



WEST OXFORDSHIRE
DISTRICT COUNCIL

STATEMENT OF ACCOUNTS 2025/26 DRAFT

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NARRATIVE REPORT

About the Council

West Oxfordshire District Council serves a predominantly rural district with an estimated population of approximately 123,600. While the population has grown steadily over the past decade, the district remains one of the least densely populated areas in the South East. The Council delivers a wide range of services across this dispersed geography, including housing, planning, environmental, leisure and community services, tailored to the needs of both urban and rural communities.

The population is spread across a large area, with around one-third of residents living in Witney and a further one fifth in Carterton. Carterton continues to experience growth, influenced by its proximity to RAF Brize Norton, the largest Royal Air Force station in the United Kingdom. Other principal settlements include Burford, Charlbury, Chipping Norton and Woodstock. This distribution of population shapes how services are planned and delivered, requiring a balance between accessibility, efficiency and local responsiveness.

Approximately one-third of the district lies within the Cotswolds Area of Outstanding Natural Beauty, reflecting the high quality of the natural environment. The Council plays a key role in protecting and enhancing this environment while supporting sustainable development. The district attracts over four million visits annually, underpinning a strong visitor economy and influencing the delivery of services such as waste, infrastructure, and public facilities.

The district benefits from a resilient and diverse local economy and continues to experience relatively low levels of unemployment. The Council supports this through economic development, business support, and investment in infrastructure and skills. Alongside this, the Council remains focused on delivering efficient, sustainable and high-quality services that respond to local need and support the wellbeing of residents, communities and businesses.

Corporate Plan Action Tracker

The Council Plan 2023-2027 was adopted in January 2023 and sets out how the Council will deliver its ambitions for supporting local communities and providing local services.

The Corporate Plan Action Tracker provides a robust framework for monitoring delivery, ensuring that resources are aligned to priorities and that performance is regularly reviewed and reported. The Corporate Plan is underpinned by five Council Priorities:

Putting Residents First

In early 2022, West Oxfordshire District Council's first Youth Needs Assessment identified significant challenges, including limited access to activities, mental health concerns, safety issues, climate anxiety, and barriers to education, employment, and support. In response, the Council committed to strengthening youth engagement and approved a full-time Youth Development Officer in February 2024.

This Officer has built strong partnerships with community groups, councils, Thames Valley Police, Oxfordshire County Council, specialist agencies, councillors, and internal teams, shaping six priorities: developing new provision, sustaining services, improving safety and wellbeing, supporting education and skills, promoting volunteering, and amplifying youth voice.

A key development is the formation of the West Oxfordshire Youth Partnership, creating a more coordinated approach to youth engagement across the Council and its partners. Alongside this, a Youth Voice programme is being developed to engage seldom-heard communities and better reflect young people's perspectives in decision-making. This work is supported by DCMS funding secured via Oxfordshire County Council, providing a strong foundation for delivery in the coming year.

To support youth-led innovation, the Council allocated £20,000 for initiatives delivered through Westhive, its civic crowdfunding platform.

In 2025, 12 youth-focused projects had been successfully funded, attracting over £412,000 in total pledges. Westhive's broader programme continues to grow, with 38 projects supported and more than £1.16 million pledged across the platform by 2025. Within this total, 2025 funding rounds saw £124,000 committed to 14 new community projects (including young carers and arts-based initiatives), and a further £114,000 directed to projects improving accessibility, biodiversity and family services. The Council continues to pledge up to £12,000 per project, with at least £20,000 ring-fenced annually for youth-led ideas.

In response to ongoing cost-of-living pressures, approximately £60,000 of Household Support Funding was distributed during Q4. Funding was targeted at households experiencing financial barriers and delivered through local food groups, organisations supporting informal and formal carers, and voucher schemes for eligible residents identified through LIFT. This activity ensured support reached residents most in need through established community networks.

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The Council's commitment to youth and housing is further reflected in the 'Our House' project, delivered in partnership with Cottsway Housing and Aspire Oxfordshire. The initiative provides shared, affordable accommodation and tailored employment, training, and wellbeing support for young adults under 35 on out-of-work benefits, enabling them to build independence and progress into education, employment, and long-term housing.

Enabling a Good Quality of Life For All

The Community Infrastructure Levy (CIL) was implemented in January 2026 and now applies to all eligible planning permissions granted from 31st January 2026. As it becomes embedded, CIL will play a key role in funding both strategic infrastructure and local priorities to support growth and maintain quality of life.

Progress has continued on the Local Plan Review following the close of the spatial options consultation in December 2025. The Draft Regulation 19 Local Plan remains on track for publication in June 2026.

Significant progress has also been made on Salt Cross Garden Village, a major long-term growth area. The Area Action Plan and supporting planning framework were adopted in February 2026, and the Council is now reviewing the outline planning application in line with this framework, working closely with Oxfordshire County Council to agree required updates from the developer.

Work on the Carterton Area Strategy is advancing in parallel, reflecting its alignment with the Local Plan. Early engagement has been positive, with the approach endorsed by the Oxford Growth Commission.

Sustainable transport and active travel projects continue to progress across the district. The Carterton Local Cycling and Walking Infrastructure Plan (LCWIP) was adopted in October 2025 and is now being implemented. The Eynsham LCWIP has been refined following consultation, while the Charlbury LCWIP is under review ahead of anticipated adoption in October 2026. In addition, a Council-supported Walking Bus scheme has been introduced at Witney Community Primary School to promote active travel.

The Council exceeded its 2025/26 target for affordable housing delivery, completing 352 dwellings against a target of 274.

Over the year, an average of 76 households were in temporary accommodation across the district, a trend that has been consistent over the last 3 to 4 years.

Council-owned provision accommodates 22 single people, with the remaining households placed in Bed & Breakfast or hotel accommodation.

Reliance on this provision for an average of 54 households resulted in a £924,000 loss in Housing Benefit subsidy in 2025/26, creating significant and unsustainable financial pressure.

To address this, the 2025/26 Capital Programme allocated £3m to acquire additional properties, aiming to deliver 30 new beds. The programme is on track, with 29 beds achieved over 7 properties following the transfer of five vacant properties from Cottsway Housing on 28th May 2026. This new accommodation provides 4 units of family accommodation and 25 units for single people.

At Woodford Way, progress continues on a delivery partner model for a 55-home scheme, incorporating public parking and retaining existing EV charging infrastructure. Both Executive and Overview and Scrutiny have approved further work to refine the business case.

Creating a Better Environment for People and Wildlife

The Council has continued to deliver environmental improvements, including habitat creation, biodiversity enhancement, and improved access to green spaces. Projects such as Deer Park South and the development of habitat banking arrangements demonstrate a proactive approach to supporting nature recovery across the district.

Delivery of environmental improvement schemes including the Deer Park South Access Project and habitat enhancement initiatives

Progression of biodiversity initiatives, including development of a habitat bank at Pudlicote Farm to support Biodiversity Net Gain requirements.

The Oxfordshire Local Nature Recovery Strategy (LNRS), published in November 2025, identifies countywide habitat priorities and opportunity areas, with approximately 41% of West Oxfordshire falling within mapped opportunity areas.

The Coronation Community Orchard Scheme reached its final delivery stage during 2025/26 with a total of 392 trees planted overall, across 25 orchards district wide. Remaining funds have been transferred to the Long Mead Foundation to deliver orchard meadow creation workshops between April and November 2026, including propagation of local wildflowers, plug planting and soil testing, targeted at supported community orchard groups.

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As the Local Plan advances, the Council continues to align updated technical studies, the Local Nature Recovery Strategy, Biodiversity Net Gain delivery work, catchment partnership activity and community-level initiatives to ensure a robust and environmentally led Regulation 19 Draft Plan for consultation in 2026, ahead of submission for independent examination.

Responding to the Climate and Ecological Emergency

In June 2025, West Oxfordshire was named the top-performing rural district in the national Council Climate Action Scorecards, recognising strong governance, community engagement and practical progress across areas including decarbonisation, retrofit, nature recovery and carbon-literacy training.

The decarbonisation of the Windrush Leisure Centre funded for the most part by Public Sector Decarbonisation grant, was completed before the end of the year and represents a significant step in reducing emissions from one of the Council's most energy-intensive operational buildings.

Significant progress has been achieved in reducing carbon emissions and improving environmental sustainability. Decarbonisation projects, renewable energy initiatives and the expansion of electric vehicle infrastructure have contributed to the Council's climate objectives.

Working Together for West Oxfordshire

The UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) allocated £327,146 and £214,829 respectively to the Council in 2025/26.

A strengthened package of business support has been delivered, including the West Oxfordshire Business Boost Grant (up to £5,000), alongside refreshed Shop Front, Visitor Economy and Rural Enterprise grants. Wider support includes the Business Support Programme, Carbon Action Fund and Tools for Tomorrow initiative, helping businesses grow, decarbonise and address skills gaps.

Community investment continues through the Westhive crowdfunding programme, which has supported 38 projects to date, with additional Council funding approved and continuation agreed for a further three years from April 2026. UKSPF investment has also supported voluntary and community sector activity, biodiversity projects, and targeted grants, alongside ongoing engagement through local forums and partnerships.

Youth and wellbeing initiatives have expanded, including support for local youth projects, a new Youth Partnership, and the YouMove programme, now supporting over 500 families locally. The Leisure Cards scheme continues to provide free access to activities for residents experiencing poor mental health.

Together, these initiatives demonstrate the Council's commitment to sustaining the impact of Prosperity Fund investment, strengthening communities, supporting businesses and delivering local priorities beyond the life of the funds.

Delivery of the Council Plan during 2025/26 has taken place alongside preparations for Local Government Reorganisation. While the Council remains focused on delivering services and priorities for residents, it is also contributing to the development of proposals for future local government structures.

The Corporate Plan and associated performance framework continue to support stability and continuity of service delivery during this period of change

Publica Group (Support) Limited

Publica Group (Support) Limited ('Publica') is wholly owned by West Oxfordshire District Council, Cotswold District Council, Forest of Dean District Council and Cheltenham Borough Council. It is a not-for-profit company limited by guarantee with no share capital and operates with Mutual Trading Status to deliver services under contract on behalf of the Member Councils.

Publica is a Teckal company fulfilling the conditions set out in Regulation 12(4) of the Public Contracts Regulations 2015. The Company is subject to management supervision by the Members. As such, the Company is a body governed by public law as defined in the Public Contracts Regulations 2015.

While Publica works closely with the Council, the company has its own board of Directors, its own Management team, and operates independently from the Council.

Following phase one of the Publica Review which involved the TUPE of 85 staff back to West Oxfordshire on 1st November 2024, a further 24 staff in the Leisure, Waste, Property and Assets teams were transferred on 1st July 2025.

Publica retains a number of services where it has been determined that they offer the most effective delivery model i.e. Revenues & Benefits, Homelessness, ICT and Customer Services.

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Ubico Ltd

Ubico Ltd was established in 2011/12 by Cheltenham Borough Council and Cotswold District Council to deliver integrated environmental services including household and commercial refuse collection.

During 2015/16 West Oxfordshire District Council became a shareholder of Ubico Ltd. The Council holds an equal 1/9th shareholding in the Company.

The Oxfordshire Waste and Environmental Services Programme (WESP)

In December 2025, the Council signed up to participating in the Oxfordshire Waste and Environmental Services Programme (WESP), a county-wide partnership initiative to transform the delivery of waste and environmental services. The programme brings together West Oxfordshire District Council, Cherwell District Council, Oxford City Council and Oxfordshire County Council to develop a more integrated, efficient and sustainable service model aligned with environmental targets and future local government structures.

The programme responds to key challenges including rising service costs, increasing environmental pressures, and the impact of national policy changes. It aims to deliver improved service quality, greater consistency for residents, enhanced environmental performance (including progress towards net zero), and long-term financial efficiencies

The programme has been designed to remain flexible in the context of Local Government Reorganisation (LGR), ensuring that participating councils can retain strategic influence and continue to realise benefits irrespective of future governance arrangements.

The programme does not directly alter existing contractual arrangements with Ubico in the short term. However, it is expected to inform and potentially reshape future service delivery models following the expiry of the current contract, including consideration of alternative partnership or delivery structures.

Local Government Re-Organisation

The English Devolution White Paper, published on 16 December 2024, set out the Government's vision for simpler, more streamlined local government structures. Alongside this, the Minister of State for Local Government and English Devolution wrote to councils in two-tier areas and neighbouring small unitary councils to initiate a programme of local government reorganisation (LGR) and devolution.

On 5 February 2025, the Minister issued a statutory invitation to all councils in two-tier areas to develop proposals for the creation of unitary local government. These proposals are intended to bring together district and county council services within new unitary authorities.

Councils in Oxfordshire submitted an interim proposal in March 2025, setting out three potential options for reorganisation:

1. A single Unitary Council covering the current County Council boundary.
2. Two Unitaries - One including the current districts of Vale of White Horse and South Oxfordshire along with West Berkshire. The second unitary including the current districts of West Oxfordshire and Cherwell along with Oxford City.
3. Three Unitaries - One covering Oxford City but with expanded boundaries from the current city council. A second including the current districts of Vale of White Horse and South Oxfordshire along with West Berkshire. A third including the current districts of West Oxfordshire and Cherwell.

During 2025/26, councils across Oxfordshire have continued to work collaboratively to develop full proposals for submission to Government, in line with the criteria and guidance provided.

A decision by Government on the preferred option for local government reorganisation is expected on or around 14th July 2026. At the time of preparing these accounts, the final decision had not yet been confirmed.

Based on the current programme, it is expected that any changes would be implemented on 1st April 2028 (vesting day). This would result in the abolition of West Oxfordshire District Council on 31st March 2028, with services transferring to the new unitary authority.

Until that time, West Oxfordshire District Council will continue to operate as a going concern and deliver services as normal, while contributing to the development and transition planning for local government reorganisation.

Medium Term Financial Strategy (MTFS)

The Council operates a rolling 5 year MTFS the most recent version of which recognises:

- The significantly reduced Business Rates baseline from 1st April 2026

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- The 3 year Local Government Finance settlement to 31st March 2029.
- The loss of income from the Leisure contract from 2027
- Inflationary pressures in both contract costs and wages growth
- The erosion of General Fund balances to fill the funding gap.
- Changes in assumptions on tax base growth and inflation

The Medium Term Financial Strategy will continue to be updated regularly to forecast the current position and evaluate the impact, both negative and positive of decisions made.

The version of the Medium Term Financial Strategy published with the budget papers can be found on the Council's website within the documents of the Executive meeting of 11th February 2026.

Financial Performance

The Council's 2025/26 budget strategy assumed a contribution to General Fund balances of £91,280. The outturn position (after transfers to earmarked reserves) was a surplus for the year of £203,155.

The full outturn report can be viewed on the Council's website as part of the Agenda for the Executive meeting on 10th June 2026.

Retained Business Rates

There is a £0.687m deficit in our retained Business Rate income for 2025/26 due to the awarding of charitable relief to hereditaments previously in receipt of retail relief. The impact is a reduction in Gross Rates payable and a corresponding loss of S31 compensation grant.

The surplus distributed by the Business Rates Pool has been moved to Earmarked Reserves to fund the repayment of the deficit on the Collection Fund in 2026/27. This deficit has been taken into account when setting the 2026/27 budget.

Capital Programme

The Council maintains a capital programme to support investment and manage its assets. The approved budget for the year was £16.165.

In 2025/26 the Council spent £8.242m on:

Capital Investment in the year	£000
Solar PV Installation Carterton Leisure Centre	321
UK Rural Prosperity Fund	204
Affordable Housing	1,466
Disabled Facilities Grants (DFGs)	1,054
S106 Funded Projects	1,632
Purchase of Temporary Accommodation	1,335
IT Equipment and Infrastructure	84
CCTV upgrading	247
Windrush Leisure Centre PSDS	1,386
Council Building Maintenance	487
Other Minor Schemes	26
	8,242

Financial Position

Net Assets increased in the year by approximately £9.37m. The Council continues to maintain a strong Balance Sheet despite financial challenges.



Net Assets 24/25

£155.30m

Net Assets 25/26

£164.67m

Movement

£9.37m

The movement is due to the increase in short term debtors (£2.94m) an upward revaluation of our Property portfolio (£2.1m), and changes in Pension Liability (£3.2m) and a decrease in short term provisions (£0.79m)

Pension Liability

West Oxfordshire District Council is a member of the Oxfordshire County Council Pension Fund, for which Oxfordshire County Council is the administering authority. The scheme is a defined benefit statutory scheme that is administered in accordance with the Local Government Pension Scheme Regulations 1997 (as amended).

At the balance sheet date, the actuarial valuation had the pension fund in surplus (assets exceed liabilities).

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The valuation is represented as follows:

Pension Assets and Liabilities	£000
Fair Value of Plan Assets	86,611
Present value of obligations	(70,722)
Asset Ceiling Adjustment	(16,589)
Surplus/(deficit) on the pension fund	(700)

The actuarial valuation of the pension scheme shows a movement from a net asset of £16.775m in 2024/25 to a net asset of £15.889m in 2025/26. When a pension scheme returns a net asset IAS19 requires the Council to recognise an additional liability to maintain a minimum funding level to meet all future liabilities, known as the asset ceiling. In 2025/26 the asset ceiling calculation increased the Council's pension liability by £16.589m.

The significant movement in the assets of the scheme was as a result of global economic conditions and high investment returns. Whilst the scheme is in deficit it represents the net value of what the Council owes across all future years. The Council makes contributions to cover liabilities accruing for employees that are current members.

Explanation of the Accounting Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March. It comprises core and supplementary statements, together with supporting notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, which in turn is underpinned by International Financial Reporting Standards. A glossary of key terms and abbreviations can be found at the end of this publication.

The **Core Statements** are:

The **Comprehensive Income and Expenditure Statement** – this records all the Council's income and expenditure for the year. The top half of the statement provides an analysis by service area / directorate. The bottom half of the statement deals with corporate transactions and funding.

The **Movement in Reserves Statement** is a summary of the changes that have taken place in the bottom-half of the Balance Sheet over the financial year.

Reserves are divided into "usable", which can be invested in service improvements or capital

investment, and "unusable" which must be set aside for specific purposes.

The **Balance Sheet** is a 'snapshot' of the Council's assets, liabilities, cash balances and reserves as at the year-end, 31 March 2026.

The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment or financing activities (such as borrowing or other long term liabilities).

The **Supplementary Statements** are:

The **Collection Fund** summarises the transactions relating to council tax and business rates collection, and the redistribution of that money.

Business Rates are distributed to Central Government, Oxfordshire County Council and West Oxfordshire District Council. Council Tax is distributed between Oxfordshire County Council, the Police & Crime Commissioner for Thames Valley, West Oxfordshire District Council and the Town & Parish Councils within the West Oxfordshire district.

The **Annual Governance Statement** which sets out the governance structures of the Council and its key internal controls.

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Facing the Challenges Ahead

In February 2025, the Council approved a balanced budget that included a planned contribution of £91,280 to General Fund reserves. Throughout the year, quarterly Financial Performance Reports consistently projected a higher contribution, with the final outturn reaching £203,155.

This favourable position was primarily driven by an underspend in the cost of services, reflecting strong performance within several fee-generating services and lower than anticipated one-off costs. Combined with strong Treasury Management returns, this resulted in a positive overall financial outturn.

While this represents a healthy position for 2025/26, the Medium-Term Financial Strategy (MTFS) highlights significant funding gaps over the next three to five years. These are largely attributable to anticipated reductions in income from the Leisure Contract and Business Rates, alongside the potential financial impact of Local Government Reorganisation (LGR), for which the final proposal is yet to be determined.

Through careful financial management and prudent decision-making, the Council has maintained adequate reserves. However, these resources are finite. It remains essential that the Council continues to exercise financial discipline and adopts a cautious approach to future spending. Although reserves place the Council in a strong position to absorb short-term financial shocks, longer term pressures identified in the MTFS necessitate continued restraint, particularly in light of the £4.25 million reduction in retained income resulting from the Business Rates reset effective from 1 April 2026.

In relation to factors within the Council's control, two key contractual arrangements will significantly influence the financial outlook. The first is the leisure contract with Greenwich Leisure Limited (GLL), which delivers a substantial income stream and is due to expire in 2027. In October 2025, the Executive approved entering into negotiations for a five-year extension. While assumptions regarding this extension have been incorporated into the 2026/27 budget setting process, the final outcome of negotiations may present financial challenges.

The second is the Ubico waste contract, where costs have risen steadily in recent years. This contract has been extended until March 2027, with potential variation from April 2026. In January 2025, the Executive supported the development of a collaborative transformation programme with other

Oxfordshire authorities, reviewing all aspects of waste and environmental services. This work has since evolved into the Waste and Environmental Services Programme (WESP), formally approved in December 2025.

WESP brings together councils across Oxfordshire to deliver a more efficient and sustainable service model. The programme will enable shared planning, joint procurement, and optimisation of fleet and infrastructure, including the rationalisation of depots and transfer stations to better reflect county-wide needs. While WESP does not directly affect the current Ubico contract, it is expected to inform and potentially reshape future service delivery models beyond 2027, with associated financial implications.

Among factors beyond the Council's control, Local Government Reorganisation remains the most significant. Announced by the Government in December 2024, the process has progressed through interim proposals and the submission of three options, comprising one, two, or three unitary authorities in November 2025. A final decision is anticipated in July 2026. Under the current timetable, elections to a shadow authority are expected in May 2027, with the new authority or authorities becoming operational in April 2028.

