Total	**16,306**

** this note is concerned with the risks arising from financial instruments - the short-term debtors included in the financial instruments note does not include statutory debtors.*

Collateral

The Council initiates a legal charge on property where, for instance, clients require the assistance of social services but cannot afford to pay immediately. The total collateral at 31 March 2025 was £1.9m.

Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

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

Refinancing and Maturity risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature.

This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies to address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period

	Approved minimum limits 2024/25	Approved maximum limits 2024/25	Approved minimum limits 2024/25 £'000	Approved maximum limits 2024/25 £'000	Actual 31 March 2025 £'000	Actual 31 March 2024 £'000
Less than 1 year	0%	30%	0	83,005	65,615	46,732
Between 1 and 2 years	0%	30%	0	83,005	35,386	29,509
Between 2 and 5 years	0%	30%	0	83,005	16,609	12,788
Between 5 and 10 years	0%	30%	0	83,005	35,608	37,254
Between 10 and 15 years	0%	30%	0	83,005	20,476	26,997
Between 15 and 20 years	0%	30%	0	83,005	13,221	12,909
Between 20 and 25 years	0%	30%	0	83,005	12,399	13,392
Between 25 and 30 years	0%	30%	0	83,005	5,978	6,831
Between 30 and 35 years	0%	30%	0	83,005	5,951	6,529
Between 35 and 40 years	0%	30%	0	83,005	2,123	2,076
Between 40 and 45 years	0%	30%	0	83,005	63,317	63,724
Between 45 and 50 years	0%	30%	0	83,005	0	39
Total					**276,683**	**258,780**

Market risk

Interest rate risk

Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the comprehensive income and expenditure statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the comprehensive income and expenditure statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

The Council has a number of strategies for managing interest rate risk. The annual investment and borrowing management strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2025, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	618
Increase in government grant receivable for financing costs	0
Impact on surplus or deficit on the provision of services	**618**
Decrease in fair value of fixed rate investment assets	0
Impact on other comprehensive income and expenditure	**618**
Decrease in fair value of fixed rate borrowings liabilities (no impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure)	(12,842)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price risk

The Council does not generally invest in equity shares or marketable bonds.

Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Note 40: Capital commitments

At 31 March 2025, the Council entered several contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years. The major commitments over £0.5m are disclosed in the following table:

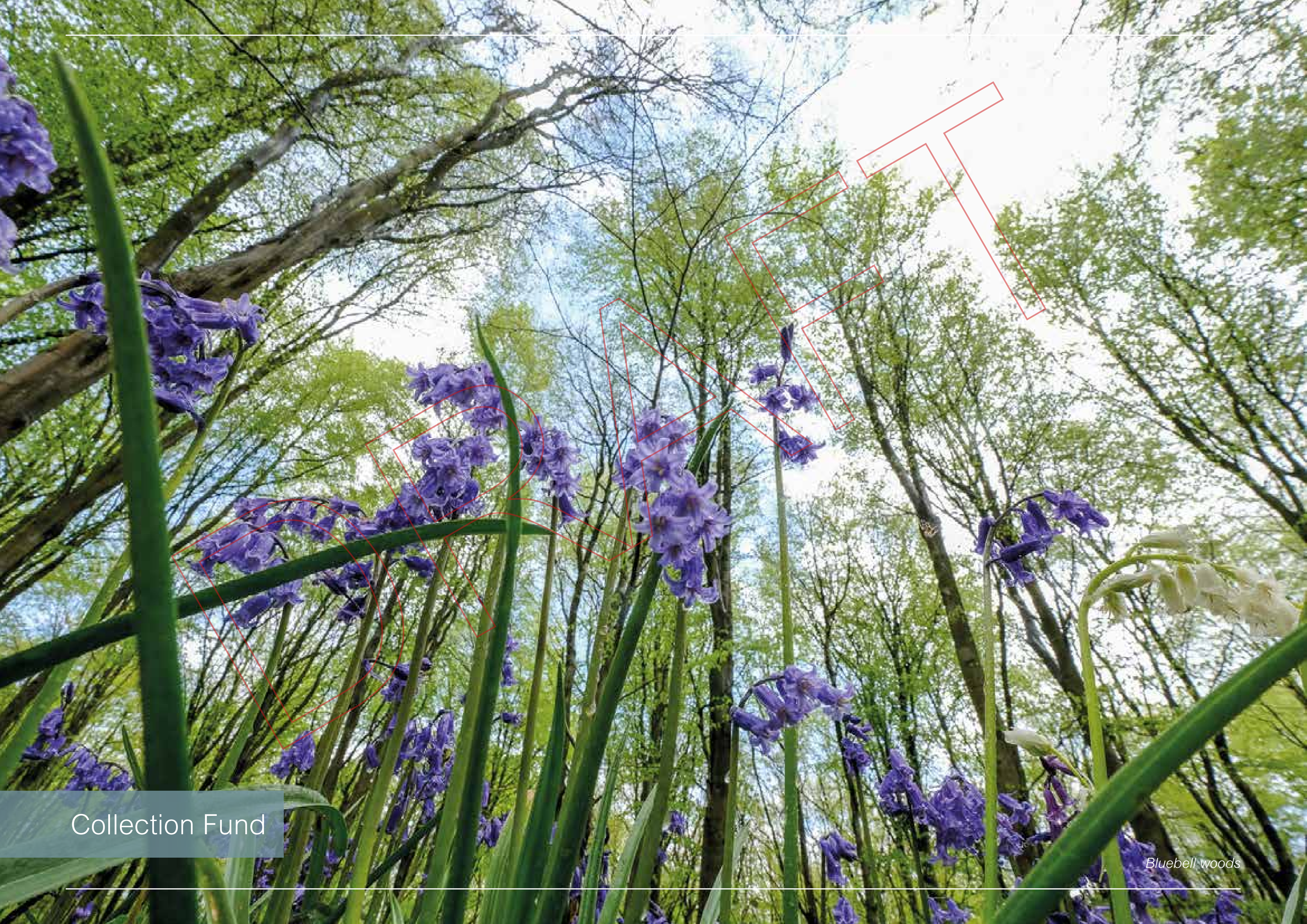
	2024/25 £'000
Northcroft Dryside Refurbishment	2,300
Social Care Management System	1,608
Total	**3,908**

Note 40.1: Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. The Council does not have any contingent assets at 31 March 2025

Note 40.2: Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. The Council does not have any contingent liabilities at 31 March 2025



Collection Fund

Bluebell woods

Note 41.1: Collection Fund Statement

2023/24 Council Tax £'000	2023/24 Business Rates £'000		2024/25 Council Tax £'000	2024/25 Business Rates £'000
		Income		
(142,533)	0	Council Tax receivable	(150,999)	0
0	(82,597)	Business Rates receivable	0	(95,796)
(611)	0	MOD contribution in lieu of Council Tax	(641)	0
(143,144)	**(82,597)**	**Total income**	**(151,640)**	**(95,796)**
		Contributions towards previous year's Collection Fund deficit:		
0	7,687	Central Government	0	(1,119)
(1,413)	7,533	West Berkshire Council	(1,933)	(1,097)
(196)	0	Thames Valley Police Authority	(272)	0
(60)	154	Royal Berkshire Fire Authority	(84)	(22)
(1,669)	**15,374**		**(2,289)**	**(2,238)**
		Expenditure		
		Precepts and demands:		
0	48,442	Central Government	0	52,009
122,480	47,473	West Berkshire Council	129,833	50,958
17,271	0	Thames Valley Police Authority	18,275	0
5,321	969	Royal Berkshire Fire Authority	5,518	1,040
145,072	**96,884**		**153,626**	**104,007**
		Charges to the Collection Fund:		
0	(11,399)	Transitional Relief Payment	0	(1,678)
299	0	Increase in allowance for impairment	419	325
0	912	(Decrease)/increase in allowance for appeals	0	(1,542)
0	268	Charge to the General Fund for allowable collection costs for Business Rates	0	268
(145)	0	Charge to the General Fund for Section 13A(1)(c) Discretionary Council Tax reliefs	0	0
154	**(10,219)**		**419**	**(2,627)**
		Allocation of previous year's estimated Collection Fund surplus:		
0	0	Central Government	0	0
0	0	West Berkshire Council	0	0
0	0	Thames Valley Police Authority	0	0
0	0	Royal Berkshire Fire Authority	0	0
0	**0**		**0**	**0**
143,557	**102,039**	**Total expenditure**	**151,756**	**99,142**
413	**19,442**	**Deficit arising during the year**	**116**	**3,346**
1,777	(13,422)	Deficit/(surplus) brought forward at 1 April	2,190	6,020
2,190	**6,020**	**Deficit carried forward at 31 March**	**2,306**	**9,366**