At this stage, it is not possible to produce robust financial forecasts for LGR. However, it is prudent to assume that transition costs will place additional pressure on General Fund reserves prior to vesting day. While LGR presents a once in a generation opportunity to reshape and strengthen local public services, it will also require significant organisational focus and resource over the coming years. This challenge will be particularly acute in the final year of the shadow authority, as the Council continues to deliver its priorities ahead of its transition.

In addition to financial uncertainty, LGR also presents potential workforce challenges. Given wider sector pressures on recruitment and retention, the Council will continue to invest in and support its workforce to ensure employees are well positioned for transition and future roles within any new structure.

More broadly, ongoing economic pressures, including the cost of living crisis and wider economic uncertainty are expected to continue to impact both income and expenditure over the medium term. The scale of these challenges should not be underestimated. However, by continuing to work collaboratively with key partners, including GLL, Ubico, Publica, and neighbouring authorities, the Council is well placed to navigate this period of

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change. Through proactive planning and strong partnership working, West Oxfordshire District Council will seek to continue delivering for its residents while securing the best possible outcomes from the opportunities presented by Local Government Reorganisation.

Further information

For further information on the accounts please contact:

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Woodgreen, Witney, Oxfordshire OX28 1NB;

or via email at madhu.richards@westoxon.gov.uk

STATEMENT OF RESPONSIBILITIES

The Authority's responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Chief Finance Officer's responsibility

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts 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 this statement of accounts, the Chief Finance Officer 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.

The Chief Finance Officer has also:

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

CERTIFICATE

I certify that the Statement of Accounts presented here gives a true and fair view of the financial position of the authority at the accounting date and of its income and expenditure for the year ended 31st March 2026.

Madhu Richards
Director of Finance and S151 Officer

Date: _____

In accordance with regulation 10(3) Accounts and Audit Regulations 2016, the statement of accounts is approved by the Chair of the Audit and Governance Committee, on behalf of West Oxfordshire District Council.

Cllr Nigel Ridpath
Chairman of the Audit and Governance Committee

Date: _____

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/2025					2025/2026		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£	£	£			£	£	£
1,418,552	(692,429)	726,123	Environmental and Regulatory Services		1,433,784	(727,874)	705,910
1,159,568	(21,509)	1,138,059	Finance, Human Resources & Procurement		1,198,667	(19,559)	1,179,108
2,548,126	(706,885)	1,841,241	ICT, Change and Customer Services		2,539,679	(669,755)	1,869,924
2,483,818	(1,898,955)	584,863	Land, Legal and Property Services		3,434,431	(1,818,933)	1,615,498
20,319,435	(19,245,728)	1,073,707	Revenues and Housing Support Services		17,590,843	(17,116,461)	474,382
1,935,950	(492,614)	1,443,336	Democratic Services		1,702,539	(316,855)	1,385,684
13,108,405	(4,261,453)	8,846,952	Environmental Services		12,748,815	(4,551,221)	8,197,594
5,035,233	(3,522,923)	1,512,310	Leisure and Communities Services		5,150,909	(3,141,983)	2,008,926
4,403,975	(2,357,530)	2,046,445	Planning and Strategic Housing Services		5,828,094	(3,644,175)	2,183,919
2,389,951	(702,238)	1,687,713	Other Retained Services		3,383,263	(760,109)	2,623,154
95,221	0	95,221	Covid-19 Income & Expenditure		0	0	0
54,898,234	(33,902,264)	20,995,970	Cost of Services	<i>B1</i>	55,011,024	(32,766,925)	22,244,099
5,078,072	(660,540)	4,417,532	Other Operating Expenditure	<i>B3</i>	6,164,220	(887,170)	5,277,050
4,322,543	(5,808,474)	(1,485,931)	Financing and Investment Income and Expenditure	<i>B4</i>	1,202,753	(7,659,594)	(6,456,841)
0	(25,995,521)	(25,995,521)	Taxation and Non-Specific Grant Income	<i>B5</i>	0	(28,382,253)	(28,382,253)
64,298,849	(66,366,799)	(2,067,950)	(Surplus) / Deficit on Provision of Services	<i>B1 / B2</i>	62,377,997	(69,695,942)	(7,317,945)
		(3,452,200)	(Surplus) / deficit on revaluation of non current assets				361,557
		262,876	(Gains) / Losses on Financial Instruments at FV through				50,000
		(387,000)	Remeasurement of the net defined benefit liability				(2,470,000)
		(3,576,324)	Other Comprehensive Income and Expenditure				(2,058,443)
		(5,644,274)	Total Comprehensive Income and Expenditure				(9,376,388)

MOVEMENT IN RESERVES STATEMENT

	Note	Usable Reserves				Total Usable Reserves £	Unusable Reserves £	TOTAL RESERVES £
		General Fund - Unallocated £	General Fund - Earmarked £	Capital Receipts Reserve £	Capital Grants Unapplied £			
Balance at 1st April 2024		(12,251,564)	(17,569,333)	(2,191,323)	(12,335,119)	(44,347,339)	(105,305,931)	(149,653,270)
Movements in reserves 2024/25		1,558,028	(1,558,028)	0	0	0	0	0
Total Comprehensive Income and Expenditure		(2,067,950)	0	0	0	(2,067,950)	(3,576,324)	(5,644,274)
Adjustments between accounting basis & funding basis under regulations	C1	503,578	0	(529,566)	(923,328)	(949,316)	949,316	0
(Increase) / Decrease in Reserves 2024/25		(6,344)	(1,558,028)	(529,566)	(923,328)	(3,017,266)	(2,627,008)	(5,644,274)
Balance at 31 March 2025		(12,257,908)	(19,127,361)	(2,720,889)	(13,258,447)	(47,364,605)	(107,932,938)	(155,297,544)
Movements in reserves 2025/26		4,939,089	(4,939,089)	0	0	0	0	0
Total Comprehensive Income and Expenditure		(7,317,945)		0	0	(7,317,945)	411,557	(6,906,388)
Adjustments between accounting basis & funding basis under regulations	C1	2,175,700	356,480	(2,555,664)	678,146	654,662	(654,662)	0
(Increase) / Decrease in Reserves 2025/26		(203,156)	(4,582,609)	(2,555,664)	678,146)	(6,663,283)	(243,105)	(6,906,388)
Balance at 31 March 2026		(12,461,064)	(23,709,970)	(5,276,553)	(12,580,301)	(54,027,889)	(108,176,043)	(162,203,932)

BALANCE SHEET

31st March 2025 £		Note	31st March 2026 £
76,560,032	Property, Plant & Equipment	D1	78,659,716
91,084	Heritage Assets		91,084
53,491,000	Investment Property	D2	51,922,229
0	Intangible Assets	D3	0
11,933,980	Non-Current Investments	F2	12,087,379
11,781,213	Non-Current Debtors	D7	11,162,811
153,857,309	Non-Current Assets		153,923,219
62,435	Investments	F2	70,974
21,028	Inventories		19,824
13,524,854	Debtors	D4	16,470,570
12,708,682	Cash and Cash Equivalents		11,829,197
26,316,999	Current Assets		28,390,565
(16,197,509)	Creditors	D5	(11,990,022)
(1,128,021)	Creditors - s.106 balances	D5	(1,277,548)
(2,271,488)	Provisions	D6	(1,482,239)
(19,597,017)	Current Liabilities		(14,749,809)
(3,907,000)	Defined Benefit Pension Liability	F1	(700,000)
(452,215)	Capital Grants Receipts in Advance	B9	(470,204)
(920,529)	ROU Lease Liability		(1,719,837)
(5,279,744)	Non-Current Liabilities		(2,890,041)
155,297,546	Net Assets		164,673,934
(47,364,606)	Usable reserves		(54,027,889)
(107,932,939)	Unusable Reserves	C3	(110,646,044)
(155,297,546)	Total Reserves		(164,673,934)

These financial statements were certified by the Chief Finance Officer on 26th June 2026.

Madhu Richards
Director of Finance, West Oxfordshire District Council.

CASH FLOW STATEMENT

	Note	2024/25 £	2025/26 £
Net surplus or (deficit) on provision of services		2,067,950	7,317,945
Adjustments to net surplus or (deficit) on the provision of services to exclude non-cash movements	E1a	7,747,202	(4,823,815)
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing or financing activities	E1b	(4,564,892)	(5,328,006)
Net cash flows from Operating Activities		5,250,260	(2,833,876)
Investing Activities	E1c	5,524,657	1,160,436
Financing Activities	E1d	0	799,309
Net increase or (decrease) in cash and cash equivalents		10,774,917	(874,131)
Cash and cash equivalents at 1 April		1,894,387	12,669,304
Cash and cash equivalents at 31 March		12,669,304	11,795,174
Comprising:			
Cash and bank current accounts		354,305	(109,827)
Short term investments		12,315,000	11,905,000
		12,669,305	11,795,173

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B1. Expenditure and Funding Analysis

	2025/2026					
	Net Expenditure in CI&ES £	Adjs. between accounting and funding basis £	Transfers to /(from) GF Earmarked Reserves £	Net Exp. Chargeable to the General Fund £	Management Reporting Adjs. £	Outturn Reported to Management £
Environmental and Regulatory Services	705,910	23,847	0	729,757	0	729,757
GO Shared Services	1,179,108	23,029	0	1,202,137	0	1,202,137
ICT, Change and Customer Services	1,869,924	(73,513)	0	1,796,411	56,698	1,853,109
Land, Legal and Property Services	1,615,498	(370,077)	0	1,245,421	413,642	1,659,063
Revenues and Housing Support Services	474,382	807,190	0	1,281,572	(11,547)	1,270,025
-						
Democratic Services	1,385,684	44,054	0	1,429,738	0	1,429,738
Environmental Services	8,197,594	(753,664)	0	7,443,930	553,635	7,997,565
Leisure and Communities Services	2,008,926	(2,445,374)	0	(436,448)	737,639	301,191
Planning and Strategic Housing Services	2,183,919	(1,021,321)	0	1,162,598	0	1,162,598
Other Retained Services	2,623,154	671,612	0	3,294,766	0	3,294,766
Covid-19 Income & Expenditure	0	0	0	0	0	0
Cost of Services	22,244,099	(3,094,217)	0	19,149,882	1,750,067	20,899,949
Other Income and Expenditure	(29,562,044)	5,269,913	4,939,089	(19,353,042)	(1,750,067)	(21,103,109)
(Surplus) / Deficit on Provision of Services	(7,317,945)	2,175,696	4,939,089	(203,160)	0	(203,160)
Opening General Fund Balance (Unallocated) at 1 April (Surplus) / Deficit for the year				(12,257,908) (203,160)		
Closing General Fund Balance (Unallocated) at 31 March				(12,461,067)		

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2024/2025					
	Net Expenditure in CI&ES £	Adjs. between accounting and funding basis £	Transfers to / (from) GF Earmarked Reserves £	Net Exp. Chargeable to the General Fund £	Management Reporting Adjs. £	Outturn Reported to Management £
Environmental and Regulatory Services	726,123	(10,860)	0	715,263	201	715,464
GO Shared Services	1,138,059	(9,815)	0	1,128,244	0	1,128,244
ICT, Change and Customer Services	1,841,241	(149,588)	0	1,691,653	118,635	1,810,288
Land, Legal and Property Services	584,863	(388,270)	0	196,593	340,052	536,645
Revenues and Housing Support Services	1,073,707	(52,136)	0	1,021,571	190,220	1,211,791
Democratic Services	1,443,336	4,459	0	1,447,795	0	1,447,795
Environmental Services	8,846,952	(604,894)	0	8,242,058	375,840	8,617,898
Leisure and Communities Services	1,512,310	(2,513,407)	0	(1,001,097)	721,704	(279,393)
Planning and Strategic Housing Services	2,046,445	(806,040)	0	1,240,405	3,557	1,243,962
Other Retained Services	1,687,713	574,289	0	2,262,002	(1,069)	2,260,933
Covid-19 Income & Expenditure	95,221	0	0	95,221	0	95,221
Cost of Services	20,995,970	(3,956,262)	0	17,039,708	1,749,141	18,788,849
Other Income and Expenditure	(23,063,920)	4,459,839	1,558,028	(17,046,053)	(1,749,141)	(18,795,194)
(Surplus) / Deficit on Provision of Services	(2,067,950)	503,577	1,558,028	(6,345)	0	(6,345)
Opening General Fund Balance (Unallocated) at 1 April				(12,251,561)		
(Surplus) / Deficit for the year				(6,345)		
Closing General Fund Balance (Unallocated) at 31 March				(12,257,906)		

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Adjustments between accounting basis and funding basis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded compared with the resources consumed or earned by the Council in accordance with generally accepted accounting practices as shown in the Comprehensive Income and Expenditure Account. It also shows how these amounts are allocated for decision making purposes across the Council's Directorates and Services. The adjustments between these amounts are detailed below:

	2025/2026						
	Adjustments between funding and accounting basis (see MiRS Note C1)			Total adjs between funding and accounting £	Adjustments between amounts chargeable to the General Fund and Management Reporting		Total Management Reporting Adjustments £
	Capital Adjs £	Pension Adjs £	Other Adjs £		Depreciation £	Other Segment Adjs. £	
Environmental and Regulatory Services	0	(22,934)	(913)	(23,847)	0	0	0
Finance, Human Resources & Procurement	0	(26,372)	3,343	(23,029)	0	0	0
ICT, Change and Customer Services	56,698	16,815	0	73,513	56,698		56,698
Land, Legal and Property Services	402,890	(39,883)	7,070	370,077	402,890	10,752	413,642
Revenues and Housing Support Services	(819,163)	9,943	2,030	(807,190)	32,293	(43,840)	(11,547)
Democratic Services	0	(39,233)	(4,821)	(44,054)	0	0	0
Environmental Services	697,917	54,643	1,104	753,664	553,635	0	553,635
Leisure and Communities Services	2,505,972	(63,129)	2,531	2,445,374	967,491	(229,852)	737,639
Planning and Strategic Housing Services	1,166,390	(149,405)	4,336	1,021,321	0	0	0
Other Retained Services	0	(676,726)	5,114	(671,612)	0	0	0
Cost of Services	4,010,704	(936,281)	19,794	3,094,217	2,013,007	(262,940)	1,750,067
Other Income and Expenditure	(5,779,348)	199,281	310,154	(5,269,913)	(2,013,007)	262,940	(1,750,067)
(Surplus) / Deficit on Provision of Services	(1,768,644)	(737,000)	329,948	(2,175,696)	0	0	0

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2024/2025						
	Adjustments between funding and accounting basis (see MiRS Note C1)			Total adjs between funding and accounting	Adjustments between amounts chargeable to the General Fund and Management Reporting		
	Capital Adjs	Pension Adjs	Other Adjs		Depreciation	Other Segment Adjs.	Total Management Reporting Adjustments
£	£	£	£	£	£	£	
- Environmental and Regulatory Services	0	4,269	6,591	10,860	0	201	201
Finance, Human Resources & Procurement	0	7,865	1,950	9,815	0	0	0
ICT, Change and Customer Services	118,635	30,953	0	149,588	118,635	0	118,635
Land, Legal and Property Services	385,840	(209)	2,639	388,270	337,363	2,689	340,052
Revenues and Housing Support Services	33,262	18,874	0	52,136	33,262	156,958	190,220
- Democratic Services	0	(14,216)	9,757	(4,459)	0	0	0
Environmental Services	450,365	152,449	2,080	604,894	388,803	(12,963)	375,840
Leisure and Communities Services	2,515,291	(7,326)	5,442	2,513,407	926,634	(204,930)	721,704
Planning and Strategic Housing Services	795,233	(14,185)	24,992	806,040	0	3,557	3,557
Other Retained Services	0	(574,473)	184	(574,289)	0	(1,069)	(1,069)
Cost of Services	4,298,626	(395,999)	53,635	3,956,262	1,804,697	(55,556)	1,749,141
Other Income and Expenditure	(3,149,216)	(280,000)	(1,030,623)	(4,459,839)	(1,804,697)	55,556	(1,749,141)
(Surplus) / Deficit on Provision of Services	1,149,410	(675,999)	(976,988)	(503,577)	0	0	0

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Capital Adjustments

This column adjusts for depreciation and impairment; revaluations gains and losses in service lines and for transfers of income / net value of assets written off on disposals in Other Operating Income and Expenditure. Taxation and Non Specific Grant Income is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Pension Adjustments

This column removes the impact of IAS19 Employee Benefits. For services, this removes current or past service costs and replaces them with the actual employer pension contributions payable. In Financing and Investment Income and Expenditure, the net interest on the net defined benefit liability is removed.

Other Adjustments

This adjustment represents the difference between the amounts chargeable under statutory regulations for Council Tax and Non Domestic Rates 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.

B2. Expenditure and Income Analysed by Nature

	2024/25 £	2025/26 £
Expenditure		
Employee benefits expenses	4,294,243	6,585,340
Publica Contract Charges	10,100,475	8,015,982
Housing Benefit & Other Transfer Payments	15,126,389	12,686,738
Covid grant payments	95,221	0
Other service expenses	20,862,541	21,855,593
Depreciation, amortisation and impairment	1,804,697	2,013,007
Interest payments and similar expense	549,720	199,000
Precepts and Levies	5,078,072	5,840,407
Other expenditure	6,387,492	5,181,931
Total Expenditure	64,298,850	62,377,998
Income		
Fees, charges & other service income	(11,932,319)	(12,664,246)
Housing Benefit Subsidy	(14,464,522)	(12,036,855)
Government Grants	(17,204,660)	(19,842,231)
Income from Council Tax	(11,194,356)	(12,298,939)
Income from Non Domestic Rates	(1,994,756)	(3,177,809)
Non-Government Grants & Contributions	(6,198,135)	(4,858,568)
Investment Interest and similar income	(2,543,490)	(2,160,394)
Other income	(834,561)	(2,656,899)
Total Income	(66,366,800)	(69,695,941)
(Surplus) / Deficit on Provision of Services	(2,067,950)	(7,317,943)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B3. Other Operating Income and Expenditure

	2024/25 £	2025/26 £
(Gains) / losses on disposal of non-current assets	(13,549)	323,813
Unattached capital receipts	(646,991)	(887,170)
Town and Parish Council precepts	5,078,071	5,840,407
	4,417,531	5,277,050

B4. Financing and Investment Income and Expenditure

	2024/25 £	2025/26 £
Interest payable and similar charges	55,670	135,613
Interest receivable and similar income	(1,782,119)	(1,956,996)
Movement in the fair value of financial assets	68,350	(203,398)
Movement in the creditor loss allowance	(13,106)	(262,940)
Movement in the fair value of investment property	2,888,892	(1,769,729)
Net investment property (income) / expenditure	(2,423,618)	(2,598,392)
Net interest on the net defined benefit pension liability	(280,000)	199,000
	(1,485,931)	(6,456,842)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B5. Taxation and Non Specific Grant Income

	2024/25 £	2025/26 £
National Non Domestic Rates:		
- Redistribution	(3,518,998)	(4,888,673)
- Renewable Energy	(310,768)	(339,051)
- Business rates levy	2,699,222	2,873,954
- Surplus from the pool	(1,048,550)	(1,356,899)
- (Surplus) / Deficit	184,338	532,860
	<u>(1,994,756)</u>	<u>(3,177,809)</u>
Council Tax income (Council and Town/Parish Council shares)	(11,194,356)	(12,298,939)
Revenue Support Grant	(109,577)	(257,281)
New Homes Bonus	(1,009,640)	(506,346)
Funding Guarantee	0	(1,964,634)
Extended Producer Responsibility Grant	0	(2,852,840)
S31 NDR Compensation Grant	(5,562,132)	(4,735,510)
Employers National Insurance Grant	0	(117,176)
Homelessness Prevention	0	(712,821)
Local Government reorganisation proposal development contribution	0	(95,015)
New Burdens grants	0	(114,865)
Capital grants and contributions	(4,205,237)	(2,330,089)
Other non-ringfenced government grants	(1,919,823)	0
	<u>(25,995,521)</u>	<u>(29,163,325)</u>

B6. Members' Allowances

	2024/25 £	2025/26 £
Basic and Special Responsibility Allowances	451,448	445,659
Expenses	3,559	3,060
	<u>455,007</u>	<u>448,719</u>

Non-Elected and Independent Persons	2024/25 £	2025/26 £
Basic and Special Responsibility Allowances	2,200	4,975
Expenses	0	0
	<u>2,200</u>	<u>4,975</u>

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B7. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections, and to non-audit services provided by the Council's external auditors (Bishop Fleming):

	2024/25 £	2025/26 £
External audit services carried out by the appointed auditor	153,844	158,151
	153,844	158,151

Most disclosures within the Statement of Accounts give additional details about the amounts receivable and payable included in the core statements. The amounts for External Audit Costs are disclosed in accordance with annually agreed audit fee schedules.

Fee variations relating to the Statement of Accounts audit 2022/23 (£15,249), 2024/25 (£4,982) and for certification of Housing Benefits in 2023/24 (£31,692), 2024/25 (£29,750) and 2025/26 (£29,750) were also paid.

B8. Officer Remuneration

Senior Officer Remuneration

The Council's senior officers are those with statutory responsibility within the Council.

	Salary, allowances & other benefits £	2025/2026 Pension Contributions £	Total Remuneration £
Chief Executive	111,382	20,186	131,568
Chief Finance Officer	93,795	16,508	110,303
Director of Governance & Monitoring Officer	95,531	16,508	112,039
	300,708	53,202	353,910

	Salary, allowances & other benefits £	2024/2025 Pension Contributions £	Total Remuneration £
Chief Executive	111,382	20,186	131,569
Chief Finance Officer	93,795	16,508	112,038
Director of Governance & Monitoring Officer	95,531	16,508	110,303
	300,708	53,202	353,910

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Other Officer Remuneration

The number of employees whose remuneration (excluding employers' contributions in respect of National Insurance Contributions and Superannuation Contributions) exceeded £50,000 during the year is listed in the table below and excludes Statutory Officers included in the Senior Officer table.