Note 41.2: Collection Fund Distribution of Deficit

2023/24 Council Tax £'000	2023/24 Business Rates £'000		2024/25 Council Tax £'000	2024/25 Business Rates £'000
0	3,010	Central Government	0	4,682
1,849	2,950	West Berkshire Council	1,948	4,590
261	0	Thames Valley Police Authority	273	0
80	60	Royal Berkshire Fire Authority	85	94
2,190	**6,020**	**Total**	**2,306**	**9,366**

Note 41.3: Council Tax Bandings

Council Tax Base		Band	Net Dwellings	Multiplier	Band D Equivalent
	Disabled	A	2.00	5/9	1.11
	up to £40,000	A	2,185.88	6/9	1,457.25
over £40,000	up to £52,000	B	5,053.54	7/9	3,930.53
over £52,000	up to £68,000	C	17,071.58	8/9	15,174.74
over £68,000	up to £88,000	D	16,023.48	9/9	16,023.48
over £88,000	up to £120,000	E	10,145.68	11/9	12,400.28
over £120,000	up to £160,000	F	6,800.54	13/9	9,823.00
over £160,000	up to £320,000	G	4,652.91	15/9	7,754.85
over £320,000		H	736.18	18/9	1,472.36
			62,671.79		68,037.60
	Adjustment for losses on collection			x	0.998
					67,901.52

Note 41.4: Business Rates Multiplier

2023/24 £'000		2024/25 £'000
112,592	Business Rates gross rateable value	121,726
51.2p	Standard Business Rate	54.6p
49.9p	Small Business Rate	49.9p
(29,995)	Reliefs and Transitions	(25,664)
82,597	**Net Business Rates receivable**	**96,062**

Glossary of Terms

12-month expected credit losses – The expected credit losses for a financial asset that are projected for the possible default events that might happen only in the next financial year.

Academy school – State-funded schools for which the Council has no responsibility but which are often created by being transferred from the Council's control.

Accounting Code of Practice – The Code of Practice on Local Authority Accounting in the United Kingdom, published annually by CIPFA. It contains the provisions that the Council must comply with in preparing the Statement of Accounts.

Accounting standards – The pronouncements of standard setting bodies that local authorities are required to follow (subject to adaptation by the Accounting Code). Primarily the IFRS framework administered by the International Accounting Standards Board.

Accounting policies – The specific principles, bases, conventions, rules and practices the Council applies in preparing and presenting the financial statements.

Accounts and Audit Regulations 2015 – The statutory rules that establish requirements for internal control and financial systems and specify the arrangements for the annual accounts and audit process.

Accruals accounting – A basis of accounting in which the effects of transactions and other events on an authority's resources are accounted for when the effects occur; not when the relevant cash receipts or payments take place. For instance, employee costs are treated as an expense as employees provide services to the authority, not when salaries are paid.

Actuarial gains and losses – Changes in the Council's pension's liabilities calculated at the end of the previous year as a result of actual events being different from those predicted by the actuary or because the actuary has updated their assumptions.

Actuary – The expert engaged by the Council to calculate its pension's liabilities.

Added years – Additional entitlement to pensions benefits sometimes added to an officer's years of service upon early retirement.

Additional voluntary contributions – Contributions made by officers to secure pensions benefits additional to those available under the Local Government Pension Scheme.

Adjustment account – A statutory reserve in the Balance Sheet that allows the General Fund Total to be managed so that expenditure can have an impact on the setting of council tax in a different year from that in which it would be an expense under proper accounting practices.

Administering authority – An authority that is responsible for administering a pension fund under the Local Government Pension Scheme.

Amortisation – The spreading of the cost of an asset over a number of financial years to fairly represent the period over which the Council benefits from the asset.

Amortised cost – A method of measuring financial instruments that ignores changes in fair value but takes into account the spreading of transactional costs over the instrument term and the impact of any concessionary interest rates.

Annual Governance Statement – A statement published with the Statement of Accounts prepared in accordance with the CIPFA/SOLACE publication Delivering Good Governance in Local Government: Framework. It assesses the effectiveness of the arrangements the Council has put in place to govern decision-making and accountability.

Assets – Present economic resources controlled by the Council as a result of past events. Assets include the Council's property, cash and investments and sums owed by other parties.

Asset ceiling – The limit on the amount of any net pension asset that will be recoverable in the form of reductions in future contributions to the pension fund.

Asset held for sale – An asset (or group of assets and liabilities) whose value will be recovered principally through sale rather than through its continued use in the provision of services.

Assets under construction – Property, plant and equipment that is being constructed for use by the Council but which is not yet operational.

Authorised Limit – The statutory limit on borrowing that the Council sets for itself under the Prudential Code and which it is not permitted to exceed.

Balance Sheet – The financial statement that summarises the assets and liabilities of the Council at the end of the financial year and shows how net assets are balanced by the reserves held by the Council.

Billing authority – An authority that is responsible for administering the collection of council tax and business rates, including issuing bills and distributing amounts collected to other authorities.

Borrowing costs – Interest and other costs that the Council incurs in connection with the borrowing of money.

Business rates – The tax raised on non-domestic properties, based each year on a multiplier set by the Government applied to an assessment of the value of the property.

Business rates retention – The system under which the Council is able to keep a proportion of the business rates raised in any year in excess of a baseline measure.

Capital Adjustment Account – The unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets (largely depreciation) and for the financing of the acquisition, construction or enhancement of those assets from revenue, grants, contributions and capital receipts as determined under statutory provisions. (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.)

Capital expenditure – The expenditure incurred by the Council that is intended to provide longer-term benefits and qualifies to be paid for from capital resources, rather than charged to revenue as it is incurred. The definition covers expenditure that results in the recognition of non-current assets in the Balance sheet and other transactions specified within Government regulations.

Capital financing – The Council's arrangements for meeting the cost of capital expenditure, covering capital grants and contributions, capital receipts and charges to revenue over the period that will benefit from the expenditure.

Capital Financing Requirement – The measure of the Council's capital expenditure that has yet to be financed, as defined in the Prudential Code. It increases as capital expenditure is incurred and reduces when resources are set aside as capital finance.

Capital grants – Grants given to meet the cost of capital expenditure.

Capital Grants Unapplied Account – The total in the Balance Sheet of capital grants that have not yet been used and will have to be repaid if conditions for their use are not met.

Capital programme – The Council's plans for capital expenditure, usually detailing the individual projects that are to be carried out, their budgeted cost and the expenditure incurred to date on them.

Capital receipts – Income received from the sale of non-current assets (particularly property) and from other transactions specified in Government regulations. Their use is largely restricted to financing capital expenditure.

Capital Receipts Reserve – The reserve in the Balance Sheet that holds the capital receipts that have yet to be applied to financing capital expenditure.

Cash - Notes and coins held by the Council and money in bank accounts that can be withdrawn on demand.

Cash Flow Statement – The financial statement that summarises the Council's cash inflows and outflows for the year, split into amounts for operating, investing and financing activities.

Cash equivalents – Investments that are comparable to cash, being short-term, highly liquid and readily convertible to known amounts of cash and unlikely to change in value.

CIPFA – The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services that issues guidance on accounts preparation for local authorities.

Collection Fund – The separate accounting arrangements for the collection of council tax and business rates and the sharing of the proceeds between the Council, Government and other public bodies.

Collection Fund Adjustment Account – The unusable reserve that manages the differences arising from the recognition of council tax and business rates income as it falls due from tax payers compared with the statutory arrangements for paying across annual entitlements from the Collection Fund to the General Fund.

Commencement of a lease term – The date when a lessor makes the leased item of property, plant or equipment available for use by the lessee.

Community assets – Property, plant or equipment that the Council intends to hold in perpetuity that has no determinable life (such as open spaces) and which may have restrictions on its disposal (excluding heritage assets).

Community schools – State-funded schools for which the Council is responsible for owning the land and buildings, employing the staff and determining admissions.

Componentisation – The process of splitting an asset into its component parts so that depreciation can be calculated separately for components with different useful lives.

Comprehensive Income and Expenditure Statement (CIES) – The financial statement that summarises the expenditure that the Council has incurred in providing services and the income it has generated during the year and other gains and losses arising from changes in the value of assets and liabilities.