	2024/25	2025/26
	Number of Officers	
£50,000 to £54,999	0	12
£55,000 to £59,999	2	5
£60,000 to £64,999	0	2
£65,000 to £69,999	0	1
£70,000 to £74,999	0	4
£75,000 to £79,999	0	1
£80,000 to £84,999	0	0
£85,000 to £89,999	0	0
£90,000 to £94,999	1	0
£95,000 to £99,999	1	0
£100,000 to £104,999	0	0
£105,000 to £109,999	0	3
£110,000 to £114,999	1	0
£115,000 to £119,999	0	0
£120,000 to £124,999	0	0
	0	1
	5	29

Some employees who were appointed partway through the year would have earned above this threshold if they had been employed for the full year. "Annualised Salary" refers to the full-year equivalent salary if the individual had been employed for the entire financial year

	2024/25	2025/26
	Number of Officers	
£50,000 to £54,999	5	13
£55,000 to £59,999	3	5
£60,000 to £64,999	2	3
£65,000 to £69,999	1	1
£70,000 to £74,999	2	4
£75,000 to £79,999	2	1
£80,000 to £84,999	0	0
£85,000 to £89,999	0	0
£90,000 to £94,999	1	0
£95,000 to £99,999	2	0
£100,000 to £104,999	0	0
£105,000 to £109,999	0	0
£110,000 to £114,999	1	3
£115,000 to £119,999	0	0
£120,000 to £124,999	0	0
	0	1
	19	31

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B9. Grant Income

The following significant grants and contributions were credited to the Comprehensive Income and Expenditure Statement during the year.

	2024/25 £	2025/26 £
<u>Revenue grants credited to Cost of Services</u>		
Housing Benefit Subsidy	(14,287,214)	(11,748,757)
Housing Benefit Administration Subsidy	(176,809)	(175,454)
	(14,464,023)	(11,924,211)
<u>Revenue grants credited to Taxation and Non Specific Grant Income</u>		
New homes bonus grant	(1,009,640)	(506,346)
Revenue Support Grant	(230,095)	(257,282)
S31 NDR compensation grant	(5,562,132)	(4,735,510)
Rural services delivery grant	(186,066)	0
Funding Guarantee	(1,683,079)	(1,964,639)
Extended Producer Responsibility Grant	0	(2,852,840)
Employers National Insurance Grant	0	(117,176)
Homelessness Prevention	0	(712,821)
Local Government reorganisation proposal development contribution	0	(95,015)
New Burdens grants	0	(114,865)
Other specific government grants	(48,251)	0
	(8,719,263)	(11,356,494)
<u>Capital grants credited to the Comprehensive Income and Expenditure Statement</u>		
Better Care Funding	(942,800)	(1,072,770)
S.106 Receipts & other capital grants	(4,205,237)	(2,330,089)
	(5,148,037)	(3,402,859)

Where the Council has been given grants or contributions with conditions attached, which the Council has yet to meet, these grants are treated as receipts in advance until the conditions are met. The grants and contributions held at the balance sheet date are as follows:

	2024/2025 £	2025/26 £
Environment Agency Grant [for specific Land drainage works]	(160,366)	(160,366)
Better Care Grant Funding	(291,850)	(309,839)
Long Term Capital Receipt in advance	(452,215)	(470,204)
S106 Capital Contributions [due to third parties]	(75,686)	(267,530)
Short Term Capital Receipt in advance	(75,686)	(267,530)
Total Capital Receipt in Advance	(527,902)	(737,734)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B10. Termination Benefits

Redundancy and Compensation

There is no redundancy and compensation cost in 2025/26. (nil in 2024/25)

Pension Strain

There is no pension strain cost in 2025/26 (nil in 2024/25). Any additional contributions (strain contributions and augmentation contributions) that are due to be paid in the year by the Council, under any agreement with the pension fund, are recognised immediately as an expense.

Exit Packages

There are no exit packages charged to the Council's Comprehensive Income and Expenditure Statement for the current year. (£0 in 2024/25)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

C1. Adjustments Between Accounting Basis and Funding Basis Under Regulations

	2025/26			
	General Fund - Unallocated	General Fund - Earmarked	Capital Receipts Reserve	Capital Grants Unapplied
	£	£	£	£
Capital Adjustments				
<u>Reversal of entries included in the CI&ES relating to Capital Expenditure</u>				
Charges for depreciation, amortisation and impairment	(2,013,006)			
Revaluation losses on Property, Plant and Equipment	(337,068)			
Movements in the fair value of Investment Properties	1,769,729			
Capital Grants and Contributions applied	4,198,691			
Revenue Expenditure funded from Capital Under Statute	(4,385,436)			
Non current assets written off on disposal or sale	(3,338,500)			
<u>Adjustments between Capital & Revenue Resources</u>				
Transfer of cash sale proceeds from disposal of non current assets	2,997,917		(2,997,917)	
Capital expenditure charged against General Fund Balance	569,624	356,480		
Statutory provision for the repayment of debt	563,320			
Capital grants and contributions credited to CI&ES	856,206			(856,206)
Unattached Capital Receipts	887,170		(887,170)	
<u>Adjustments to Capital Resources</u>				
Application of grants to capital financing trfd to CAA				1,534,352
Use of capital receipts reserve to finance new capital expenditure			2,029,476	
Capital loan repaid			(242,035)	
Transfer from Deferred Capital Receipts on receipt of cash			(458,018)	
Financial Instrument Adjustments				
Reversal of changes in fair value on Pooled Investment Funds	203,398			
Pension Adjustments				
Pension costs transferred to / (from) the Pensions Reserve	737,000			
Accumulated Absences Adjustments				
Movement in accumulated absences adjustment transferred to / (from) Accumulated Absences Adjustment Account	(19,792)			
Other Adjustments				
Council Tax and NDR transfers to / (from) the Collection Fund Adjustment Account	(513,553)			
Capital expenditure charged against General Fund Balance				
	2,175,700	356,480	(2,555,664)	678,146

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2024/25			
	General Fund - Unallocated	General Fund - Earmarked	Capital Receipts Reserve	Capital Grants Unapplied
	£	£	£	£
Capital Adjustments				
Reversal of entries included in the CI&ES relating to Capital Expenditure				
Charges for depreciation, amortisation and impairment	(1,804,697)			
Revaluation losses on Property, Plant and Equipment	(209,792)			
Movements in the fair value of Investment Properties	(2,888,892)			
Capital Grants and Contributions applied	2,603,612			
Revenue Expenditure funded from Capital Under Statute	(3,233,138)			
Non current assets written off on disposal or sale	(1,278,734)			
Adjustments between Capital & Revenue Resources				
Transfer of cash sale proceeds from disposal of non current assets	1,278,734			
Capital expenditure charged against General Fund Balance	546,997			
Statutory provision for the repayment of debt	891,583			
Capital grants and contributions credited to CI&ES	2,297,925			(2,297,925)
Unattached Capital Receipts	646,991		(646,991)	
Adjustments to Capital Resources				
Application of grants to capital financing trfd to CAA				1,374,597
Use of capital receipts reserve to finance new capital expenditure			890,506	
Capital loan repaid			(234,269)	
Transfer from Deferred Capital Receipts on receipt of cash			(538,812)	
Financial Instrument Adjustments				
Reversal of changes in fair value on Pooled Investment Funds	481,371			
Pension Adjustments				
Pension costs transferred to / (from) the Pensions Reserve	676,000			
Accumulated Absences Adjustments				
Movement in accumulated absences adjustment transferred to / (from) Accumulated Absences Adjustment Account	(53,634)			
Other Adjustments				
Council Tax and NDR transfers to / (from) the Collection Fund Adjustment Account	549,252			
Capital expenditure charged against General Fund Balance				
	503,578	0	(529,566)	(923,328)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

C2. Usable Reserves

Earmarked Reserves

The Council's General Fund comprises an unallocated element, used to meet day-to-day spending and 'Earmarked Reserves' – amounts set aside to provide financing for future specific expenditure or projects. Reserves are reviewed annually to assess if they are still required and closed if not. The material transfer into reserves in 2025/26 is £3,312,596 moved to the Budget Deficit reserve to fund part of the revenue pressures identified in the MTFs.

Movements in 'Earmarked Reserves' during the year are shown below:

Earmarked Reserves	Balance 1 April 2025 £	Transfers between reserves £	Transfers Out £	Transfers in £	Balance 31 March 2026 £
UKSPF	(202,987)	0	37,968	0	(165,019)
Planning Skills Delivery Grant	(99,600)	0	0	0	(99,600)
DCLG Community Housing Fund	(59,799)	0	0	0	(59,799)
Garden Village Grant	(425,668)	0	66,259	0	(359,409)
Financial Instrument Revaluation Impact Reserve	(200,280)	200,280	0	0	0
Flexible Homelessness Support Grant	(325,579)	0	0	0	(325,579)
Rev & Bens One-off Grant Funding	(301,600)	0	0	0	(301,600)
Homelessness Projects	(428,016)	0	152,087	0	(275,929)
Delivery of Council Priorities	(270,073)	61,973	208,100	0	0
Investment Property Reserve	(632,872)	(1,000,000)	468,844	0	(1,164,028)
Homes for Ukraine	(941,468)	0	18,190	0	(923,278)
Afghan Resettlement	(707,158)	0	0	(391,891)	(1,099,049)
Local Plan Review	(739,650)	0	239,132	0	(500,518)
Covid Workstreams	(93,453)	0	93,453	0	(0)
New Initiatives	(440,529)	(168,729)	109,258	0	(500,000)
Contain Outbreak Management Grant	(543,812)	0	46,938	0	(496,874)
Business Rates Deficit	(4,095,410)	1,515,319	0	0	(2,580,091)
Publica Resourcing	(874,095)	731,951	142,144	0	0
New Burdens	(245,787)	0	0	0	(245,787)
Project Contingency	(258,791)	(115,709)	44,000	0	(330,500)
Budget Deficit Reserve	(3,634,691)	0	577,039	(3,312,596)	(6,370,248)
Publica Review Reserve	(1,283,567)	1,283,567	0	0	0
Local Government Review	0	(1,000,000)	0	0	(1,000,000)
Building Maintenance Fund	0	(500,000)	0	0	(500,000)
Extended Provider Responsibility Grant	0	0	0	(2,852,840)	(2,852,840)
Maintenance of open spaces	0	(347,991)	72,991	0	(275,000)
Ubico Fuel Contingency	0	(250,000)	0	0	(250,000)
Waste & Environmental Services Programme	0	(900,000)	0	0	(900,000)
Council Tax Hardship Fund	0	150,000	0	(440,000)	(290,000)
Other earmarked reserves	(2,322,475)	339,339	269,480	(131,166)	(1,844,822)
	(19,127,361)	0	2,545,883	(7,128,493)	(23,709,970)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

C3. Unusable Reserves

	2024/25	2025/26
	£	£
Revaluation Reserve	(33,197,424)	(32,245,129)
Capital Adjustment Account	(77,046,616)	(78,342,982)
Pension Reserve	3,907,000	700,000
Deferred Capital Receipts Reserve	(2,642,672)	(2,184,654)
Collection Fund Adjustment Account	(71,257)	442,295
Accumulated Absences Account	69,221	89,012
Pooled Investment Fund Reserve	738,810	535,412
Financial Instruments Revaluation Reserve	310,000	360,000
	(107,932,938)	(110,646,045)

Revaluation Reserve

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

- re-valued downwards or impaired and the 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 1st April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2024/25	2025/26
	£	£
Opening Balance - 1 April	(30,959,325)	(33,197,424)
Upward revaluation of assets	(4,409,171)	(2,294,993)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	956,971	2,656,550
<i>Surplus / deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services</i>	<i>(3,452,200)</i>	<i>361,557</i>
Difference between fair value and historic cost depreciation	539,548	590,738
Other balances written out to the Capital Adjustment Account	674,553	0
<i>Amount written off to the Capital Adjustment Account</i>	<i>1,214,101</i>	<i>590,738</i>
Closing Balance - 31 March	(33,197,424)	(32,245,129)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

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 while depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007 [the date at which the Revaluation Reserve was created to hold such gains].

	2024/25 £	2025/26 £
Opening Balance - 1st April	(79,174,743)	(77,046,617)
<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Charges for depreciation of non-current assets	1,804,697	2,013,006
Revaluation losses on Property, Plant and Equipment	209,792	337,068
Revenue expenditure funded from capital under statute	3,233,138	4,385,436
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,278,734	3,338,500
	6,526,361	10,074,010
<u>Adjusting amounts written out of the Revaluation Reserve</u>		
Amounts written out on disposal or sale of non-current assets	(674,553)	0
Historical cost depreciation adjustment	(539,548)	(590,738)
	(1,214,101)	(590,738)
Net written out amount of the cost of non-current assets consumed in year	5,312,260	9,483,272
<u>Capital financing applied in year</u>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(656,237)	(1,787,441)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,603,612)	(4,198,691)
Application of grants to capital financing from the Capital Grants Unapplied Account	(1,374,597)	(1,534,352)
Statutory provision for the repayment of debt	(891,583)	(563,320)
Capital expenditure charged against the General Fund Balance	(546,997)	(926,104)
	(6,073,026)	(9,009,908)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	2,888,892	(1,769,729)
Closing Balance - 31 March	(77,046,617)	(78,342,982)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Pension Reserve

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

Statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or pays any pensions for which it is directly responsible. The negative balance on the Pensions Reserve represents a shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £	2025/26 £
Opening Balance - 1 April	4,970,000	3,907,000
Return on plan assets	1,708,000	(2,169,000)
Remeasurement of the net defined benefit liability	(12,153,000)	4,991,000
Reversal of items debited or credited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement	1,291,000	1,607,000
Employers' pension contributions	(1,967,000)	(2,344,000)
Asset Ceiling Adjustment	10,058,000	(5,292,000)
Closing Balance - 31 March	3,907,000	700,000

Deferred Capital Receipts Reserve

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

	2024/25 £	2025/26 £
Opening Balance - 1 April	(1,902,750)	(2,642,672)
New loans / new deferred receipt	(1,278,734)	0
Transfer to the Capital Receipts Reserve on receipt of cash	538,812	458,018
Closing Balance - 31 March	(2,642,672)	(2,184,654)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Collection Fund Adjustment Account

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

	Balance 1 April 2025 £	Transfers in £	Balance 31 March 2026 £
Amounts by which income credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:			
Council Tax	(228,634)	(18,334)	(246,968)
NNDR	157,377	531,886	689,263
	(71,257)	513,552	442,295

Accumulated Absences Adjustment 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 (the cost of the annual leave entitlement still owed by the Council to its employees at 31st March).

	2024/25 £	2025/26 £
Opening Balance - 1 April	15,587	69,221
Movement in year	53,634	19,791
Closing Balance - 31 March	69,221	89,012

Pooled Investment Fund Adjustment Account

The pooled investment fund adjustment account is used solely for recognising fair value gains and losses on the Council's pooled investment funds under statutory provisions.

	2024/25 £	2025/26 £
Opening Balance - 1 April	1,220,181	738,810
movement between reserves	0	0
Changes in fair value of Pooled Investment Funds	(481,371)	(203,398)
Closing Balance - 31 March	738,810	535,412

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Financial Instruments Revaluation Reserve

The financial instruments revaluation reserve contains the gains and losses arising from changes in the fair value of its investments that are measured at fair value through other comprehensive income.

	2024/25	2025/26
	£	£
Opening Balance - 1 April	47,125	310,000
movement between FIRR and PIFAA	0	
Changes in fair value of financial assets elected to FV through Other Comprehensive Income	262,875	50,000
Closing Balance - 31 March	310,000	360,000

NOTES TO THE BALANCE SHEET

D1. Property, Plant and Equipment

Property, Plant and Equipment

Movements in 2025/26	Land & Buildings £	Vehicles, Plant & Equipment £	Community Assets £	Surplus Assets £	TOTAL PP&E £
Asset Cost or Valuation					
Asset values at 1 April 2025	71,569,285	3,395,110	993,713	3,505,215	79,463,323
Adjustment of IFRS16 RoU assets	954,471				954,471
Additions	3,149,010	707,833			3,856,843
Revaluation increases / (decreases)	(1,283,750)			(213,038)	(1,496,788)
Revaluation decreases to I&E	(412,354)				(412,354)
Derecognition - disposals					0
Transfer					0
Asset values at 31 March 2026	73,976,662	4,102,943	993,713	3,292,177	82,365,495
Depreciation					
Accumulated depreciation at 1 April 2025	(516,715)	(2,383,076)	0	(3,500)	(2,903,291)
Depreciation charge for the year	(1,770,130)	(241,126)		(1,750)	(2,013,006)
Depreciation written out on revaluation	1,135,232				1,135,232
Depreciation written out to I&E	75,286				75,286
Derecognition - disposals					0
Derecognition - others					0
Accumulated depreciation at 31 March 2026	(1,076,327)	(2,624,202)	0	(5,250)	(3,705,779)
Net Book Value of Assets					
1st April 2025	71,052,570	1,012,034	993,713	3,501,715	76,560,032
31st March 2026	72,900,335	1,478,741	993,713	3,286,927	78,659,716

NOTES TO THE BALANCE SHEET

Movements in 2024/25	Land & Buildings £	Vehicles, Plant & Equipment £	Community Assets £	Surplus Assets £	TOTAL P&P&E £
<u>Asset Cost or Valuation</u>					
Asset values at 1 April 2024	69,952,722	2,865,373	993,713	3,590,262	77,402,070
Initial recognition of IFRS16 RoU assets	1,292,922				1,292,922
Additions	612,402	1,808,471			2,420,873
Revaluation increases / (decreases)	2,424,414			(85,047)	2,339,367
Revaluation decreases to I&E	(272,675)				(272,675)
Derecognition - disposals		(1,278,734)			(1,278,734)
Transfer	(2,440,500)				(2,440,500)
Asset values at 31 March 2025	71,569,285	3,395,110	993,713	3,505,215	79,463,323
<u>- Depreciation</u>					
<u>-</u>					
Accumulated depreciation at 1 April 2024	(145,004)	(2,127,555)	0	(1,750)	(2,274,309)
Depreciation charge for the year	(1,547,425)	(255,521)		(1,750)	(1,804,696)
Depreciation written out on revaluation	1,112,831				1,112,831
Depreciation written out to I&E	62,883				62,883
Derecognition - disposals					
Derecognition - others	(516,715)	(2,383,076)	0	(3,500)	(2,903,291)
<u>-</u>					
<u>Net Book Value of Assets</u>					
1st April 2024	69,807,718	737,818	993,713	3,588,512	75,127,761
31st March 2025	71,052,570	1,012,034	993,713	3,501,715	76,560,032

NOTES TO THE BALANCE SHEET

The Code requires that assets are formally revalued at least every 5-years. Assets are formally revalued as part of a 5-year rolling programme, with assets revalued more frequently if there is evidence that asset values may have changed. The table below summarises valuations undertaken, by year:

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Total PPE £000
Carried at (depreciated) historic cost	0	1,479	994	0	2,472
Valued at current value as at 31 March:					
2021/22	147	0	0	605	752
2022/23	2,024	0	0	122	2,146
2023/24	9,563	0	0	177	9,740
2024/25	12,255	0	0	0	12,255
2025/26	14,848	0	0	2,383	17,231
Valued using indices as at 31 March:					
2025/26	34,063	0	0	0	34,063
Total	72,900	1,479	994	3,287	78,659

In accordance with the Council's Property, Plant and Equipment accounting policy, assets carried at current value are revalued on a rolling programme, with annual indexation applied in intervening years to ensure that carrying values are not materially misstated. The use of indices represents an accepted estimation technique under the CIPFA Code, enabling the Council to reflect general market movements in asset values in a proportionate and cost-effective manner between full valuations.

In line with the Code, indexation is based on appropriate, observable and independently produced market data. For non-residential operational assets, indices are derived from CBRE monthly UK property indices for the office, retail and industrial sectors. These professionally recognised indices, based on a large sample of regularly valued commercial properties, provide evidence of general market movements. A composite commercial index has been applied to non-specialised assets where no asset-specific index is available.

For assets valued using depreciated replacement cost, including leisure facilities and car parks, the BCIS General Building Cost Index has been applied as the most appropriate measure of cost movement.

Land values are indexed separately using sector-relevant evidence. Agricultural land values are based on the Carter Jonas Farmland Market Update (blending arable and pasture movements), and development land values are derived from Savills Development Land research, using a blended approach to reflect both greenfield and urban land trends.

These indices provide a consistent and evidence-based approach to valuation, are independently produced and regularly updated, and support the requirement that asset values remain materially up to date between formal revaluations.

NOTES TO THE BALANCE SHEET

Consistent with the Council's wider approach to materiality and estimation (as set out in the policies for prior period adjustments and asset valuation), indexation movements are only recognised where the impact exceeds £100,000.

The threshold ensures compliance with materiality principles under IAS 8, avoiding unnecessary adjustments for insignificant valuation fluctuations.

It supports a proportionate and efficient valuation approach, consistent with the policy allowance to use indexation and estimation techniques where full revaluation each year would involve undue cost or effort.

Accordingly, the combined use of indices and a defined materiality threshold ensures that the carrying value of property assets remains materially accurate and compliant with the Code, while avoiding disproportionate cost and complexity.

Asset valuation, amortisation and depreciation

Service areas are charged depreciation to represent the real cost of holding and using non-current assets. The value of an asset (less any residual value) will be written down on a straight-line basis over the useful economic life of the asset. The following useful lives have been used in the calculation of depreciation and amortisation:

- Land assets are generally not depreciated.
- Operational buildings are typically depreciated over 30 to 60 year useful lives, depending upon the particular asset and an estimate of the asset life from the Council's valuer.
- Car Parks – over 20-years or a lifetime agreed with the Council's valuer.
- Vehicles, Plant and Equipment are depreciated over 5 to 7 years as appropriate.
- Surplus assets will have lives based upon the type of asset – e.g. Buildings 30 to 60 years, land indefinite lifespans. Useful economic lives will be agreed with the valuer.
- Heritage and Community Assets are not depreciated.

Effects of changes in estimates

The Council has amended its policy to depreciate Vehicles and Plant over 7 years rather than 5 years. The 7 year period is aligned with the existing vehicle leasing arrangement that the Council has with Ubico.

Revaluations

The 2025/26 PPE valuations and impairment review were undertaken by the Council's internal valuer (Investment Property, Leisure Centres, Surplus Assets) and Carter Jonas (Marriotts Walk). Valuations were undertaken in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and the Code of Practice on Local Authority Accounting in the United Kingdom.

Assets are valued as part of a rolling programme of revaluations. All assets are valued on a 5-year rolling programme.

In estimating asset values, it has been assumed that:

- The capacity of utility services [electricity, gas, water, mains drainage] are adequate for the future use of the properties.
- All assets have planning consent for their existing uses.
- Tenancies are not subject to any unusual or onerous restrictions.
- No contamination exists in relation to property assets [land and buildings] sufficient to affect value.

With the introduction and application of IFRS13 in 2015/16, the Council's surplus assets have been reviewed and measured at fair value based upon 'highest and best use'. The surplus assets that the Council owns are strips of land and therefore they are not depreciated. Within the fair-value hierarchy, the Council's Surplus Assets are deemed as 'level 2' category.

NOTES TO THE BALANCE SHEET

D2. Investment Properties

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

	2024/25	2025/26
	£	£
Rental income	(3,251,879)	(3,413,532)
Direct operating expenses	828,261	815,140
Net (gains) / losses from fair value adjustments	2,888,892	(1,769,729)
	465,274	(4,368,121)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. There are contractual obligations on the Council to repair and maintain certain investment properties and these have been included in the relevant property valuations.

The WODC internal valuer undertook the 2025/26 Investment Property valuations. The valuations were undertaken in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (as outlined in Note D1 above).

Under the CIPFA Code, the Council's Investment Properties are classified as 'level 2' within the fair-value hierarchy. The assets have been suitably valued, based upon current market conditions, sale prices for similar assets, or contractual income for the properties. These observable inputs have been used to classify the assets accordingly. There have been no movements between categories within the hierarchy during the year.

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

	2024/25	2025/26
	£	£
Opening Balance - 1 April	53,244,000	53,491,000
Additions / Subsequent expenditure	695,392	0
Disposal of Investment properties	0	(3,338,500)
Net gains / (losses) from fair value adjustments	(2,888,892)	1,769,729
Reclassification - transfer from Operational Buildings	2,440,500	0
Closing Balance - 31 March	53,491,000	51,922,229

Fair value hierarchy

International Financial Reporting Standard 13 (IFRS13) 'Fair Values' requires all assets measured at fair value to be classified into one of three levels, depending upon the basis of valuation. The 'fair value' of an asset is the reasonable estimation of its market value if sold.

The Council's Investment Property assets are deemed to be categorised as Level 2 in the valuation hierarchy, as the fair value of the assets have been derived primarily from income streams. Authorities are required to

NOTES TO THE BALANCE SHEET

maximise the use of level 1 inputs (available prices) and minimise the use of level 3 inputs (calculations based upon non-market data such as cash-flow forecasts and other non-market data).

D3. Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and is accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased software only, as the Authority has no internally generated software.

All intangible assets are amortised on a straight-line basis over a 5 year period. This represents the period over which the software is expected to be of use to the Council.

Amortisation of intangible assets is charged to the Comprehensive Income & Expenditure Account. For service-specific systems, amortisation is charged direct to the service using the asset. For corporate systems amortisation is allocated across all services benefitting from the asset.

Movements in Intangible Assets

	2024/25	2025/26
	£	£
<u>Asset Cost or Valuation</u>		
Asset values at 1 April	232,769	232,769
Additions		
Derecognition		
Asset values at 31 March	232,769	232,769
<u>Amortisation</u>		
Accumulated Amortisation at 1 April	(232,769)	(232,769)
Amortisation charge for the year		
Derecognition		
Accumulated Amortisation at 31 March	(232,769)	(232,769)
Net carrying amount at 31 March	0	0

NOTES TO THE BALANCE SHEET

D4. Current Debtors

	2024/25	2025/26
	£	£
Government Departments	3,113,195	3,198,799
Other Local Authorities [Statutory]	3,249,174	3,789,848
Other Local Authorities [Trading]	511,152	680,329
Collection Fund debtors (WODC Share)	1,889,210	2,769,485
Housing Benefit recovery	1,711,626	1,669,016
Sundry Debtors	3,352,070	3,791,752
Finance Leases - principal outstanding	458,018	435,209
Other Debtors	1,368,157	1,531,884
Prepayments	864,035	1,323,928
	<u>16,516,637</u>	<u>19,190,250</u>
Less provision for impairment of receivables:		
Collection Fund provisions (WODC share)	(537,151)	(563,727)
Housing Benefit recovery	(1,590,698)	(1,520,498)
Sundry Debtors	(863,934)	(635,455)
	<u>13,524,854</u>	<u>16,470,570</u>

Current Debtors include an amount of £244,929.35 reflecting the amounts due in the next 12 months from the Long Term loans made to Cottsway Housing Association and Southill Solar.

D5. Current Creditors

	2024/25	2025/26
	£	£
Government Departments	(3,770,976)	(2,226,858)
Other Local Authorities [Statutory]	(3,873,307)	(2,994,139)
Other Local Authorities [Trading]	(278,553)	(440,363)
Lease Liabilities		(112,707)
Sundry Creditors	(3,065,641)	(2,230,855)
	<u>(10,988,477)</u>	<u>(8,004,922)</u>
Receipts in advance:		
Government Departments	(735,500)	(70,372)
Other Local Authorities	(126,628)	(247,380)
Collection Fund (WODC Share)	(1,317,340)	(1,077,465)
Sundry Creditors receipts in advance	(3,029,563)	(2,589,883)
	<u>(5,209,030)</u>	<u>(3,985,100)</u>
Capital Receipts in Advance	(1,128,021)	(1,277,548)
Total	<u>(17,325,528)</u>	<u>(13,267,570)</u>

NOTES TO THE BALANCE SHEET

D6. Provisions

	Opening Provision 1 April £	New provisions in-year £	Use of provisions £	Provisions returned to revenue £	Closing Provision 31 March £
Business Rates (NNDR)					
Appeals	(2,090,488)	(23,659)	661,908		(1,452,239)
Provision - Subsidence Claims	(30,000)				(30,000)
Carterton Leisure Centre	(75,000)			75,000	0
Contract Payments	(76,000)		76,000		0
	(2,271,488)	(23,659)	737,908	75,000	(1,482,239)

Business Rates (NNDR) appeals

The NNDR provision has been set aside to cover the potential cost to the Council of outstanding appeals against property revaluations.

D7. Non - Current Debtors

	31 March 2025 £	31 March 2026 £
Cottsway Housing Association loan*	7,391,372	7,298,795
Southill Solar Loan*	1,851,332	1,696,613
Vehicles Leases	1,886,606	1,451,397
GLL - COVID supporting Loans	304,301	304,301
Equity Loans Scheme	232,114	232,114
Lendology Loan Scheme	0	100,000
Parish/Town Council Loans	94,989	79,591
Charge on former Unicorn Public House - Great Rollright	20,498	0
	11,781,213	11,162,811

*The balances of the loans made to Cottsway Housing Association and Southill Solar have been adjusted to remove the amounts due in the next 12 months. These balances sit in Current Debtors.

D8. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below, 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 Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred that has yet to be financed.

The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment, which has not been funded from resources such as grants, capital receipts and direct funding from revenue.

NOTES TO THE BALANCE SHEET

	2024/25 £	2025/26 £
Opening Capital Financing Requirement	28,078,474	29,413,506
Capital Investment in Year		
Adjustment to Opening Balance for ROU Assets		954,471
Property, Plant & Equipment	4,409,188	3,856,845
Revenue Expenditure Funded from Capital under Statute	3,233,138	4,385,436
	<u>7,642,326</u>	<u>9,196,752</u>
Sources of Finance		
Capital Receipts	890,506	2,029,476
Government grants & other contributions	3,978,208	5,733,043
MRP / Statutory repayment of loans advance	891,583	563,320
Earmarked reserves	0	356,480
Direct Revenue Contributions	546,997	569,624
	<u>6,307,294</u>	<u>9,251,943</u>
Net Increase / (Decrease) in Capital Financing Requirement	1,335,032	(55,191)
Closing Capital Financing Requirement	<u>29,413,506</u>	<u>29,358,315</u>

NOTES TO THE CASH FLOW STATEMENT

E1. Notes to the Cash Flow Statement

a. Adjustments to the net surplus / (deficit) on the provision of services for non-cash movements

	2024/25 £	2025/26 £
Depreciation, amortisation and impairment	2,014,489	2,350,075
Increase / (decrease) in creditors	3,218,535	(2,553,732)
(Increase) / decrease in debtors	2,273,143	(4,436,301)
Increase / (decrease) in provision for bad debts	(13,106)	(272,319)
(Increase) / decrease in inventories	(4,416)	1,204
Pensions' liability	(676,000)	(737,000)
Carrying amount of non-current assets sold	1,278,734	3,338,500
Increase / (decrease) in provisions	385,738	(789,250)
Movements in the fair value of investment properties	2,888,892	(1,769,729)
Other non-cash items charged to Surplus/Deficit on the Provision of Services	(3,618,807)	44,741
	7,747,202	(4,823,811)

b. Adjustments for items included in the net surplus / (deficit) on the provision of services that are investing or financing activities.

	2024/25 £	2025/26 £
Capital grants and contributions	(2,639,167)	(2,330,089)
Proceeds from the sale of non-current assets	(1,925,725)	(2,997,917)
	(4,564,892)	(5,328,006)

c. Investing Activities

	2024/25 £	2025/26 £
Purchase of property, plant & equipment and other capital investment	(2,658,976)	(8,242,281)
Purchase of short term and long term investments	(52,015,000)	(146,985,000)
Proceeds from the sale of non-current assets	1,643,821	3,891,144
Proceeds from disposal of short term and long term investments	54,031,138	146,985,000
Other (receipts) / payments from investing activities	4,523,674	5,511,573
	5,524,657	1,160,436

NOTES TO THE CASH FLOW STATEMENT

d. Financing Activities

	2024/25 £	2025/26 £
Cash payments for reduction of liabilities relating to finance leases	0	799,309
	0	799,309

F. Events after the Balance Sheet Date

The Chief Finance Officer authorised the Statement of Accounts on 25th June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

F1. Defined Benefit Pension Scheme

Participation in pension schemes

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

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS) is administered locally by Oxfordshire County Council. It is a defined benefit scheme, based upon final salary scheme and length of service upon retirement. The Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments if they are deemed due.

Changes to the LGPS came into effect from 1st April 2014. Benefits accrued from this date are based on a career average revalued salary. Various protections will be in place for those members and benefits accrued in the scheme before the changes take effect.

The scheme is a defined benefit statutory scheme that is administered in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). It is contracted out of the State Second Pension.

Publica Group (Support) Limited

During 2017/18 the Council transferred the majority of its staff under TUPE legislation to Publica Group (Support) Limited, a wholly owned local authority company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council. The pension fund disclosure notes on the following pages include the staff transferred to Publica. All staff are pooled (counted as one scheme by the pension fund) as the Council continues to underwrite the pension liabilities on the whole scheme.

Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefits are actually paid as pensions. However, the charge the Council makes to council tax is based upon the actual cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement (MiRS).

The following transactions have been charged to the Comprehensive Income & Expenditure account and General Fund Balance during the year:

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

	2024/25	2025/26
	£	£
Comprehensive Income & Expenditure Statement		
<i>Cost of Services:</i>		
Current Service Cost	1,303,000	1,172,000
Past Service Cost	268,000	236,000
(Gains)/loss from settlements		
<i>Financing and Investment Income & Expenditure:</i>		
Net Interest Expense	(280,000)	199,000
Net Charge to Surplus or Deficit on Provision of Services	1,291,000	1,607,000
<i>Other post-employment benefit charged to Comprehensive Income & Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
Return on Plan Assets	(1,708,000)	2,169,000
Actuarial (gains) / losses arising on changes in financial assumptions	11,344,000	1,972,000
Actuarial gains and losses - demographic assumptions	128,000	517,000
Experience (gains) / losses on defined benefit obligation	681,000	(7,480,000)
Asset Ceiling Adjustment	(10,058,000)	5,292,000
	387,000	2,470,000
Total post-employment benefits charged to the Comprehensive Income & Expenditure Statement	904,000	(863,000)
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on Provision of Services for post-employment benefits in accordance with the Code		
	1,291,000	1,607,000
Actual amount charged against the General Fund Balance for pensions in the year		
Employers' contributions payable to the scheme	1,967,000	2,344,000

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	2024/25	2025/26
	£	£
Present value of the defined benefit obligation - funded	(63,380,000)	(70,344,000)
Present value of unfunded obligations	(397,000)	(378,000)
Fair Value of Plan Assets	80,552,000	86,611,000
Asset Ceiling Adjustment	(20,682,000)	(16,589,000)
Net liability arising from defined benefit obligation	(3,907,000)	(700,000)

Reconciliation of Movements in the Fair Value of Scheme (Plan) Assets

	2024/25	2025/26
	£	£
Opening Fair Value of Scheme Assets	78,970,000	80,552,000
Interest Income	3,776,000	4,667,000
Remeasurement Gains / (Losses)	(1,708,000)	1,572,000
Employers' Contributions (including Unfunded)	1,919,000	2,295,000
Employee Contributions	431,000	562,000
Benefits Paid	(2,836,000)	(3,037,000)
Closing Balance 31 March	80,552,000	86,611,000

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2024/25	2025/26
	£	£
Opening Balance 1 April	(73,316,000)	(63,777,000)
Current Service Cost	(1,303,000)	(1,172,000)
Interest Cost	(3,496,000)	(3,667,000)
Contributions from Scheme Participants	(431,000)	(562,000)
Past Service Cost	(268,000)	(236,000)
Remeasurement Gains / (Losses)	12,025,000	(4,911,000)
Change in demographic assumptions	128,000	517,000
Benefits Paid	2,836,000	3,037,000
Unfunded Benefits Paid	48,000	49,000
Closing Balance 31 March	(63,777,000)	(70,722,000)
	Funded	(63,380,000)
	Unfunded	(397,000)
		(70,344,000)
		(378,000)

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Composition of Scheme Assets

	Period ended 31 March 2026			
	Quoted	Unquoted	Total	Percentage
	£000	£000	£000	of total assets %
Equity Securities:				
Consumer	0.0	0.0	0.0	0%
Manufacturing	0.0	0.0	0.0	0%
Energy and Utilities	0.0	0.0	0.0	0%
Financial Institutions	0.0	0.0	0.0	0%
Health and Care	0.0	0.0	0.0	0%
Information technology	0.0	0.0	0.0	0%
Other	0.0	0.0	0.0	0%
Debt Securities:				
Corporate Bonds (investment grade)	0.0	0.0	0.0	0%
Corporate Bonds (non-investment grade)	0.0	0.0	0.0	0%
UK Government	0.0	0.0	0.0	0%
Other	0.0	0.0	0.0	0%
Private Equity:				
All	3,666.0	0.5	3,666.5	4%
Real Estate:				
UK Property	0.0			
Overseas Property	0.0			
Investment funds and unit trusts:				
Equities	0.0	45,903.6	45,903.6	53%
Bonds	0.0	8,003.6	8,003.6	9%
Hedge Funds	0.0	0.0	0.0	0%
Commodities	0.0	0.0	0.0	0%
Infrastructure	0.0	4,439.6	4,439.6	5%
Other	0.0	19,253.0	19,253.0	22%
Derivatives:				
Inflation	0.0	0.0	0.0	0%
Interest rate	0.0	0.0	0.0	0%
Foreign exchange	0.0	0.0	0.0	0%
Other	0.0	0.0	0.0	0%
Cash and cash equivalents				
All	5,344.7		5,344.7	6%
Total rounded	9,011	77,600	86,611	100%

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, as an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels. The financial assumptions are summarised below:

Mortality Assumptions	Males	Females
Current Pensioners	22.5 years	25.1 years
Future Pensioners	23.2 years	26.3 years
Financial Assumptions	2024/25	2025/26
Rate of increase in pensions	2.80%	3.00%
Rate of increase in salaries	2.80%	3.00%
Discount Rate	5.80%	6.20%

Sensitivity Analysis

IAS 19 requires disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 March 2026:	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	1%	1,015
1 year increase in member life expectancy	4%	2,829
0.1% increase in the Salary increased Rate	0%	56
0.1% increase in the Pension increase Rate (CPI)	1%	958

The estimated employer's contributions for the year to 31st March 2027 will be approximately £1,429,000.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

F2. Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet.

2024/2025			2025/2026	
Non-Current £	Current £		Non-Current £	Current £
		Financial Assets at Amortised Cost		
9,547,004	4,352,670	Debtors	9,399,708	5,368,511
1,886,606	458,018	Finance Leases	1,451,397	435,209
11,433,610	4,810,688		10,851,105	5,803,720
		Fair Value through Profit or Loss		
11,243,980	62,435	Investments	11,447,379	63,474
	12,708,463	Cash and cash equivalents	0	11,829,194
11,243,980	12,770,898		11,447,379	11,892,668
		Fair Value through OCI		
690,000		Equity Instruments	640,000	7,500
690,000	0		640,000	7,500
23,367,590	17,581,586	Total Financial Assets	22,938,484	17,703,888
		Financial Liabilities at Amortised Cost		
0	(1,291,354)	Creditors	0	(1,523,382)
0	(1,291,354)	Total Financial Liabilities	0	(1,523,382)

Not all short-term debtors and creditors fall within the definition of financial instruments. The difference between the totals shown on the Balance Sheet and the values above is as follows:

	Non-Current Debtors	Current Debtors £	Current Creditors £
Total on Balance Sheet	11,162,811	16,470,570	(11,990,021)
Statutory & Government Debtors / Creditors	(311,705)	(9,342,922)	6,368,833
Prepayments / Receipts in Advance	0	(1,323,928)	3,985,099
Finance Lease Principal / Liabilities	(1,451,397)	(435,209)	112,707
Total Financial Instruments	9,399,708	5,368,511	(1,523,382)

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following items:

2024/2025 Financial Assets				2025/206 Financial Assets		
Loans & Receivables	Available for Sale	Fair Value through OCI		Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI
£	£	£		£	£	£
0	0	0	-			
(636,462)	(1,112,843)	(30,000)	<u>Financing & Investment Income and Expenditure</u>			
			Interest Expense			
			Interest / Dividend income	(622,757)	(1,305,553)	(30,000)
			Changes in impairment loss allowance			
0	68,350	0	Changes in fair value		(203,398)	
			<u>Other Comprehensive Income</u>			
0	0	262,875	Changes in fair value	0	0	50,000
(636,462)	(1,044,493)	232,875	Net (Gain) / Loss for the Year	(622,757)	(1,508,952)	20,000

Fair Values of Financial Assets and Financial Liabilities

Fair Value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

The Code sets out the fair value valuation hierarchy local authorities are required to follow to increase consistency and comparability in fair value measurements and disclosures: Level 1 assets are valued based upon ‘quoted prices in active markets for identical assets’ where such assets exist. Level 2 is based upon inputs other than quoted prices within level 1 that are observable. Level 3 represents all other unobservable inputs, which can be used to estimate the fair value of the assets.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

The following table shows the Council's financial assets measured at fair value through profit or loss:

	Input level	As at 31/03/2026 £
<u>Fair Value through Profit or Loss</u>		
Money Market Funds	Level 1	11,888,252
Pooled Investment Funds	Level 1	11,510,853
Call Accounts	Level 1	50,769
		23,449,874

Fair values for those financial assets deemed to be categorised as Level 1 have been derived from unadjusted quoted prices in active markets. Except for the financial assets carried at fair value (as shown above), all other financial liabilities and financial assets are carried in the Balance Sheet at amortised cost.

The carrying value and fair values are shown below for comparison purposes. Fair values are not required for current debtors and creditors (trade payables and receivables) since the carrying amount is deemed a reasonable approximation of fair value.

	2024/25		2025/26	
	Carrying Amount £	Fair Value £	Carrying Amount £	Fair Value £
Financial Assets at Amortised Cost				
Investments	0	0	0	0
Non-Current Debtors	9,547,004	9,547,004	9,399,708	9,399,708
Non-Current Finance Leases	1,886,606	1,886,606	1,451,397	1,451,397
	11,433,611	11,433,611	10,851,106	10,851,106
Financial Liabilities at Amortised Cost				
Borrowing	0	0	0	0
	0	0	0	0

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Equity Instruments Elected to Fair Value through Other Comprehensive Income

The Council has elected to account for the following investment as an equity instrument at fair value through other comprehensive income because it is a long-term strategic investment held by the Council primarily to receive regular dividend income rather than for capital growth or to sell.