Constructive obligation – An obligation that does not have a legal basis but arises from the Council's actions demonstrating that it will accept certain responsibilities and by which a valid expectation has been created that it will discharge those responsibilities.

Contingent asset – An asset that the Council might be able to recognise as a result of event that has happened before the year-end, but whose existence will not be confirmed until an uncertain future occurrence (not wholly within the Council's control) either takes place or does not.

Contingent liability – A possible obligation for the Council that arises as a result of an event that has happened before the year-end, but whose existence will not be confirmed until an uncertain future occurrence (not wholly within the Council's control) either takes place or does not.

Cost of services – The line in the Comprehensive Income and Expenditure Statement that summarises the Council's net expenditure on providing services, before considering non-service specific items.

Council tax – The tax raised on households, based each year on the position of the property in eight valuation bands A to H.

Credit risk – The risk that a party that the Council has lent money to or has made an investment with will not repay some or all of the loan or investment.

Creditors – The organisations and individuals that the Council owes money to.

Current asset – An asset that the Council expects to realise or consume in the provision of services within the next twelve months.

Current liability – A liability that the Council expects to settle within the next twelve months.

Debtors – The organisations and individuals that owe the Council money.

Dedicated Schools Grant (DSG) – The Government funding provided to the Council to support the Schools Budget.

Dedicated Schools Grant (DSG) Adjustment Account – An adjustment account that accumulates overspends on the Schools Budget. This is an unusable reserve.

Deficit – An excess of expenditure over income.

Defined benefit scheme – A pension scheme where the future benefits receivable by pensioners are guaranteed and sufficient contributions have to be paid into the fund to ensure that payments will be affordable.

Defined contribution scheme – A pension scheme where the contributions payable into the fund are fixed and the benefits receivable by pensioners will depend upon the assets that the fund has accumulated to pay them.

Depreciated historical cost – A measurement basis for items of property, plant and equipment reflecting the cost of acquiring an asset and any subsequent enhancement less the depreciation charged over the asset's life to date.

Depreciated replacement cost – A valuation method for items of property, plant and equipment based on the current cost of replacing an asset with a modern equivalent, less deductions for the physical deterioration of the asset.

Depreciation – The charge made for the use of an item of property, plant or equipment during the year, based on the systematic allocation of its depreciable amount over its useful life.

Derecognition – The process by which assets and liabilities are removed from the Balance Sheet, as a result of being disposed of, consumed or settled.

Direct revenue financing – Financing capital expenditure from revenue rather than from capital resources.

Earmarked reserves – Amounts of revenue reserves that have been identified as cover for future spending plans or contingencies.

Effective interest rate – The interest rate that exactly discounts future cash payments and receipts over the life of a financial instrument to the carrying amount (gross of any loss allowance) (asset) or to the amortised cost (liability). This might be different from the actual interest rate where (eg) transaction costs have been accrued or because of interest at less than market rates being spread over the term of the instrument.

Employee benefits – All the forms of remuneration given to the Council's officers in return for the services they render (including salaries, allowances, pensions benefits and awards on the termination of their employment).

Employee contributions – Amounts paid into a pension fund by employees to provide for the future payment of their pensions.

Employer contributions – Amounts paid into a pension fund by the Council to provide for the future payment of pensions to employees.

Events after the reporting period – Events that have taken place after the financial year that might require the accounts to be adjusted or supplemented with further information in order for them to be true and fair.

Existing use value (EUV) – A basis for valuing property, plant and equipment that estimates a sale price for an asset disregarding potential alternative uses and any other characteristics of the asset that would make its market value different from the expenditure needed to replace the remaining service potential at least cost.

Expected credit losses (ECLs) – The credit losses that the Council estimates will arise from the amounts that it is currently owed. ECLs are calculated by measuring the losses that would arise from different default scenarios, resulting in a weighted average loss based on the probability of each scenario taking place.

Fair value – The price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants.

Fair value through other comprehensive income financial assets – Investments for which gains and losses in fair value are recognised on the Balance Sheet but do not impact on the Council's income as they arise but only when the investment matures or is sold. Defined as financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling investments, and which have the form of a basic lending arrangement.

Fair value through profit or loss financial assets – Defined as financial assets that do not qualify for measurement at amortised cost or fair value through other comprehensive income. Movements in their fair value are recognised as income and expenditure when they arise.

Finance lease – A lease whose terms transfer to the lessee substantially all the risks and rewards that an owner of property would have.