Presenting changes in its fair value in the surplus or deficit on provision of services is therefore less likely to present a true and fair view of the Council's financial performance than presenting it in other comprehensive income.

	Fair Value		Dividends	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£	£	£	£
Fundamentum Social Housing REIT plc	690,000	640,000	30,000	30,000
	690,000	640,000	30,000	30,000

F3. Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The key risks are in relation to its financial assets. These are as follows:

- Credit risk – the possibility that other parties may 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 required 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 because of changes in metrics such as interest rates.

Overall procedures for managing risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing procedures to minimise these risks. The duty to manage such risks is set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. These procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA Code of Practice for Treasury Management Services
- By approving annually in advance prudential indicators for the following three years covering:
 - * Limits on the Council's overall debt [external borrowing]
 - * The maturity structure of any external borrowing
 - * The Council's upper limit for exposure to fixed and variable interest rates
 - * The maximum exposure to investments maturing beyond a period of one year.
- By annually approving a Treasury Management Investment Strategy for the forthcoming year, setting out criteria for investments and specifying the minimum credit worthiness for all counterparties.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget. These items are reported with the annual treasury management strategy, which outlines the detailed approach

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported annually to Members.

The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Authorities.

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the DLUHC's Investment Guidance for local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

A central treasury team implements these policies. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices.

Credit Risk

The Council manages credit risk by ensuring that investments are placed with the Debt Management Office, other local authorities, AAA-rated money market funds and Banks and Building Societies of sufficiently high credit quality as set out in the Treasury Management Strategy. A limit of £5m of the total portfolio is placed on the amount of money that can be invested with a single counterparty. The Council also sets a total group investment limit for institutions that are part of the same banking group. No more than £25m in total can be invested for a period longer than one year.

It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. All investments have been made in line with the Council's Treasury Management Strategy Statement for 2024/25, approved by Full Council in February 2025.

The ratings of the financial institutions holding Council investments (and investments classified as cash equivalents) at the Balance Sheet date are as follows:

	Investment Balance (£)
-	
<u>Call accounts and other 'cash equivalent' investments</u>	
Money Market Funds	11,888,252
Call Accounts	50,769
<u>UK Equities</u>	
Real Estate Investment Trust (REIT)	640,000
<u>Pooled funds</u>	
Non-rating agency rated pooled fund <i>separately approved by the Council's Treasury Management advisors</i>	11,510,853

The table below summaries the nominal value of the Council's investment portfolio at 31st March 2026 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

At the balance sheet date, the maturity profile for the Council's investments classified as cash equivalents for financial reporting purposes were distributed as follows:

Investment values - maturing within:				
	0-3 mths	3-6 mths	6-12 mths	1 year +
	£	£	£	£
<u>Internally managed funds</u>				
Money Market Funds	11,888,252			
Call Accounts	50,769			
UK Equities				640,000
<u>Externally managed funds</u>				
Pooled Funds	63,474			11,447,379

The credit quality of debtors is reflected in the level of impairment allowance for trade debtors shown in note D4.

Liquidity Risk

The Council has a cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Authority has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues, medium term notes, tax increment financing, the European Investment Bank, and other local authorities. There is no perceived risk that the Council will be unable to raise finance to meet its commitments.

The Council also has to manage the risk so that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The Council would only borrow in advance of the forecast spend in the capital programme where the spend can be reliably committed and the cost of borrowing, such as rising interest rates, make a clear business case for doing so. Although there is currently no external borrowing, there is significant internal borrowing so even if loans were drawn down ahead of a planned capital spend, the Authority would still not be deemed to be borrowing ahead of need. There is no intention to borrow outside of funding spend in the capital programme or to finance future debt maturities.

The Local Government Finance Act 1992 also requires the Council to set a balanced budget which ensures sufficient monies are raised to meet annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its financial commitments.

Market Risk – interest rate risk

The Council is exposed to risks arising from movements in interest rates but in a time of large movements in interest rates, the decision on whether to borrow at a fixed rate or a variable rate is taken on a case by case basis, and this is reflected in the Treasury Management Strategy which does not preclude borrowing under either option.

Price Risk

The Council holds some financial instruments, whereby the capital value may fluctuate because of market conditions. However, these instruments are all purchased on a hold to maturity or long term basis and therefore any temporary fluctuations in the market value of such products have no immediate impact on the Council's finances. The losses that have been incurred in these funds would need to be recognised if the investment was withdrawn or at the end of March 2025 when the statutory override on recognising losses in financial instruments is expected to end.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Foreign Exchange Risk

The Council's policy is deal in pounds sterling wherever possible thus mitigating the need to deal in foreign exchange.

F4. Leases

On 1st April 2024 the Council adopted the IFRS16 leasing standard. This removes the distinction between finance and operating leases where the council is the lessee, with all leases being considered a finance lease and recorded on the Balance Sheet. There is an exception for low value or short-term leases.

Where the Council leases out property, plant or equipment (lessor) these leases continue to be recorded as operating leases or finance leases depending on the substance of the lease.

The Council as Lessee [obtaining assets under a leasing arrangement]

IFRS 16 removes the previous distinction between finance leases and operating leases for lessees. Under the previous standard, finance leases were recognised on the balance sheet, while operating leases were treated as off balance sheet arrangements, with lease payments charged to revenue as incurred.

IFRS 16 now requires most leases to be accounted for using a single on balance sheet model. Lessees must recognise a right-of-use asset representing their right to use the leased item, and a corresponding lease liability reflecting their obligation to make lease payments. This change provides a more complete picture of the Council's leasing commitments.

The Council has applied recognition exemptions for:

- Short-term leases (ending on or before 31 March 2027, or under 12 months in duration), and
- Low-value leases (where the value of the underlying asset is less than £10,000 when new).

Right of Use Assets and Lease Liabilities

In 2024/25 under IFRS 16, the Council recognised Right of Use (RoU) assets and corresponding lease liabilities for leases previously classified as operating leases, which did not include the lease property as an asset on the balance sheet.

Opening Balance Adjustments (IFRS 16 – Right-of-Use Assets)

An error was identified in the initial recognition of Right-of-Use (ROU) assets and associated lease liabilities in 2024/25. In accordance with IAS 8 and the CIPFA Code, this has been corrected through opening balances in 2025/26.

The adjustments to opening balances are as follows:

	Adjustment £
PPE ROU Assets	954,471
Lease Liabilities - current	(106,098)
Lease Liabilities - non-current	(912,016)
Capital Adjustment Account	79,908

Overall, the gross adjustment to lease liabilities totals approximately £1.018m, offset by a corresponding increase in ROU assets.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

The correction reflects a measurement error on adoption of IFRS 16. As the adjustment to lease liabilities is the direct counterpart of the ROU asset restatement, the impact is primarily a gross up of both assets and liabilities, with a limited net effect on reserves. The only residual balance sheet impact is a £79,908 movement in the Capital Adjustment Account, with no material impact on usable reserves or the Council's financial position

The following tables provide details of the RoU assets and associated lease liabilities as at 31 March 2026.

Lease Liabilities	31 March 2025	31 March 2026
	£	£
Opening Balance	0	920,528
Adjustment to opening balance	0	1,018,114
Adjusted opening balance	0	1,938,642
Initial application of IFRS 16	1,046,422	0
Interest Expense	55,670	126,055
Lease Payments Made	(181,564)	(232,153)
Closing Balance	920,528	1,832,544

Minimum lease payments for Right of Use Assets in future years	31 March 2025	31 March 2026
	£	£
Not later than one year	178,181	112,707
Later than one year and not later than five years	640,591	525,677
Later than five years	101,806	1,194,160
	920,578	1,832,545

Land & Buildings	31 March 2025	31 March 2026
	£	£
Opening Balance	0	1,292,922
Adjustment to opening balance	0	954,471
Additions	1,292,922	0
Depreciation	0	(188,549)
Closing Balance	1,292,922	2,058,844

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

The Council as Lessor [leasing assets out]

Finance Leases

The Council leases a number of waste and recycling vehicles to Ubico Limited.

The minimum lease payments comprise settlement of the long-term debtor for the interest in the asset and finance income that will be earned by the Council for the period while the debt remains outstanding.

	31 March 2025 £	31 March 2026 £
Present value of principal payments outstanding on non-current assets	2,344,625	1,886,608
Unearned finance income	188,147	394,745
	2,532,772	2,281,352

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Minimum Lease Payments (excl. int)	
	31 March 2025 £	31 March 2026 £
	Not later than one year	458,018
Later than one year & not later than five years	1,473,471	1,268,722
Later than five years	413,137	182,676
	2,344,626	1,886,608

The Council has not included any allowance for uncollectable debts in the table above. Any outstanding debts would be considered within the Sundry Debtors bad-debt provision calculation.

Operating Leases

The Council leases out a number of premises within the local area. The future minimum lease payments receivable under non – cancellable leases in future years are:

	31 March 2025 £	31 March 2026 £
Not later than one year	4,329,292	4,244,074
Later than one year & not later than five years	11,765,688	12,016,234
Later than five years	29,750,555	28,310,735
	45,845,535	44,571,044

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

The minimum lease payments receivable does not include rents that are contingent on events taking place after the balance sheet date.

F5. Accounting Policies

i) General principles

The Statement of Accounts summarises the Council's transactions for the financial year and its position at the 31st March year-end. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, those regulations which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom* supported by International Financial Reporting Standards (IFRS) and statutory guidance.

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.

These accounts have been prepared on the basis that the Council is a going concern.

ii) Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories (stock) on the Balance Sheet, where the value is material.
- 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 respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to the Comprehensive Income and Expenditure Statement for the income that might not be collected (doubtful debts).
- The council has set a de-minimis level for accruals of creditors and debtors that are calculated manually in order to avoid additional time and cost in estimating and recording accruals. This level is set at £500 with the exception of any grant where applying the de-minimis level would affect a grant claim and any accruals included therein.

iii) Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and deposits with financial institutions repayable, without penalty, on notice of not more than 24 hours. This includes bank call-accounts, Money Market Funds (MMF) and any other 'overnight-type' investments.

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

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

iv) Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is normally applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes to the valuation of non-investment assets will be applied prospectively, with no restatement of prior year figures.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

v) Charges to revenue for non-current assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the relevant service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible 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 contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance - Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

vi) Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii) Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlement (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Overtime is only paid on limited occasions and requires prior Head of Service approval. Overtime is not contractual or regular, and therefore any holiday leave potentially accruing on overtime worked is not significant. The Council does not accrue for holiday pay due on overtime.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, in exchange for those benefits and are charged on an accruals basis to the appropriate service segment, or where applicable, to a corporate service segment within the Comprehensive Income and Expenditure Statement 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.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or the employee in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pension reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

viii) Post-employment benefits

Employees of the Council are permitted to join the Local Government Pension Scheme, administered by Oxfordshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

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

- The liabilities of the Oxfordshire County Council Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the Iboxx Sterling Corporate Index, AA over 15 years, at the IAS19 valuation date. This is a high quality corporate bond of equivalent term and currency to the liability.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

- The assets of the Oxfordshire County Council Pension Fund attributable to the Council are included in the balance sheet at their fair value.
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

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

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost- the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
 - net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure
 - contributions paid to the Oxfordshire County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

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

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

ix) Events after the reporting period

x) Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. 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
- 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 such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

xi) Financial instruments

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Any borrowing that the Council may undertake would be presented in the Balance Sheet at the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. In accordance with regulations/statutory guidance, the Council spreads the gain or loss over the remaining financial years of the original loan term, starting from the current financial year through to and including the year in which the loan would have been repaid. In the case of premiums, the Council may elect to amortise the cost over a shorter period. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets (i.e. why we are holding the asset) and their cash flow characteristics. There are three main classifications:

- Amortised cost
- Fair value through other comprehensive income (FVOCI), and
- Fair value through profit or loss (FVPL)

The Council primarily holds investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

Expected credit loss model

The Council recognises material expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis except for those where the counterparty is central government or another local authority, where relevant statutory provisions prevent default. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors).

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets that are measured at fair value through other comprehensive income are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial assets measured at fair value through profit or loss (FVPL)

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement.

The Council has chosen to apply statutory provisions for mitigating the impact of fair value movements on Pooled Investment Funds as directed in the relevant Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations. This allows (where relevant criteria are met) for fair value gains and losses on Pooled Investment Funds made before 1 April 2024 to be reversed to an account established solely for the purpose of recognising fair value gains and losses – the Pooled Investment Funds Adjustment Account.

This statutory provision ceases on 31 March 2029.

For Pooled Investment Funds made on or after 1 April 2024, fair value gains and losses will be recognised in the General Fund.

Fair value measurements of financial assets

Fair value of an asset 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 measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

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

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

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

xii) Government 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 the 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 conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, 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-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community infrastructure levy

The Council adopted the charging of a Community Infrastructure Levy (CIL) on 31st January 2026. The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council will be responsible for charges and collecting the levy, which is a planning charge. Future income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

When charged, the CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges, once introduced, will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure. A share of the charges which are due to be payable to the County, Town or Parish Councils will remain in creditors (receipts in advance) until due.

xiii) Heritage assets

Heritage assets are those assets that are held and maintained principally for their contribution to knowledge and culture.

The Council owns several public artworks. These items meet the classification of Heritage Assets adopted by the Code (FRS102).

Where assets have been purchased or recently obtained, information on their cost or value will be available. The Code allows that where this information is not available or cannot be obtained at a value which is commensurate with the benefits to users of the financial statements, that the assets need not be recognised in the Balance Sheet.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

When purchased or where a value is available, heritage assets are recognised on the balance sheet at historic cost. Assets within the Council's ownership are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation on those heritage assets on the Council's balance sheet. Due to the nature of the type of assets held, the Council's heritage assets are not subject to revaluation and will only be impaired if there is clear reason to suspect the assets have become impaired.

xiv) Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Intangible assets are measured initially at cost.

The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. The Council carries no internally generated intangible assets on its balance sheet.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account or (for any sale proceeds greater than £10,000) the capital receipts reserve.

xv) Inventories and long-term contracts

Inventories (stocks) are included in the Balance Sheet at cost.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xvi) Investment property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account or (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xvii) Leases

The council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the Council is reasonably certain to exercise.
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option.
- penalties for early termination of a lease unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases.
- leases where rent reviews do not necessarily reflect market conditions.
- leases with terms of more than five years that do not have any provision for rent reviews.
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate.
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

- the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The council as lessor

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

Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve. When the future rentals are received, the element for the capital receipt for the disposal of

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the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

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 line 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 (e.g. 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 amount of the relevant asset (if material) and charged as an expense over the lease term on the same basis as rental income.

xviii) Property, plant and equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the 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 (e.g. repairs and maintenance) is charged as an expense when it is incurred.

The Council's capitalisation de minimis is £10,000, except for where the sum of a group of assets is significant, such as waste collection bins and boxes or ICT equipment.

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

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

- Community assets and assets under construction – depreciated historical cost
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both) depreciated historical cost basis is used as an approximation of current value.

Assets included in the balance sheet at current value are revalued to ensure that their carrying amount is not materially different from their value at year-end. All land and buildings are revalued at least every 5-years as part of a rolling programme with annual indexation applied to assets during the four intervening years. Where the Council cannot obtain indices without undue cost or effort, it will apply a desktop revaluation in year three. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services within the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where items or property plant and equipment are revalued, and the valuer identifies an asset which has component parts that have significantly different useful lives, where one or more parts represent a significant proportion of the overall asset, then the asset may be componentised. With componentisation, one or more constituent parts may be identified, and the component parts separately valued for the accounts and depreciated over different useful lives to the main asset. Useful economic lives (and therefore depreciation calculations) will be based upon the asset lives recommended by the Council's valuer.

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 in the Comprehensive Income and Expenditure Statement.

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

Impairment

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

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

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

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets

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under construction). For asset additions, no depreciation is provided for during the financial year of acquisition. However, a full year's depreciation is provided for in the financial year of disposal.

Depreciation is calculated on the following bases:

- Operational buildings and surplus property – depreciated on a straight-line basis, over a 30 to 60 year period, depending upon the particular asset and an estimate of the asset life from the Council's valuer.
- Car Park depreciable components (surface) – 20 years
- Land is not depreciated.
- Vehicles and plant - depreciated on a straight-line basis, over a 7-year period.
- Furniture and equipment – depreciated on a straight-line basis, over a 5-year period.
- Investment property is not depreciated.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

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xix) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place on or before the balance sheet date:

- that gives the Council a present obligation.
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

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 also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent assets

A contingent asset arises where an event has taken place that gives the 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 disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xx) Reserves

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

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xxi) Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxii) Value Added Tax

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

xxiii) Fair value measurement of non-financial assets

The Council's accounting policy for fair value measurement of financial assets is set out in the 'Financial Instruments' section (above). The Council 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:

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

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

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

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

F6. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note F5 above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has a one-eighth share in Ubico Limited. The company provides a range of integrated environmental services including, commercial refuse collection and grounds maintenance services on behalf of the Council. The separate operating practices, management structure and the application of majority voting

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

on the Ubico Limited board do not constitute the Council having joint-control or significant influence over the company. The Council's interest has therefore been classified as an investment in Ubico and group accounts have not been prepared.

- The Council jointly owns (with Cotswold District Council, the Forest of Dean District Council and Cheltenham Borough Council) Publica Group (Support) Limited, a wholly owned company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council and services to other members Councils under contract. Publica can be considered to be an employment vehicle (in accounting terms only a 'holding account'), employing and paying staff and then recharging these costs to the Councils, via a contract sum. It does not trade and does not make a 'profit' as substantially all surpluses are redistributed back to the councils. While the Council has an interest in the Company, the Council's share of any surplus for the year and net assets at the balance sheet date have not been consolidated into the Council's single entity accounts. It is the view of management that the figures involved are not material and the production of group accounts will not enhance disclosure or provide any additional benefit to the reader of the accounts, and on that basis, Group Accounts have not been prepared.
- No allowance has been made in the Councils' accounts for the transfer out of any Local Government Pension Scheme (LGPS) pension liability to Publica Group (Support) Limited. The service contract and tripartite agreement between the Council, Oxfordshire Pension Fund and Publica Group (Support) Limited mean that the pension liability and risk relating to the pension fund remains with the Council, following the TUPE transfer of the majority of the Council's staff to Publica on 1st November 2017. Therefore, the Council is reporting the pension liability for both staff transferred to Publica, and the Councils retained staff, in the accounts. Although Publica, as the employer of many of the current staff may be initially responsible for paying any exit contributions (for example), for any of its staff that are members of the LGPS, such cost will be reimbursed by the relevant Council. The accounts have been prepared on the basis that the full pension fund liability for the LGPS sits in the Council's accounts. There are no separate disclosures for Publica as they are not responsible for any LGPS liability.
- Under International Financial Reporting Standards (IFRS), assessments have been made as to the correct accounting treatment for a number of lease agreements, which the Council has entered into. Categorising leases as either operating or finance leases results in different accounting treatment depending upon the categorisation of the lease. In each case, a lease is classified based upon criteria contained within the Code and an assessment of the nature of the leasing arrangement in place.

The Council has entered into a lease-type agreement whereby it provides environmental services vehicles to Ubico Limited. Ubico pay a market-rate for the use of the vehicles and are responsible for insuring and maintaining the vehicles and determining their deployment (including use across other Ubico contracts where necessary). Ubico pay for the vehicles over a period of 7-years for new vehicles, which is deemed to be the useful economic life of the assets. The transaction has been accounted for on the basis that the agreement is a finance lease, because: i) the sum of the lease payments equal the cost of purchasing the asset; ii) the length of the term represents 'substantially all' of the useful life of the asset; and iii) the rights and responsibilities of ownership (maintenance, insurance, deployment) in relation to the vehicle assets sit primarily with Ubico Limited. This agreement has been formalised in a lease agreement between Ubico and the Council.

- The Council leases-in a small number of operational assets on 'peppercorn' or non-commercial terms. For such assets, the assets are not accounted for purely on the financial agreement (lease) in place but include an assessment of the substance of the transaction or underlying arrangement to take account of the view that the purpose of the lease is to provide services or benefit within the district. The terms of the lease and the desire to provide beneficial services are often represented in non-commercial lease-terms being agreed.
- A significant level of risk remains due to the volume of outstanding business rates appeals, which are being processed by the Valuation Office. Where appeals are successful, refunds of business rates are generally repayable back to the latest valuation date, which reduces the business rates yield in the year in which the refund is made. This set of accounts includes a provision for appeal losses. The value has been assessed using information of outstanding appeals supplied by the valuation office, as at 31st March 2024, and using experience of previous appeals rates. The Council's share of the liability stands at £1,780,750.
- Grants are only recognised as income in the CIES, where the Council is acting as a principal. If the Council is acting as an intermediary (agent), then the net balance of monies to either be repaid or due to the council, will be shown on the balance sheet. It is deemed the Council is acting as a principal if they have control of a grant i.e. the ability to direct the use of and obtain substantially all of the remaining benefits from the grant.

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Following the receipt of a grant the Council had to determine whether in administering the grant it was acting as an agent or principal.

Where the Council was acting as agent, the following conditions applied:

- It was acting as an intermediary between the recipient and the 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 use its own discretion when allocating the amount of grant payable. The narrative report (page 5) highlights the business grants where the Council is acting as either the principal or agent.

F7. Accounting standards not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the Code. This requirement applies to standards that are effective for financial years commencing on or before 1 January 2026, but which have not yet been incorporated into the Code for 2025/26.

At the balance sheet date, the following accounting standards and amendments have been issued but are not yet adopted by the Code of Practice on Local Authority Accounting in the United Kingdom:

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 and introduces new requirements for the structure and presentation of financial performance, including defined categories of income and expenditure and enhanced subtotals.

- Effective date: 1 January 2027
- Expected impact: The standard is not anticipated to have a material impact on the Council's financial position but may result in changes to the presentation and disclosure of the Comprehensive Income and Expenditure Statement.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

This standard introduces a simplified disclosure framework for eligible subsidiaries.

- Effective date: 1 January 2027
- Expected impact: The Council does not have subsidiaries and group accounts reporting

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

These amendments clarify requirements relating to the classification and measurement of financial instruments and update associated disclosures.

- Effective date: 1 January 2026
- Expected impact: The Council is currently assessing the detailed implications of these amendments. Based on initial review, no material impact on the Council's financial statements is anticipated.

Annual Improvements to IFRS Accounting Standards – Volume 11

This package includes minor amendments to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, to clarify guidance and correct minor inconsistencies.

- Effective date: 1 January 2026

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- Expected impact: These amendments are not expected to have a material impact on the financial statements.

The Council has undertaken an initial assessment of the above standards and amendments and, at this stage, does not expect that their adoption will have a material impact on the financial statements. The Council will continue to monitor developments and consider the impact of these changes as part of the preparation of future Statements of Accounts.

F8. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

This note sets out those items where there is a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year. This is distinct from Note F6, which describes critical judgements applied in selecting and applying accounting policies.

Item	Uncertainties	Effect if actual result differs from assumption
Property - Operational Property	<p>The Council's property assets are measured at current value in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. Valuations are undertaken by appropriately qualified internal and external valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (the Red Book).</p> <p>A range of valuation methodologies are applied depending on the nature of the asset. These include Depreciated Replacement Cost (DRC) for specialised operational assets, and fair value using investment, income, comparative and residual approaches where appropriate, consistent with the accounting policies set out in Note F5 and the disclosures within Notes D1 and D2.</p> <p>Where assets are not subject to a full revaluation in the financial year, the Council applies indexation to ensure that carrying values do not materially differ from current value at the reporting date. This includes the use of externally sourced indices such as CBRE commercial property indices for office, retail and industrial assets, BCIS construction indices for assets valued on a DRC basis, and relevant market indices for development land.</p> <p>The valuation of property assets requires the use of assumptions and estimation techniques. Residual valuations of surplus and development land are particularly sensitive to assumptions regarding development viability, including build costs, planning requirements, developer profit and abnormal costs. During 2025/26, the introduction of the Community</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve /and or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>If the value of the Council's operational properties were to reduce by 10%, this would be unlikely to result in a significant charge to the Comprehensive Income and Expenditure Statement due to the level of revaluation reserve balance held of approximately £32.25m.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and/or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and/or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>If the useful economic life of an asset is reduced, depreciation increases and the carrying value of an asset</p>

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	<p>Infrastructure Levy (CIL), together with increases in construction costs, has placed downward pressure on development land values.</p> <p>For specialised operational assets valued using the DRC method, assumptions are made regarding the cost of a modern equivalent asset, asset condition, levels of obsolescence and remaining useful life. These assumptions are informed by BCIS cost data and professional judgement and are consistent with the valuation assumptions disclosed within Note D1.</p> <p>Overall, whilst valuations are prepared in accordance with recognised professional standards and based on the best available information at the reporting date, the valuation of property assets remains subject to estimation uncertainty.</p> <p>There is a risk that the carrying values may differ from the amounts that would be realised in the event of disposal or from future revaluations, particularly where valuations are dependent on estimation techniques and judgemental inputs or where market conditions are volatile.</p>	<p>will fall. Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £76m.</p>
<p>Fair Value measurement of Investment Property</p>	<p>The Council's valuers use valuation techniques to determine the fair value of investment property. This includes developing estimates and assumptions consistent with how market participants would price the property. The investment properties' main assumptions for change are yield and rent.</p> <p>When valuing investment properties, the valuers have run a number of valuations adjusting yields typically by 25 basis points each time to encapsulate and understand how current and future risk within the yield affects values. Whether this is further potential for rental growth, unknown covenant strength or letting void.</p> <p>Investment property valuations are sensitive to key assumptions including rental income, lease events, void periods and capitalisation yields. These inputs are influenced by market conditions and changes in tenant demand, which have resulted in material movements in certain asset values during the year.</p> <p>During this accounting period Investment properties have been valued against assumptions of the national economic picture and local conditions that impact rental values.</p> <p>As a result of the above factors, there is a risk that the carrying value of property assets at the reporting date may differ from the values that would be realised in the event of disposal or from future revaluations. This risk is considered to be higher for assets where valuations</p>	<p>Estimates for fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date.</p> <p>It is not possible to quantify the level of variance that may arise if assumptions used differ from actual asset values. The Council is confident, however, that the risk of any variance will not affect the Council's financial strategy. A fall of 5% in the overall revaluation would result in a fall in value of £2,596,111 against a current NBV of £51.92m.</p>

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	are dependent on judgemental inputs or where market volatility is greater.	
Pension Liability	<p>The estimation of the Council's net defined benefit pension liability is subject to significant estimation uncertainty and is calculated by the Scheme Actuary using actuarial valuation techniques. These techniques require the use of a number of complex assumptions, including the discount rate, future salary increases, pension increases, rates of inflation, mortality assumptions and expected returns on Pension Fund assets.</p> <p>These assumptions are based on market conditions and actuarial judgement at the reporting date. Changes in these assumptions can have a material impact on the valuation of the pension liability reported in the Balance Sheet.</p> <p>In addition, an asset ceiling adjustment has been applied in accordance with relevant accounting standards. This reflects the requirement to consider the extent to which any pension surplus is recoverable by the Council, taking into account ongoing obligations to make past service contributions. The application of the asset ceiling involves interpretation of accounting standards and actuarial advice and therefore introduces an additional level of estimation uncertainty.</p> <p>The Council has engaged Hymans Robertson as its consulting actuary to provide expert advice on the assumptions to be applied and to calculate the pension liability in accordance with the requirements of IAS 19. The assumptions used are reviewed annually and are consistent with those disclosed within Note F1.</p> <p>Due to the long-term nature of the scheme and the inherent uncertainty in forecasting future events, there</p> <p>is a risk that actual outcomes will differ from the assumptions applied. Such differences could materially affect the value of the pension liability reported in future financial statements.</p>	<p>The effect of changing assumptions will result in changes in the valuation of the pension funds' assets and liabilities.</p> <p>Removing the asset ceiling calculation results in an increase in pension fund asset values of £16.589m. Instead of disclosing a pension liability of £0.700m the Council would instead disclose a pension fund asset of £15.889m</p> <p>For further details of the impact of variations in key assumptions, see note F1.</p>

Where other assumptions have been made these will be disclosed in the appropriate note to the accounts.

F9. Contingent Liabilities and Contingent Assets

The Council has no significant contingent assets or liabilities to report.

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F10. Related Parties

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

Central Government

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides a significant element of the Council's funding in the form of grants and prescribes the terms of many transactions that the Authority has with other parties (e.g. council tax bills and housing benefits). Details of any significant grants received in the year are listed under Note B9, *Grant Income*.

Members of the Council

Members of the council have direct control over the council's financial and operating policies. The total of Members' allowances paid in 2025/26 is disclosed in Note B6, *Members' Allowances*.

All elected Members are required to complete a questionnaire detailing any areas where potential conflicts of interest may occur between their private interests and their position as the elected representatives of the Council. Details are recorded in the register of members' interest, open to public inspection at the Council Offices during office hours.

- Seventeen Members declared an interest as a Town, Parish or County Councillor where precepts were awarded during 2025/26.

Officers

By virtue of the Officer Code of Conduct, employees of the Council are required to declare any relationship with individuals, organisations or companies that might prejudice, or could be viewed as influencing, their professional judgement. On an annual basis, senior officers and officers within positions of influence within the Council are required to complete a related party declaration to highlight any potential conflicts of interest.

Declarations are sought even where no conflicts of interest have been reported. There were no declarations that required further disclosure in this statement of accounts.

Publica Group (Support) Limited

Publica Group (Support) Limited (the Company), is a not-for-profit company limited by guarantee with no share capital.

West Oxfordshire District Council, along with Cotswold, and Forest of Dean District Councils and Cheltenham Borough Council have jointly set up Publica Group (Support) Limited, a wholly owned company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council and services to other members Councils under contract.

Publica Group (Support) Limited is a Teckal company fulfilling the conditions set out in Regulation 12(4) of the Public Contracts Regulations 2015. The Company is subject to management supervision by the Members. As such, the Company is a body governed by public law as defined in the Public Contracts Regulations 2015.

While Publica Group (Support) Limited works closely with the Council, the company has its own board of Directors, its own Management team, and operates independently from the Council.

The second phase of the Publica Review resulted in 24 members of staff transferring back to the Council on 1st July 2025. The impact of these transfers will be included in updates to the MTFs.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Ubico Limited

Ubico Limited was established in 2011/12 by Cheltenham Borough Council and Cotswold District Council to deliver a range of integrated environmental services including household and commercial refuse collection, recycling, street cleansing and grounds maintenance. It commenced operations on 1 April 2012.

During 2015/16 West Oxfordshire District Council became a shareholder of Ubico Limited. The Council holds an equal 1/9th shareholding in the Company.

The company provides services to the shareholder councils on a not-for-profit basis and therefore qualifies for the teckal exemption (named after the EU case that established the principle). As a teckal company, Ubico Limited must ensure that the percentage of work undertaken outside of the shareholder contracts is less than 20% of its total activity.

While the Council has a 1/9th shareholding in Ubico Limited, the Council is not deemed to have significant influence over the company. The separate operating practices, management structure and majority voting on the Ubico board do not constitute any means of joint control over the company. The Council's interest is therefore classed as an investment in Ubico.

Other Public Bodies

The Council collects precepts on behalf of Oxfordshire County Council, Thames Valley Police & Crime Commissioner and the Town and Parish Councils within the Council area. Precepts for the County Council and Police Authority are shown in the Collection Fund. Town and Parish precepts are charged to the Comprehensive Income and Expenditure Account.

The Local Government Pension Scheme (of which West Oxfordshire is a member) is administered by Oxfordshire County Council (see note F1).

THE COLLECTION FUND

This "Agent's" statement shows the transactions of the Council as a billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and National Non-Domestic Rates (Business Rates).

2024/2025					2025/2026		
Business Rates £	Council Tax £	Total £		Note	Business Rates £	Council Tax £	Total £
(45,007,849)	(112,608,379)	(112,608,379)	Council Tax receivable	G1		(120,979,579)	(120,979,579)
(1,260,830)		(45,007,849)	Business Rates Receivable	G2	(46,156,780)		(46,156,780)
(1,810,539)		(1,260,830)	Transitional Protection Payments		0		0
		(1,810,539)	Contribution to previous year's deficit / (Surplus)		(194,754)		(194,754)
(48,079,218)	(112,608,379)	(160,687,597)	Total Income		(46,351,534)	(120,979,579)	(167,331,113)
			<u>Apportionment of previous year's surplus</u>				
	156,443	156,443	West Oxfordshire District Council			133,916	133,916
	1,246,902	1,246,902	Oxfordshire County Council			1,057,596	1,057,596
	184,285	184,285	Thames Valley Police & Crime Commissioner			156,430	156,430
0	1,587,630	1,587,630			0	1,347,942	1,347,942
			<u>Precepts, Demands and Shares</u>				
22,322,840		22,322,840	Central Government		24,188,148		24,188,148
17,858,275	11,028,539	28,886,814	West Oxfordshire District Council		19,350,518	12,146,690	31,497,208
4,464,569	87,097,466	91,562,035	Oxfordshire County Council		4,837,630	93,166,089	98,003,719
	12,882,633	12,882,633	Thames Valley Police & Crime Commissioner			13,807,727	13,807,727
44,645,684	111,008,637	155,654,321			48,376,296	119,120,506	167,496,802
			<u>Charges on the Collection Fund</u>				
157,147	475,567	632,714	Write-offs of uncollectable amounts		409,888	335,878	745,766
1,441,901	(539,682)	902,219	Increase / (decrease) in Bad Debt / Appeals Provisions	G3	(1,618,430)	54,612	(1,563,818)
174,021		174,021	Cost of Collection		174,447		174,447
310,768		310,768	Disregarded Amounts - Renewable Energy Schemes	G4	339,051		339,051
2,083,837	(64,115)	2,019,722			(695,044)	390,490	(304,554)
46,729,521	112,532,153	159,261,674	Total Expenditure		47,681,252	120,858,938	168,540,190
(1,349,697)	(76,226)	(1,425,923)	(Surplus) / Deficit for the Year		1,329,718	(120,641)	1,209,077
1,737,496	(2,225,098)	(487,602)	(Surplus) / Deficit brought forward		387,802	(2,301,324)	(1,913,522)
387,802	(2,301,324)	(1,913,525)	(Surplus) / Deficit carried forward	G5	1,717,520	(2,421,966)	(704,446)

NOTES TO THE COLLECTION FUND

G1. Council Tax System

Under the council tax system, West Oxfordshire District Council must collect enough money each year from local residents to cover the cost of the services we provide, which are not funded by other sources such as government grants and fees and charges.

Council Tax was introduced on 1 April 1993, and is a property based tax. The District Valuer valued all domestic property in the area and placed them into one of nine bands. In order to set the Council Tax, the Council estimates the number of dwellings in each of the nine valuation bands and convert these estimates into an “equivalent number of Band D dwellings”. The table below shows the calculation for 2025/26.

Band	Total Chargeable Dwellings	Band 'D' Conversion	Band 'D' Equivalent Chargeable Dwellings	New Regulation Adjustments	New Band D Equivalent Chargeable Dwellings
A*	2.00	5/9	1.11		1.11
A	1,254.70	6/9	836.47		836.47
B	4,498.05	7/9	3,498.48		3,498.48
C	15,762.75	8/9	14,011.33		14,011.33
D	10,607.75	1	10,607.75	-2,123.30	8,484.45
E	7,260.25	11/9	8,873.64		8,873.64
F	4,325.25	13/9	6,247.58		6,247.58
G	2,856.75	15/9	4,761.25		4,761.25
H	374.50	2	749.00		749.00
Total	46,942.00		49,586.61	-2,123.30	47,463.31
Collection rate %					98.50%
Plus MOD contribution					1,089.67
TAXBASE					47,841.03

The total number of “equivalent Band D dwellings” is divided into net budget requirement to arrive at an “average Band D Tax” per dwelling. Dwellings in bands below “Band D” will pay proportionately less than this average and dwellings in bands above “Band D” will pay proportionately more than this average.

The above calculations resulted in an “average Band D Tax” of £2,439.44 per dwelling for 2025/26 (2024/25 £2,324.06) This included precepts payable to Oxfordshire County Council, the Police & Crime Commissioner for Thames Valley and West Oxfordshire District Council (but excludes amounts payable to the Town & Parish Councils within the district).

G2. National Non-Domestic Rates

Under the Business Rates Retention Scheme, the Council acts as both principal and agent, in that it is able to retain 40% of the net standard business rates collected within the local area as income within its own budget (net of tariff to central government), as well as 100% of net rates from properties relating to renewable energy schemes (Disregarded Amounts). The Council distributes the remaining net balance of standard business rate income to Central Government, who are allocated 50%, with the final 10% to Oxfordshire County Council.

NOTES TO THE COLLECTION FUND

Business Rate Multipliers and Rateable Value

	2024/25	2025/26
Total Non-domestic Rateable Value at 31 March (£)	118,774,053	141,306,527
National Non-domestic Rate Multiplier - Higher	54.6p	55.5p
National Non-domestic Rate Multiplier - Lower [Small Business]	49.9p	49.9p

The Business Rates receivable amount on the face of the Collection Fund Account is lower than the total of Non-domestic Rateable Value multiplied by the Non-domestic Rate Multiplier due to the award of various reliefs including Small Business Rate Relief, Retail Relief, Charitable Relief and other mandatory and discretionary rate reliefs.

G3. Tax Payers' Arrears & Provisions for Uncollectable Amounts

Provision has been made for uncollectable tax payers' debts. At 31 March the provisions on the Collection Fund were as follows:

	2024/25 £	2025/26 £
Council Tax	(1,438,731)	(1,493,343)
National Non Domestic Rates	(5,226,224)	(3,630,601)
	(6,664,955)	(5,123,944)

G4. Business Rates – Disregarded Amounts

From April 2013 the Council was allowed to retain 100% of the growth from the business rates associated with renewable energy sites. All such growth is transferred to the Council's General Fund.

NOTES TO THE COLLECTION FUND

G5. Collection Fund Balance Sheet Apportionment

The apportionment of the balances on the Collection Fund as at 31 March is as follows:

2025/26	West Oxon. District Council £	Oxfordshire County Council £	Central Govt. £	Thames Valley P&CC £
Council Tax	10.20%	78.21%		11.59%
Debtors	916,647	7,030,758		1,041,997
Bad Debt Provision	(152,276)	(1,167,968)		(173,099)
Prepayments and Overpayments	(241,147)	(1,849,618)		(274,124)
(Surplus) / Deficit at 31 March	(246,967)	(1,894,259)		(280,740)
Business Rates	40.0%	10.0%	50.0%	
Debtors	1,094,338	273,584	1,367,922	
Bad Debt / Appeals Provision	(1,662,278)	(2,077,848)	(415,569)	
Prepayments and Overpayments	(836,318)	(1,045,398)	(209,080)	
(Surplus) / Deficit at 31 March	858,757	687,007	171,756	

2024/2025	West Oxon. District Council £	Oxfordshire County Council £	Central Govt. £	Thames Valley P&CC £
Council Tax	9.93%	78.5%		11.61%
Debtors	823,044	6,499,960		961,412
Bad Debt Provision	(142,936)	(1,128,828)		(166,965)
Prepayments and Overpayments	(208,730)	(1,648,441)		(243,822)
(Surplus) / Deficit at 31 March	(228,633)	(1,805,622)		(267,070)
Business Rates	40.0%	10.0%	50.0%	
Debtors	922,373	230,593	1,152,967	
Bad Debt / Appeals Provision	(2,309,650)	(577,412)	(2,887,063)	
Prepayments and Overpayments	(1,108,610)	(277,153)	(1,385,763)	
(Surplus) / Deficit at 31 March	155,121	38,783	193,899	

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I. SCOPE OF RESPONSIBILITY

West Oxfordshire District Council ('the Council') is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for;
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The Council has a Best Value 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.

In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

In 2024/25, the Council developed and approved a Local Code of Corporate Governance ('the Code'), which was consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'). This statement explained how the Council has complied with the Code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the Council to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts. The Local Code of Corporate Governance was revised to include the addendum to the 'Delivering good governance in local government: framework published by Solace in May 2025. The application of this addendum is for annual governance statements for 2025/26 onwards.

With regards to this Local Code, the new addendum recommends the following:

CIPFA and Solace recommend that authorities adopt a local code of governance which sets out their governance arrangements, showing how governance principles are put into practice at their authority. The code should:

- clearly align to the principles in Delivering Good Governance in Local Government: Framework;
- take account of the best value statutory guidance or other statutory requirements of the appropriate national government;
- be up-to-date and reviewed regularly to ensure it takes account of changes in the authority and its environment;
- identify what arrangements the authority has put in place to achieve each principle, so it is specific to the authority;
- include values and behaviours as well as processes, as these influence the authority's culture; include how the code is reviewed and updated.

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In addition to this, CIPFA issued its 'Statement on the Role of the Chief Finance Officer in Local Government (2015)'. The Annual Governance Statement ('the AGS') reflects compliance with this statement for reporting purposes.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

The system of internal control is a significant part of the governance 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 on-going process designed to:

- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at the Council for the year ended 31 March 2026 and up to the date of approval of the Annual Statement of Accounts.

While financial savings have been delivered over the last few years, we have identified some areas where more resources are required, so additional support has been given in some areas and further reviews are being undertaken.

During 2025-26 the residents of West Oxfordshire have continued to face the challenges presented by the cost of living crisis. The Council has adapted the delivery of its services to meet the changing needs of the residents whilst coping with the financial challenges faced by all local authorities. Single year settlements restrict our ability to confidently plan for more than one year in advance and there is continued uncertainty over the timing of funding changes, such as Business Rates reset (pushed back to April 2026), and the significant impact of the phasing out of New Homes Bonus during the year.

3. THE GOVERNANCE ENVIRONMENT

The key elements of the Council's governance arrangements are outlined in the Code. The governance framework includes arrangements for:

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the Council's vision and its implications for the Council's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the Council's priorities and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the Executive, Non-Executive including Scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication;

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- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and employees;
- Establishment of a Members' Constitution Working Group to review and update Financial Procedure Rules, Contract Procedure Rules, Schemes of Delegation, Codes and Protocols, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit and Governance Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Arrangements for whistleblowing and for receiving and investigating complaints;
- Risk based Internal Audit Strategy and Annual Plan;
- Identifying the development needs of Members and Senior Officers in relation to their strategic roles, supported by the appropriate learning and development opportunities;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the Council's overall governance arrangements;
- Reports from external bodies such as the Local Government & Social Care Ombudsman, HM Revenue & Customs, Information Commissioner, Investigatory Powers Commissioner and Planning Inspectorate.
- Overview & Scrutiny Committee represents a public forum through which Councillors can monitor the implementation of the Council's policies and the quality of its services; make recommendations on the discharge of the Council's functions and/or matters effecting the district and hold the Executive to account for their decisions and actions.