Financial instrument – A contract that gives one party a financial asset and the other party a financial liability (or an equity instrument), such as a loan, credit terms for the purchase of goods or services or a share in a company.

Fixed payments under a lease – Payments made by a lessee to a lessor for the right to use the leased item of property, plant or equipment that will not vary as a result of changes in facts or circumstances after the commencement of the lease.

Foundation schools – State-funded schools for which the Council has no responsibility for owning the land and buildings, employing the staff or determining admissions.

General Fund – The fund into which the Council pays all its revenue income and from which it incurs all its revenue expenditure, unless specifically mandated by law not to.

General Fund Balance – The surplus or deficit on the General Fund at a particular date arising from all transactions up to that date, showing the ability of the Council to fund future revenue expenditure (surplus) or the requirement to make savings or raise additional income (deficit).

Going Concern – The assumption made when preparing the financial statements that the functions of the Council will continue in operational existence for the foreseeable future, in particular so that assets can be valued on the contribution they will continue to make to the Council's services rather than the price that would be obtained if they were sold on its liquidation.

Goodwill – The excess of the price paid for a business acquired by the Council over and above the assets recognised under proper accounting practices, potentially including such things as brands, trading relationships and workforce expertise.

Governance – The arrangements that the Council has in place to ensure that decision-making is lawful and democratic, services are provided in accordance with agreed policy and according to priorities and that there is accountability for the use of resources in pursuing desired outcomes.

Gross investment in a lease – The lease payments receivable by a lessor under a finance lease, plus any unguaranteed residual value that is projected to be returned to them at the end of the lease.

Heritage assets – Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (such as historic buildings, museum collections and public art).

Historical cost – An accounting convention based upon the amounts that items actually cost to acquire or construct and the cost of their subsequent enhancement, rather than the values that they currently have.

IAS – International Accounting Standard - the title for the various standards issued by the IASB before 2003.

IASB – International Accounting Standards Board

IFRIC – The title of interpretations of IFRS issued by the IFRS Interpretations Committee and its predecessors

IFRS – International Financial Reporting Standards - the suite of standards issued by the IASB that form the basis for the Code of Practice on Local Authority Accounting. Also the title for the various individual standards issued by the IASB from 2003 onwards.

Impairment – A fall in the value of an asset to the Council (whether it will be sold or continue in use) below the amount it is recorded in the Balance Sheet.

Inception of a lease – The date that a lease is agreed to or both parties become committed to agreeing it.

Intangible assets – Assets that do not have physical substance, such as computer software, licences and websites supporting the Council's services.

Interest rate implicit in a lease – The interest rate that exactly discounts future lease payments and any unguaranteed residual value to the fair value of the leased asset plus the lessor's initial direct costs.

Inventories – Assets such as raw materials, building supplies and retail stock that will be used to produce goods or provide services or be sold as part of the Council's normal activities.

Investment property – Land and/or buildings held solely to earn rentals or to benefit from increases in their value (or both), and not for use in the production or supply of goods or services, for administrative purposes or for sale as part of the Council's normal business.

Lease – A contract under which a lessor conveys the right to use an asset to a lessee for a period of time. The definition can include arrangements that are not leases in the legal sense.

Lease incentives – Payments made by a lessor to a lessee associated with a lease, or the reimbursement or assumption by the lessor of a lessee's costs.

Lease liabilities – The amounts recognised in the Balance Sheet for the payments the Council is due to make as lessee under finance leases.

Lease payments – Payments made by a lessee to a lessor for the right to use an asset, including fixed payments and variable payments that depend on an index or rate.

Lease receivables – The amounts recognised in the Balance Sheet for the payments the Council is due to receive as lessor under finance leases.

Leases for nil consideration – Leases under which no consideration is given by the lessee to the lessor for the right to use the leased asset.

Lease term – The non-cancellable period for which a lessee has the right to use an underlying asset. It includes periods covered by an extension option (if the lessee is reasonably certain to exercise the option) and by a termination option (if the lessee is reasonably certain not to exercise the option).

Lessee – The party to a lease acquiring the right to use the leased asset.

Lessee's incremental borrowing rate – The rate of interest that a lessee would have to pay to borrow the funds necessary to purchase an asset comparable to the one that it is leasing, assessed over a similar term and with similar security.