The main areas of the Council's governance framework, and the key evidence of delivery, are set out below, under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Behaving with Integrity
 - Demonstrating strong commitment to ethical values
 - Respecting the rule of the law
-
- The roles and responsibilities of Members generally and all office holders are set out in the Council's Constitution, along with the way in which the various elements of the Council interact and complement each other. The Constitution is supported and underpinned by a

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separate Code of Conduct for Members and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues. This is further supported by Publica's¹ Business Conduct rules which set out guidelines for staff on behavioural issues and the Council's Employee Code of Conduct.

- The Council's Constitution is kept under constant review. This process is overseen by the Constitution Working Group which has a busy programme of work and recommends improvements and updates to full Council. In 2025/26 full Council adopted a new Risk and Management Strategy and a more robust Risk Register, the Council's Contract Procedure Rules was amended to reflect the new Procurement Act 2023 and adopted in March 2025.
- Declarations are made at meetings by Members, where appropriate, and are recorded in the minutes of the meeting and on the Council website. The Members' Code of Conduct requires Members to complete a register of interests and these are also recorded and published on the Council website.
- Registers of interest are reviewed and updated annually by Members and published on the Council's website. All declarations received by Members are recorded by the Monitoring Officer and published on the Council website (subject to the withholding of any "sensitive interests"). Records of gifts and hospitality offered to councillors are also published to the website where these are declared by the Councillors. Regular reminders are sent to Councillors about registering interests and declaring gifts and hospitality, including at the start of the civic year and approaching the Christmas period.
- An employee declaration is completed annually by all employees. A register of gifts and hospitality is maintained by the Executive Director Workforce Strategy & Transformation – Governance & Risk and is reviewed by the Monitoring Officer.
- Policies and procedures are in place, which are reviewed periodically and / or as changes are made to ensure compliance with laws, regulations and best practice.
- All HR policies, 37 in total, have been reviewed and approved by Council via the Performance and Appointments Committee in the case of new policies or under the Chief Executives delegation where changes were made due to legal updates.
- The Monitoring Officer and Section 151 Officer report directly to the Head of Paid Service and are members of the Senior Leadership Team ('the SLT').
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures / statutory legislation. Where non-compliance is identified, this is reported to the SLT and to Members via the Council's Audit & Governance Committee.
- The Whistleblowing Policy was included within the Constitution in 2024/25 and is now managed, monitored and reviewed three yearly or as required. A counter-fraud unit working across Gloucestershire and West Oxfordshire helps to prevent and detect fraud and corrupt practices, including misuse of power. The service reports to the Audit and Governance Committee and the Publica Board's Audit and Risk Assurance Committee twice a year.
- Training is compulsory for Members exercising regulatory functions through the Development Control Committee and its Lowlands and Uplands area planning sub-

¹ Publica Group (Support) Limited is a local authority owned company, jointly owned by Cheltenham Borough Council and Cotswold, Forest of Dean and West Oxfordshire District Councils.

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committees, the Standards Sub-Committee (of the Audit and Governance Committee) and the Licensing Committee and its two sub-committees.

- An annual summary of Member Code of Conduct Complaints is considered by the Audit and Governance Committee, most recently on 26 June 2025 and lessons learnt endorsed.
- There are safeguards in the Constitution for handling planning and licensing applications from Members and Officers and the Probity in Planning Guidance was adopted by Council in 2024/25.
- Meetings are minuted, with decisions and actions recorded appropriately. The Council continues to publish decisions taken by Members and Officers, in line with statutory and constitutional requirements.
- The Council provides regular updates to Members through a programme of regular (at least monthly) member briefing sessions on key Council services and major issues affecting the district (e.g. local government reorganisation and devolution).
- There is an annual programme of member training which is overseen by the Audit and Governance Committee each March. Members now also have access to selected courses via the Council's e-learning platform and are signposted to external training opportunities e.g. through the LGA.
- The Communications Service remains fully mobilised to ensure communications through all our channels to support public health advice / information / messaging and Council service and support information to reach audiences externally and internally.
- The Council has audited all its policies and holds a central register of all relevant policies including their review dates. This allows corporate oversight to ensure policies are up to date.

B. Ensuring openness and comprehensive stakeholder engagement

- Openness
- Engaging comprehensively with institutional stakeholders
- Engaging with individual citizens and service users effectively

- Annual accounts are published in a timely manner to help communicate the Council's financial position and performance.
- The Council's Corporate Plan 2023 - 2027 was reviewed and adopted in January 2023. This is available on the Council website setting out the Council's vision and corporate priorities.
- A new communications protocol was approved by Council in January 2024 setting out the role of the Team and the way in which it supports the Council including during sensitive periods, such as pre-election periods, All Committee, Executive and Council reports clearly outline their purpose, so the community can understand what is trying to be achieved. Reports also address financial, legal, equalities, risk and climate and ecological implications to aid understanding of the potential impact of their recommendations. Where required, Executive reports are accompanied with a Sustainability Impact Assessment. This was introduced in summer 2025 and aims to maximise climate, environmental and socio-economic benefits in project development and decision making.
- The roles and responsibilities of the Executive, Non-Executive, Scrutiny and Officer functions are defined in the Council's Constitution.

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- A Scheme of Delegation of powers to Officers is included within the Constitution.
- Communication channels for Publica and Council employees include one-to-ones and team meetings. Corporate communications include weekly update emails, an online portal and employee briefings.
- A Customer Feedback form is available publicly for handling comments, complaints and compliments and the Council's website includes different ways for customers to give feedback or access services. A customer satisfaction survey was carried out on the telephone service provided, with the Council receiving high satisfaction scores being ranked third in the country.
- A new customer complaints process was introduced in April 2025 which complies with the newly published Ombudsman Code for Complaint Handling.
- The Council maintains clear channels of communication with all sections of the community and other stakeholders, using multiple channels to reach different audiences. This includes social media, digital newsletters, email, local media, an annual all district mailout and other channels as appropriate with the aim of keeping residents informed of council activity.
- A new protocol for webcasting all Council Committee Meetings was approved in January 2024 at Full Council enabling greater transparency and community engagement in Council Meetings following the refurbishment to the Council Chamber into a multi-functional venue available for hire by the wider community. This continues to be in place.
- The ability for members of the public to ask questions at Executive, Full Council and Committee meetings.
- A report is produced quarterly regarding the performance of the Council's services and the achievement of its aims and objectives. The report is presented to the Executive, discussed at the Overview & Scrutiny Committee and published on the Council's website. The format of the report has been enhanced to provide a narrative and clearer information on Council priorities and KPI's.
- The Council publishes transparency data on its website which includes supplier payments, senior management structure charts and the Annual Pay Policy Statement. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information requests and the procedure that will be followed to answer the requests.
- A Locality Leadership Team, comprising the Head of Paid Service, the S151 Officer, Monitoring Officer, Director of Place and Publica Directors, meet monthly to discuss projects, performance and risks and reports to be brought forward to the Executive.
- A report on the Council's Strategic Partnerships is considered by Full Council annually.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Defining outcomes
 - Sustainable economic, social and environmental benefits
-
- The Council's vision and corporate priorities are contained within the Council Plan 2023 - 2027 which was adopted by Council in January 2023. This sets out the high-level areas of focus, and what the Council hopes to achieve on its own or in partnership with others.

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These priorities are supported by the Code of Corporate Governance as good governance should underpin all the work of the Council.

- The Council introduced an updated service planning process in 2025 to start planning for the 2026/27 financial year. This process ensures all services areas have considered their activity and it is agreed with the Senior Leadership Team. These plans define the outcomes for each service area over the coming financial year
- The Council updated its project management approach in 2025, updating key project documents to ensure good project management practice. It also audited all live projects and updated the corporate reporting process. The Senior Leadership Team, Leader and Informal Executive all receive regular updates on the progress of key projects.
- An annual business planning process is also conducted by Publica, which is informed by the corporate priorities, legislation and government guidance. All the areas of focus (corporate priorities) are underpinned by the following principles:
 - Putting Residents First
 - Enabling a Good Quality of Life for All
 - Creating a Better Environment for People and Wildlife
 - Responding to the Climate and Ecological Emergency
 - Working together for West Oxfordshire
- Detailed proposals arising from the corporate priorities are individually assessed and are included within decision making reports.
- Budget Procedure Rules have been adopted to ensure full engagement in the budget cycle.
- Contract Procedure Rules have been updated and approved by Council following the implementation of the Procurement Act 2023.
- The financial implications of delivering against the Council's priorities are included within the Council's Medium Term Financial Strategy ('MTFS'), revenue budgets and capital programme. These key financial documents are updated annually during the budget setting process. Variance to budget is reported quarterly.
- As part of its MTFS the Council assesses its forecast financial position and updates its assumptions about the resources available to, and the investment needs of, the Council.
- The Council is facing continued financial pressure from general and wage inflation. These are being incorporated into subsequent iterations of the MTFS and mitigations regarding costs are being developed.
- A Transformation Group has been established to help steer the Council's response to the challenging financial environment, guide the preparation of a sustainable MTFS consistent with the Council Plan, and oversee the delivery of the Council's work programme in terms of service transformation, investment and revenue generation.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes

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- The Council has, with three other councils, created a company, Publica Group (Support) Ltd, to deliver more efficient and improved services. Where appropriate, processes have been or are being aligned to ensure consistency across the partner councils, without compromising local priorities. In recognition that Publica is a significant contractor of the Council, the Council monitors its performance by:
 - Considering Publica’s Annual Report at Council;
 - Considering Publica’s draft Business Plan annually at the Overview and Scrutiny Committees and Executive in February/March each year;
 - Requiring representatives from Publica to attend the Overview & Scrutiny Committee to support discussion on quarterly performance and other reports;
 - Receiving monthly “Keeping You Connected” updates by email from Publica to all Members;
 - Inviting Publica senior Officers to attend monthly Informal Executive meetings to discuss progress against the Business Plan and Corporate Plan
 - Creation of quarterly WODC retained Officers/Publica Executives meetings where performance and progress against Corporate Plan priorities is a key agenda item.
- A review of Publica was undertaken, and in response to this, a number of services have been transferred from Publica to direct council delivery. All other services continue to be delivered by Publica following the Phase 2 transition which took place in July 2025 and the final Phase 3 transition on 1 April 2026.
- The Council has run a service planning process to ensure service delivery is aligned to the Council Plan and MTFs. This is part of the Corporate Planning and Performance Framework which sets out how to Council proactively manages its services and performance to ensure a high level of service delivery and progress against the Council Plan.
- In addition to the creation of Publica, the Council continues to secure savings through improved use of its assets and investments.
- The Council is also a Shareholder in Ubico, which delivers the Council’s environmental services including waste and recycling collection services. The Council is focusing on ensuring effective governance arrangements are in place for this wholly owned company.
- The Council has processes in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities. Corporate processes such as risk management, performance management processes, budget monitoring and other management processes are designed to capture and incorporate these external factors and to enable the Council to respond appropriately.
- The strategic risk register is reviewed regularly by the Senior Leadership Team, Informal Executive, and reported to the Audit & Governance Committee. This has been reviewed to ensure all required risks are escalated and reported.
- Projects and services retain their own risk registers and should escalate any high or strategic risks to the Senior Leadership Team and Publica as appropriate for consideration.

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The Management Team reviews risk registers bi-monthly and escalates any emerging risks to the strategic register which is considered by Informal Executive and A&G Committee on a quarterly basis. Significant progress has been made in improving the identification and reporting of risks and improved communication and processes to ensure risks are appropriately escalated to the strategic register and visible to the Senior Leadership Team.

- Key performance indicators are measured and reported quarterly. Significant work has been undertaken to develop service performance reports which are presented to the Executive and the Overview & Scrutiny Committee.
- Budgets are prepared annually in accordance with objectives, strategies and the MTFs, following consultation with residents, Members and Officers. The budget procedures rules, contained in the Constitution, were reviewed and amended in November 2023.
- The Council has processes in place to assess its performance including lessons learnt to ensure continuous improvement and value for money.

As we move forward, we will continue to analyse the impact of the cost-of-living crisis and how that may impact our strategic priorities. The Council will continue to work with residents and local businesses to review and respond to their changing needs.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Developing the entity's capacity
 - Developing the capability of the entity's leadership and other individuals
- The Council has developed a People Strategy to ensure it has the right employees, in the right places to deliver its services and the Council Plan, building on the work delivered through Publica. It covers how the Council supports its employees, helps them develop professionally and manage performance – including developing leadership capability. In delivering against this strategy the Council is providing ILM training and Action Learning Sets to its managers to help develop management and leadership skills.
 - The Constitution contains schemes of delegation for executive and non-executive (Council) functions. These are reviewed and revised as structures change.
 - Financial Procedure Rules (FPR's) are in place and are currently being reviewed with an updated version presented to the Constitution Working Group and the Audit and Governance Committee, who has responsibility for the overview of the FPR's, during 2025/26 in advance of being presented to the Annual Council Meeting for adoption in May 2026.
 - An induction programme is available to new employees and Members. Training is also provided for both Members and Officers on an on-going basis as appropriate and necessary. Members on certain Committees (e.g., Planning, Standards and Licensing) are required to undertake training before attending the Committee meetings, and to attend further training to remain up to date and improve their knowledge.
 - Officers undertake regular 121 meetings with their line manager. As part of these 121 meetings, Officers discuss work plans/tasks and any training requirements associated with

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the successful delivery of the work plan. Officers are encouraged to complete Continuing Professional Development (CPD) as relevant to their professional qualifications and service areas hold budgets to ensure that training can be undertaken to maintain skills and knowledge.

- Training is also provided for Officers on an on-going basis as appropriate and necessary with CPD being undertaken by Officers accredited to professional bodies.
- The Head of Paid Service, the Section 151 Officer, the Monitoring Officer and the Leader of the Council have clear statutory responsibilities. Roles and responsibilities are contained within the Constitution along with the Member/Officer Protocol and Monitoring Officer Protocol.
- The iHasco online training facility has been further developed to create a suite of mandatory and service specific training. Selected courses can now also be accessed by Members.
- Mandatory Officer Cyber Ninja training has been undertaken with a specific tailored on-line module created for and rolled out to Members. Data Protection and cyber protection refresher training continued to be rolled out to Members during 2025/26.
- A Leadership Development Programme has been run for senior managers within Publica and the Council. All Senior Managers have received Carbon Literacy training with Silver accreditation being achieved.

F. Managing risks and performance through robust internal controls and strong public financial management

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

- The Council explains and reports regularly on activities, performance and the Council's financial position through reports to its Executive and Committees. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:
 - Quarterly Performance Reports, publicly reported to the Executive.
 - Externally audited accounts including an Annual Governance Statement.
- The Senior Leadership Team reviews the Strategic Risk Register on a monthly basis and also presents the Strategic Risk Register to Informal Executive. The Strategic Risk Register is reported to the Audit & Governance Committee at least on a twice-yearly basis.
- Risks are identified when undertaking Internal Audit reviews and reported when necessary. The Council, through the S151 Officer, is able to flag any areas of concern to be added to the work of the Internal Audit team in the coming year.

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- The work of the Internal Audit team is reviewed and challenged by both the S151 Officer and the Audit and Governance Committee.
- Performance Management measures the quality of service for users to ensure services are delivered in accordance with the Council's objectives and represent best use of resources.
- Performance is measured on a regular basis through the quarterly KPI dashboards and reported to Members and the Executive. From March 2026 the Senior Leadership Team will also be receiving monthly performance reports.
- Minutes of meetings are published and highlight the challenge made by Members to Officers and to Executive Members.
- The Internal Audit service is provided by South-West Audit Partnership Internal Audit Services ('SWAP') and is run in partnership with other local authorities.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members, SLT and the S151 Officer. The Audit Plan is approved at the Audit & Governance Committee prior to the financial year.
- Audit reports, once completed, are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to the Audit & Governance Committee, on a quarterly basis.
- Recommendations made in audit reports are followed up 6 months after the completion of the audit and priority 1 and 2 findings are reported to the Audit & Governance Committee. Recommendations not implemented within that time scale are reported to the S151 Officer and to the Audit & Governance Committee.
- The Audit & Governance Committee's Terms of Reference are contained within the Constitution. Training is provided to Members on various aspects of the Committee's functions and responsibilities (internal audit, external audit, statement of accounts, risk, counter-fraud, treasury).
- The CIPFA self-assessment was carried out by the Audit & Governance Committee in the last quarter of 2023/24 with the results being assessed at Committee in March 2024 recommending to Council to reduce the numbers on the Committee from 15 to 11, not to appoint Executive Members, to recruit up to two IP's and produce a tailored training programme. These recommendations were agreed at the Annual Council meeting in May 2024. The Council has since successfully recruited 2 Independent Members who provide challenge and support to the Committee as non-voting members. An annual report of the work undertaken by the Committee during 2025/26 will be presented by the Chair to the Annual Council meeting.
- The Counter Fraud and Enforcement Unit supports the Council and other third parties. Where investigations identify possible improvements to the internal control framework the Counter Fraud and Enforcement Unit will liaise with the Internal Audit team to ensure the improvements are followed up and implemented by management.
- The Council's Data Protection Officer has responsibility for Data Protection policies and ensuring that Officers and Members are informed and appropriately trained. The Council has appointed the Director of Place as the SIRO. The annual report of the SIRO will be presented to the first Audit & Governance meeting in the new Municipal Year.

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- The Council has invested in its cyber security capability to increase its resilience against a cyber-attack, by implementing additional security solutions, recruiting additional staff and resourcing an ongoing training programme to maintain the impact of this investment.
- Audit reviews ensure data is held securely whether electronically or hard copy.
- A review was undertaken of the Overview and Scrutiny function one-year on from the replacement of three committees with a single committee. A survey was circulated to all Members and Senior Officers and the results were reported to the Constitution Working Group and the Overview and Scrutiny Committee in spring 2025. The report identified a number of further improvements to the function and the proposal to reduce the size of the Overview and Scrutiny Committee from 24 to 15 Members was agreed at the Annual Council meeting in May 2025.
- The Independent Remuneration Panel (IRP) met in January 2025 to undertake a mid-term review of the Council's Members' Allowances Scheme 2023-27. The recommendation was considered at the full council in July 2025. Council has since asked its IRP to review the allowances for planning chairs in view of the Council agreeing to merge its two area planning sub-committees into a single district-wide sub-committee. The IRP will consider this specific request ahead of the next full review which is scheduled for Autumn 2026 so that a new members' allowances scheme can be in place for 1 April 2027.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- **Implementing good practice in transparency**
- **Implementing good practices in reporting**
- **Assurance and effective accountability**

- Data in respect of transparency is published on the Council's website.
- The Council's Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the Council has met its governance reporting obligations.
- External Audit recommendations are reported to the Audit & Governance Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported.
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed up and reported to the Audit & Governance Committee, further follow-up is planned if recommendations have not been actioned in full.
- The Council has a process for the receipt and processing of freedom of information requests made under the Freedom of Information Act and environmental information requests under Environmental Information Regulations. The process was reviewed in 2024/25 to improve efficiency.
- There is a presumption that all reports and the associated annexes to be considered in public meetings will be published. The Council's Legal Officer is consulted in circumstances where reports or annexes contain information which is considered to be exempt from publication.

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4. REVIEW OF EFFECTIVENESS

The Council has 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 the senior managers, the annual opinion from the Head of Internal Audit, the Corporate Governance Group and comments made by the External Auditors and other review agencies and inspectorates.

The Council's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

Statutory Officers, Directors, Executive Directors, Assistant Directors and Heads of Service/Business Managers are required to complete an Annual Assurance Statement at the end of the financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.

The Senior Leadership Team (including the Chief Executive, Section 151 Officer, the Monitoring Officer and Directors) review the Strategic Risk Register on a monthly basis and Service/Project Risk Registers are maintained by each Head of Service/Business Manager.

The Projects, Governance, Performance and Risk Management Group meets monthly to discuss and action matters such as new operational policies, staff declarations of interests/gifts and hospitality, audit recommendations, cyber security and GDPR updates/breaches register and counter fraud updates along with an update from the Head of Legal.

The SWAP Assistant Director (Head of Internal Audit) provides the Audit & Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the Council, which includes its governance arrangements.

Investigation of, and decisions on, allegations of failure to comply with the Members' Code of Conduct are considered and determined by the Monitoring Officer and the Standards Sub-Committee taking into account the views of the Independent Person.

The Council have three Independent Persons ('IP's') as a result of appointing an additional two IP's, under the Localism Act 2011, during 2023/24 to ensure resilience if there was an absence or conflict of interest situation.

Induction processes are provided for newly elected Members, including a comprehensive welcome pack and a welcome session which includes training on the Code of Conduct. Training will also be provided on Data Protection and Cyber Security as part of the induction process for new Members.

Training and awareness sessions are carried out for the Audit & Governance Committee in relation to Internal/External Audit functions, risk, counter fraud, the statement of accounts and treasury annually.

Bishop Fleming have been appointed, by the Public Sector Audit Appointments (PSAA), as the External Auditors for the period 2023/24 to 2027/28.

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The External Auditors present regular progress reports to the Audit and Governance Committee.

The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit & Governance Committee.

Quarterly performance reports, including the budget position, are presented to the appropriate Informal Executive, demonstrating performance management against agreed performance indicators and budgets.

The Audit & Governance Committee reviews the Annual Statement of Accounts, including the final AGS, the Capital, Investment and Treasury Management Strategies and quarterly progress reports from Internal Audit (SWAP) a Full Council approves the annual budget and reviews and approves the Capital, Investment and Treasury Management Strategies following recommendations from the Audit & Governance Committee.

Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the relevant Director/Head of Service/Business Manager.

The Annual Internal Audit Opinion for 2024/2025, in respect of the areas reviewed during the year, was one of "Reasonable" Assurance, that there is a generally sound system of governance, risk management and control in place.

The Council's Financial Procedure Rules and Contract Procedure Rules are kept under review and revised periodically, with new Contract Procedure Rules adopted in March 2025 and updated Financial Procedure Rules recommended for adoption in May 2026.

Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government & Local Care Ombudsman and reports from SWAP or Bishop Fleming are also reviewed.

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5. REVIEW OF GOVERNANCE ACTION PLAN FOR 2025/2026

In preparing the previous AGS for 2024/25 and reviewing the effectiveness of the governance arrangements as part of our continuous improvement approach, a number of areas were identified where the Council needed to focus attention and improve arrangements over the financial year 2025/26. These areas of work were planned to strengthen the control framework and are set out in the table below and were due to be completed by 31/03/26.

	Key Area of Focus	Planned Actions	Update	Responsible Officer / Date	Status
1	New service delivery models	<ul style="list-style-type: none"> To complete the phase 2 transition of services To ensure new services are embedded into the WODC culture 	<ul style="list-style-type: none"> Phase 2 transition was completed 1 July 2025. Where gaps in the structure existed on transfer, recruitment has been completed. Work on our People and Culture strategy has been concluded with our values and behaviours agreed and signed off at an all staff briefing in Dec 2025. 	CEO 31/03/2026	Complete
2	Council Constitution	<ul style="list-style-type: none"> Undertake a full review of the Council's Constitution and Scheme of Delegation to reflect the new service delivery model following phase 2 transfer of services 	<ul style="list-style-type: none"> Update has been completed following phase 2 in year revisions approved by Council via Constitution Working Group. 	DG 31/03/2026	Complete

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3	Business Continuity	<ul style="list-style-type: none"> • Further develop business continuity plans to ensure they are robust and fit for purpose under the new service delivery model • To test the business-critical Business Continuity Plans 	<ul style="list-style-type: none"> • A new Business Impact Assessment (BIA) Tool is currently tested and has been rolled out across the council. • Meetings have been setup with the various services, commencing with the higher risk / critical services first. • The BIA's have been completed by services and these will then inform the BCP. • This action will roll forward into next financial year. Good progress is being made on the new process, and whilst this is being implemented, existing BCPs continue to be reviewed. 	Executive Director Gov 31/03/2026	On Going Carry Forward
4	Procurement	<ul style="list-style-type: none"> • To ensure officers are trained and competent in the new Procurement Act 2023 • To develop a toolkit for use by officers who undertake procurement 	Training undertaken in person and toolkits have been produced and are available for use.	BP Proc 31/03/2026	Complete
5	LGR / Devolution	<ul style="list-style-type: none"> • To ensure WODC and our partner organisations are prepared / ready in advance of LGR / Devolution • To place our employees in the best position possible, through training, development and support. 	<ul style="list-style-type: none"> • Three Unitary Proposals were submitted to government on 28 November 2025 • The Government will make a decision in Summer 2026 on which proposal best meets 	CEO 31/03/2026	Ongoing Carry Forward

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		<ul style="list-style-type: none"> To ensure WODC are in the best financial position possible pre and post LGR / Devolution. 	<p>their criteria, with a government run consultation held in the early part of 2026.</p> <ul style="list-style-type: none"> Work is underway with Publica to consider potential options to ensure employees and services are protected. Training, development and support is being put in place for our employees and partner employees. This action will roll forward into the next financial year. 		
6	Service Plans	<ul style="list-style-type: none"> To have service plans in place for all business areas, delivered directly by the council and its partners 	<ul style="list-style-type: none"> A revised service plan template for 26/27 was approved and work was undertaken to populate the service plans for 26/27 with the process completed resulting in Plans in place across WODC and Publica that have been reviewed by the SLT in early 2026. 	Service / Business Managers 31/3/2026	Complete
7	Financial Management	<ul style="list-style-type: none"> The Financial Procedure Rules are currently in the process of being reviewed in advance of being submitted to the Constitution Working Group (CWG) and Council for approval later in the year 	<ul style="list-style-type: none"> The Financial Procedure Rules and processes have been reviewed in advance of being submitted to the Constitution Working Group (CWG) and Audit & Governance 	CFO 31/03/2026	Complete

ANNUAL GOVERNANCE STATEMENT

			Committee and then onto Annual Council for approval		
8	WODC specific policies	<ul style="list-style-type: none"> To ensure all WODC specific policies are up to date and comply with relevant legislation To produce new policies and procedures where required. 	<ul style="list-style-type: none"> 33 HR Policies have been reviewed along with other WODC Polices following a Corporate Policy Audit and the creation of a Policy Development Framework New corporate policy register tracks all policies and gives oversight. 	Service / Business Managers 31/03/2026	Ongoing Carry Forward

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6. In preparing this statement for 2025/26 and reviewing the effectiveness of the governance arrangements as part of our continuous improvement approach, a number of areas have been identified where the Council needs to focus attention and improve arrangements over the next financial year 2026/27. These areas of work are planned to strengthen the control framework and are set out in the table below and due to be completed by 31/03/27.

Notes and key

Each action in the plan is marked with a 'traffic light' as follows:

Green	On target
Amber	Off target but action being taken to ensure delivery (where this results in a reviewed target date, this is made clear in the table)
Red	Off target and no action has yet been agreed to resolve the situation
Complete	Action has been completed

Completed actions are marked as such in the 'Date' column and are shaded grey

This action plan contains actions from the Annual Governance Statement 2025/26 which are coordinated and monitored by the WODC Senior Leadership Team.

Key to officers:

Accountable officer (AO)

CEO - Chief Executive: Phil Martin

CFO - Chief Finance (S.151) Officer: Madhu Richards

DG – Director of Governance: Andrea McCaskie

HoC – Head of Communications & Corporate Strategy: Mark Pritchard

Publicly Responsible officer (RO)

Risk & Gov - Risk and Governance Officer: Sandrine Mangin

EDCS – Exec Director, Corporate Services: Claire Locke

ADWS – Exec Director Workforce Strategy & Transformation: Cheryl Sloan

ANNUAL GOVERNANCE STATEMENT

	Key Area of Focus	Planned Actions	Update	Responsible Officer / Date	Status
1	Council Constitution	<ul style="list-style-type: none"> To keep the Council's Constitution under regular review and update it as necessary to reflect legislative changes, best practice and agreed governance arrangements, ensuring it remains current, accessible and supports effective decision making bringing any changes to the constitution working group. 		DG 31/03/2027	
2	Business Continuity	<ul style="list-style-type: none"> Complete the new BIA and Business Continuity Process for all Council and Public services Test the business-critical Business Continuity Plans 		EDCS 31/03/2027	
3	LGR / Devolution	<ul style="list-style-type: none"> To ensure WODC and our partner organisations are prepared / ready in advance of LGR / Devolution To place our employees in the best position possible, through training, development and support and HR practices. To ensure WODC are in the best financial position possible pre and post LGR / Devolution. 		CEO 31/03/2027	

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4	WODC Legacy	<ul style="list-style-type: none"> • To celebrate the achievements of WODC ahead of LGR <ul style="list-style-type: none"> ○ To collate a history of deliverables by WODC which can be celebrated by residents and employees 		HoC 31/03/2027	
5	Procurement	<ul style="list-style-type: none"> • Fraud Toolkit to be developed • Regular communication programme to keep employees informed 		CFEU 31/03/2027	
6	Community Governance Review (CGR)	<ul style="list-style-type: none"> • To consider undertaking a CGR focused on the civic boundaries of Carterton and Witney noting that any changes will not take effect until after the May 2027 elections 		DG 31/03/2027	
7	WODC Specific Policies	<ul style="list-style-type: none"> • To ensure all WODC specific policies are up to date and comply with relevant legislation • To produce new policies and procedures where required. 		31/03/2027 Service Business Managers	

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APPROVAL OF LEADER AND CHIEF EXECUTIVE

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed on behalf of West Oxfordshire District Council:

Andy Graham
Leader of the Council

Date:

Phil Martin
Chief Executive

Date:

GLOSSARY OF TERMS AND ABBREVIATIONS

A

Accounting Basis vs Funding Basis: The accounting basis recognises income and expenditure when earned or incurred, whereas the funding basis reflects statutory transactions affecting council tax and reserves.

Accounting Period

The period of time covered by the accounts, normally a period of 12 months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accounting Statements

The Council's Core Financial Statements and Supplementary Financial Statements.

Accruals

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which no payment has yet been made or received at the Balance Sheet date.

Actuarial Gains and Losses (Pension Schemes)

Changes in the net pensions liability that arise because events have not matched assumptions at the last actuarial valuation or because actuarial assumptions have changed.

Amortisation

A term used to refer to the charging of the value of a transaction or asset (usually related to intangible assets or deferred charges) to the Income and Expenditure Account over a period of time, reflecting the value to the authority, similar to the depreciation charge for non-current assets.

Appointed Auditors

The Local Audit and Accountability Act 2014 includes a statutory requirement that a local authority's annual Statement of Accounts be subject to external review by a duly appointed external auditor. From 2018/19, the responsibility for the appointment of said external auditor has been devolved to Public Sector Audit Appointments (PSSA) for Local Government Authorities that have opted into its national scheme. Bishop Fleming is the Council's appointed auditors for the period 2023/24 to 2027/28.

Approved Institutions

Funds that are not immediately required may be invested but only with third parties meeting the credit rating criteria approved annually as part of the Council's Treasury Management Policies and Practices.

Asset

An item having value in monetary terms. See also Current Assets, Non-Current Assets and Financial Asset.

Asset Ceiling: A limit applied under IAS 19 that restricts the pension asset recognised on the balance sheet to the amount recoverable

Asset Ceiling Adjustment: Adjustment applied to restrict pension surplus recognition

Audit of Accounts

An independent examination of the Council's financial affairs.

B

Billing Authority

A local authority responsible for collecting Council Tax and National Non-Domestic Rates.

Budget

The forecast of net revenue and capital expenditure over an accounting period.

Business Rates Pool: A partnership of local authorities sharing growth in business rates income.

GLOSSARY OF TERMS AND ABBREVIATIONS

C

Capital Expenditure

Expenditure for the acquisition, provision or improvement of non-current assets, which will be of long-term value to the Council, providing services beyond the current accounting period.

Capital Programme

The capital schemes the Council intends to carry out over a specified time period.

Capital Receipts

Money received from the disposal of non-current assets or the repayment of grants and loans, which is available for financing future capital expenditure.

CIES: Comprehensive Income and Expenditure Statement – shows the Council's income and expenditure for the year in accordance with accounting standards.

CIL: Community Infrastructure Levy – a charge on developers to fund infrastructure

Collection Fund

A statutory fund maintained by a billing authority, which is used to record local taxes and Non-Domestic Rates collected by the authority, along with payments to precepting authorities and the billing authority's General Fund.

Community Assets

Assets which the Authority intends to hold in perpetuity, that have no determinable finite useful life and that may have restrictions on their disposal, e.g. parks, historical buildings. See also Non-Current Assets.

Consistency

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

Contingency

Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income.

Contingent Asset

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

Contingent Liability

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
- a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount cannot be measured with sufficient liability.

Council Tax

The main source of local taxation for local authorities. Council Tax is levied on households within its area by the billing authority and the proceeds are paid into the Collection Fund for distribution to precepting authorities and the Authority's General Fund.

CPI: Consumer Price Index – a measure of inflation

Creditors

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

Current Assets

Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities

GLOSSARY OF TERMS AND ABBREVIATIONS

Amounts which will become due or could be called upon during the next accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities as a result of employee service earned in the current period.

Curtailement (Pensions)

An event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

D

Debtors

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

Depreciation

The estimated benefit of an asset consumed during the accounting period, owing to age, wear and tear, deterioration or obsolescence.

DFG: Disabled Facilities Grant – funding to support adaptations for disabled residents

Defined Benefit Pension Scheme: A pension scheme where retirement benefits are based on salary and years of service

Depreciation: The reduction in value of an asset over its useful life

Direct Revenue Financing (DRF)

Resources provided from an authority's revenue budget to finance the cost of capital projects.

E

Earmarked Reserves: Reserves set aside for specific future purposes or risks.

Equity

The Authority's value of total assets less total liabilities.

Equity Instrument

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Events After the Reporting Period

Those (non-adjusting) events, both favourable and unfavourable, of such materiality that their disclosure is required for the fair presentation of the Statement of Accounts, which occur between the Balance Sheet date and the date on which the Accounts are signed by the responsible financial officer.

Exceptional Items

Events or transactions that fall within the ordinary activities of the Authority and need to be disclosed separately due to their size to give fair presentation of the accounts.

External Audit

The independent examination of the activities and accounts of local authorities in order to give an opinion as to whether the Statement of Accounts have been prepared in accordance with legislative requirements and proper practices, and to ensure the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

F

Fair Value (FV)

The price an asset could be exchanged for in an arm's length transaction less any grant.

GLOSSARY OF TERMS AND ABBREVIATIONS

Fees and Charges

Income raised by charging users of services for facilities, e.g. leisure centres, trade refuse, etc.

Finance Leases

A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. Accounting guidance requires that it should be presumed that such transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment, amounts to substantially all (normally 90% or more) of the fair value of the leased asset. The present value is calculated using the interest rate implicit in the lease.

Financial Asset

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

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

Financial Instruments

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liability

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

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

FVOCI/FVPL: Categories for financial instruments measured at fair value through Other Comprehensive Income or Profit and Loss.

G

General Fund (GF)

The main revenue fund of a billing authority, used to meet day-to-day spending.

Going Concern: The assumption that the Council will continue operating in the foreseeable future.

Government Grants

Grants made by the Government towards either revenue or capital expenditure to support the cost of providing the Authority's services. These grants may be specifically towards the cost of particular schemes or to support the revenue spend of the Authority.

Gross Expenditure

The total cost of providing the Authority's services before taking into account income from government grants and fees and charges for services.

Growth

Any increase in spending from one year to another which enables the Authority to pay for more services rather than to meet higher costs.

H

Hereditament

A property or piece of land treated as one unit for business rates purposes.

GLOSSARY OF TERMS AND ABBREVIATIONS

Housing Benefit (Rent Allowance)

An allowance to persons on low (or no) income to meet, in whole or part, their rent. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefit provided and of the running costs of the service to local authorities.

I

Impairment

A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment)

Income

Amounts that the Authority receives or expects to receive from any source, including fees and charges, sales and grants.

Infrastructure Assets

Non-current assets belonging to the Authority which do not necessarily have a resale value e.g. highways, and for which a useful life span cannot be readily determined.

Intangible Assets

Non-financial assets which do not have physical substance but are identified and controlled by the Authority through legal rights e.g. IT Software.

Interest Receivable

The money earned from the investment of surplus cash.

Inventories

Items of raw materials and stores an authority has procured to use on a continuing basis and which it has not yet used.

Investment Property

Land and Buildings non-current assets held only for investment potential.

J

Joint Arrangement

An arrangement under which the participants engage in joint activities but do not create a legal entity because it would not carry on a trade or business of its own.

L

LGR: Local Government Reorganisation – restructuring of local councils into unitary authorities.

Lease Liability: A liability representing future lease payments under IFRS 16.

Liability

A liability is where the Authority owes payment to an individual or another organisation. See also Contingent Liability, Current Liabilities and Financial Liability

Local Council Tax Support Scheme

Assistance provided by billing authorities to adults on low incomes to help pay their Council Tax bill. The cost is borne by the Council.

Long-Term Assets

Non-current and other assets which can be expected to be of use or benefit the Authority in providing its service for more than one accounting period.

GLOSSARY OF TERMS AND ABBREVIATIONS

Long-Term Liabilities

Amounts which will become due or could be called upon beyond the next accounting period.

M

Materiality

The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements to a reader.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for repayment of debt as required by the Local Government Act 2003.

MiRS: Movement in Reserves Statement – shows changes in reserves over the financial year.

MTFS: Medium Term Financial Strategy – the Council's financial plan over a rolling 3–5 year period.

N

National Non-Domestic Rates (NNDR)

A levy on businesses, based on a national rate in the pound set by the Government, multiplied by the rateable value of the premises they occupy.

Net Book Value (NBV)

The amount at which non-current assets are included in the balance sheet.

Net Debt

The Authority's total borrowings less cash investments.

Net Expenditure

Gross expenditure less specific service income.

Net Interest on the Net Defined Benefit Liability (Pensions)

The net interest expense - the change during the period in the net benefit liability that arises from the passage of time.

Non-Current Assets

Property, plant and equipment and other assets that bring longer term benefit or service potential to the Authority.

Non-Operational Assets

Assets held by the Authority but not directly occupied, used or consumed in the direct delivery of services, e.g. assets in the course of construction and surplus land.

O

Operating Leases

A lease other than a Finance Lease (see above). The future obligations relating to operating leases are disclosed to provide the reader with an estimate of the outstanding un-discharged obligations in relation to such leases.

Operational Assets

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

Other Comprehensive Income (OCI): Items of income and expenditure not charged to the General Fund, such as revaluation gains.

Outturn

Actual income and expenditure in a financial year (accounting period).

P

Past Service Costs (Pensions)

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

Pension Fund

An employees' pension fund maintained by an authority, or group of authorities, in order to make pension payments on the retirement of its participants; it is financed from contributions from the employing authority, the employee and investment income.

Precept

A levy made by one statutory body (Precepting Authority) on another to meet the net cost of its services.

Precepting Authorities

Those authorities that are not Billing Authorities, i.e. do not collect the Council Tax and National Non-Domestic Rates. Police authorities are 'major' precepting authorities and town and parish councils are 'local' precepting authorities.

Prior Period Adjustments

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provisions

Amounts set aside for the purposes of providing for any liability or loss which is likely or certain to be incurred but is uncertain as to the amount or the date on which it will arise, e.g. bad debts.

Prudence

The concept that income should only be anticipated to the extent that it will be received, as cash or other assets, with reasonable certainty and full and proper allowance should be made for all known and foreseeable losses and liabilities.

Prudential Code

The CIPFA Prudential Code for Capital Finance in Local Authorities – the guidance applicable from April 2017 for the greater freedom for authorities to borrow to fund capital investment (under the Local Government Act 2003). This Code requires the Authority to set and monitor a suite of Prudential Indicators, including its Affordable Borrowing Limit, and produce a capital strategy to give weight to local circumstances and explain their approach to borrowing and investment.

Publica: Publica Group (Support) Ltd – a shared services company delivering services on behalf of partner councils.

R

Rateable Value

The annual assumed rental value of a hereditament that is used for NNDR purposes.

Revenue Expenditure Funded by Capital Under Statue (REFCUS)

Expenditure of a capital nature but for which there is no tangible asset, e.g. renovation grants.

Related Parties

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

- One party has direct or indirect control of the other party; or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests: or

GLOSSARY OF TERMS AND ABBREVIATIONS

- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interest.

Examples of related parties to an authority include Central Government, Local Authorities and other bodies precepting or levying demands on the Council Tax, its Members, its Chief Officers and its Pension Fund. For individuals identified as related parties, it is also presumed that members of the close family, or the same household, or any partnerships, companies in which the individual or a member of their close family, or the same household has a controlling interest, are deemed to be related parties.

Related Party Transactions

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. The materiality of related party transactions is judged not only in terms of their significance to the Authority, but also in relation to its related party.

Reserves

Amounts set aside in the accounts for the purpose of meeting general, future expenditure. Reserves may also be used to smooth the cost of certain activities over a number of years. A distinction is drawn between reserves and provisions (see above), which are set up to meet known liabilities.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Return on Plan Assets (Pensions)

Changes during the period in the net benefit liability that arises from the passage of time excluding amounts included in Net Interest on the Net Defined Benefit Liability.

Revenue Expenditure

Spending on day-to-day items including employees' pay, premises and transport costs and supplies and services.

Revenue Support Grant

A general grant paid by the Government to Council's contributing towards the costs of their services.

Right-of-Use (ROU) Asset: An asset recognised under IFRS 16 reflecting the right to use a leased asset.

S

Specific Grants

The term used to describe all government grants, including supplementary and special grants, to local authorities other than Revenue Support Grant and capital grants.

S106: Section 106 agreements – developer contributions linked to planning permissions.

S31 Grant: A grant paid by Government to compensate for business rates reliefs.

T

Taxbase: The number of chargeable properties used to calculate council tax income.

Teckal Company: A company structure that allows councils to award contracts without procurement under specific conditions.

Total Cost

The actual cost of services reflecting all of the direct, indirect and overhead costs that have been incurred in providing the service, even where the expenditure is not under the control of the service's chief officer.

TUPE: Transfer of Undertakings (Protection of Employment) – protects employees when services transfer between employers.

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U

UKSPF/REPF: UK Shared Prosperity Fund and Rural England Prosperity Fund – government grant programmes.

Ubico: Ubico Ltd – a company providing environmental services such as waste collection.

Unusable Reserves: Reserves that cannot be used to fund expenditure (e.g. revaluation reserve, pension reserve).

Usable Reserves: Reserves that can be used to fund expenditure or reduce council tax.

W

Work In Progress

The cost of work carried out on an uncompleted project at the Balance Sheet date, which should be accounted for within the accounting period.

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