Lessor – The party to a lease that owns the asset and conveys the right to use it to the lessee.

LGPS – The Local Government Pension Scheme - the scheme that most officers of the Council are members of.

Liabilities – Liabilities are present obligations of the Council to transfer an economic resource as a result of past events. They include borrowings and amounts owed by the Council.

Liquidity risk – The risk that the Council might at any time not have sufficient cash to make payments that are due.

Long term asset – An asset that the Council does not expect to realise or consume in the provision of services within the next twelve months.

Long term liability – A liability that the Council does not expect to settle within the next twelve months.

Maintained schools – Schools overseen by the Council, particularly in the provision of funding, comprising community, foundation, voluntary-aided and voluntary-controlled schools.

Market risk – The risk that the Council might make losses on financial instruments from adverse movements in market prices, such as changes in variable interest rates or quoted prices for investments.

Materiality – A measure of the significance of information potentially to be included in the financial statements, whereby its omission, misstatement or obscuration could reasonably be expected to influence decisions that the primary users make on the basis of those financial statements. Materiality is important for influencing what figures should be included in the financial statements, how precise those figures need to be, and how much additional information needs to be provided about them.

Member contributions – Amounts paid into a pension fund by employees to provide for the future payment of their pensions.

Movement in Reserves Statement (MiRS) – The financial statement that shows the balances of capital and revenue resources available to the Council at the year-end, detailing how these balances have been arrived at by adjustments to the financial performance established by proper accounting practices in the Comprehensive Income and Expenditure Statement.

MRP (Minimum Revenue Provision) – The method by which capital expenditure is financed by setting aside amounts from revenue over the useful life of the relevant asset (or in accordance with some other methodology that prudently approximates this).

Net assets – The amount by which assets in the Balance Sheet exceed liabilities.

Net investment in a lease – The gross investment in a lease discounted to present value by the interest rate implicit in the lease.

NNDR – National Non-Domestic Rates - an alternative name for business rates.

Non-current asset – An asset that the Council does not expect to realise or consume in the provision of services within the next twelve months.

Non-current liability – A liability that the Council does not expect to settle within the next twelve months.

Onerous contract – A contract for which the unavoidable costs of meeting the Council's outstanding obligations are greater than the economic benefits or service potential that the Council is expecting to receive.

Operating leases – A lease that does not transfer substantially all the risks and rewards incidental to ownership of the leased asset.

Other comprehensive income and expenditure – Items in the Comprehensive Income and Expenditure Statement that do not arise as a result of the provision of services but from revaluations of assets and remeasurements of net pensions liabilities.

Outturn – An actual financial outcome, usually used in relation to expenditure incurred against a budget.

Past service cost – The change in pension's liabilities relating to employee service in previous years as result of changes to the pension scheme or the ending of the Council's responsibility for employees transferred to another organisation.

Pension assets – The assets held by a pension fund that are attributable to the contributions paid into it by the Council.

Pension fund – A fund kept by an administering authority that collects together the pensions contributions paid by organisations and individuals that participate in a pension scheme, manages the investment of these contributions and pays out pensions to retired employees.

Pension liabilities – The present value of the obligation that the Council has to fund expected pension payments in relation to employee service rendered up to the end of the current year.

Pension strain – Shortfalls in the funding that was assumed would be provided to meet a particular pension benefit, arising particularly when an employee is granted their pension before their previously presumed retirement age, usually requiring additional contributions by the Council.

Pension Reserve – An unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. For instance, a debit balance on the Reserve shows that the Council has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.

PFI (Private Finance Initiative) – Contracts under which an operator constructs or enhances an asset and then provides services on behalf of the Council through the use of that asset in return for payment. Payments are normally based on a fixed annual sum but can be reduced if the operator does not achieve targets for availability of the asset or standards of service. The arrangement usually includes transfer of ownership of the asset to the Council at the end of the contract.

Pooled budget – An arrangement where two or more organisations contribute resources and agree how they will be spent so as to meet common objectives.

Precept - A statutory annual demand from another authority for funding which a billing authority will meet by raising council tax.

Precepting authorities - Other local authorities that have a right to raise a precept on the Council.

Prepayments – Payments made by the Council in advance of goods or services being supplied.

Property, plant and equipment – A class of assets with physical substance that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes (and expected to be used for more than one year).

Provision – A liability of the Council where there is uncertainty about when it will be settled and/ or how much the Council will have to pay. The estimated amount that will be required to settle the liability is charged as an expense when the Council recognises the obligation.

Prudential Code – The Code of Practice for capital financing issued by CIPFA. The Council is required by law to have regard to the Code when taking decisions about incurring capital expenditure and taking out borrowing.

PSAA – Public Sector Audit Appointments - the company responsible for appointing external auditors, setting fees and managing audit contracts.

PWLB (Public Works Loan Board) – A lending facility operated on behalf of HM Treasury that provides loans to local authorities and other public bodies.

Related parties – Persons or entities with which the Council has a relationship, such as a company in which the Council has an interest or an organisation that is controlled by a member or chief officer.

Reserves – The balances in the Balance Sheet that show variously the revenue and capital resources available to support the provision of services by the Council, the cumulative effect of statutory adjustments to manage the availability of those resources for particular financial years, and balances of revaluation gains and losses on assets that have yet to be realised.

Residual value – The amount that an item of property, plant or equipment could be sold for (less costs of disposal), if it were in the condition expected at the end of its useful life.

Revenue expenditure – Expenditure on the day-to-day costs of providing services. Defined technically as the expenditure of the Council that does not meet the definition of capital expenditure.

REFCUS (revenue expenditure funded from capital under statute) – Expenditure that would normally be charged to revenue resources but which Government regulations allow to be treated as capital expenditure and funded from capital receipts or MRP.

RICS – Royal Institution of Chartered Surveyors - responsible for the professional standards applied in valuing local government property.

RSG – Revenue Support Grant - Government funding for general revenue expenditure, given to authorities deemed to have insufficient income from other sources.

Section 106 receipts – Monies received from developers and other parties to compensate for the adverse impact of granting planning permission (e.g. building a school to service a new housing development).

Segmental reporting – Information about the Council's financial performance presented in accordance with the way the Council has managed its finances during the year, in terms of the categorisation of activities and accounting policies applied.

SeRCOP – CIPFA's Service Reporting Code of Practice, which provides a standard classification for local government services and guidance on how to assign expenditure to those services.

Short-term lease – A lease that has a term of 12 months or less at its commencement date.

Specific government grant – Grant that is required to be applied to revenue expenditure meeting criteria specified by the donor.

Statutory adjustments – The adjustments made under law and regulations to the outcomes of the Accounting Code's requirements before establishment of the General Fund Balance, allowing the budgetary impact of specified items of expenditure on particular financial years to be managed. Adjustments relate primarily to the revenue impact of capital expenditure and pensions costs.

Surplus – An excess of income over expenditure.

Surplus assets – Property, plant or equipment that is not being used to provide services but that does not meet the criteria for an investment property or an asset held for sale.

Surplus/deficit on the provision of services – The line in the Comprehensive Income and Expenditure Statement that summarises the Council's net expenditure on providing services, after considering non-service specific items.

Termination benefits – Employee benefits given in relation to the termination of an officer's employment, usually as a result of redundancy or early retirement.

Treasury management – The process of managing the Council's cash balances, investments and borrowings to ensure that cash is available when it is needed and that surplus cash is deposited with appropriate consideration of security, liquidity and yield.

Unusable reserves – The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.

Usable reserves – The reserves in the Balance Sheet that are balances of usable resources, both revenue and capital.

Useful life – The period for which an asset is expected to be available for use by the Council.

Valuation – An estimate by an appropriately qualified person of the amount the Council could sell an asset for or of the benefit of continuing to use it for the provision of services. The basis of valuation will depend on the nature of the asset being valued.

Variable lease payments – Payments made by a lessee to a lessor for the right to use the leased item of property, plant or equipment that vary as a result of changes in facts or circumstances after the commencement of the lease.

Voluntary aided schools – Schools for which the Council is responsible for funding their running costs and the majority of capital expenditure but another party (usually a faith-based organisation) is responsible for employing the staff and administering admissions and owns the land and buildings.

Voluntary controlled schools – State-funded schools for which the Council is responsible for employing the staff and administering admissions, but the land and buildings are owned by another party (usually a faith-based organisation).

Write-off – The derecognition of an asset (such as a debtor) from the Balance Sheet when it becomes probable that the Council will not recover any further value from the asset. This does not preclude the Council from continuing attempts to (eg) recover a debt.